

Lake Ashton

Community Development District

Carol Pontious, Chair

Borden Deane, Vice Chair

Brenda Van Sickle, Assistant Secretary

Bob Ference, Assistant Secretary

Mike Costello, Assistant Secretary

July 13, 2018

Lake Ashton

Community Development District

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

July 6, 2018

Board of Supervisors Lake Ashton Community Development District

Dear Board Members:

The regular meeting of the Board of Supervisors of the Lake Ashton Community Development District will be held on July 13, 2018 at 9:00 a.m. at the Lake Ashton Clubhouse Ballroom, 4141 Ashton Club Drive, Lake Wales, Florida 33859.

- 1. Roll Call and Pledge of Allegiance
- 2. Public 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)
- 3. Approval of the Minutes of the Lake Ashton CDD and Lake Ashton II CDD Joint Meeting held on May 11, 2018 and the Minutes of Lake Ashton CDD Meeting held on June 8, 2018
- 4. Engineer's Report
- 5. Unfinished Business
 - A. Consideration of Amendment to Contract with Community Watch Solutions
 - B. Consideration of Agreement with Vivonet for POS System
 - C. Discussion on Fiscal Year 2019 Budget
 - D. Discussion on Fiscal Year 2019 Capital Projects
 - E. Discussion of National Golf Foundation Report will be provided under separate cover
- 6. New Business and Supervisors Requests
 - A. Acceptance of Audit for Fiscal Year Ending September 30, 2017
 - B. Discussion of Hurricane Prep Plan (requested by Supervisor Costello)
 - C. Discussion of Rules Chapter III (requested by Supervisor Pontious)
- 7. Monthly Reports
 - A. Attorney
 - B. Community Director
 - 1) Monthly Report
 - 2) Consideration of Quotes for Parking Lot Resurfacing / Restriping will be provided under separate cover
 - 3) Consideration of Quotes for Bowling Alley Scoring System- will be provided under separate cover
 - C. Field Operations Manager Monthly Report
 - D. CDD Manager Discussion of Financial Disclosure Report from the Commission on Ethics *everyone has filed*
- 8. Financial Reports
 - A. Approval of Check Run Summary
 - B. Combined Balance Sheet
- 9. Public Comments
- 10. Adjournment

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

The regular meeting of the Board of Supervisors of the Lake Ashton Community Development District and Lake Ashton II Community Development District was held on Friday, May 11, 2018 at 11:30 a.m. at the Lake Ashton Health & Fitness Center, 6052 Pebble Beach Boulevard, Winter Haven, Florida 33884.

Present and constituting a quorum:

Carol Pontious Chairman
Borden Deane Vice Chairman
Brenda VanSickle Assistant Secretary
Bob Ference Assistant Secretary

Mike Costello Assistant Secretary

Doug RobertsonChairmanJames MecsicsVice ChairmanStanley WilliamsAssistant SecretaryCarla WrightAssistant SecretaryDaniel MurpheyAssistant Secretary

Also present:

Jillian BurnsDistrict ManagerDarrin MossingDistrict ManagerAndrew d'AdeskyDistrict Counsel

Numerous residents

FIRST ORDER OF BUSINESS

Roll Call and Pledge of Allegiance

Ms. Burns 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 it to the District Manager prior to beginning of the meeting)

Mr. Robertson: I have one audience comment request form. Mr. Velebir?

Mr. Velebir: I am asserting my ability to speak later.

Mr. Robertson: Ok, thank you. In the West we have a slightly different format than in the East. If someone has a request to speak, they can speak at the beginning and if at some point, if they have done that because they wanted to speak something when we had a vote on that particular item, then they have another two minutes later on once the Board has had their conversation so they have a two minute opportunity to talk before we take a vote on something. That is the only difference. So Mr. Velebir said he wanted to speak at some point possibly on the golf course amenity policy.

THIRD ORDER OF BUSINESS

Discussion on Status of Golf Course Negotiations (requested by Supervisor Mecsics)

Mr. Robertson: First subject is the Discussion on the Status of Golf Negotiations, requested by Supervisor Mecsics.

Mr. Mecsics: I just asked that this be put on our joint agenda because it is a joint thing working as one community to approach this situation we have with the golf course. I know our two Chairpersons have been working diligently to come up with that and I believe there is some paperwork to go with that. At this point I am going to turn it over to both of them for their discussion on it.

Mr. Robertson: Thank you. I am going to go through some of my thoughts here to help people understand the various perspectives. Carol Pontious, Darrin, and I were tasked with getting information from the golf course. We have gone through a process. We had one formal meeting with Jim Lee about a month ago where we discussed pieces.

Ms. Burns: Supervisor Murphey has joined the meeting.

Mr. Robertson: All Board members are present. To try and put things in perspective so people understand when we went through all the pieces it is going to take

a while to get through all the pieces of it because it is pretty complicated and we don't know all the answers yet. Right now to put a boundary on what we are talking about is if we were to purchase a golf course the financial risk to the individual homeowners within the community at this point in time looks like it might be between nothing and \$20 a month, \$250 a year is the limited exposure that we believe we would have if we purchased a golf course. I will get through all the pieces so when we talk about all the different things let's keep in mind that the current risk of buying a golf course from what we have seen is between no annual fees to maybe \$250 a year to support golf course operations. That puts things in perspective because I have heard people say I am going to sell and leave this community, I don't want to have anything to do with a golf course. Understanding from what we can see, the total risk right now is about \$250 a year if that at the top end. So then one of the things we looked at is what happens to this community if there are no golf courses. We made the analysis of we have all this greenspace in the community, which is currently mostly golf course, what do we do with the greenspace if there is no golfing. We still would have to maintain it in some format. We would still have to have a process of maintaining the bridges so we could turn this into a non-golfing community. Everybody can decide if they care or don't care about any change in their house values, but we got bids from our current company Yellowstone and we put them together. If there is no golf course to support our greenspace maintenance, the cost to live in this community would go up by \$750 a year to maintain the greenspace. That is from official bids we have gotten. Obviously we are going to try and would have to try and get a better price if we could, but in the order of magnitude it is about \$750 to run this community and maintain our greenspace. I don't think that is an option that I even want to consider from my perspective. Right now the golfers are paying 80 to 90% of the cost and they are doing it, while they don't like the fees necessarily, they are paying 80 to 90% of the cost to run the golf course and have the greenspace for all of us. If we were to change that then we would have no golf course and we would have that expense anyway, so keep that in perspective. I looked at the choice of this again, \$250 a year. That's from using let's say 1,650 homes, which is approximately the number, we could generate only if we were to take that money and put that as a supplement to how we operate our golf course. I talked to Mr. Maxwell and said if we were to generate that kind of income to support the golf course operation your golf course would not be losing any money, you would not be wanting to sell it. You would want to continue in operation because there are lots of people who said that he wants to stay because of the lots and wants to stay for other reasons. His answer came back very clear. That is a very generous offer. Not that it was an offer because I am not authorized to do that. It was a conversation of what would happen if we could make you this offer. He said that is a very generous offer. The golf course would be profitable but the answer is no, I don't want to run a golf course anymore. I am 73 years old, I have my grandchildren to play with, and I want to do other things. I don't want to be running Lake Ashton's golf course. I am saying but I could give you an opportunity to run this thing where you can actually generate profit rather than generating a loss. He said I understand that thank you very much, but I don't want to run a golf course anymore. That kind of set me back a little bit. I thought we had an opportunity to say let us buy the land so that no one else could come in and try and develop. We could own the land so that we could then protect our community and then you run the golf course for us because I know a lot of people including myself don't want to run a golf course. So would you consider running the golf course for us? His answer was no, I don't want to do that. So I said alright, we are done. I don't have anything else to say. I do not know how to do anything else but say I am going to walk away. There is nothing else to offer. This week when I finished playing golf on Tuesday, Jim Lee was in the Eagle's Nest and he said one more thing, we have now gone through our process and we have found a marketing company that will market these golf courses for us. Because it is a golf course that is not earning any money there is two ways to sell a golf course based on multiples of earnings, or if the golf course is not making money and everybody has heard there is lots of golf courses in the country that aren't making money but there is a whole professional business that revolves around that. They sell golf courses as a percentage of gross revenue. So they say 90% of the gross revenue is a reasonable number to sell the golf course because there is still revenue. There are still opportunities to try and figure out how to work it better. They have already selected the company. They will put this golf course on the market through their marketing company for around \$1,800,000. That was the number that was given to me. They will sign that contract in about 45 to 60 days. Like for us we have asked for data. They haven't given us all the data yet. A lot of it is done by Jim Lee, who is an accountant, and he has been busy with tax season. Up until the end of tax season Carol and I only got a couple of pieces of paper from him. He is now saying alright, I will continue to get all this data for you and give it to you but if you can't see your way clear to at least starting negotiations with us, the window closes for us when I put it for sale through this marketing company. That should take 45 to 60 days. That leaves us a window of opportunity to look at whether we want to pursue the opportunity of buying it. The difference between our owning it versus somebody owning it is if somebody else owns it here are things that happen; they continue to pay all the taxes on the land which we would avoid. If they pay in the order of \$1,800,000 for the property there is reasonable expectation that they want to generate income off of that and so if we took a number say 10% of just the sales price that is \$180,000 that they would hope to siphon out of the community in terms of gross margin to repay their investment. So they need \$180,000 and they also need about \$150,000 to \$200,000 to pay for the taxes that we wouldn't have to pay. So from a standing start between the two sides their expenses are about \$400,000 more than ours I am told that somebody is going to buy in that order of magnitude. The marketing company said it takes about 350 days right now. That is the average time it takes to sell a golf course. So that is one offer. We can just say no thank you, pass, and he will go off and sell the golf course. It will take maybe a year to sell the golf course, and he will sell it for some price between \$1,500,000 and \$2,000,000 depending on what types of bids he gets. That is a professional expectation from the company in Tampa that he is dealing with. I didn't collect the name of the company. He told me the name of the company but it was irrelevant for our conversation at this point in time. Now the third option is what he said to us was I'll still come back and said, I still will offer you which is different from the first thing. I would agree with you that I would sell the golf course, the Eagle's Nest, all the

machinery and everything for \$470,000. If you recall if you were in the last meeting I netted that with these costs and he said I am going to get all the revenue from the other courses, I want \$3,000,000 for my golf course. I immediately subtracted all those things I am not paying for that. I netted that out. So he came back and said \$470,000 is a reasonable number that I would accept. I will also give you a long term lease on the building which is where the maintenance shed is where we do the maintenance. Without owning or having access to that maintenance is hard to run the golf course. He would include that. Once this whole place is built out he will change that building into selfstorage which he will rent to people who choose to use it. The part that is currently used for golf course maintenance would be leased to us at no charge or included in the price. So basically he said I will give you the land for nothing if you pay me \$470,000 for the Eagle's Nest building and all the machinery I have, or I will go and sell it to somebody else at a higher price and once I sign the contract with another company my offer to you is off the table because I have a contract with another company. Just like when we sell our houses, if you find the buyer on your own once you sign the contract you still have to pay the real estate fees and everything else. Not trying to do anything nefarious, but in about 45 days to 60 days I will have all my documentation to give to this other company and I will sign a contract. If on the other hand you want to work with us I will still honor this lower price and I will work with you. I will give you all the same details that I would give the other company I will give you. I will give you all those details back to you so you can do your evaluation as well. That is what he told me on Tuesday. There was no formal meeting. He caught me basically in the hallway. He took me off from my buddies when everybody was having a beer. I wasn't. I have kidney stones. That is how he got a hold of me. I share this information with the community. So the way my perspective in looking at it, he considered \$250,000 a year more than enough to augment his golf course operations to make it successful. More than enough. If we were to do the same thing with an outside company or if we were to open it up and try and solicit outside memberships from Traditions and other places, legally we have an obligation that anybody in the public can come in and sign a contract with either CDD and become a member of Lake

Ashton. It is required by public law. Though we live here and we don't pay that fee there is a fee to be paid so that you can become a member of Lake Ashton. There is a public component to our community. If we are to go and try and get 50 new members from the outside we could make up the difference. We could have the money with added numbers. We could have enough money to not increase anybody's fees at all. As it gets built out we also have the opportunity for more members to come in. In my head I am trying to figure out what is fair for the whole community. If the whole community chipped in to pay the initial down payment or the initial price for the thing, then I would expect the golf course operations to reimburse the two CDDs for all the money that we would spend to buy the golf course. I would then expect them to set a goal of creating a goal of \$100,000 reserves. I have many people in my conversations, I have had open meetings in the public where people were worried to set a reserve in case a golf course green goes bad or something happens or some catastrophic event comes in the golf course I don't want you coming back to the CDD asking for money, create your own reserve to handle that and do that from your dues that you are collecting. Once that is accomplished, the CDDs are paid, there is \$100,000 in reserves, and then why don't you reduce your dues and look at other ways to generate revenue. There are a lot of people who go out of this community. I am told that there is one list that is 120 that leave this community to go somewhere else to play golf because they think it is too expensive to play here. We have an opportunity to change our fee structure to try and encourage our own members to come back and play here. I don't think like anything else we are not trying to earn money off the golf course, we would just like it to be an amenity that is available to as many people as possible. So if we could reduce the fees because we have better participation in general that would be better for our community. That is how I looked at the three options at this point in time. So we can say we are not interested, please go ahead and sign your marketing agreement and we will take the risk downstream. We will take the risk of what some new company will do. They may make money which would be nice for them or they may lose some money. I don't know the answer to that. I can't forecast that. The other option is for us to take that opportunity. We would then

control our own destiny. We would own our own land basically for no dollars we could own the land. If we own the land that prevents anybody else from trying to come in, rezoning it, redeveloping it or doing any crazy other things that people have talked about. We have talked about the opportunity for someone to rezone this is minuscule. I have said that people in the community and I have had counter arguments coming back to me saying if someone really wanted to come in and build condo's by the lake they could take the golf course. It is wide enough to build a condo and build their own retention pond. I think that is kind of crazy, but that is some of the arguments. We don't have any of those problems if we own the land, there is no risk of rezoning, there is no risk of anything else. Our risk is how well could we utilize and maintain the greenspace that we already own. Right now the best way to do that is through two golf courses. The golfers enjoy that amenity and they will pay the lion's share if not 100% of the cost of running the golf course. So from my perspective if we were to go forward, all I would want from this joint meeting is the Board to look at it and say tell us and decide if you want me or somebody else to continue doing the negotiation. That is one issue. The second issue, do we just say no thank you, go sell it to somebody else, or do we say yes, we are interested. We certainly don't have enough information yet and how do we then go and try to collect that information going forward. I am not asking for a decision to buy the golf course at this point in time. We don't know enough details. We don't have a clue what all the numbers are. I do know that there is a commitment now to assemble all those numbers so that an outside corporation could then market it. I have a commitment from them to give us that same information. So what we need from the Board is a direction to say we don't want to do this anymore, let's just let an outside company come in and buy it. We will live with the consequences, or do we want to pursue the opportunity to buy it at a significantly different price then what someone else would get it at. Those are our choices. If an outside vendor buys it and is successful then we are fine, the golf course continues to operate. We all have enjoyed maintaining our property values and the people that want to play golf. They will pay the added costs of having to run a course with higher costs than we have. If we decide to do it, we end up reducing some of the risk. We can't reduce

all the risks but that land is in our community. Whether we like it or not, that land is in our community and somehow it has to be maintained. So we could give somebody on the outside, they could try and get \$400,000 in income to pay the taxes and pay the return on their investment, or we could risk the same \$400,000 that we wouldn't have to spend to supplement the golf course. To me I would continue to try and negotiate with them and work out all the details. That would be my preferred course of action. It doesn't mean by saying that we would are committed to buy it. We just say yes, we are interested and we will go through the due diligence process. We would have to come up with all the dates and all the information as other Board members have said, what the salaries were and all the information. All that stuff has to come. The question is whether we want to do that or do we just want to let them go off and sell the golf course to somebody else. I came to the conclusion that he was serious when I made the suggestion that we could pay him \$400,000 a year to support the golf course operations. He acknowledged that was more than enough money and he said very nice deal, but I am leaving. That surprised me. I thought we might have makings of a deal that had some less risk for us, but he said no thank you. He really wants to be done with golf operations. So there is no motion on the Board. That is my report from what I have learned. Carol went to the first formal meeting we had. There is more data that is in this thing that talks about that. I guess we throw it out to discussion of how we want to go from here.

Mr. Deane: I think the benefit for us to own the golf course is there, but until we have the information to do it, I am for telling Mr. Lee or Mr. Maxwell or whoever it is that we are interested, I agree with that. We are interested, but we need all the information before any decision of any sort can be made.

Mr. Robertson: We have already made that commitment to the community before. We said we would hold public meetings with the community to explain everything. This is just an example. We would have open public meetings about what are our costs, what are our circumstances and do all that and solicit feedback from the community at large before we took a vote. You could put a motion on the floor to say let's buy it and I would vote against it because that would violate what we have already set up with the

community. We have told the community you need to know, you need to know the risks, you need to know all the pieces and so we are that point where he is saying if you are interested, I would like to go further and if you are not interested I am pursuing another path. It doesn't mean that we have to even buy it at the end of the process, we are just saying we are willing to invest our time to see if that a viable solution.

Ms. VanSickle: I think one of the things we were going to talk about today is the consultant, most importantly obtaining a consultant to get us that information. I think we also made a promise to the community that they were going to get a chance to weigh in on it. So I want us to be very cautious.

Mr. Costello: I agree that until we have a study done it is pretty hard to go forward with the decision. When you enter in a contract for a house you have somebody come in and do a home appraisal on it and everything else. I am not saying that I want to walk away from it, but by the same token I don't want to run into it. I want to go into it with a lot more knowledge then we have right now. I think like you said we want the input of the community also because they are the ones that are either going to benefit or suffer for it. I think that to give him any kind of a commitment other than we would like time to look into it I think would be wrong.

Mr. Robertson: Do we just walk away from it or continue the discussion? That is where we are. If they continue to do all these things we will have a good result.

Mr. Ference: There is no doubt about that. I ditto what everyone has said. We are going to ask for input and support from the community, but we are not going to send out a questionnaire out to every household and the majority wins. That is not the way you get input for any amenity in our community. Input is important but majority does not win. The majority of the people don't belong to the golf course. The responsibility is ours. That does not say that we do not encourage input because of other ideas, possibilities, etc. etc., but let's not forget we are in charge of making the decision not the majority of the members. It is not a popularity contest. So while we encourage input, we have to be mindful of the fact that we are not sending a questionnaire and the majority wins. We do or we do not, but the majority wants or does not want. Are we clear on that?

Mr. Costello: I am not saying every negotiation should be done by a referendum but I think the major part of our job here is to listen to what the people are saying. I think that we do have to find out what they are saying. Maybe I am wrong.

Mr. Mecsics: Mike, I agree with you. We made a commitment to this community when this first started going that we were going to listen and take in their advice and their feelings. I agree with you Bob that yes ultimately it is our decision but each and every one of these people out here voted for us to do the right thing. I think we owe it and are duty bound to give them that information.

Ms. VanSickle: I think it is very important because this could go either way. It could be a big risk, or you could be looking at quite an assessment to support this or as you are saying hopeful that it might cover itself but we don't know. There is a fear of the unknown so I think we have to listen to our people because they are ones paying for this.

Mr. Murphey: I think Brenda also mentioned about hiring the outside consultant to do a feasibility study. Are we still considering doing that? If we are would they be able to get us in this 45 day period?

Mr. Mecsics: I would like since we are discussing it and we're going to talk specifically about that because that is a crux of information that we need, I am not an expert in golf courses and if you saw my golf scores you would know that I am not an expert with golf. However, we need some experts to come in here and we talked about this as a joint meeting then maybe we need to have a motion for that to go forward with getting a consultant that will come, allocate or authorize the funding for that, then give them some parameters. They are going to be our contractors. We don't work for them they work for us. We give them a parameter of when we need it back and then we go forth with that. If you need a motion I will make that motion.

Mr. Robertson: Not yet. I think if we were to indicate that we are interested in continuing this process and that 45 day would expire. He would be willing to work with us. You will still do the same work over the next 45 days to get the information from an outside bidder. He has already agreed to give the same information to us. So if we were to say we were interested we would have I think more than 45 days because as we said

we have more things to do. If they were to give it to an outside person it still takes a year to sell the golf course so there is some time of a window in there. If we say no right now, in 45 days it goes for sale. If we say yes we are interested I think the deadline goes away.

Mr. Deane: I would like to make a motion that you tell Mr. Maxwell that we are interested in the golf courses. I believe that alleviates the time limits. Then we can do our due diligence and get the studies and the figures and everything else that we need to make a decision. I make that motion.

Mr. Mecsics: I second.

Mr. Robertson: There is definitely more discussion. Did you want to add in that motion that because we have already done the homework, Carol and Darrin, too, have the National Golf Association, have they given us a quote? Do we want to include the expenditure of those funds by separate motion?

Mr. Deane: Separate motion.

Mr. Robertson: Ok, we will leave that as a separate motion. Ok then is there any further discussion?

Mr. Williams: So far I agree with everything. The 45 to 60 days that was mentioned if we indicate that we want to go forward you said you yield, if we don't come to a decision within the 45 to 60 days will he pass that then onto the marketing company?

Mr. Robertson: Yes.

Mr. Williams: I don't know if it is possible, as you said it is probably another year before a sale would actually happen, I had a real estate license in a prior life in another state. I don't know what Florida state laws are, but I know that in some commercial real estate transactions we were able to put clauses in there that said he has a buyer at a given price and that no fees would be paid by that buyer or him if in fact it sold to that buyer. Something to that effect. Maybe Andrew can clarify that for me, I don't know, but we have had those kinds of clauses in those real estate deals. I would suggest that if we talk to him at the same time if Florida law allows that kind of thing that we put some kind of clause in there. That would be to me, would give us more time to evaluate and look at what is going on. It might be another way.

Ms. Pontious: Sounds similar to a right of first refusal.

Mr. d'Adesky: That is permissible under Florida law. If he is willing to give us a right of first refusal that is on his end. Also a standard thing in purchasing the sale of commercial versus the sale is the due diligence period. There is usually in most big deals I have worked on for example for Universal, there is a 90 day, sometimes even more of a due diligence period to investigate the deal and title and feedback information on that so that is also standard.

Ms. Pontious: I am somewhat offended by the 45 day thing. We have been trying to work with him for months now to get information to be able to assemble the facts and figures and he is the one that has been withholding the information. Been busy, I get that, but it has been on his side not ours that the lack of cooperation has been there. So I think he needs to back away from 45 days and if we are interested we need whatever time we need to get it worked out and if that expires then when we decide we are no longer interested in when he takes the ball from there.

Mr. Robertson: I understand that. I think we are misinterpreting the 45 days. It seems as though I wrote that into this documentation, my fault for not being accurate in what I am saying. He has said that is how long it is going to take for him to write a contract with an outside company. That doesn't mean that we have 45 days and that is it. Once he sends a contract then it is a done deal at that point, but if we express interest in doing something else I think that the window would definitely open. It is not a hard 45 days, more of a, that is what it is going to take to close this other deal, but if you are working with me on this deal I think that number instantly goes away. That is what he needs to make a deal with another company not with us. Now back to what Stan said we could tell him that we want to, in process with the other company that he has one bidder that is already available that the fees would be paid and I think that we could negotiate something like that. I did ask him in the same process, a term that is called a stocking horse, where you try and find the bidder on the outside to give you a price then you go underneath that. He said that he was not going to do anything like that. What I think is if we express interest he would work with us. He would give us the documentation

information and that could take a lot more than 45 days to go through up until the time that we are satisfied that we have done our part. We can't just string him along for a year to see what happens. He would give us time to go through our proper analysis.

Mr. Costello: Can I ask one question? Precisely what is included in the price of the \$470,000?

Mr. Robertson: From my understanding and again we have to go through the pieces. Included in the price of \$470,000 would be the Eagle's Nest, all the mowing machinery and equipment, all the golf course property, and a long term lease. He said 99 but that was Jim Lee just throwing it off the top of his head. He said a 99 year lease that is typical in some businesses. To take the piece of the maintenance building right now, there is the developer's offices and other things, there is a wood shop. No discussion of the woodshop at this point but the piece of that building that is used to maintain the golf course he would include that. He would not sell it to us because that is part of a different parcel of land but he would give us a long term lease on that so that we could then maintain the golf course. So you could partition off, people know over there that there is a gate that is kept locked right now right at the end of the building, they could make their access to the golf course through that gate as opposed to the other way. So if someone owns the land in the other direction and they are doing something else we would still have access to the golf course through a different gate. He has already thought those things through for us.

Mr. Williams: Other than the \$470,000 there would be no additional yearly fees for the maintenance?

Mr. Robertson: Correct.

Mr. Williams: Going back to the clause that I was talking about, even if we procrastinate and he decides in 60 days he is going to go, the clause goes with what he enters into that agreement so we wouldn't pay any fees. As far as I am concerned, there are other things in this document that I have concerns about or don't necessarily agree with, but until we have the other information there is no reason to go into all of this. There is no reason to discuss the document. It is just one person's thoughts.

May 11, 2018

Mr. Costello: The one thing I am trying to determine here is exactly what in the beginning, I was under the impression that it was going to include the sales office. What happened with that?

Mr. Robertson: I am sorry you got that wrong.

Mr. Costello: I may have, I make mistakes.

Mr. Robertson: Me, too. He put a different sales price on the sales office and on the RV storage. There was a separate price for each one of those entities. At our last Board meeting, we agreed that we could not buy the sales business because the resale business is a business. We shouldn't be in commercial business as a CDD. That brings me to one thing that helps, I have been told and I believe it to be true, that if you buy a resale house with their office they offer one year free golf membership. That is an opportunity because they are going to continue to run that business. If we said ok just for argument sake, say we agree to the \$470,000, but we say you know what, why don't we donate a portion of that in reserve and then as you sell houses you deduct. We will allow to add one more member to our golf course because it won't cost us anything to have an extra golf cart on the golf course, but we can compensate you by your free golf memberships as a way of us not giving you cash. So he still has that marketing opportunity which he likes to win the sales contracts. So there is a way of generating some revenue for us that way, as well.

Mr. Costello: Andrew, as our attorney, what is your legal opinion on this?

Mr. d'Adesky: You did include this speculated information in the report, which is very important and a pertinent factor. However, the x-factor is the bond debt in the O&M allocation. So if you have currently between two CDD's \$500,000 in par debt which is remaining debt which would need to be settled or reallocated. In addition you have \$50,000 in O&M debt, which would need to be reallocated and once again could be reallocated amongst commercial parcels or perhaps reallocated amongst the community at large which would involve an assessment increase.

Mr. Robertson: We are pretty stingy on how we spend money and Andrew has agreed that he doesn't want to spend any billable hours working on this unless it is a real thing. There are lots of questions that Andrew and I have and Carol have, but we are not

spending our money to have him research them unless we see that there is a reasonable thing going forward. That is why all of those questions aren't answered. We know that they are there, but they are waiting for the appropriate time to work on them.

Mr. d'Adesky: Until we have a deal and a structure, it is really not productive for me to go to research and say is this permissible, is this not permissible because let's say we were issuing additional debt or taking out a note that may or may not be permissible under certain indenture requirements of Lake Ashton or Lake Ashton II. We would have to investigate that but because we are fiscally responsible, we haven't done any of that work yet for either CDD.

Mr. Robertson: In the initial information that was given to us the very first meeting, there was an indication that if we wanted to go forward there was some flexibility on how this thing gets paid for. Why is he offering us a better deal than the outside? Well everybody has different opinions about him but I think that this is one of his major projects and he would rather look at it as being a success rather than a failure. He doesn't need all the money. He is one of those people that doesn't care how much money he has in one sense. He would rather leave a community that was successful and he can say, look at how beautiful it is. It is still that way even after I left the premises. I can't tell you how much, but there is some amount of that he is willing to let us to take over the golf course and make this a long going successful community without his involvement.

Mr. Williams: Can we clarify the motion and give him a chance to speak?

Mr. Robertson: The motion that we recommunicated with Mr. Maxwell, saying that we are interested in pursuing the idea of buying the golf course. We want all the due diligence information would be due to us to come to that and then a further commitment that we would all share that information with the community through public meetings before we make any formal decision. Is that fair?

Mr. Williams: And that was already seconded right?

Mr. Robertson: That was already seconded. I haven't heard from Ms. Wright yet.

Ms. Wright: I thought we were already at that point a long time ago.

Mr. Robertson: Ok, so Carla is ok. As a joint meeting we vote as separate Boards, two votes, same motion. Before we vote, we have to give Mr. Velebir a chance to talk.

Mr. Velebir: First of all, I think your Option 3 is terrific. Turns things around and to buy the golf course for virtually nothing is a good deal. As you said we are stuck with this big chunk of land one way or the other. It is going to cost us money and the golf course seems to be the best way. I think most people are not concerned about the purchase assuming you are going to take that out of reserves.

Mr. Robertson: That is one possibility yes.

Mr. Velebir: It has always been an ongoing maintenance. When you originally, when we were talking about this you were saying that the current agreement that the golf course has with the developer, I guess is that for every new home that is sold he gives the golf course \$9,250, which includes that one year golf membership, so what I wanted to know is in this deal what happens to that \$9,250 and are we still going to be obligated to provide a free year of golf? Thank you.

Mr. Robertson: Correct, good question. He would keep the reason we would get it for that price is that he would keep all those dollars going forward. The \$9,250 between the developer is not forever, that is just for the new house sales. Once they are sold that money goes away. For us as an entity if we own it having new members play for a year to see if they want to continue to play golf here is probably a good thing. It wouldn't cost us anything from a cash flow point-of-view. It is how it has worked always. That is how we get the price down from \$3,000,000 down to \$470,000. I will recognize you because you didn't know our rules, so please. You have two minutes.

Mr. Scali: Tom Scali, Dunmore Drive. Do we know what the current maintenance expenses are with the current developer? For the golf course?

Mr. Robertson: Yes, pretty much.

Mr. Scali: One of the concerns seems to be that you didn't want to run it. Is it possible that the CDD purchases the land and the people who are employed there want to continue to work here? Why not as a plan, let them continue to run it, just know what the costs are and go forward from there?

Mr. Robertson: Absolutely. That is clearly one our options. It is a complicated conversation. IMG is in here right now, International Golf Management. They do the maintenance. Their current contract is about \$100,000 a month to do their part of the deal. That is a piece right now. That goes up or down depending on what is going on. That doesn't prevent us from going continuing with IMG. We could go to Bill DeCasper Golf. We could go to other golf course operators and operate with them. That is still an option that we would have. We could use that as part of our due diligence to see where we wanted to go. None of those things are off the table. To me this issue is if we can end up owning the land and then that takes all the bad side risks away from us. Then as a community we try and figure out what is the best way to generate income from that land that keeps all of our maintenance fees down. Opening it up to more members on the outside, things like that, and reducing the membership dues to get more volume. We know that there is certainly more room on the golf course. Those are all things that we could do to make it nicer for people so that they wouldn't have to leave the community to play golf. They could play right here. We could have daily fees and stuff like that. The people who are avid golfers, they make their reservations a head of time and the people who are just walk-in golfers, they just come on the slots that are available on a daily basis. There are many ways to get maximum use of the golf course and for us to generate income so that it doesn't become any form of a burden on the entire community.

A resident: Do we know what his annual revenue is because in here we say that if a golf course is not making money, the normal sale is 90% of the annual?

Mr. Robertson: Correct.

A resident: How could we even be thinking about buying something unless we know the cost of what the money is bringing in? Anytime you go buy a commercial piece of real estate they know. I feel that this company that told him the golf course could sell for \$1,800,000, they have to know what his income is before they even come up with that. So right now they are on a better footing then we are. I don't believe the figures you have here are near correct. I can support it, but we need to know what his annual income is.

Mr. Robertson: I agree. There is an estimate that they gave to them that had the same kind of conversation that they have had with us. That is just the ball park. That is what the 45 days for them is to give them all that data that they are also going to give us.

A resident: So I estimate my house is worth \$500,000 and I know well that it is not worth \$500,000. Until we get that figure we can tell him yes, we are interested but we want to have the facts in front of us.

Mr. Robertson: Thank you. The way we get that figure is to say yes we are going to continue to negotiate but no one in this room wants us to buy the golf course today based on the facts we have. Not a single soul in this room. Does anybody want to buy the golf course today with the facts that we know? Great, we got not a single hand up that wants to do that. We want to get the data and we want to not let this opportunity pass by if it is a good opportunity. If it turns out to be a sour deal that won't work for us then we just take the chance of him selling it to somebody else and wish for the best.

Ms. Pontious: I think where he is getting these numbers is just round figures. This is not accurate. If you have 400 members and they are paying approximately \$5,000 a year that generates \$2,000,000. Now you have \$100,000 plus in just IMG fees, so you take that \$1,200,000 right there which gives us \$800,000 left. Now we have to pay salaries. Is that included in the IMG contract? We have to pay maintenance on the Eagle's Nest. We have to pay ponds, we have to pay bridges, and we have to pay expenses of operations, water, sewer, electric and all those things. There are just so many unanswered questions that you don't know if they are included in there or anywhere.

Mr. Mecsics: I think that is why we have a motion on the table. We need a motion from Mr. Deane who has put in that we do this and then we can take another motion as far as who we want to study for that. But let's get this thing going.

Mr. Costello: One of the things that you told me, Doug, was that us buying the golf course as a government entity we don't pay taxes on it. Now due to the fact that we are collecting money and dues, does this become taxable at that point?

Mr. Robertson: I don't believe so. Andrew agrees with me.

Mr. d'Adesky: No, once again, the CDD can't collect O&M on our own property. That is not a factor.

Mr. Ference: We talked about needing more information. Can we move on and make a motion? Let's move on get the information.

Mr. Robertson: CDD II, all those in favor of pursuing the motion as stated?

On MOTION by Mr. Deane seconded by Mr. Mecsics with all in favor the Lake Ashton II CDD Board authorized continuing to obtain information with Mr. Maxwell to purchase the golf course.

Ms. Pontious: And those in favor of continuing to pursue as getting information only for CDD I?

On MOTION by Mr. Deane seconded by Mr. Mecsics with all in favor the Lake Ashton CDD Board authorized continuing to obtain information with Mr. Maxwell to purchase the golf course.

Mr. Robertson: Ok, so I guess the next item would be to look at the contract.

Ms. Burns: Everybody should have a copy in front of them handed out to all the Supervisors. If you look on page 5 there is a breakdown of the fees. The total cost for all the expenses is \$30,000. It would come out to \$15,000 per District. There are task orders I have listed on here as optional. If we did want to pursue those the total cost would be \$16,000 or \$8,000 per District. You can see the breakdown. We were discussing earlier the timing of this report and how long it would take. What they have listed here is about 60 days. They handed in their proposal in March. It was authorized April 2nd. They have to report to us by June 1st and 60 days is about their timeline to complete this report.

Mr. d'Adesky: Just an antidote, we had a golf course in another community and it was \$35,000 so this is a comparable rate.

Mr. Robertson: So then we have a motion for each Board to split the cost of \$30,000 to undertake a study by NGF to help us in our evaluation of this purchase.

Mr. Mecsics: Mr. Chairman, I make a motion that we undertake the study with NGF to split the cost and get all the information so that we can make a fact based decision.

Mr. Ference: I second that motion.

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Mr. Robertson: We have a motion. I don't know if there is any more discussion that we need to have on this.

Ms. Pontious: On the closed golf course real estate value impact, I am wondering if the O'Reilys out of the kindness of their hearts didn't give us enough information that we could eliminate that \$4,000 and do the first review and the second comprehensive physical review which is going to tell us I am sure what happens in the other part.

Mr. Mossing: I believe that you could lower that fee by that amount because there was a very comprehensive report behind it. It really did spell out that if the golf course closes, the results are going to negatively impact property values.

Mr. Robertson: So that is an option that we could take out so we can work out. The only other thing is, is the Board willing to have Carol and I and Darrin continue in this process to be the point people are involved. Do we wish to change it around at all? I don't see anything on that so you don't need a motion on that. Before we spend the money to execute the contract I would suggest that we contact Mr. Maxwell and tell him this is what we want to do so that he will give us time to do this evaluation. I don't want to spend the money unless he is cooperating. I am assuming he will, but I just want to make sure that is clear. We will not spend this money unless we get an agreement from Mr. Maxwell that this is appropriate. If he says no that tells us something too.

Mr. Deane: Can we get this agreement in writing?

Mr. Robertson: Yes.

Ms. VanSickle: I'd never agree to anything that wasn't in writing.

Mr. Robertson: This whole process of this information that we have that I shared today I made sure that I communicated to Mr. Lee based on what he gave me. I won't even present this unless you give me an email back verifying that is what you believe. We are writing all of this down to written communication so that it can't be confused.

Mr. d'Adesky: Supervisor Ference and Supervisor Mecsics, do you agree to the revised motion?

Mr. Mecsics: Yes, I do.

Mr. Robertson: Ok, Lake Ashton II. All those in favor?

On MOTION by Mr. Mecsics seconded by Mr. Ference with all in favor proposal from National Golf Foundation for an acquisition feasibility study was approved by the Lake Ashton II CDD Board.

Mr. Robertson: Everyone is in favor. Carol?

Ms. Pontious: Lake Ashton I, those in favor?

On MOTION by Mr. Mecsics seconded by Mr. Ference with all in favor proposal from National Golf Foundation for an acquisition feasibility study was approved by the Lake Ashton CDD Board.

FOURTH ORDER OF BUSINESS

Discussion of Common Amenities Policy (requested by Supervisor Robertson)

Mr. Robertson: I have a discussion of our common amenity policy. We have two amenity policies that are fairly close and we have always said that we are trying to operate as one community. I will take the opportunity now to add a little extra seriousness. If you notice the difference in how Mr. Mecsics is dressing and how I am dressing he is running for re-election folks. I am not, but I am wearing my t-shirt that we are one. West and East are one community. I would like to suggest that we create a committee that works out our amenity policies. We have a joint amenity policy. There is some things that are exclusive to either side, but that can be an addendum that says these are all the common things so everybody reads one amenity policy. If there is something that applies just to the East it is in Addendum 1 and if it is just the West, it is Addendum 2. That way we again are telling the community, one amenity policy, one community, so I would like to do that if I can get support from the two Boards.

Mr. Mecsics: Cooperativeness and working as one community, I think we appoint a member from each one of our Boards to sit down. You don't have to worry about the Sunshine laws and then work with the amenity policies with the two community directors and come up with one community amenity policy for both Boards that we agree on then work out whatever. One of the things that you would have to talk about is we

have to define what a guest is for this community because there is some concern about folks that do not have a buy in or are not a resident or a renter and we need to define what truly a guest is so we don't run into any problems. I will make a motion that we appoint from each one of our Boards to discuss this, work with the community directors and then come up with a draft common amenity policy for the Board's consideration.

Mr. Costello: Second it.

Mr. d'Adesky: Do you want to make that designation as part of the motion?

Mr. Robertson: Sure let's do the vote and then we can assign someone to do it. You want it in the motion?

Mr. d'Adesky: It makes it easier if it is part of the motion.

Mr. Robertson: Do we have a volunteer from CDD II to work on the amenity policy?

Mr. Williams: Let's everybody look down this way.

Mr. Mecsics: Congratulations. You noticed he wasn't looking at me.

Mr. Robertson: Mr. Williams has graciously offered.

Ms. Pontious: Do we have an offer from the East side?

Mr. Costello: Sure why not.

Ms. Pontious: Ok, Mike has volunteered to do it as well.

Mr. Robertson: Ok so we now have our two Board members. On CDD II, all those in favor of the motion?

On MOTION by Mr. Mecsics seconded by Mr. Costello with all in favor Lake Ashton II CDD designated Mr. Stan Williams from Lake Ashton II CDD to meet with the community directors from both CDDs to discuss a common amenity policy for both CDDs.

Ms. Pontious: On the East all those in favor?

On MOTION by Mr. Mecsics seconded by Mr. Costello with all in favor Lake Ashton CDD designated Mr. Stan Williams from Lake Ashton II CDD to meet with the community directors from both CDDs to discuss a common amenity policy for both CDDs.

Mr. Robertson: Thank you very much.

FIFTH ORDER OF BUSINESS

Discussion on Amenity Policies and Definition of What a Guest is and Propriety of Recurring Guests

(requested by Supervisor Mecsics)

Mr. Robertson: Discussion of Amenity Policy and Definition of what is a guest.

Mr. Mecsics: I think we covered that.

Mr. Robertson: That is going to be included as part of the discussion between Stan, Mike, Mary, and Christine. So Mr. Mecsics is happy with that.

SIXTH ORDER OF BUSINESS

Consideration of Joint Resident Feedback Survey

Mr. Robertson: Consideration of a joint resident feedback survey.

Mr. Williams: Wouldn't that be part of that?

Ms. Pontious: I don't think it is exactly. One is the amenity policy, that is a separate issue. We also do a feedback survey. In the past it has been done by the East, a separate survey then the one done by the West. As we were talking about doing ours a month or so ago we said let's wait until the joint meeting and see if we can come up with a plan to do one so that we knew who thought what, when and where all in one place. So I think that is who would like to work on the feedback survey, or maybe Christine and Mary can merge them with the best questions that you feel is appropriate. If you want help from us we are happy to help.

Mr. Deane: I make a motion that the two community directors get together to build a feedback survey for one community.

Mr. Mecsics: If I may, Borden, can we amend that so with your approval to give that a specific time period of once we send it out they have let's say 90 days to get that thing together and back out to the community so we are not going 6 to 9 months?

Mr. Deane: That is fine, 90 days.

Mr. Mecsics: Then I second.

Mr. Robertson: Any further discussion?

On MOTION by Mr. Deane seconded by Mr. Mecsics with all in favor Lake Ashton II CDD approved for Community Directors Christine Wells and Mary Bosman to put together a Joint Resident Feedback Survey with a 90 day turnaround timeframe after it has been sent out.

Ms. Pontious: CDD I joint feedback survey, all those in favor.

On MOTION by Mr. Deane seconded by Mr. Mecsics with all in favor Lake Ashton CDD approved for Community Directors Christine Wells and Mary Bosman to put together a Joint Resident Feedback Survey with a 90 day turnaround timeframe after it has been sent out.

Ms. VanSickle: Before we go on, we're talking about amenity policies and everything else we discussed, a letter that was going to go out about clubs and groups. We have the letter that Christine did a very nice job on but we thought it might be more meaningful if it went out jointly. Your Board needs to decide if they want to agree with that. We are ready for it to go out. We want it to go out.

Mr. Robertson: They want a vote now.

Mr. Mecsics: I think in fairness to Mary and our side, she should take a look at it. If she has no disagreement with it then I would recommend to our Board that we concur.

Mr. Robertson: I think it means that we just have a chance to understand it and if we have no objections we agree to do it.

Mr. d'Adesky: Yes, that is just staff direction, it doesn't need a motion.

Mr. Robertson: We are certainly in favor of doing it together.

Ms. Pontious: I think at this point it needs to go out, so we would like to give you maybe to the next meeting to meet together and decide if you want to do it as a community wide event or whether we will just do it on our side.

Mr. Robertson: We can do it within 30 days.

Ms. Pontious: Ok, sounds good.

Mr. Mecsics: But it will be a joint one.

Ms. Pontious: Yes, it will come from the joint sides.

SEVENTH ORDER OF BUSINESS Discussion of Card Access for Amenities

Mr. Robertson: Discussion of Card Access for Amenities. It doesn't say who put this on the agenda?

Mr. Mecsics: I will do it. Mike Costello and I were both designated at one of the meetings to take a look at this. We talked at great length at our own expense at Nini's Restaurant by the airport. You have to mix business with pleasure, looked at the facilities, the resources that we are protecting and I drew upon my experience in the security side of the house. There is a lot that goes into setting a full card access system. There is a lot of impacts both known and unknown. At this time we do not or at least Mike and I both said we don't see it as a viable aspect for this. However, with a company that I did work for at one time because they found how much it would cost as far as the infrastructure and then just the maintenance of it to come up with what we used to call a constable program. In that case people in the community would be considered to be constables and if they see some kind of infraction going on or someone that doesn't belong there they can bring that up. It gives a little more credibility as folks have a commitment taking care of their community.

Mr. Costello: I think that what we both determined was that even with card access you can with codes, you could go with so many different things that quite honestly it is nothing for me to hand another person my card. They are going to be able to use the amenities. The only way that you are truly going to get away with it, I remember when I was working in order to get in our communications center, we used to use fingerprint identification. It is just going to be an extremely expensive ordeal to even consider. You can go with that. You can go with face recognition. I think right now the best thing Jim and I came up with is we have to depend on the people that live in the community when they know that something is happening. When people are coming in using the amenities or attending different functions that they are not supposed to attend it is going to be up to them in order to help us help them. That is the way it goes. I don't think anybody wants to be part of being called a rat but by the same token you are spending your money

in order to keep these amenities running. I don't see where somebody should come in and just use them for free.

Mr. Deane: I agree with that. Have we thought about a gate access? A different gate access to come into the community because anybody can buy a clicker.

Mr. Costello: The problem being is the fact that these are considered public roads and anybody has access to this community.

Mr. Deane: They have to go through the gate. So the guard would have the information. We have lots of people that don't live here that have clickers to come in and out the resident gates.

Mr. Costello: That is going to be something that we are going to have to make some sort of a ruling where when the house is sold that we are assured that all of the gate passes are turned into the new owner.

Mr. Deane: They can't because I paid for it when I bought my house. You can't have it even when I sell my house because it is not sold with the house.

Mr. Costello: We will pay you whatever you paid for it.

Mr. Deane: People aren't going to do it. The sales personnel have them. They are not residents and never will be residents.

Mr. Costello: What do you suggest for the gate as far as being able to allow only residents in and keeping people who are prior residents out or other people?

Mr. Deane: They make a sticker that you put on your windshield. A bar code that you can eliminate when the house is sold.

Mr. d'Adesky: Just from a legal perspective, obviously they are public roads. We are obligated to have access through the visitor entrance but in terms of transponders your transponder policy clickers you can do whatever you want for that. We just had a District change their transponder policy, essentially issued new transponders.

Mr. Costello: The only thing there is the fact that they are going to come in through the gate, they are going to say I am visiting Joe Smith or going to the restaurant, whatever. They are going to do whatever they want to do once they get into the community. We can't follow each and every person. It is virtually impossible.

Mr. Mecsics: Borden, why don't you let Mike and I sit down like we did with the access card and we will look at our system that we have right now and see if there are any changes of what we have right now. How is that?

Mr. Deane: That is fine.

Ms. Pontious: I think what we need is something that the office staff can eliminate people when they are notified that someone has moved. It is just going into the equipment and eliminating them so there is no option of having any device to get in once you go out.

Mr. Robertson: The other thing that we will do is, and I have lived in a place that they have a bar coder reader, is your car drives up to a certain point and your bar code gets read. They know that it is your car and it also prevents people from as we all understand you press the button about 100 feet away and drive like crazy to get through the gate. It prevents all the stuff. You have to come up and get your bar code read before the gate will come up. The will eliminate some of the safety issues.

Mr. Costello: Jim and I will be more than happy to look into it. Like I said I don't think it is going to elevate the problem totally. I think is it going to slow it down some but I don't think it is going to end it.

Mr. Williams: We have been talking about after hours and I was just curious what is our responsibility of our staffs on both sides as far as watching people who are in the fitness room or in the bowling alley or whatever? Is there any responsibility of the staff to go around and check occasionally? Is that part of their job description?

Mr. Deane: The security people do it at the pool all day long.

Mr. Mecsics: Stan's concern there and I think we discussed this, Mary and I even Christine and I a little bit, every staff member has a responsibility to make sure our amenities are being used by the right people, whether they are security or not. We just don't rely on security. If you do, you are making a mistake. He is exactly right on that. I think it is inherit. As we were saying before it is inherit on all of us if you see somebody in there that doesn't look like they are supposed to be here or you don't know them. You can either ask them or have someone else do it.

Mr. Williams: So it is part of their job description.

Mr. Mecsics: Yes.

Mr. Robertson: We also just so you know, there have been some individuals who have lived here who have moved out and they start trying to come back and use the facilities. We have become aware of those people and have their picture available so we make it clear to them that if they are not paying they just can't come in and do that. It doesn't prevent in certain cases where individually they can invite anybody. If you are sponsoring somebody for an event that is ok but they have to be properly sponsored. I know there is a basketball group that plays. One individual from the community here likes to play basketball more aggressively than us other 70 year olds, and he gets some people from the outside. He signs them in every single week and they sign the liability waiver so they can play basketball with him.

Mr. Mecsics: I think that is part, Stan for you and Mike, part of our amenity policy is what defines a guest and what defines a recurring guest. That will fall into his area.

Mr. Robertson: Ok, no motion required, but any action will be taken for the next Board meetings.

EIGHTH ORDER OF BUSINESS Discussion of Community Security Patrol (requested by Supervisor Mecsics)

Mr. Robertson: Mr. Mecsics, would you please have a discussion on our community security patrol?

Mr. Mecsics: I wrote these down so I get the facts right. A little over a year ago we both completed our security contracts and we picked different companies to provide security officer services. The way I am looking at this approach is one of an agnostic approach and does not involve the ethnicity of the selection of either company when that occurred. I was asked if we could have a shared patrol between two different companies. From my perspective with over 45 years in the security area, my opinion was it was needed for an efficient or effective from a commanding patrol and operational standpoint. I still feel that way but there is an opportunity for both of our CDDs to have one act as an executive agent for the community patrol and operate it with his company. Lake Ashton

II currently has a 24 hour community security patrol versus the 18 hour patrol car that Lake Ashton I has. I propose that Lake Ashton II CDD become the executive agent for that function. They supervise the community with one consistent approach to the security patrol as well as present a cost savings for both Districts. In the case of Lake Ashton I you will probably be about \$30,000 and for Lake Ashton II about \$60,000. If agreed to, accommodations could be made to absorb some of those security officers into the existing structure of the company. The actual oversight for the patrol operations would be a cooperative effort between our two community directors with an advisor function I would provide. Obviously a formal agreement would have to be drawn up among the operations strategy between the two CDDs. I recommend that Lake Ashton I CDD appoint a Supervisor, possibly Supervisor Costello with his public safety background to work with me on this. We talk about doing things together and I think this is an excellent area that we can prove we are capable of doing it. I open it for discussion.

Mr. Robertson: So if I understand it right, we have right now, we have two patrols going into the community. Ours works for 24 hours and the other one is less than that. Based on what we are doing now you feel that a single patrol could cover the entire community effectively. If that were the case we would have a joint patrol that went through the whole community with both realized cost savings as a result of eliminating that. Is that correct? But you would also, as we did in the past, when we transferred the employees that we would like to have we could still continue to have.

Mr. Mecsics: The employees with the present company if the CDD I would like some of those to come over we would work with our company to absorb them in so that we would have a meshed operation so it is one company taking care of all the business.

Mr. Robertson: Of just the patrols.

Mr. Mecsics: Yes. That would give you 24 hour patrol and save you money. It would give us the same thing and save money. Somebody asked about that, about the size of the community. I am just entering into I am going to be teaching a class of Patrol Allocation for a college and the size of this community is well worth it if you do it the right way. I believe you can do it.

Mr. d'Adesky: So to clarify because there is potential of interference of contract issue here. If you have one company perform a joint patrol both in the area of Lake Aston II and Lake Ashton I to go throughout the entire community, I would have to look at that contract because that might be a breach of the scope of the Lake Ashton I's current contract. There might be an amendment to their contract to carve that out to allow for a community wide patrol if they are amenable to that idea. So that is something I would need to look at.

Mr. Mecsics: That would have to be done. I know when we did our contract with Securitas we had a clause in there for expansion of that if we had to in the future.

Mr. Robertson: I don't know if that merits discussion at this point.

Mr. Ference: Jim, are we having a problem with our security that we have to go to this patrol?

Mr. Mecsics: No, it is efficiency, Bob. It is pure efficiency.

Mr. Ference: So nothing is broken and we are trying to fix it?

Mr. Mecsics; I don't go by if it is not broken don't fix it. I look for efficiencies, innovation and things in the future so is it broken, I would say yes, because we have two different contracts. Two different companies doing the same thing for just a smaller area. I think by allowing us to do that we can get an efficiency of that and save you money. It is avoidance of costs.

Mr. Ference: There is cost savings. It is not reducing the problem, just cost savings.

Ms. VanSickle: My concern is first of all we decided the two CDDs decided to go with separate contracts. I am pleased with our contractor for the most part. We always have room for improvement, but my concern was we are a growing community. We are a large community. We are getting ready to lose our pool officer as of May 1st. During the summer we don't have a pool officer. The pool is probably one of our areas that needs to be patrolled more often than anything else. During the summer our officer makes a concerted effort to get through there more often. Also if we have events and we need to pull a security officer for some reason, I think we are just too large that if we have an emergency at the clubhouse and the rover is way over at the far end of this new area or

Hogan or somewhere, I worry about a response time issue. I think it is important. I don't see a duplication in service because I think to go the other way we get a loss of service because that trip around is going to be a lot longer. I look at that pool officer to go through that pool every 45 minutes. I think that is important. They also need to go through the clubhouse. During the day when we have staff it is not as important but when staff isn't there I think it is important especially when we have weddings and stuff like that. One of our rovers does what I call parking lot patrol because when there is no booze being served inside, they set up a bar in the trunks of one of the cars and she is on it. I like that but because she is there and close by she can monitor that more often. Jack and I were walking the dogs through the parking lot and she was way down on the golf cart path by the pavilion and she saw it. She got right back over there. That is the type of service that I really appreciate. I think we need to maintain that.

Ms. Pontious: I think just based on the volume of traffic for some reason our gate gets way more volume of traffic then the Lake Ashton II gate. We have more people coming through the community on our side to get wherever it is that they are going. I really like the community patrolled the way it is right now.

Mr. Costello: We had discussed it and I personally think that the community is a good size no denying it but by the same token my colleagues feel that they are more comfortable with what is going on now we should go with the vote and we will go with whatever the majority feels.

Mr. Deane: I like it the way it is.

Mr. Mecsics: We tried, no vote.

Ms. Pontious: Ok, so we are just not interested in changing and we don't need a vote on it.

Mr. Mecsics: There is no motion.

Mr. Robertson: Ok, so we continue to do our patrols and you will continue to do yours and we will go to the next item.

NINTH ORDER OF BUSINESS

Supervisor Requests and General Public Comments

Mr. Robertson: Are there any Supervisor requests?

Mr. Deane: When is the next joint meeting?

Mr. Robertson: Our next meeting is in August so I suggest we have a joint meeting in August as well so we can give an update. We can also, as we did in April, we had an extra meeting to get our budgeting done while there are more people around. We could also have an earlier meeting if something turned up quickly. We are always willing to do that. At this point let's schedule the next joint meeting in August.

Mr. Murphey: Hold on a second, Doug. Don't you think we are going to need to meet again about any results we get back from the golf course consultant and so on? They said 60 days for that. Do you think they will be able to start virtually right away, Darrin?

Mr. Mossing: Yes, I think so.

Mr. d'Adesky: If we need to we could schedule another joint meeting.

Mr. Murphey: How much time do you need, a week?

Mr. d'Adesky: We prefer like two weeks notice. It makes it easier on staff to advertise and coordinate.

Mr. Robertson: I think mid-May to mid-July and then we have a meeting in August so depending on how things get done we might need one, we might not. We can always call a special meeting. So then we will just schedule one for at the clubhouse in August. Any other further items for business for the joint?

Mr. Scali: I have to say I am from the East and I am disappointed in our Board not going to one security system. I think it is foolish to have two. If someone goes over the green line and he is right there it is on the other side of his territory he can't do anything. Plus we are talking about significant savings. You can in fact put together a plan that you still have the time after it is one security system. It is just a question of making it happen. I think you made a mistake. Thank you.

A resident: Brenda mentioned that we are losing the officer at the pool because of the summer months. We have a lot of kids come down visiting the grandparents, etc. Lake Ashton CDD and Lake Ashton CDD II

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and I think we need it. We have had enough problems at that pool and we have enough problems with our amenity policy and here we are going to make another problem by not having an officer. I think we have to reconsider our contract and make sure we have an officer there 12 months a year. That is it.

Mr. Scali: I'd really like to see the two Boards go to one budget, the entire complex.

Mr. Deane: We can't do it.

Mr. Scali: You can do it if you make the effort. Split the cost and come up with two individual budgets that are the same. We need to prioritize things as a community not as East and West. That is my recommendation.

Mr. Robertson: Any further? Accepting public comments. You don't have to say it, Murray, we are going to change our General Audience Comments. We want to change that to Public. It is a public meeting and all public are welcome. Thank you, Mr. Zacharia.

TENTH ORDER OF BUSINESS Adjournment

There not being any further business to discuss,

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

Assistant Secretary/Secretary	Chairman/ Vice Chairman

MINUTES OF MEETING LAKE ASHTON COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Lake Ashton Community Development District was held on Friday, June 8, 2018 at 9:00 a.m. at the Lake Ashton Clubhouse Ballroom, 4141 Ashton Club Drive, Lakes Wales, Florida 33859.

Present and constituting a quorum:

Carol Pontious Chairman

Borden Deane Vice Chairman

Brenda VanSickle Assistant Secretary

Bob Ference Assistant Secretary

Also present:

Darrin Mossing District Manager

Jillian Burns Governmental Management Services

Jan Carpenter District Counsel (by phone)

Rey Malave District Engineer
Christine Wells Community Director
Matt Fisher Field Operations Manager

Numerous residents

FIRST ORDER OF BUSINESS Roll Call and Pledge of Allegiance

Ms. Burns called the roll and established a quorum was present and Ms. Pontious led the pledge of allegiance.

Ms. Pontious: We have Jan Carpenter with us this morning by phone. Good morning, Jan.

Ms. Carpenter: Good morning. Sorry I am not there in person that was my plan.

Ms. Pontious: We are glad to have you with us.

SECOND ORDER OF BUSINESS

Public 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)

Ms. Pontious: I do not have any requests to speak do you?

Ms. Burns: I do not.

Ms. Pontious: Would anyone like to speak this morning before we begin?

THIRD ORDER OF BUSINESS

Approval of the Minutes of Meetings held on April 27, 2018 and the May 11, 2018

Ms. Pontious: We have the approval of the minutes for the April 27, 2018 and the May 11, 2018 meetings. Do we have any additions or corrections? Do we want to take them one at a time?

Mr. Ference: I make a motion to accept the minutes for both meetings.

Ms. VanSickle: Second.

Ms. Pontious: I have some corrections that I didn't have a chance to send in. On page 13 of the second minutes for May 11. Borden is speaking, but it says I think we should also expense the two beer coolers. I am thinking that is surplus. On page 17 I am speaking about six lines down it says, "Until we know what it is going to cost we don't know what the palms cost", I think should have been ponds. On page 21 five lines from the bottom, "I think we have a white store front", not a while store front. Those are my changes. Beyond that I guess we are ready to vote. All those in favor of the minutes.

On MOTION by Mr. Ference seconded by Ms. VanSickle with all in favor the minutes of the meetings held on April 27, 2018 and the May 11, 2018 were approved with noted changes.

Ms. Pontious: Do we know what happened to the joint meeting minutes?

Ms. Burns: I believe that they were still being reviewed. We will get those on the next agenda, though.

FOURTH ORDER OF BUSINESS Engineers Report

Ms. Pontious: Good morning, Mr. Rey.

Mr. Malave: Good morning, all. Just real quick, a couple things. One, we had done a stormwater review inspection as required by our permit with S.W.F.W.M.D. We are doing very well, just a couple little things. We want to do cleanup and a couple structures we want to kind of enhance so that it doesn't fail in the future. Today we will

be submitting certification to them that everything is clean. Christine and Matt both have a copy of all the details. Our staff did a really good job showing pictures and all that so it makes it real easy for people to follow through with it. I am very impressed with our young people, which is good. We are in good hands I guess. Second is we made a couple of recommendations and went through and looked at all the reserve study. Together with Christine and Matt we assisted in helping get what is in there and there is a nice capital budget. I know it is in a different line item there. I don't know if I need to go into detail, just know that I have looked at it. We concur with all the costs that we have in there and the things that we need to do for the next fiscal year. Hopefully all the roadways are in good shape. We can defer all that, which is a big thing. Curbs, the same. One of the things that we want to do is do another drive through and walk of the entire roadway to ensure everything is in good shape and to update our previous study.

Mr. Ference: A number of people have approached me and say we have some problems that have to be adjusted.

Mr. Malave: We can definitely look at and find those and where they are at and go from there. We do have three streets that are on the list for next. So we will definitely look at those first and then of course checking where the potholes might be.

Mr. Ference: We are budgeted for that?

Mr. Malave: We do have a budget. If you look at the item that says pavement management \$165,000, that was for that and curb replacement and things of that nature. There is also an additional \$25,000 for stormwater management so we should be in good shape. Other than just a comment on the email that everybody got on the windows we do recommend providing even though it is a higher cost the installation of windows with 140 mph design speed. It is always good especially more towards tornados versus a hurricane. You are still covered. It gives you a better protection especially towards the lake side. Just my comment so you have that recommendation on record.

Mr. Ference: Is that something you recommend to all of your properties?

Mr. Malave: We are and if you look in the reserve study it also recommends going to tempered glass and impact resistant. Especially the large ones that are towards the

lake. The ones on this side, they are narrow so the stress on them in a little less. I still recommend them being there but these that are towards the lake, which is where most of our headaches come from off the water and being the size that they are makes it a high recommendation to go forward with that.

Mr. Ference: Any guarantees on these?

Mr. Malave: As long as the company is in business you have a nice guarantee. Joking aside, they do design those. I do have those at my old house because I believe that they work and eliminate the need for putting covers over it during a storm. They do provide great warranties etc. for it.

Ms. Pontious: What is going to happen now with our work that was supposed to be done during low water times?

Mr. Malave: There are a couple things Matt and I talked a little bit with just now. There are a few things that they can do. The big work is the lake is still high and I think we are just going to have to postpone it to when we get another low tide again. There is no effect on the lake or the storm water system per se. It just takes up some volume but it is things that we need to take care of and make sure that we have on our list when we have an opportunity. Like as an example, the one on Berwick, the island is almost covered with water now. You can barely see it. We are just going to have to wait until that happens again and hopefully we have somebody in place that can come there and get it done ASAP. With that, that is all I have. Thank you for having me.

Ms. Pontious: Thank you, travel safely.

FIFTH ORDER OF BUSINESS Unfinished Business

A. Ratification Agreement with Polk County Property Appraiser Ms. Pontious: We have the ratification of the Polk County Property Appraiser.

Ms. Burns: The Polk County Property Appraiser, their contracts don't renew every year automatically, so we just need to enter into an agreement with them in order to get the information to collect the assessments on the tax roll. This has already been executed so we are just looking for ratification from the Board.

Mr. Deane: Motion to ratify the agreement with the Polk County Property Appraiser.

Ms. VanSickle: Second.

Ms. Pontious: We have a motion from Borden and a second from Brenda to ratify the contract with the Polk County Property Appraisers office. Any further discussion?

On MOTION by Mr. Deane seconded by Ms. VanSickle with all in favor the agreement with the Polk County Property Appraiser was ratified.

B. Ratification of Agreement with NGF Consulting for Golf Course Acquisition Feasibility Study

Ms. Burns: This was approved at the joint meeting so we thought it would make sense for both Boards to ratify that decision at their own meeting. The Board has seen this. It has already been approved by both Lake Ashton I and Lake Ashton II. We are just asking that you ratify your decision from that joint meeting at this meeting today.

Mr. Ference: I recommend that we ratify what we already approved.

Ms. VanSickle: Second.

Ms. Pontious: We have a motion from Bob and a second from Brenda to ratify the contract with NGF Consulting. Any further discussion?

On MOTION by Mr. Ference seconded by Ms. VanSickle with all in favor the agreement with NGF Consulting for golf course acquisition feasibility study was ratified.

Ms. Pontious: Let me just say that I have met with Barry. He was here last Thursday and Friday. He spent Thursday with the golf course personnel and going over things there. He spent Friday going to different golf courses in the area so that he might compare us to others. Then I met with him. He was impressed with the quality of the golf course, the care of the golf course. He said their management company that they are using is doing an excellent job. He will have results for us. He thought in two weeks so that would be a week from last week, so sometime next week, not necessarily the official report but his findings. The official report he will have for us by the July meeting. He seems to be very prompt and is working diligently to get us that information. Do you want to do the ratification of Nini's contract while we are in this?

Ms. Wells: We can.

Ms. Pontious: We had some changes that we wanted to make to Nini's contract last time. I believe in summary it was the 90 day extension for giving back money, the \$200 incentive that Mike suggested for them bringing in business and the cleaning contract. You have met with them and they have agreed to this?

Ms. Wells: Yes.

Ms. Pontious: Ok, so do we need to do the ratification?

Mr. Deane: Motion to ratify the amended contract with the restaurant.

Ms. VanSickle: Second.

Ms. Pontious: We have a motion from Borden and a second from Brenda to ratify Nini's contract as we discussed last month.

On MOTION by Mr. Deane seconded by Ms. VanSickle with all in favor the Nini's amended contract was ratified.

SIXTH ORDER OF BUSINESS

New Business and Supervisor Requests

A. Restaurant Update and Consideration of POS System

Ms. Pontious: Alright, we have a restaurant update and consideration and problems with the POS system so do you want to go from here?

Mr. Deane: We are having trouble with the POS system. They want roughly \$1,000 to change the name on the restaurant in the contract with the people we bought the POS system from before. The \$499 was to change the name and \$500 was for a rush set up of the menu in the POS system. Their rush set up is 3 weeks, which I think is ridiculous. Nini's has a different type of system that they use for credit cards, which also has a POS system. The only thing we have to buy are the stands which are \$169 apiece. We need two of them so for roughly \$350 we have the new POS system which is compatible with the equipment we already have. Nini's already uses that system for their credit cards. I recommend that we purchase the stands so that the system can be used and we will have everything mobilized as required by the lease for reports and everything else.

Ms. VanSickle: So moved.

Mr. Ference: Second that.

Ms. Pontious: A motion from Brenda and second from Bob to purchase the stands.

Ms. Wells: I am working with Ariel to make sure that our current receipt printers and cash drawers are compatible with the system. Some of them are, but if they are not we may have purchase receipt printers and cash drawers. It is not something that is definite right now that we need to, but we may have to. I don't know if you want to approve an amount in case we have to. Of course I am going to spend the least amount of money possible. If we can get away with just the stands I am all for that.

Ms. VanSickle: What do you want, a not-to-exceed number? I would rather you just take care of this for us and have it done rather than wait for another meeting.

Mr. Deane: Nini's already has one cash register. I don't know if they need a second cash register. They already have a receipt printer that prints receipts. Even if it is not compatible with our system we already have the equipment that is compatible with it. So I don't think it is necessary in my opinion.

Ms. VanSickle: Will one suffice?

Mr. Deane: I believe one would suffice.

Ms. Wells: I guess I am concerned with the printer in the kitchen. I don't know if they have one that is compatible with the system for a printer in the kitchen.

Mr. Deane: I can't answer that question.

Ms. VanSickle: Well do we want to go with a do not exceed because I don't want to be putting this off.

Mr. Deane: I agree.

Ms. Wells: I would think \$1,000 would be fine for the not-to-exceed amount?

Ms. VanSickle: Let's make it \$1,500.

Ms. Pontious: We did vote didn't we?

Ms. Burns: No, we have a motion and a second.

Ms. Pontious: All those in favor?

On MOTION by Ms. VanSickle seconded by Mr. Ference with all in favor a not-to-exceed amount of \$1,500 to change the POS system was approved.

Ms. Pontious: Let me say to in conversation with Christine that we are spending \$200 a month for the old system for support. She has spent hours trying to contact these people and they are not contactable, so apparently we have been paying the \$200 a month for help and when you need it they are not there. I think it will be good just to get out from under that contract and quit paying because we can't seem to get to them anyway. You will need to get whatever payment plan you have with them done as well.

Ms. Burns: Let's get a motion to terminate the existing contract. That way we can send a notice.

Mr. Deane: I make a motion to terminate the existing contract for the POS system which is the name of the previous restaurant.

Ms. VanSickle: Second.

Ms. Pontious: We have a motion from Borden and a second from Brenda to terminate the existing contract for the POS system.

On MOTION by Mr. Deane seconded by Ms. VanSickle with all in favor terminating the existing contract for the POS system was approved.

Ms. Pontious: Is there anything else we need to do?

Mr. Deane: I think they are doing an excellent job. I have not heard any complaints from anyone with regards to the food. There has been complaints about the wait time and things like that, but if 150 people show up at one time at the restaurant some people are going to have to wait. That is what has been happening. I am just asking the residents to have patience. I think they are doing an excellent job and they want to please the residents so I think we have the proper people in the restaurant this time.

Ms. Pontious: I think we are probably speaking to the choir here because we have people here who care or you wouldn't be there. However we have had some occasions of some pretty serious cussing people out in the restaurant for not having things done appropriately and some pretty rude bad behavior. We are not going to tolerate that. If you want to do rude bad behavior you might as well just stay home and do it there. I think we want to go on record that if this continues those people that want to be rude will

just be asked to stay home. We have that ability to do that and there is no reason these people should put up with that. If you are upset go home.

A resident: You were talking about the POS system. I ate there on Tuesday night. The POS system when you get your receipt it doesn't list what you bought. They list like four line items and a cost, but it doesn't list what the item is.

Mr. Deane: That is because the POS system isn't installed at the present time. Their register is not set up to print the detailed receipt that will come with the POS system that we are purchasing.

Ms. Pontious: I think it has just been an intermediary because they already had this on their computers that they could open up with and get us rolling with because the one that we had was not working. I think it is an important thing.

A resident: Somebody is going to complain about it.

Ms. Pontious: The other thing was you could get an email receipt or a text receipt. Some people want printed receipts and we need to be able to accommodate that. I did hear some comments that people wanted a printed receipt and that is a valid request. We are working on that. We will get there. Same thing with the menu. They are tweaking the condiments, the silver is being tweaked. They've been open less than a week. I think overall they are doing a pretty good job. We just need to hang in there and address the issues as they come up. Please do it in a nice way. Nobody needs to deal with nastiness.

B. Approval of Amendment to Contract with Community Watch Solutions Ms. Pontious: Approval of amendment to Community Watch Solutions contract.

Ms. VanSickle: I have some concerns over this. This was originally on our agenda for last month's meeting, but because of lack of documentation it was tabled. I wouldn't call what we got documentation. I would like to table this further until we have adequate documentation. We have a current contract in place and to me this seems like something that is really not our problem. I need a lot more documentation.

Ms. Burns: The question came from the security company. It was \$1 extra per hour as you can see. You feel that you have a contract in place. I think the Board has the ability

to say, no we are not going to pay for this increase if you feel that it is their problem. You have the ability to negotiate maybe 50 cents. You have the ability to say we are happy with this contract. It is completely within the Board's discretion on how they want to handle it. If you don't want to pay and are not willing to go at the current rate then it would be a situation that we would terminate the contract and go out to bid it again.

Ms. VanSickle: I am perfectly fine with that. Currently I have some concerns. I would not be in favor of approving this at this time.

Ms. Burns: What additional information would you like us to get? There is a representative from the company here today if we have questions.

Ms. VanSickle: I have never seen an addendum for this I am sorry. I have been dealing with contracts here for 8 years and I have never seen anything like this before. I am not impressed. It seems unprofessional. Recent dealings with them I have some concerns, I will be quite frank, at this point I am not in favor. That is up to my fellow Board members, but I can go deeper if necessary. I would rather not, but I can.

Mr. Deane: I just don't understand it, simple as that. We have a contract that is a little over a year old. I don't understand why all the sudden there is a dollar increase. I would like to know why, they can't keep their people or what the situation is. Why are they requesting a dollar an hour increase, just to show it on paper the way they showed it, it shows us absolutely nothing.

Ms. Burns: We were told by them it has to do with they reached the 50th employee and have to provide health care now whereas they had under 50 employees before that.

Ms. VanSickle: Poor planning on their part does not constitute an emergency on ours. I would table this, but I think there is considerations that need to be worked out. I am not above putting it out to bid. I don't have a problem with that either. I think we have some excellent people working for us. I would like to keep them. The company, so far, I am not that impressed with them.

Mr. Ference: Jill in your experience, is this \$13.50 an hour standard in the industry?

Ms. Burns: I have Districts that range from about \$12 to \$16.

Mr. Ference: Depending on the size of the community?

Ms. Burns: A lot of it depends on if it is staffed 24 hours a day fees are higher than if you say you have a gate that is only staffed about 12 hours a day. Some that are staffed 24 hours a day provide an onsite coordinator that oversees everybody so there is some variables there based on the hours. Also some contracts will pay their guards if they weren't happy, let's say with the level of service they were getting they will increase the guards pay portion to get a better quality. If it is \$16 an hour the guard might only see \$10 or \$11 of that. If they add another dollar to that they can get a better quality guard.

Ms. VanSickle: But this dollar wasn't going towards increasing salaries, correct? That is my issue.

Ms. Burns: That is the range.

Ms. VanSickle: It is totally a different discussion.

Ms. Pontious: We will table this until we have further information.

C. Consideration of Resolution #2018-03 Designating Darrin Mossing as Secretary and Jillian Burns as Assistant Secretary

Ms. Pontious: We have Resolution #2018-03 Designating Darrin Mossing as Secretary and Jillian Burns as Assistant Secretary. Jillian has been here several months advising and learning. She is with George Flint and Darrin Mossing so we welcome her today.

Ms. VanSickle: Move to approve Resolution #2018-03.

Mr. Deane: Second.

Ms. Pontious: We have a motion from Brenda and a second from Borden to approve Resolution #2018-03. All those in favor.

On MOTION by Ms. VanSickle seconded by Mr. Deane with all in favor Resolution #2018-03 Designating Darrin Mossing as Secretary and Jillian Burns as Assistant Secretary was approved.

SEVENTH ORDER OF BUSINESS Staff Reports

A. Attorney

Ms. Pontious: Jan, do we have an attorney's report today?

Ms. Carpenter: No, we don't have much to report today. The only thing is an update on Mr. Earl's matter. We were planning to meet with him and his counsel

after the last meeting. They had to cancel. We contacted them but have not heard back to set another date. We will keep you posted. That is all we have. I will apologize again for not attending today. I planned to, but unfortunately I am somewhat clumsy and have an injury so I am working from home for a couple weeks. Athletics is not for me.

Ms. Pontious: We wish you well. We hope you recover completely and totally.

Ms. Carpenter: I hope to see you all next month. Also welcome to Jill. She has done a great job and we know her from another management company so I am happy for GMS also.

Ms. Burns: Thank you so much.

- **B.** Community Director
- 1) Monthly Report
- 2) Consideration of Pool Vacuum Purchase
- 3) Consideration of Fitness Center Equipment
- 4) Consideration of Fiscal Year 2019 Capital Improvements

Ms. Pontious: Ms. Christine our community director report.

Ms. Wells: I included a copy of the community director's report in the agenda packet. There is one thing that I wanted to note under restaurant is that we have received their initial \$2,000 security deposit that was required at commencement. I just wanted to inform the Board of that. I failed to include it into the report. So we have received that \$2,000 check so you will see that in the revenues coming in. Are there any questions in regards to the report before I get into everything else? Carol, did you want to mention the letter now?

Ms. Pontious: Do your things first then we will do that.

Ms. Wells: The consideration of the pool vacuum purchase, I sent an email to the Supervisors outlining a purchase that was approved in fiscal year 2018 capital improvement budget. We received three quotes. Well let me backup just a little bit. We allocated \$10,000 for pool equipment and there is approximately \$7,300 available for use. We received a quote from Heartland Pools, from Spies Pools, and obtained a quote online from Pool Supply Unlimited. It is for the purchase of a Hammerhead Resort 30 commercial pool vacuum which all quotes included the vacuum, the battery charger, and

a collapsible 16 foot pole. The manufacturer offers a six month warranty on the piece of equipment. The price quoted from Heartland Pools was \$3,000. The price for Spies was \$2,785.84 and the price for online at www.poolsupplyunlimited.com was \$2,354.38. I just wanted to clarify this would be used in addition to our pool contractor. Currently we have not been servicing the pools on Tuesdays and Sundays so it would be used by facility staff to clean the pool on those two days. Especially with mayfly season it is hard for Matt with just the skimmer to get all those mayflies off the pool in the timely fashion for pool aerobics and other events there. So this is why we are approaching the Board about this purchase. It is up for discussion and ultimately your consideration.

Mr. Deane: This is the same vacuum from all three vendors?

Ms. Wells: Yes.

Mr. Deane: I make a motion to buy the cheapest vacuum.

Ms. VanSickle: I will second that. Matt, do you have any comments on preference?

Mr. Fisher: No ma'am. It would be a great purchase.

Ms. Pontious: You don't have any problem with installation because if we do an online purchase you are going to have to do that yourself?

Mr. Fisher: No, I can handle it.

Ms. Pontious: Ok. We have a motion from Borden and a second from Brenda to purchase the pool vacuum from the online source of poolsupplyunlimited.com for use on the off days in the pool and in peak bug season. All those in favor?

On MOTION by Mr. Deane seconded by Ms. VanSickle with all in favor the purchase of a pool vacuum from poolsupplyunlimited.com for \$2,354.38 was approved.

Ms. Wells: The next one is another capital improvement project. It is for replacement of the current Nautilus multi-station in the clubhouse fitness center. The piece of equipment is fairly old and we are having difficulty finding replacement parts at this time which I am sure you have seen over the years that some of the pieces have left and not come back. We are seeking approval to move forward with replacement of this piece of equipment. With the pieces of strength equipment that we have included Fitness

Services of Florida recommended all life fitness products. They are all very similar strength equipment, just different brands. Fitness Smith, Frontline and Performance Fitness are all the same pieces of equipment. The pictures are under Fitness Smith. Their piece of equipment is slightly different from the Life Fitness but works the same areas of the body. We try to keep with what we currently have. We recommended a multi-press, an abdominal machine, a leg press and lap pull down like a row type machine that would be similar to what we currently have. These are all individual pieces of equipment versus now we have a multi-station. We will have a little bit more flexibility with the individual equipment. I have included quotes. We received actually four quotes for this one. The first one was from Fitness Services of Florida. It includes the Life Fitness Optima Series Lap Pulldown, the Optima Series Multi-press abdominal machine, leg press and the price was \$12,549.81. It includes freight delivery, installation and removal of the existing equipment. The quote we received from Fitness Smith, it again is similar machines, just a little different. It is a Genesis free motion shoulder machine, a free motion ab/bicep machine, a leg press/calf raise machine and then a lap pulldown vertical row machine. There price was \$13,968. It includes the same things as Fitness Services of Florida. Their price does include a trade-in value of \$300 for the existing equipment and 2 onsite training sessions which is why their price is a little bit higher. Frontline includes the same equipment as Fitness Smith. It does not include the trade-in value or the training sessions. Their price is \$15,730 and Performance Fitness Group is \$16,980.

Ms. VanSickle: Do you have a preference? I do like the training sessions.

Ms. Wells: I did check with Fitness Services of Florida because I kind of figured the training would be something that they would offer. It would be \$400 for each session so we could get training from them as well if it is desirable to do the training if that is the only difference. I wanted to include the pictures because the machines are slightly different even though they do work the same areas of the body, they are slightly different.

Ms. VanSickle: Do you have any input from residents on a preference? I don't go to the Fitness Center as often as I should so I am not real familiar with it. Have you had requests from residents for certain things?

Ms. Wells: We have not in regard to the strength equipment but I did speak to a couple of the regulars that were in the Fitness Center when we were talking about this and showed them the different options. They thought both options were great. At that time we had the Fitness Services of Florida quote and the Fitness Smith quote. The only thing I liked about the Fitness Services is that they are all Life Fitness brands. Right now we have Life Fitness brand elliptical and treadmills. The equipment from Fitness Smith is just slightly different. It is a little bit more free motion. They are both great options so I would just lean on the Board for what they thought. They are both very great options.

Mr. Deane: Is there room for this equipment in the gym? You are taking one machine and bringing in four?

Ms. Wells: Yes there is. They can make it to where they back up to each other but they are space saving options. When I met with Fitness Smith they said that all the equipment would fit. We may move the recumbent stepper over to where the recumbent bikes are facing the pool area so that it gives us a little bit more area right there. With it being individual pieces of equipment it allows for more flexibility with that.

Ms. VanSickle: It looks like the Fitness Smith has a little bit better warranty. I would go with Fitness Smith for \$13,968. I like that warranty.

Mr. Deane: I second the motion.

Ms. Pontious: We have a motion from Brenda and a second from Borden. Further discussion? Matt, do you have any input on any of this equipment as far as the care and maintenance?

Mr. Fisher: No. We met with the rep and all the maintenance is straightforward and I believe you guys picked the right one.

On MOTION by Ms. VanSickle seconded by Mr. Deane with all in favor proposal from Fitness Smith for \$13,968 for strength training equipment in the fitness center was approved.

Ms. Wells: The fourth is capital improvement for fiscal year 2019. I sent a spreadsheet to Supervisors and this is for discussion purposes only. I wanted to include all recommendations we received from residents, from vendors, and from staff just for

discussion. So you have everything that has come to staff from residents and vendors of improvements that they would suggest. So I don't know, do we want to just go line by line or did you guys have any suggestions, concerns, additions or deletions?

Ms. VanSickle: I would just like to make the rest of the Board aware, I guess this would go under outdoor furniture. We had a request from a resident that we get benches outside the front so after entertainment series those that have mobility issues will have a place to sit down while they are waiting for their ride. I thought it was a really good idea.

Ms. Wells: I also included in outdoor furniture is the replacement of tennis court benches, and some of the smoker's outposts. I don't know if that is kind of pushing furniture but basically just any of the furniture around. Matt and I need to do a more thorough evaluation of all the furniture so we just estimated the replacement of the tennis court benches, the addition of the benches out-front. There are some trash receptacles. I don't know if we want to name it furniture or it we just want to say outdoor, I am trying to think of a word that would cover that, some of those trash cans because it is commercial grade trash cans, they are bolted into the ground and are fairly expensive. Some of them have met their useful life, so that is also included in that amount.

Ms. Pontious: I would like to see some more wheels for our trash cans. As people have events and take the trash cans around, they are carrying the can from place to place. If we had a few more sets of wheels it would make cleanup a whole lot easier. We have fitness center equipment on the 2019 budget. We also had it on this year's budget so I was assuming that is what this money, this is going to be an immediate order out of 2018?

Ms. Wells: Yes.

Ms. Pontious: Do we need more equipment for 2019?

Ms. Wells: The reserve study had recommended the fitness equipment replacement be done in phases. They were recommending next I believe the replacement of the elliptical or the treadmills. I am a firm believer in don't replace something unless it needs to be replaced, but it is nice to kind of have the amount there if it does need to be replaced in the middle of the fiscal year. As you can see the fitness equipment is fairly expensive. That is up to Supervisors. That is why that amount is on there.

Ms. Pontious: Ok. The sand filtration system for the pool.

Ms. Wells: That was a recommendation from the vendor. When we have peak bathing load the filters tend to get clogged from all the oils. This system he was recommending would lesson that to where the filters wouldn't get clogged as often using a sand filtration system. As we are talking about the pool, the pool heaters, I just want to clarify it is for replacement of the current pool heater. The gas heater and the replacement of the electric pump, that is for heating as well. That is not very efficient for the size pool that we have. The gas pool heater we have had the rollout switch has been going out left and right. We feel like it is needed for an upgrade so that is why there is two pool heaters. The vendor that recommended to us which if this is approved and we get to that is offering a trade-in value for the heaters as well.

Mr. Ference: The filtration system, is it original or have we replaced it in the past?

Ms. Wells: To my knowledge it is original. I don't know. Matt, do you know if it is original?

Mr. Fisher: Yes. He has expressed to me that many properties he cleans the pool for and they are sand filtration system and it would be a re-engineering of that. It is something that we would want to go to and cut back on the clogged filter issue. The pool is 79 degrees and residents are upset.

Ms. VanSickle: It was really an issue this past season.

Mr. Ference: If it is time for an upgrade and replace it, I think we should go for it.

Ms. VanSickle: It is time.

Ms. Wells: Pool tile replacement. It is just time again to replace the tiles in the pool.

Ms. VanSickle: They are falling off.

Ms. Wells: It is falling off. They are piecing it back together. I think it is probably time to just replace and that is for the pool and spa. The automatic flushers was a recommendation from a resident to include that there and that is the price for all the toilets, urinals in the entire clubhouse.

Mr. Deane: To me that is waste of money.

Ms. VanSickle: I think if they are working, but if we need to replace them maybe.

Mr. Ference: Are people complaining about coming into restrooms and finding issues? Why are we doing this?

Ms. Wells: This person was.

Mr. Ference: Just one person. I think it may be a little excessive for us to replace because one person was disappointed that he came into a dirty toilet.

Ms. Pontious: Have we now replaced all the facilities with the hi-rise toilets?

Ms. Wells: Yes, we have.

Ms. Pontious: I think we are probably good on that one then unless we have additional trouble. Digital thermostats. This was a recommendation when we did the commercial TECO audit for energy savings. It was to switch out all the thermostats in the clubhouse to a digital thermostat.

Mr. Ference: Because?

Ms. Wells: Energy savings I am assuming. Matt and Tricia met with them actually. Was it just an energy savings option?

Mr. Fisher: Yes. It was a recommendation in the TECO audit. I can get more information on that.

Ms. Wells: Ok. I can bring more information to the July meeting on that.

Ms. Pontious: We talked a number of years ago, my brain is behind me today. At one time when we needed to do any major work on the pool that we would consider the geothermal heating system and use the water from the lake and so forth. I think before we spend another \$20,000 replacing heaters maybe that would be another time to revisit that topic as well and see if by drawing the water from the lake and putting in the geothermal system, it is my understanding that you don't have to have any of those then. Maybe we need to revisit that.

Ms. Wells: I think there is quite a bit of work already done on that so I will bring that to the July meeting as well so we can discuss that. The indoor furniture we may need to purchase additional ballroom chairs. That is an addition, it is not a replacement. I also included some of these tables that have been here, they are original tables. They are fairly expensive for the tables that we get that can hold up. They have held up very well but I

Just wanted to have a placement in there in case we do need to replace any of these tables. Like I said they are fairly expensive. Matt and I are going to go through the entire clubhouse and just see what the condition of the other indoor furniture is. I went from the last quote we received for the ballroom chairs. Like I said we may need to order some additional chairs so that is what that amount is coming from. The gate entry system I had that on there because it is quite an expense. I know we are discussing it. It was discussed at the joint Board meeting. Mike and Jim were discussing the need or want to change the current gate entry system. That is why it is on there with a TBD just in case we do want to go to it, that is going to be a large expense, but I think that it is something that we need to discuss and make sure both sides are on board with that before we allocate funds to it. It is not going to be helpful if it is changed here and not there. I know we are working on it with the joint meetings so I just put it there so we keep our mind on it. I don't know if we will have a decision because I think the budget adoption is before the joint meeting, so I wasn't sure. I wanted to put it on there but I wasn't sure what to do with it.

Ms. VanSickle: Do we have a ballpark figure?

Ms. Wells: I haven't gone any further because I want to make sure of the system that we want to go with and then I focus on that. I don't know what system we want to go with. I can try a couple of different systems that we think may work and may work for this community and get pricing on that so that we have a rough figure to go by. I would be more than happy to do that. I was just waiting because it takes a lot to receive these quotes so I don't want to spend a lot of time doing it and then it is something that we don't even want to consider at all.

Ms. Pontious: I think we need a commitment from the West too whether we are going to do this together, otherwise we are going to tighten up our gate. If they don't want to deal with our tight gate they will go around the other side. It is not going to do us any good to put further restrictions on one gate and not the other. That needs to be a joint thing. Ok bocce ball?

Ms. Wells: Matt met with Jamie to evaluate the bocce ball court. There is a need for a thicker mat. We think that is why the mat keeps shifting and ruffling. The score

system as you know is fading. Some of the boards may need to be replaced. The pavers definitely need to be replaced. So this is the amount they gave us to make a higher quality mat on the bocce ball court, to fix any boards that need to be fixed and the scoring system.

Mr. Ference: We have not replaced that mat? It is the original mat?

Ms. Wells: Is it the original? I don't know how many years ago it was, 3 or 4?

Mr. Fisher: About 4 or 5 years ago.

Ms. Wells: They raised funds and just for the mat, but what Jamie was telling us is that it is to better quality out there, that they recommend a thicker mat to stand up to the elements and to the use that it gets out there.

Mr. Ference: Does that get a lot of use?

Mr. Deane: Quite a bit.

Ms. Wells: Yes. Then we have clubhouse lawn lighting. I have had several concerns of the lighting in front of the clubhouse. It is fairly dark especially in the walkway that leads to the east parking lot. Matt and I met with Kincaid to go over some options. The option that is included with this is we were thinking in the pathway that leads to the east parking lot there is lights that you can imbed into the pavers so at least just illuminate that. Then over here, some landscape lighting and lighting that would shine out from the landscape onto the walkway. There are some flood lights already on this side of the building which is leading to the west parking lot but there is nothing leading to the east parking lot. It would be just illuminating the paver walkway. We were going back and forth with options. We don't want anything that is too intrusive but also want it to be a safe area for residents. We have had a couple of recommendations of increasing lighting on that area.

Ms. Pontious: I think when people are leaving events those sidewalks are really dark out there. I would like to see when we put the lighting on this end of the building it really improved the parking lots over there. If we would do the same on this side then it also eliminates the issue with the mowing and the machinery out there that we are not going to destroy what we put in.

Ms. Wells: Yes, exactly.

Ms. Pontious: I think that is probably number one on the list here as far as I am concerned. It is a safety issue. Ok, air conditioners always are coming and going.

Ms. Wells: Matt met with Miller Central Air, who we use for the clubhouse and they recommended out of all the systems, two systems were most likely to possibly go down. So that would be a number that they gave to us for replacement of those two systems if they go down. If they don't go down that amount is still going to be there but it is a good place and amount in case they do, if an air handler goes out or anything like that and we need to replace that in the middle of a budget year. Next was the ice machine replacement in the clubhouse fitness center restroom area. It has run out of ice quite a few times especially in high peak use so we are recommending the replacement with a larger capacity ice machine in that area. I believe it is a little less than ten pounds of ice that it holds and then has to make new ice. During spring break, summer time when there is a lot of people, that ice will go out very quickly. Then we have to shut it down and let it sit and make up ice. It shuts the ice machine down for an amount of time so if we increase the capacity of that ice machine then we wouldn't have that happen as often.

Ms. VanSickle: What would the increase capacity be?

Ms. Wells: Matt so you know what the increased capacity was that they gave you? I was looking at one that was 25 pounds. They said this was a good number to have. One I was looking at online was 25 pound capacity so it would be triple of what we have right now. It was still the water, ice on a counter top.

Ms. VanSickle: How quickly does it make ice?

Ms. Wells: I have to check on that. I didn't look at that. I was kind of just looking at placement numbers and what kind of equipment we wanted there. I can check to see.

Ms. VanSickle: We definitely need it.

Ms. Wells: For pavement management, as Rey mentioned, we are evaluating the roads that are budgeted for fiscal year 2018. That was \$165,000. Last meeting we said that could be pushed to 2019 that is why the same amount is on 2019 that is on 2018. I did tell him if it needs to be replaced now we need to replace during this budget year. If it can wait until October I am fine with waiting until October. Matt and I want to evaluate

that. We are going to set up a meeting with Rey to evaluate the entire community and see if there is anything that needs immediate attention. We will take care of it fiscal year 2018 pretty soon in the summer while traffic is low. That is why it is the same amount from 2018 to 2019. If that doesn't happen we are just going to move that amount to 2019. Restaurant equipment allowance \$15,000. I know we have replaced a lot of restaurant equipment. The walk-in freezer cooler, if that does need to be replaced because it is an original piece of equipment it is going to be about that amount for both of those pieces.

Mr. Deane: Yes, it is with no problem.

Ms. Wells: Those are the only things. I met with Borden to see some of the equipment we haven't replaced. We are in a good position right now because we replaced a lot of equipment. I feel really good about the equipment we have in there now but if those two pieces of equipment go down for any reason we are going to need that amount. Like I said if we don't need it, it will still be sitting there.

Mr. Ference: The floor covering looks really great. The other day we were there and I was just wondering because it is so dark, I wondered if the table covers that are also very dark ,a dark brown; I wondered if we wouldn't lighten it and light up the place because everything is that same shade of dark. Tables, floors etc. etc., if it wouldn't add a sense of lightness if we were to have different kinds of tablecloths. I don't know if anything was ever given thought to but it just seems to be so consistently dark. The floor is dark. The tables are dark. The chairs are dark. Everything is so dark. I wonder if any thought was given to the fact that we might have a different color table covering.

Ms. Wells: Historically we have left that up to whoever is operating the restaurant to use whatever table coverings they would like. I am open to suggestions if the Board wants to purchase a different color linen or something to use.

Mr. Ference: It is just that brown color all over. I thought if this was a lighter shade or a different color it might just give the dining room the sense of brightness or lightness that it didn't have for very little expense. I don't know who would consider that.

Ms. Wells: I can recommend it to Nini's unless the Board wants to purchase it and make it as part of restaurant inventory.

Mr. Ference: They can be replaced. We are not discarding these. I just thought it would be, it just hit me, the dominance of this darkness, so I am bringing that up here for your consideration.

Ms. Wells: Would you like me to reach out to Nini's first and see if they want to replace them themselves?

Mr. Ference: Well what does the Board think? We have all eaten there. What do you think? Maybe I was just conscious of it. I have been in there before. I love the floor covering, but again when I sat down I said, by gosh everything is so brown and dark. It would be nice if it was a different color. I don't know how the rest of you feel about that.

Ms. Pontious: I think if we just wait until they get settled and things are on an even keel. Maybe if we want to address it, we can do that then.

Mr. Ference: It is not very costly.

Ms. Pontious: I wouldn't think so.

Mr. Deane: They are specifically made for that size table, they are not that cheap. They are not cheap at all. You have 30 tables in there.

Ms. Pontious: Ok we can keep that there. It is a good idea. The microphone system for the ballroom. What do we need to do with this?

Ms. Wells: That would be you can't see it right now because the table is over it but we have microphone jacks in the floor now that are semi-trip hazard for anyone who is using the stage for any kind of performance or anything like that. Our recommendation would be to take those mic plugs out of the stage and go to a wireless mic system so we won't have cords. It will be all wireless. This is the recommended price. It was given to us by Westbury that does a lot of our entertainment and things like that. Again it is for consideration. We are fine with this system unless you want to upgrade it. We do need to address the mic plugs on the stage itself because a lot of residents use the stage. They are starting to pull up. I am a firm believer if we have to, replace it. It was about \$800 to just replace it with something that isn't bent. So for investing that much money if we invest a little bit more into a system that is upgraded that might be a good use of money. Again, it is up for consideration.

Ms. Pontious: Stormwater management, we are always going to have, that is a given. What has happened to our patio screening?

Ms. Wells: Are you referring to the enclosing of the patio? That is the one that we are still working on. They recommended having an engineer come out and give us a plan of how it is. It is not something that we can just replace what is currently there with a hard roof and screen it in. I just wanted direction from the Board to see if you want me to have the engineer do an engineer study in that area to give us an amount.

Ms. VanSickle: Yes.

Ms. Wells: Ok. So do we want to do the engineering study as part of fiscal year 2019 budget? I don't know how much engineering studies are for something like that.

Ms. Pontious: I am just wondering if we really need an engineering study or if we should just start with a contractor to come out and look at it and give us an estimate.

Ms. Wells: I had contractors come out. They were hesitant to give us a quote if they didn't have an engineering study. They would hire an engineer, their own engineer to do it. Then we would pay for the engineering study or we can have our engineer do it and we pay for it. They did not want to give me a quote until they had an engineering study as to what was needed in an engineer's perspective.

Mr. Deane: Can Rey do that?

Ms. Wells: I am assuming that he will do anything that we need him to do for the right price. I am fine with reaching out to Rey and telling him what we want to do. I don't know if we want to ask at the next meeting and say this is what we want to do. We need a price before the budget meeting in August. Maybe he can take care of it while he is here. I try to utilize him as much as possible while he is here for a meeting. I don't know if that is an option, it is just giving him a heads up that next meeting while you are here can you take a look at this area. We need an engineering study to do a hard roof screened in. Are we looking for just a hard roof or hard roof and screened in?

Mr. Deane: Hard roof and an enclosure.

Mr. Ference: Rey should give us more than one. I think Rey should shop around and see. One engineering study may not be as satisfying. I think we should get more

than one. Rey should shop the engineers before he brings us a presentation. It is going to be a very costly item. I don't know that we should satisfy with one presentation.

Ms. Wells: I guess I just want to clarify do you want me to reach out because Rey is our engineer. I don't think he is going to give you any competitor bids. I can reach out to other engineers if you would like.

Mr. Ference: I don't know if Rey is qualified to do that himself. He can reach out to people who are specific to this area. I am just saying that because we like to make sure that he shops the area. He is an engineer but can he do it all?

Ms. VanSickle: Wouldn't the engineering firm have engineers that has specialties? This is the engineering firm we hired so I am assuming they would have somebody in their office.

Mr. Ference: If that is the case then so be it. I am just thinking.

Ms. Wells: Spend the least amount of money as possible. I'm right there with you.

Ms. Pontious: Ok, is there anything else we need to add to our list?

Ms. Wells: If anything comes up and if we have another contractor or anybody else that recommends anything I will bring it to the July meeting. We have another meeting before we actually adopt the budget. If we think of anything else or if you guys think of anything just let me know and we can come up with an amount to put in to discuss at the July meeting. I will make sure to bring those other options to the July meeting as well. One thing I should have mentioned under restaurant update. Do we want to surplus the charbroiler that we had to replace? We may just want to do that now so that we can get that out as soon as possible.

Mr. Deane: Motion to get rid of the charbroiler that was replaced.

Ms. VanSickle: Second.

Ms. Pontious: We have a motion from Borden and a second from Brenda to surplus the charbroiler.

On MOTION by Mr. Deane seconded by Ms. VanSickle with all in favor, motion to surplus the charbroiler in the restaurant that was replaced was approved.

Ms. Pontious: We don't want to store any more then we have to. I have a couple of items I would like to think about making adjustments to for our 2019 budget while we are talking budget. On page 3 of the financials for 2018 we are already over budget on our operating supplies and the office supplies. We have a budget of \$4,000. We are already at \$4,200 with a lot of time to go. Operating supplies are \$25,000 and we're at \$25,900 and we still have months to go. For gas we had \$15,000 and are already at \$22,000. I think we need to think about upping those items in the budget for 2019 if we are already at the max for 2018. So if you would make note to change those for us, please. Do you want to talk to us about these windows while you are doing capital things?

Ms. Wells: At the last meeting Supervisors approved for the capital project to replace the ballroom windows. The windows that were presented with that quote were a tempered glass that withheld up to 140 mph winds. There was a question at the Board meeting if it was impact resistant. We reached out to the vendor. The tempered glass isn't necessarily what is considered impact resistant. They gave us a quote for replacement with impact resistant which would also upgrade the aluminum framing. The original quote was \$32,347.36. To increase would be \$56,000. That would be to replace the windows facing the lake with the impact resistant which doesn't necessarily prevent the window from breaking, it just prevents from intrusive. There is a membrane in the middle of it that would not explode, he said it was missile tested. I was like ok so if there is a hurricane nothing is actually going to come in. The glass may break. We still would need to get it replaced but there is not going to be an intrusion into the ballroom. In the email I included an excerpt from the www.floridabuilding.org just explaining what the impact resistant windows were comprised of.

Mr. Ference: Rey explained that to us before he left, so we are just making a motion to accept that proposal.

Ms. Wells: It would just be a change order. I signed it just to get the ball rolling because I know we wanted to get it going but they are waiting for us to call them as soon as this meeting is over to do a change order to change the materials.

Mr. Ference: I make that motion.

Ms. VanSickle: Second.

Ms. Pontious: We have a motion from Bob and a second from Brenda to do a change order to change the windows from the regular glass to the high impact resistant windows. Any further discussion?

Mr. Deane: According to what Rey said, the 140 mph was pretty good and he was more or less not worried about the hurricanes but tornados. Impact resistant is not going to stop a tornado anyway, so I don't know why we need to spend an additional \$30,000.

Ms. VanSickle: I thought Rey said he would recommend the impact resistant.

Ms. Pontious: He did, but it is not his money.

Mr. Deane: It is our money.

Ms. VanSickle: That is true.

Mr. Deane: These have been in here for 15 years and have never had anything go through them. Yes, they leak. I understand that. That is why we are replacing them. We are not replacing them because they have been broken by impact or anything like that. These are guaranteed up to 140 mph. Why do we need to go any higher and spend another \$30,000? I don't think it is necessary.

Ms. Pontious: What do you think, Matt? When you talked to them about 140 mph winds, did you think that seemed to be sufficient until this issue came up?

Mr. Fisher: I am on board with Borden. I believe 140 mph winds being able to sustain that is more than enough. He was all happy when we mentioned impact resistant because of the increased cost. I would stick with the lesser 140 mph.

Ms. Pontious: Our primary concern with the windows has been the water intrusion and the damage to the floors, walls and things like that. I think that was our goal in the beginning was to decrease the water, I don't know.

Ms. VanSickle: Would the impact resistant stop the water?

Ms. Pontious: I don't know. We are worried about the little things.

Mr. Fisher: One thing he told me is we were having water issues and he is like you might still have water problems.

Ms. Pontious: Even with the big ones.

Mr. Fisher: With the impact resistant there still maybe water intrusion but there won't be an object coming into the ballroom from the outside. We haven't had that problem since the building has been built as far as I know.

Ms. Pontious: I guess if we get more than 140 mph winds we are going to have a lot more trouble than just windows.

Mr. Deane: That is right.

Ms. VanSickle: Can I withdraw my second? I was looking at the water. Water is a lot of damage, but if it is not a guarantee against the water intrusion than I think the tempered is fine.

Ms. Pontious: We already have a motion so we can just vote and if it goes down it does it that way too. Those in favor of the high impact windows? Those opposed?

On MOTION by Mr. Ference seconded by Ms. VanSickle with all opposed the motion to install high impact resistant windows in the ballroom for \$56,000 failed.

Ms. Pontious: We are going to stick with the regular windows and save \$30,000.

Ms. Wells: I just told Matt it was mentioned at the Board meeting, we just need to bring it to their attention just so they know and it is up to them whatever decision they want to make, that way we know if anything happens.

Mr. Deane: You blame us.

Ms. Pontious: Do you have anything else for us?

Ms. Wells: I do not.

Ms. Pontious: I have somethings for her. We are driving this poor lady crazy and she doesn't need that. So my first issue is we are having residents who want to stretch the parameters. Our fee schedule, we have a paragraph in here that I have probably read in the last week 100 times and I still don't get it, so we really need to clear this up so that she knows what to tell people. She is really concerned about being fair and consistent and we need to help her do that, so in here the first paragraph of this is pretty good. It says because we all pay our fees we get to use the amenities. The issue comes in where people are wanting to use the facilities for profit making ventures and for groups of people

coming in to participate in activities they might want to have so the first part of this is good, then it says residents wishing to reserve the clubhouse ballroom or other facilities for functions where 50 people or more are in attendance. So does that mean 50 people in total because we already said everybody has to be a resident or does that mean 50 people with guest passes because now we have gotten into the guest pass business? I think we need to clarify. We are saying a resident has the right to use the ballroom and make a reservation. That part is good. It is when they start inviting additional people and who those people might be that the fees then changes from free to paying 50%, so we really need to clarify that. I thought we had an issue that said if you had over 50 people from the outside then you pay. This does not say that. This says where 50 people or more are in attendance. So then what do we do from 0 people to 50 people?

Mr. Ference: If they are members of the community nothing.

Ms. Pontious: Right but we are not doing anything if it is more than 50 people as long as they are all residents of the community. It is when the guests start coming. I really think we need to define this and work on it so that we know and everyone else knows. If that is our intent if we have more than 50 people from the outside then you pay the half fee then we need to spell that out. If we are going to stick with if you are using it for profit making, then you should pay, then we need to have that spelled out because right now it says you can, but you can get a waiver. Well then the waiver is for brothers, sisters, grandchildren and so forth.

Ms. VanSickle: I think we really need to clear that up because I think when it starts talking about relatives and I don't have it in front of me, didn't we talk about if you were having a wedding or a birthday party or something for family members you have people from outside? That is one thing. When you start having a moneymaking endeavor and you start inviting from outside or you start having activities in here where you have outsiders coming in, we are getting to the point now that a lot of our activities don't have enough room for our residents. I got a rather long text yesterday from an upset resident. She couldn't get on a bus trip and said there were nonresidents going. That is something we definitely need to look at. It might be where our buses don't fill up, do we want to

allow guests, but I think we need to allow our residents to have that first option, just like our shows. We are supposed to be doing this for our residents because they are paying the fees. If you start having guests take up spots that residents want, we have an issue.

Ms. Pontious: Ok so let's deal with that one first. You have buses going places and we have people from Lake Ashton wanting to be on those buses but we have people with guests, so we are going to say no guests. Lake Ashton residents only until what?

Ms. VanSickle: A week before.

A resident: Is that the bus trips you are talking about?

Ms. Pontious: Yes.

Ms. VanSickle: I think we need to give our residents ample time, but if the bus doesn't fill up.

Ms. Pontious: So we can fill it with residents then have a guest list. If it doesn't fill up those people can be called. First come, first serve order. Can you live with that?

Ms. Wells: I can. Do we want to put a timeframe on it? The only thing I was thinking of is that some of the trips, Small World Tours has us give them how many people are signed up, it is sometimes more than a week or two to make sure the trip can still happen. So if they say they need to know a month in advance how many people are signed up and if there isn't a certain number of people signed up, then they have to cancel the trip. I like the idea of doing a guest list like these are the people that would like to go, but are we doing a time limit?

Ms. Pontious: Do we need to do a time limit or does she just need to publish in the document when it goes out for the trip?

Ms. VanSickle: Residents sign up by a certain date and after that date guests can.

Ms. Wells: It can vary based on what their deadline is. Each changes for each trip.

Ms. VanSickle: That would be fine but residents have first choice. We don't need to deny residents trips.

Ms. Wells: So residents sign up a certain deadline, whatever Holly gives me as the deadline, then after that point guests can sign up.

Ms. Pontious: Is that going to accommodate your needs?

Ms. Wells: I just wanted clarification so that I know. I want to treat everybody the same when they come in, but I also don't want to have a trip cancelled and we have guests that couldn't go and the trip could have went so residents could go.

Ms. Pontious: Then it is the same kind of thing with the shows and things as they come out, too. So we need to address are we just going to say residents only. I think we talked about that a couple of months ago. We said residents only. Then there is a point where she is going to have to cancel a show or do something different if it doesn't fill. We can do the same thing with that.

Ms. VanSickle: For our extra shows yes, but our entertainment series I think that needs to stay strictly residents only. We need to add something in there if a resident can't go, the ticket they can sell or give their tickets to other residents. We shouldn't have outsiders attending those shows when we have residents that can't get them. There are always Bargain Bay people looking for tickets.

Ms. Pontious: So they can sell their tickets to other residents. But we have people buying tickets and giving them or selling them to people outside the community.

Ms. VanSickle: That needs to stop.

Ms. Pontious: So no entertainment series tickets sold to anyone but residents and no one should be coming in the door from the outside for an entertainment series.

Ms. Wells: I just want to clarify one thing. So if a resident purchases their tickets and can't attend the show and gives it to a guest of theirs to attend that is not happening.

Ms. Pontious: As long as they are Lake Ashton people.

Ms. Wells: So like someone's sister that lives outside of Lake Ashton can't come in. The seat would just go empty or go to a Lake Ashton resident. I just want to clarify because those are some of the questions I have been getting is that they want their friend or their sister that lives not far away to come to the entertainment series because they can't come. I just want to make sure it is completely clear.

Ms. VanSickle: We have to accommodate our residents first.

Ms. Wells: Ok. I am fine with that. I just want to clarify that entertainment series tickets have only been sold to residents of Lake Ashton? It is just what happens to them

after we sell them to the resident. Now when we go to market for entertainment series for 2019 we will just state in there that if you are selling or giving away your ticket it has to be filled by a resident of Lake Ashton.

Ms. Pontious: Ok what else?

Ms. Wells: I know we have mentioned the additional shows, not the entertainment series, some of the shows that we are doing recently we have had low attendance. I just don't want to get to the point where we have to cancel a show and we start losing a significant amount of money so I don't know if there is a time limit or if there is a certain, like this section is for residents only and this section is for nonresidents. I am open to ideas. I wanted to just bring it to the Board and see or if we want to say if by this time we still have seats available it can go out to nonresidents.

Ms. VanSickle: I'd hate for us to lose a show, but I think our residents need the opportunity for those front row seats first. We don't want somebody buying 8 tickets and selling them outside. We want our residents to have the opportunity to get the best seats and give them whatever timeframe and it may vary from show to show. I will leave that to your discretion, but up to a certain point residents only and after that guests.

Ms. Pontious: Then do we want to stick to our concept of before where people can only buy the number of tickets of residents in the household, anything beyond that is a guest thing and it goes on a list until there is guest seats available.

Ms. VanSickle: Yes.

Ms. Wells: So we are going to do that for shows as well. Tickets are for residents only so when a resident comes in and says they want to buy 8 tickets I need to make sure all 8 tickets have names next to it and all names are residents.

Ms. VanSickle: Residents say they are coming in and buying tickets for six people if they are all Lake Ashton residents I think that would be fine. They like to sit together. They go out to dinner together. I don't have a problem with that but they have to be Lake Ashton residents. They have to have first and last name on those tickets.

Ms. Wells: So no guests can come to any show or event that is put on by CDD.

Ms. VanSickle: Until after a certain date.

Ms. Wells: We can do it after a certain date.

Ms. VanSickle: Initially no. Carol's idea of the guest list I really like that.

Ms. Pontious: It is more work but if you get a name and phone number as to where you can call.

Ms. Wells: I am just trying to figure out the residents that come up and have guests that they want to take to the show they both would kind of go on that guest list. The resident is not going to want to go buy a ticket and then hope that their guest can go and they sit in different rows. So we would probably put both on them down on the guest list and say since you want to bring a guest then you have to wait till this period of time. Make sure there is availability and then you are more than welcome to buy a ticket for you and your guest. I just want to make sure that is clear so when staff tells residents they know that is direction coming from the Board and not just a rule we are making up.

Ms. Pontious: I just think we want to be sure that the residents always come first.

Ms. Wells: Yes.

Ms. Pontious: I would be happy to sit down with Christine and rewrite this and bring it to you for approval. The residents for business use I want some direction on that. We still want to charge them the 50%?

Mr. Deane: Yes.

Ms. VanSickle: Yes because I think that otherwise we start for business use it is going to be booked constantly and residents aren't going to be able to book social events.

Ms. Pontious: I think in the beginning, I think our policy was that there was no business usage for residents here at all. Christine brought up a valid point that we are soliciting business from outside people to come in so we can't really deny our own people the right to do that if we are soliciting business from the outside. If we say as a person if you want to come and use it for your family it is free. If you want to come and hold a seminar for people and you are an insurance agent, then that is a business purpose. You are making money and if you are making money you should be paying 50%.

Ms. Wells: So they would pay half if it is a resident that has business or they would pay the full amount?

Mr. Deane: They would pay half.

Ms. Wells: That is the clarification I wanted.

Ms. Pontious: Ok.

Mr. Deane: Being a resident they would get a break.

Ms. Pontious: We may have to change that as we get busier too. If the rooms are needed for activities for residents then we don't want them to be in there for profit-making ventures. So you will have to monitor that as well and let us know how that is working. Then the 50 residents or more, are we intending that to mean 50 residents from the outside?

Ms. VanSickle: I think that came into effect under a previous Board and was aimed at a certain activity that happens in this ballroom. Maybe that just needs to be deleted unless it is a valid number.

Ms. Pontious: Ok so it is free if it is for them and their immediate family. If it is going to be a wedding or something of that sort they pay 50%.

Ms. VanSickle: If it is more than 50 from outside.

Ms. Pontious: I kind of rewrote it and that is exactly what I did was I took it out. So 50 or more is fine as long as they are all Lake Ashton residents or family. When we start bringing in weddings and things like that then they should pay the 50%. We have expenses, too. In addition to your resident fees, there are expenses for cleanup and so forth. Ok I will work on that for next time and have that rewritten but I wanted your guidance before I typed it out. I have it written and we will go from there. Anything else we need to clarify for you?

Ms. VanSickle: I have one more thing. The letter that this Board wrote.

Ms. Pontious: Oh yes I have that here, too. This was the letter that stated that if you were a Lake Ashton club, group or organization all your members must be Lake Ashton residents. In order to use the publications primarily they all had to be Lake Ashton residents. If you are not then you are not a Lake Ashton club, group or organization. Apparently, Christine and Mike met with Mary and Stan and the West had some opposition to some of the things in here. I think our decision was to not wait for

them to get on board and we were going to send the letter out anyway. I was in Christine's office yesterday and we are already having conflicts with reserving facilities for next year so we need to be careful that these are Lake Ashton people. Is that good?

Ms. Wells: Yes, and I just want clarification that I am sending it to just clubs, groups, and organizations that meet at the clubhouse?

Ms. Pontious: Yes.

Ms. VanSickle: Or anyone that wants to use the media.

Ms. Wells: That is where we get into the grey area.

Ms. VanSickle: That is a grey area, but if you don't want to send it out to them, when it comes time to use the media that will become an issue. I would rather be onboard with notifying everybody what the issues are.

Mr. Stan Williams: Excuse me, I was in that meeting. Mike also had some concerns with that it wasn't just the West that had concerns with that. Some of the concerns especially came up around the political groups. There are a couple of other groups that combined people from the outside and that is where the issue Christine if I am stating that correctly, that is where we had a concern. How do we want to handle those? You have the Democratic Club, the Republican Club, Weight Watchers and a few others.

Ms. VanSickle: We need to be consistent across the board.

Mr. Williams: What is it going to be? So that was where we had the conversation. I know Mike also had concerns in that area or at least I am pretty sure he did. I think he was a little concerned about it also.

Ms. Wells: I guess I don't recall where Mike was concerned. That is why when I was in the meeting I said I want to be very clear that we are talking about this because they basically already looked at the letter.

Mr. Williams: You were asking Mike to speak up.

Ms. Wells: I didn't know at that point that he wasn't going to be at this meeting. I was hoping that we could all discuss it because I know that they told me 30 days which was over 30 days. If you guys want to wait till we hear from Mike to see. You guys were very adamant and I mentioned it three times when we were meeting with them is that

you guys were very adamant on you already basically approved this letter, that if it wanted to go out. I don't know if you want to wait to hear from the fifth Board member to make sure that there is a no. I don't recall to be completely honest with you.

Ms. VanSickle: This was a unanimous decision.

Mr. Deane: Yes, it was.

Ms. VanSickle: I think we go ahead with it. We have to be consistent. We cannot start making exceptions. If we make exceptions for the Republican Club, for the Democratic Club, for Weight Watchers, then what about all the other groups. What applies to one needs to apply to all of them. We are growing so we need to be consistent, we need to be fair. We need to look out for our residents. I think all the groups need to be put on notice because one of the perks of being a resident is being able to reserve that room and being able to use that media. Otherwise there is a charge for that media. I feel very strongly about it. We already voted on it. It was unanimous.

Ms. Wells: I just want to be clear about the media use because then if it is someone who solely meets at the HFC but they are using media here, I just don't want to get into a battle where I am sending a letter out. Everyone uses media that meets either at the HFC or here. If I am sending a letter out that is stating you can't use media and I am sending it to just groups here.

Ms. VanSickle: That is not fair.

Ms. Wells: That is what I am saying, but I don't want to step on anyone's toes and say I am going to send it out to every group whether you agree with this letter or not whether they meet here or there. I just want to be completely clear with that.

Ms. VanSickle: We need to be very consistent. We need to be very fair. I think in our amended policy to use the media you have to be under this every member is a resident. It says that very clearly. I think because we are having people that can't get into events we need to start enforcing it. I think up to this point it has been kind of loose.

Mr. Williams: So does that mean if for instance Weight Watchers who meets over at the HFC wants to use the media they can't use it also?

Ms. VanSickle: Yes, they have to follow the same rules as everybody else.

Mr. Williams: Even if it is going to be in the HFC?

Ms. VanSickle: That is the way that it is written yes.

Ms. Wells: And that was the thing. The reason the letter got brought up then is because we are meeting to come up with a common amenity facilities policy. Currently, their amenity facility policy includes the same verbiage as ours when it comes to that. I think that was the only section. We agreed on every other section but that section.

Mr. Williams: I don't know where the Republican and Democratic Club meets now, but they could be at the HFC and then use your media.

Ms. Wells: That is why I wanted to be clear.

Ms. VanSickle: I think it needs to go out Lake Ashton wide, these are the rules and regulations. If they don't want to do it, fine. What we have been trying to do is make things more uniform, but if we are disagreeing on them I think we have to be consistent for what we do. Access to media is a privilege for the club, group or organization. If you are not meeting the definition of that I think you should lose your privileges.

Ms. Pontious: Did we not make an exception to it was the media that we pay for but they can do Monday Coffee? They can stand up and speak at Monday Coffee.

Ms. VanSickle: Yes, anybody can stand up and speak at Monday Coffee.

Ms. Pontious: It is the media that we pay for that other people are paying for if they are doing things from the outside. Ok can we live with that then?

Ms. Wells: I just want to make sure that I am being asked to send this to every club, group or organization whether they even meet at the clubhouse and that it is coming strictly just from us.

Ms. VanSickle: Just put that it is for informational purposes only. We are planning on enforcing this and we want to notify everybody. At some future point they may want to meet here. Ideally we would have the same rules, but if there is a slight difference now I think we need to go by our amenity policy.

Ms. Wells: And it is going to come from only me to everyone. I will do whatever you guys tell me to do.

Ms. Pontious: Just put on here LA CDD I.

Mr. Deane: Sign it the Lake Ashton CDD Board.

Ms. Wells: Ok, but send it to every club, group or organization that meets here, there and anywhere.

Ms. VanSickle: Are we all behind it? Bob?

Mr. Ference: Yes.

Ms. VanSickle: Sign it CDD I.

Mr. Deane: That is all you have to do.

Ms. Pontious: At least we are moving in the direction.

Ms. Wells: I guess now would be the time if there is no other changes to the letter, just keep it exactly the way it is and we will just change it from regards all of your names.

Mr. Deane: That is fine.

Ms. Pontious: Yes. Do you have anything else for us?

Ms. Wells: I believe that is all I have.

C. Field Operations Manager

- 1) Monthly Report
- 2) Consideration of Replacement Options for Ficus Trees in Front of Clubhouse Ms. Pontious: Ok, Matt. I think we are ready.

Mr. Fisher: Good morning. In the package is the operations manager's report. Any questions I would be happy to answer.

Ms. VanSickle: We think you are doing a wonderful job, Matt. Thank you.

Mr. Deane: Matt, I just want to thank you for everything that you and your helpers have done with assisting in the restaurant. It has been fantastic. Thank you very much.

Ms. VanSickle: I like the point that Rey made this morning when he said we are in very good hands with the young people we have working for us. Christine and Matt, we really appreciate both of you. I would like everybody to give them a round of applause.

Mr. Fisher: Included behind that report is some pictures of possible replacement trees for the ficus trees. There are five ficus right outside the ballroom here. One is tucked behind a bougainvillea and we would just remove that. Replace the four between the windows. There is a Japanese blueberry we could put in there or a podocarpus. I have

heard several like the blueberry just because we already have some around the clubhouse. What is wrong with the ficus is, it is normally an inside bush and it is not thriving outside anymore. It really got hurt last winter. It is not bouncing back. That part of the building is really a focal point coming off the Boulevard. Seeing those sticks it looks horrible. These are some prices. We are recommending the blueberry as a replacement.

Mr. Deane: If that is what you are recommending Matt, then that is what we think we should do.

Mr. Fisher: I appreciate that.

Ms. Pontious: Those trees are just getting old too. Sixteen years is a long time for bushes to last.

Mr. Fisher: If you see the bottom of the bushes they are kind of rotting.

Ms. Pontious: Ok is there anything else you would like us to do?

Mr. Fisher: That would be it on your part. I am working with Yellowstone around the clubhouse to replace some of those dead bushes that are covered under the warranty. We are removing some of those dead Indian hawthorns that are in the middle. I was thinking let's just go with the topiary bush with the focal point at the center of the garden. We don't need those hawthorns out there. Other than that everything is looking good.

Ms. Pontious: I would like to see them one day pull out a dead bush which is as it should be that they replace it with a live bush rather than leaving a hole.

Mr. Fisher: Ok.

Ms. Pontious: Up around the pool area they have taken out some bushes that probably need to be replaced. Sometimes they will grow and fill in but if it is obvious they are not going to do that. Same thing on the Boulevard. We have lost a lot of shrubbery out there.

Mr. Fisher: The purple bush out there that is on the outer part of the median I have seen some holes in there. I agree.

Ms. Pontious: It doesn't have to be expensive stuff. The ground cover and things you know is fine but it is when you see the obvious holes.

Mr. Fisher: Ok.

Ms. Pontious: The one other thing we need to do is these two are our focal points but we also have Valerie and Terisa and LouJean who have been working diligently to get this restaurant moving and probably taking over some of your tasks while you have been working on this. We appreciate their efforts as well. I told Christine yesterday she just needs to go in her office and lock her door and get some work done. She is taking all this home with her at night so that she can get work done that she is being responsive to the residents during the day. I think she at least deserves an hour a day where she shuts that door and get some work done. Although we appreciate LouJean's efforts, LouJean is a retiree and I am sure she would rather be retired on some days. She needs to find us that next person to come on board so that we have a full staff again.

Ms. Wells: Job number one.

Mr. Fisher: Thanks, again.

D. CDD Manager - Discussion on Fiscal Year 2019 Budget

Ms. Pontious: We have the CDD manager's report.

Ms. Burns: We looked at the past history of meetings and wanted to leave it up to the Board if you wanted to have your discussion on your fiscal year 2019 budget at your July regular meeting or if your preference was to have a separate budget workshop. I am not sure if we wanted to hold two or just do it at the same time.

Ms. Pontious: July meeting is good.

Ms. Burns: Alright we will do that. That was our thought but we saw that the Board had chosen both ways in the past so we wanted to leave that up to you. We will put that on the agenda for the July meeting.

EIGHTH ORDER OF BUSINESS Financial Reports

A. Approval of Check Run Summary

B. Combined Balance Sheet

Ms. Burns: That was included in your package. The total for the general fund was \$118,677.92. The total for the capital fund was \$39,114.75. We would just be looking for approval for the check run.

Mr. Deane: Approval for the check run summary.

Ms. Pontious: We have a motion from Borden and a second from Bob to approve the check run summary. Is there any further discussion?

On MOTION by Mr. Deane seconded by Mr. Ference with all in favor the check run summary was approved.

Ms. Burns: The next is just the combined balance sheet for informational purposes only. No action but if anybody has any questions. I did note to look at those three items you referenced for the 2019 budget so we will address that at the July meeting as well.

Ms. Pontious: Anything else? One another thing I was going to check with Matt about and forgot. We seem to go through an awful lot of paper products around here. I noticed that the HFC has changed to some electric hand dryers. What do you think about doing something like that versus all the paper?

Mr. Fisher: That is a good option. I can definitely look into that and have something next Board meeting.

Ms. Pontious: That would be great. We still need paper because we need to clean up spills and things, but at least in the restrooms. Are they working well over there, Jim?

Mr. Jim Mecsics: Yes.

Ms. Pontious: It is less paper coming in and less paper going out. I think that might be a good move.

Mr. Mecsics: Why don't you have Matt talk with Mary?

Ms. Pontious: Alright. If she has already had prices received that is a good thing.

Ms. Wells: Do you do a combination of paper and hand dryers in the bathroom?

Mr. Williams: Yes.

Ms. Wells: Is that what you would want us to look into as well is just doing a combination of paper and hand or just hand dryers. I see and yes and a no.

Ms. Pontious: I personally don't like hand dryers but I think it would be great to getrid of the paper.

Ms. VanSickle: Some of the reading I have done on sanitary is that the paper actually gets the germs off the hands. It is more sanitary so I am more sticking with paper.

That is me. We might want to do some more research on that.

Ms. Pontious: Ok.

Ms. Wells: We will bring options for both at the next meeting.

Ms. Pontious: Alright I think we have reached the point for public comments.

NINTH ORDER OF BUSINESS Public Comments

Ms. Pontious: Who would like to speak with us today?

Ms. Landgrebe: Good morning. Debby Landgrebe. There is a couple of things I have for your budget next year is about a generator for this building. It came up at Monday Coffee and hurricane preparedness, I know CERT has discussed it frequently so something to consider. Also in regards to the amenities and guests I am assuming guests is anyone not a resident, is that correct? I am just trying to understand if the purpose of our trips and our shows are for our residents and then you have a guest list which is a nice idea but that still opens the door for other people who live nearby or outside of here. Is that correct and they would pay the same amount as we would?

Ms. Pontious: Only if we need help in survival of the event yes.

Ms. Landgrebe: I do have a concern about a resident who has a business can rent the facilities for half price. I am a resident. I pay my amenity bill and if I have a party and not having my relatives, my extended family, I have to pay half price correct?

Mr. Deane: No.

Ms. Landgrebe: So even my extended family.

Ms. Wells: Yes.

Ms. Landgrebe: If I own a business it is not paying amenity fees. If I choose to rent this facility as a business I should pay full price. You almost have to separate the person and their business. Half price fee is a good deal. I am a resident, I want to use the building for my own use but I am now going to compete with a business and I don't think that is the intent of our amenities. I think a business is a business and they should pay full price.

Ms. Pontious: You have a valid point.

Ms. Landgrebe: Thank you.

Ms. Pontious: There was someone else before.

Mr. Turner: Good morning, my name is Bob Turner. Just a comment on the golf course situation. I was wondering why we were considering purchasing the golf course. This is an amenity we all purchased when we all bought our houses. I know it is owned by the developer, but part of the planning process is that he has to provide open space. That is essentially what the golf course is. The open space provision is being turned into a golf course. So we have the right to use it. Why do we have to consider paying \$400,000 to buy it cheap, they are telling me unless it is for the purchase of the Eagles Nest and the equipment? That is a different thing altogether. The actual golf course itself we got the right to use it or if we haven't gotten the right to use that golf course, the developer has to transfer that open space provision somewhere else so we can use it elsewhere. He can keep the provision here if he wishes but he has to give us open space provision for development equally. In regards to the golf carts tracks, that is part of their sidewalk provision. There are no sidewalks here around this development and in that situation the golf cart provision is in place of. So therefore that is why we were walking around the golf course if you remember or not. I just put the comment in would you consider that when you are \$400,000 out. Whoever buys this is still going to need the same provisions because it is in the planning condition. I read the minutes back and where I come from as well there is open space provision in any development. I don't see why you should be buying it when you already paid for it. I think the new development people should be paying for the open space, if you look at contract you will see it in there. Thank you.

Ms. Pontious: I appreciate your comments, but I think you have some misinformation.

Mr. Turner: In what respect ma'am?

Ms. Pontious: The golf course is privately owned.

Mr. Turner: Yes, I agree with that.

Ms. Pontious: He can do with that property what he so chooses.

Mr. Turner: No, he can't.

Mr. Deane: Yes, he can.

Mr. Turner: With respect, when you build any property you have to provide open space provision. It is his property, he can do what he likes according to the planning application. If he wants to put a revision in he can and build two million houses, but he then has to provide open space provision elsewhere to compliment what he is building. He can build it two miles away, it doesn't matter. This place around here if you check the planning you will find the open space provision is required. He can't do what he likes with it, he can sell it for \$2,000,000 or \$10,000,000, but the person who buys it still has to have that provision for the development. You have 1,600 houses with nowhere to put their dogs, nowhere to walk anywhere apart from the road. There is no sidewalks which in planning they have to have if you check the regulations. Thank you.

Ms. Pontious: You might have to cite for us where you are getting information and we will ask the attorney to check.

Mr. Turner: That is lovely. That is fine. I am not here to argue, I am here to make a comment. I made the comment, you can dismiss. At least I have been heard. That is why I am here this morning. I am not here to contend with any of you.

Ms. Pontious: No, we like to do that. We just don't want the audience hearing information that may or may not be true.

Mr. Turner: That is why it is a comment ma'am. You can dismiss me completely. Ms. Pontious: Ok.

Mr. VanSickle: Jack VanSickle. Lot 573. For the Board's information the only place the golf cart paths are defined and talked about are in the plot of the development. I personally have that information sitting on my desk and it states that they are owned by the golf course to use within this community. They are owned, we do not have a right. The issue of sidewalks was an agreement between the City of Lake Wales and the developer to allow him to get more houses in here. We have what is considered non-standard roads and we would pay for those roads. If anyone wants to look at it I can show you the actual document that those are the facts. It is not going to change. The golf course owners control the cart paths at their will so they can shut it down at any time they want to, as well as our use of them.

Ms. Carpenter: Just for the Board's information Mr. VanSickle is correct. The city confirmed that the plat was permitted with no sidewalks because of the golf cart path but that they would not require those to be made public. So there is a chance that if somebody went for rezoning or resold them that there would be an issue with that. That is correct.

Mr. Turner: I agree with what was said and if they did remove the provision for the sidewalks, which they are entitled to do, I have no problem with that at all, but they probably have to pay to somebody that walked down the road without getting run over. If they do that provision there would be no sidewalks here at all. They need to provide sidewalks. I know there is grey areas all around but the bottom line is the agreement they reach with any developer whoever it is, they have to have some provision to be able to walk a dog or to walk just down the street. There is that provision. If they withdrew if from the golf course, no argument with any of that, I am saying they need to provide some facility for people to walk along the road and that is where the argument comes in. If they want to keep it open to the public that is fine or if they try to outsource it fine, but the provision must be there and that is where the dispute comes.

Mr. Zacharia: Murray Zacharia, Lot 373. I really was trying very hard not to get up here like I usually do, but I found myself agreeing with Debby, which I have never done before. Regarding fees and amenities and use of facilities and that whole discussion, I agree with her in charging a resident 50 cents on the dollar to use the facility for business purposes is inconsistent with what I believe is the policy for residential owned businesses to take out ads in the media. If someone who is a resident wants to have an ad in the LA Times is not paying 50 cents on the dollar and that the cost of that ad is the same for him as it is for South Florida Garage, it leads me to believe that we might just be creating more inconsistencies in the applications of things. I would ask that you reconsider the vote you had earlier today at a future date. As long I am talking about things the decision made by CDD I about the entertainment series and charging people and guests I believe was on the right track to getting the two Districts together and the two HOA's and the two sides of Lake Ashton to work together. That decision drives another spike between the two sides. I believe that decision is one that needs to be made a joint CDD meeting.

Ms. Pontious: Anyone else? Ok, do we want to reconsider that decision based on some things we have heard? I just asked Christine about what they pay for the ads.

Mr. Deane: They pay full price.

Ms. Pontious: They don't, they get a 5% discount, residents who advertise. Are we happy with what we did?

Ms. VanSickle: I think we need to give our residents a perk and we have outside vendors coming in that we solicit to. I know they pay but not necessarily for the room but they pay for a perk or something else. I think we need to offer our residents the opportunity that we are offering outsiders. There is a fine line between a service to the residents and making money off our residents. So maybe that we need to look into. Do we have a history on any of this Christine? I don't think we do. Residents booking rooms?

Ms. Pontious: In the past we have done a lot of it. Have we?

Ms. Wells: You have some residents here who represent different insurance firms that have used the facility to do seminars and things like that. I just want to make sure I am understanding this right is that you had said we haven't allowed residents to rent a facility if it is for commercial. If they work and they live here and they want to rent a room, I think it is more of a question of what we are charging them. Are we charging them full price or are we charging them 50% off because they are a resident here. They are the primary beneficiary of the reservation. So it is a question are they or the company the primary beneficiary of the reservation? That would determine whether it is full price or half price. If the resident is the primary beneficiary it is half price. If it is the company the primary beneficiary it is full price.

Ms. VanSickle: How difficult is that to determine?

Mr. Ference: That is a distinction without a difference. If I work for a company and I am being paid by them whether it is health care or anything else, then we are both profiting from it so it is a distinction without a difference.

Ms. Wells: It is hard.

Ms. Pontious: I just don't want to get to the point either where our rooms are beginning to fill up with residents who have businesses and it comes kind of first come,

first serve basis and now people can't play cards or do those kinds of things that residents like to do because the rooms are being used for seminars. We may have to revisit that.

Ms. VanSickle: Put that on our agenda for next month.

Ms. Pontious: We can do a little more research and revisit that.

Ms. VanSickle: When we have a group that offers a dinner do they rent the hall or do they just make the restaurant give the residents a free dinner or meal ticket? There is a lot to be said for that. We just want to make sure this is equitable. They don't pay for the room in addition to the dinner and tickets, do they?

Ms. Wells: They historically haven't. If they are providing something for a resident and it is residents only that are in attendance at that event. If they are providing a dinner and a ticket they do not pay for the rental of the room. If they are renting a room just to do a presentation not providing anything for residents of substantial nature then they are being charged for the room. That is why I just want the clarification because it is easier to be black and white. This is what it is. You don't have to think about what are you providing, is it substantial? Is it not substantial?

Ms. VanSickle: We want to make your life easier, too.

Ms. Wells: I just want to be the same for everybody. There are quite a few residents that still work for companies whether they are independent contractors. See that is the thing if they are an independent contractor, are they technically the beneficiary if they are working for a company? I just want clarification with that. Whatever the Board wants me to do, whatever they want me to charge I am all about revenue, but I want to be fair because I know that residents pay for the O&M fees.

Ms. Pontious: Let's wait for next month when Mike is here, too, and we can address it. We can get some resident feedback in that time and see. We don't want to make a mistake. Have you changed your mind and you would like to speak to us or are you waiting for its time to go home?

Mr. Price: David Price. I am just referring here to what I think it should be. All comments should be limited to 3 minutes unless additional time is granted by the Chair. I don't think you need to be up there carrying on for more than 5 minutes. It is boring.

Ms. Pontious: Ok, thank you.

TENTH ORDER OF BUSINESS

Adjournment

Ms. Pontious: Now you are late, Bob.

Mr. Ference: I make a motion that we adjourn this meeting.

Ms. Pontious: Thank you for joining us and we will see you next month. Same time same place.

On MOTION by Mr. Ference seconded by Ms. VanSickle with all in favor the meeting was adjourned.

Assistant Secretary/Secretary	Chairman/ Vice Chairman

SECURITY CONTRACT AGREEMENT

(Lake Ashton CDD)

THIS SECURITY CONTRACT AGREEMENT ("Agreement") is made and enter into effective as of the 3 day of March, 2017, between LAKE ASHTON COMMUNITY DEVELOPMENT DISTRICT (hereinafter referred to as the "District"), a local unit of special purpose government created under Chapter 190, Florida Statutes, whose mailing address is 135 W. Central Boulevard, Suite 320, Orlando, FL 32801, and COMMUNITY WATCH SOLUTIONS LLC, a Florida limited liability company (hereinafter referred to as "Contractor"), whose address is 1406 Deuce Circle, Davenport, FL 33896.

WITNESSETH:

Subject to and upon the terms and conditions of this Agreement and in consideration of the mutual promises set forth herein and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the District and Contractor agree as follows:

1. DEFINITIONS.

- (a) Agreement. The Agreement consists of this Security Contract Agreement and the Scope of Work. The Agreement represents the entire and integrated Agreement between the parties hereto and supersedes all prior negotiations, representation or agreements, either written or oral. The Agreement may be amended or modified only as set forth below in Article 8.
- (b) <u>Services</u>. The term Services as used in this Agreement shall be construed to include all Services set forth in Exhibit A, all obligations of Contractor under this Agreement, including any addenda or special conditions.

SCOPE OF WORK.

- (a) A description of the nature, scope and schedule of services to be performed by Contractor under this Agreement shall be as follows: The security contract services as described in Exhibit A, attached hereto, and incorporated herein by reference.
- (b) The following List of Exhibits, all of which are attached hereto and incorporated herein, is applicable to the Services:
 - i. Exhibit A, Scope of Work
 - ii. Exhibit B, Price Sheet
- 3. <u>COMMENCEMENT OF SERVICES.</u> Contractor shall commence its Services on March 31, 2017 and shall perform the same in accordance with any schedules set forth in the Agreement, including but not limited to schedules set forth within the Scope of Work.

4. **DISTRICT MANAGER.**

- (a) The District's authorized representative (herein referred to as the "District Manager") shall be the District Manager of the District, which is Governmental Management Services Central Florida, whose mailing address is 135 W. Central Boulevard, Suite 320, Attention: George Flint; provided, however, that the District may, without liability to the Contractor, unilaterally amend this Article from time to time by designating a different person or organization to act as its representative and so advising the Contractor in writing, at which time the person or organization so designated shall be the District's representative for the purpose of this Agreement.
- (b) All actions to be taken by, all approvals, notices, consent, directions and instruction to be given by, all notices and other matters to be delivered to, all determinations and decisions to be made by and, in general, all other action to be taken by, or given to, the District shall be taken, given, and made by, or delivered or given to the District Manager in the name of and on behalf of the District; provided, however, that the District (and not the District Manager or any other agents of the District) shall be solely obligated to the Contractor for all sums required to be paid by the District to the Contractor hereunder.

5. <u>COMPENSATION AND PAYMENTS.</u>

- (a) In exchange for the Scope of Work described in Exhibit A, as determined by the District in its reasonable discretion, the District shall pay Contractor as described in the Price Sheet, attached as Exhibit B. Annual payments, as noted in Exhibit B, shall be payable to Contractor by the District in equal monthly payments.
- (b) Work Authorizations shall mean orders or directives issued by the District. Work Authorizations shall be issued for special services or emergency services, changes to the scope of the area in which services are required, or for any services beyond those set forth in Article 2. Services performed under a Work Authorization may be paid either on a lump sum basis, a unit price basis, or a time and material basis in the District's sole discretion. Contractor shall not be entitled to compensation for Services outside the scope of Article 2 unless Contractor has obtained prior written authorization of District to perform the same.
- (c) District retains the right to reduce any portion of Contractor's Scope of Work as set forth in Article 2. Should this occur, a revised Scope of Work will be agreed upon in writing by both District and Contractor.

6. REPRESENTATATIONS, WARRANTIES AND COVENANTS.

(a) Contractor hereby represents to District that: (i) it has the experience, qualifications and skill to perform the Services as set forth in this Agreement; (ii) it is duly licensed and permitted to observe and perform the terms, covenants, conditions and other provisions on its part to be observed or performed under this Agreement; (iv) has the necessary Lake Ashton Community Development District Security Contract Agreement

equipment, materials and inventory required to perform the Services as set forth in this Agreement; (v) it has by careful examination satisfied itself as to: (a) the nature, location and character of the area in which the Services are to be performed including, without limitation, the surface conditions of the land and all structures and obstructions thereon, both natural and manmade, the surface water conditions of the area, and to the extent pertinent, all other conditions; and (b) all other matters or things which could in any manner affect the performance of the Services.

(b) The Contractor warrants to the District that all materials furnished under this Agreement shall be new unless otherwise specified, and that all Services shall be of good quality, free from faults and defects and in conformance with the Agreement Documents.

7. <u>EMPLOYEES; INDEPENDENT CONTRACTOR STATUS.</u>

- (a) All matters pertaining to the employment, supervision, compensation, insurance, promotion and discharge of any employees of Contractor or of entities retained by Contractor are the sole responsibility of Contractor. Contractor shall fully comply with all applicable acts and regulations having to do with workman's compensation, social security, unemployment insurance, hours of labor, wages, working conditions and other employer-employee related subjects. Contractor shall obtain, for each individual Contractor employs on the District's premises at any time, a criminal background check performed by an appropriate federal or state agency, or by a professional and licensed private investigator, and shall make, based on the results of such background checks, employment suitability determinations for each employee that are reasonable and customary within the Contractor's industry. Contractor shall maintain copies of said background checks on file so long as the subject individual(s) remains in Contractor's employ, and Contractor shall make all background checks available for District's review upon request. Contractor shall enforce strict discipline and good order among its employees on the District's premises.
- (b) Contractor is an independent contractor and not an employee of the District. It is further acknowledged that nothing herein shall be deemed to create or establish a partnership or joint venture between the District and Contractor. Contractor has no authority to enter into any contracts or contracts, whether oral or written, on behalf of the District.

8. COMPLIANCE WITH LAWS, REGULATIONS, RULES AND POLICIES.

- (a) At all times, Contractor shall operate in accordance with all applicable laws, statutes, regulations, rules, ordinances, policies, permits and orders.
- (b) Contractor hereby covenants and agrees to comply with all the rules, ordinances and regulations of governmental authorities wherein the District's facilities are located, as said rules, etc. may specifically relate to Contractor or its services provided hereunder, at Contractor's sole cost and expense, and Contractor will take such action as may be necessary to comply with any and all notices, orders or other requirements affecting the services described herein as may be issued by any governmental agency having jurisdiction over Contractor, unless specifically instructed by the District that it intends to contest such orders or Lake Ashton Community Development District

Security Contract Agreement

requirements and that Contractor shall not comply with the same. Contractor shall provide immediate notice to the District of any such orders or requirements upon receipt of same.

(c) The District is a local unit of special purpose government created in accordance with the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes. Contractor agrees to comply with all applicable requirements of the "Sunshine Law," the "Public Records Law," the Community Development Districts Law, and all other statutes and regulations applicable to Contractor.

9. WORKPLACE ENVIRONMENT AND PUBLIC SAFETY

- (a) Contractor agrees to provide a safe and healthy workplace environment for its employees and agents and a safe and healthy environment for the public at all times. Contractor shall promptly correct any unsafe condition or health hazard in its control and shall immediately report any such condition to the District). In addition to all other requirements of this Agreement, Contractor shall comply with all federal, state and local laws and regulations related to health and safety. Further, Contractor acknowledges that all vehicles and equipment must be properly and safely operated and, where applicable, licensed and/or permitted, to operate on public roadways. Contractor acknowledges that it is responsible for public safety issues including but not limited to: proper work methods, use of protective equipment, safe maintenance, traffic control through work zones, and handling and use of materials, vehicles, and equipment.
- (b) The Contractor agrees that it alone bears the responsibility for providing a safe and healthy workplace, and that nothing in this Agreement suggests that the District has undertaken or assumed any part of that responsibility.
- (c) Contractor will provide employees with training to perform their jobs safely, including instruction in proper work methods, use of protective equipment, and safe maintenance, handling and use of materials, vehicles, and equipment. Contractor will not ask or allow any employee to operate any vehicle or equipment until the employee has received all relevant and advisable training.
- (d) Contractor will furnish, at its expense, all safety and protective equipment required or advisable for the protection of employees.

10. PUBLIC RECORDS AND OWNERSHIP OF BOOKS AND RECORDS.

(a) Contractor understands and agrees that all documents of any kind relating to this Agreement may be public records and, accordingly, Contractor agrees to comply with all applicable provisions of Florida public records law, including but not limited to the provisions of Chapter 119, *Florida Statutes*. Contractor acknowledges and agrees that the public records custodian of the District is Governmental Management Services (the "Public Records Custodian"). Contractor shall, to the extent applicable by law:

- (b) Keep and maintain public records required by District to perform the Construction;
- (c) Upon request by District, provide District with the requested public records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes;
- (d) Ensure that public records which are exempt or confidential, and exempt from public records disclosure requirements, are not disclosed except as authorized by law for the duration of the Agreement term and following the Agreement term if the Contractor does not transfer the records to the Public Records Custodian of the District; and
- (e) Upon completion of the Agreement, transfer to District, at no cost, all public records in District's possession or, alternatively, keep, maintain and meet all applicable requirements for retaining public records pursuant to Florida laws.
- IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTORS'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE DISTRICT'S CUSTODIAN OF PUBLIC RECORDS AT (407) 841-5524 X 103, OR BY EMAIL AT GFLINT@GMSCFL.COM, OR BY REGULAR MAIL AT 135 W. CENTRAL BOULEVARD, SUITE 320, ORLANDO, FLORIDA 32801, ATTN: DISTRICT PUBLIC RECORDS CUSTODIAN.

11. <u>INSURANCE</u>.

- (a) Contractor shall, throughout the performance of its services pursuant to this Agreement, maintain at a minimum:
- (i) Occurrence basis comprehensive general liability insurance (including broad form contractual coverage) and automobile liability insurance, with minimum limits of \$2,000,000 and \$1,000,000, respectively, combined single limit per occurrence, protecting it and District from claims for bodily injury (including death) and property damage which may arise from or in connection with the performance of Contractor's services under this Agreement or from or out of any act or omission of Contractor, its officers, directors, agents, and employees; and
- (ii) Workers' compensation insurance as required by applicable law (or employer's liability insurance with respect to any employee not covered by workers' compensation) with minimum limits of One Hundred Thousand Dollars (\$100,000) per occurrence.
 - (iii) Employers liability, with a minimum coverage level of \$1,000,000.

- (b) All such insurance required in Paragraph 11(a) shall be with companies and on forms acceptable to District and shall provide that the coverage thereunder may not be reduced or canceled unless thirty (30) days prior written notice thereof is furnished to District; the insurance required under paragraph 11(a)(i) shall name the District as an additional insured. Certificates of insurance (and copies of all policies, if required by the District) shall be furnished to the District. In the event of any cancellation or reduction of coverage, Contractor shall obtain substitute coverage as required under this Agreement, without any lapse of coverage to District whatsoever.
- 12. <u>SOVEREIGN IMMUNITY</u>. Nothing contained herein, or in the Agreement, or in the Terms and Conditions, shall cause or be construed as a waiver of the District's immunity or limitations on liability granted pursuant to section 768.28, *Florida Statutes*, or other law, and nothing in this Agreement shall inure to the benefit of any third party for the purpose of allowing any claim which could otherwise be barred under the Doctrine of Sovereign Immunity or by operation of law.
- 13. <u>INDEMNIFICATION</u>. Contractor agrees to indemnify, save harmless and defend the District, its officers, directors, board members, employees, agents and assigns, from and against any and all liabilities, claims, penalties, forfeitures, suits, legal or administrative proceedings, demands, fines, punitive damages, losses, liabilities and interests, and any and all costs and expenses incident thereto (including costs of defense, settlement and reasonable attorneys' fees, which shall include fees incurred in any administrative, judicial or appellate proceeding) which the District, their officers, directors, board members, employees, agents and assigns, may hereafter incur, become responsible for or pay out to the extent arising out of (i) Contractor's breach of any term or provision of this Agreement, or (ii) any negligent or intentional act or omission of Contractor, its agents, employees or sub-contractors, related to or in the performance of this Agreement.

14. MODIFICATIONS, ADDITIONS OR DELETIONS TO THE SERVICES.

- (a) A Work Authorization shall be in writing by the District, which shall consist of additions, deletions or other modifications to the Agreement.
- (b) The District may, from time to time, without affecting the validity of the Agreement, or any term or condition thereof, issue Work Authorizations which may identify additional or revised Scope of Services, or other written instructions and orders, which shall be governed by the provisions of the Agreement. The Contractor shall comply with all such orders and instructions issued by the District. Upon receipt of any Work Authorization, the Contractor shall promptly proceed with the work, and the resultant decrease or increase in the amount to be paid the Contractor, if any, shall be governed by the provisions of Article 5 in this Agreement.

15. PROTECTION OF PERSONS AND PROPERTY; MONITORING.

(a) In addition to all other requirements hereunder, the Contractor shall be responsible for initiating, maintaining and supervising safety precautions and programs in connection with the Services, and shall provide all protection to prevent injury to persons Lake Ashton Community Development District Security Contract Agreement

involved in any way in the Services and all other persons, including, without limitation, the employees, agents guests, visitors, invitees and licensees of the District and community residents, tenants, and the general public that may be affected thereby.

- (b) All Services, whether performed by the Contractor, its Subcontractors, or anyone directly or indirectly employed by any of them, and all applicable equipment, machinery, materials, tools and like items used in the Services, shall be in compliance with, and conform to: (i) all applicable laws, ordinances, rules, regulations and orders of any public, quasi-public or other governmental authority; and (ii) all codes, rules, regulations and requirements of the District and its insurance carriers relating thereto. In the event of conflicting requirements, the more stringent shall govern.
- (c) The Contractor shall at all times keep the general area in which the Services are to be performed, including but not limited to sidewalks, roadways, trails, rights-of-way, open spaces, and all such areas impacted by the Services, clean and free from accumulation of waste materials or rubbish (including, without limitation, hazardous waste), caused by performance of the Services, and shall continuously throughout performance of the Services, remove and dispose of all such materials. The District may require the Contractor to comply with such standards, means and methods of cleanup, removal or disposal as the District may make known to the Contractor. In the event the Contractor fails to keep the general area in which the Services are to be performed clean and free from such waste or rubbish, or to comply with such standards, means and methods, the District may take such action and offset any and all costs or expenses of whatever nature paid or incurred by the District in undertaking such action against any sums then or thereafter due to the Contractor.
- (d) Contractor shall cooperate with and participate in, at no additional cost or charge, all programs, plans or routines for monitoring and reporting to District, as required in the sole discretion of the District, to ensure satisfactory performance of the Services provided hereunder.

16. SUSPENSION OR TERMINATION.

- (a) Anything in this Agreement to the contrary notwithstanding, District shall, in its sole discretion and without cause, have the right to suspend or terminate this Agreement upon thirty (30) days prior written notice to Contractor. In the event of termination, District's sole obligation and liability to Contractor, if any, shall be to pay to Contractor that portion of the fee earned by it, plus any earned amounts for Extra Services performed pursuant to Articles 5, through the date of termination.
- (b) If the Contractor should become insolvent, file any bankruptcy proceedings, make a general assignment for the benefit of creditors, suffer or allow appointment of a receiver, refuse, fail or be unable to make prompt payment to Subcontractors, disregard applicable laws, ordinances, governmental orders or regulations or the instructions of the District, or if the Contractor should otherwise be guilty of a violation of, or in default under, any provisions of the Agreement, then the District may, without prejudice to any other right or remedy available to the District and after giving the Contractor and its surety, if any, seven (7)

Lake Ashton Community Development District Security Contract Agreement days written notice, terminate the Contract and the employment of Contractor. In addition, without terminating this Contract as a whole, the District may, under any of the circumstances above, terminate any portion of this Contract (by reducing, in such as manner as District deems appropriate, the Scope of Service to be performed by the Contractor) and complete the portion of this Contract so terminated in such manner as the District may deem expedient.

- 17. <u>SUBCONTRACTORS</u>. If the Contractor desires to employ Subcontractors in connection with the performance of its Services under this Agreement:
- (a) Nothing contained in the Agreement shall create any contractual relationship between the District and any Subcontractor. However, it is acknowledged that the District is an intended third-party beneficiary of the obligations of the Subcontractors related to the Services.
- (b) Contractor shall coordinate the services of any Subcontractors, and remain fully responsible under the terms of this Agreement; Contractor shall be and remain responsible for the quality, timeliness and coordinate of all Services furnished by the Contractor or its Subcontractors.
- (c) All subcontracts shall be written. Each subcontract shall contain a reference to this Agreement and shall incorporate the terms and condition of this Agreement to the full extent applicable to the portion of the Services covered thereby. Each Subcontractor must agree, for the benefit of the District, to be bound by such terms and conditions to the full extent applicable to its portion of the Services.
- 18. <u>TERM.</u> District desires to employ the services of Contractor to perform the herein described services for a period beginning on the date as described in Article 3, and ending upon completion of the Services or three (3) years from the Effective Date, whichever is earliest (the "Initial Termination Date").

19. NOTICE.

(a) Notices required or permitted to be given under this Agreement shall be in writing, may be delivered personally or by mail, overnight delivery service, or courier service, and shall be given when received by the addressee. Notices shall be addressed as follows:

If to District;

LAKE ASHTON COMMUNITY DEVELOPMENT

DISTRICT

135 W. Central Boulevard, Suite 320

Orlando, FL 32801

Attn: George Flint, District Manager

If to Contractor:

COMMUNITY WATCH SOLUTIONS LLC

1406 Deuce Circle Davenport, FL 33896

Lake Ashton Community Development District Security Contract Agreement

Attn: Garold Williams

- (b) Notwithstanding the foregoing, any notice sent to the last designated address of the party to whom a notice may be or is required to be delivered under this Agreement shall not be deemed ineffective if actual delivery cannot be made due to a change of address of the party to whom the notice is directed or the failure or refusal of such party to accept delivery of the notice. Parties may change notice address by delivering written notice by mail, overnight delivery service, or courier service to the other party and such change shall become effective when received by the addressee.
- 20. <u>ATTORNEYS' FEES.</u> If either party hereto institutes an action or proceeding for a declaration of the rights of the parties the Agreement, for injunctive relief, for an alleged breach or default of, or any other action arising out of, the Agreement, or in the event any party hereto is in default of its obligations pursuant hereto, whether or not suit is filed or prosecuted to final judgment, the non-defaulting or prevailing party shall be entitled to its actual attorneys' fees and to any court costs and expenses incurred, in addition to any other damages or relief awarded.
- 21. GOVERNING LAW AND JURISDICTION. This Agreement shall be interpreted and enforced under the laws of the State of Florida. The parties will comply with the terms of the Agreement only to the extent they are enforceable or permitted under Florida law. Any litigation arising under this Agreement shall occur in a court having jurisdiction in Polk County, Florida. THE PARTIES WAIVE TRIAL BY JURY AND AGREE TO SUBMIT TO PERSONAL JURISDICTION AND VENUE IN POLK COUNTY, FLORIDA.
- 22. <u>SEVERABILITY</u>. In the event that any provision of this Agreement is judicially construed to be invalid by a court of competent jurisdiction, such provision shall then be construed in a manner allowing its validity, or if this leads to an impracticable result, shall be stricken, but in either event, all other provisions of the Agreement shall remain in full force and effect,
- 23. <u>NO WAIVER.</u> No failure by either party to insist upon the strict performance of any covenant, duty, contract or condition of this Agreement or to exercise any right or remedy upon a breach thereof shall constitute a waiver of any such breach or of such or any other covenant, contract, term or condition. Any party hereto, by written notice executed by such party, may, but shall be under no obligation to, waive any of its rights or any conditions to its obligations hereunder, or any duty, obligation, or covenant of any other party hereto. No waiver shall affect or alter this Agreement, but each and every covenant, contract, term and condition of this Agreement shall continue in full force and effect with respect to any other then-existing or subsequent breach thereof.
- 24. <u>NO MODIFICATION</u>. No modification, waiver, amendment, discharge or change of this Agreement shall be valid unless the same is in writing and signed by the parties against which such enforcement is or may be sought. This instrument contains the entire contract made between the parties and may not be modified orally or in any manner other than by an contract in writing signed by all parties hereto or their respective successors in interest.

- 25. <u>TIME IS OF THE ESSENCE</u>. The time for delivery and/or completion of the work to be performed under the Agreement shall be of the essence of the Agreement.
- 26. ARM'S LENGTH TRANSACTION. This Agreement has been negotiated fully between the parties as an arm's length transaction. In addition to the representations and warranties contained herein, the Contractor acknowledges that prior to the execution of the Agreement it has thoroughly reviewed and inspected the Agreement documents, and satisfied itself regarding any error, inconsistency, discrepancy, ambiguity, omission, insufficiency of detail or explanation. Contractor further acknowledges that the parties have participated fully in the preparation of this Agreement and received the advice of counsel. In the case of a dispute concerning the interpretation of any provision of this Agreement, all Parties are deemed to have drafted, chosen and selected the language, and doubtful language will not be interpreted or construed against any Party.
- 27. <u>COUNTERPARTS.</u> This Agreement may be executed in any number of counterparts with the same effect as if all parties had signed the same document. All fully executed counterparts shall be construed together and shall constitute one and the same contract.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

SIGNATURE PAGE TO SECURITY CONTRACT AGREEMENT

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed affective as of the day and year first above written.

DISTRICT:

MITNESSES: Micia d. Along Print: Tricio L. Adams	LAKE ASHTON COMMUNITY DEVELOPMENT DISTRICT By: Carol Pontions
Print: Green 5. Flush	Chairman, Board of Supervisors
	CONTRACTOR:
WITNESSES:	COMMUNITY WATCH SOLUTIONS, LLC, a Florida limited liability company
Print: Tricis L. Adams	By: Jough Villano Print: CAROLO WILLIAMS Title: CEO

EXHIBIT A

Scope of Services

[ATTACHED BELOW]

SCOPE OF SERVICES

1. GENERAL CONTRACTOR REQUIREMENTS AND PROCEDURES

The Contractor shall meet the requirements and follow the procedures associated with all items in this Agreement. These general requirements and procedures are as follows:

1.1 Operation Procedures

The Contractor shall perform the basic services utilizing Class D licensed security officers as outlined within the Scope of Services at the hours and days requested by the Owner. The Owner will designate where the contractor will take breaks, lunches, and use restroom facilities. Employee personnel vehicles will be marked and parked only in areas designated by the Owner.

1.2 Key Personnel

- 1.2.1 All Work shall be managed and/or directed by key personnel identified in the proposal. Any changes in the assigned key personnel shall be subject to approval by the Owner. Where applicable, the Contractor shall require certifications, training, etc. be secured and updated for all employees.
- 1.2.2 Contractor shall provide one (1) Project Manager who is knowledgeable of the Contractor's daily activities when performed at the site. This Manager shall serve as the point of contact between the Owner and Contractor. The Manager shall be responsible for coordinating all scheduled services with the Owner. The manager will conduct bi-weekly visits to the security personnel and will provide regular updates to the Owner.

1.3 Personnel Dress Code

The Contractor shall ensure that employees working on the Project shall wear uniforms at all times. Clothing that expresses or implies obscene language or graphics, degrading or demeaning connotations, or in the opinion of the Owner is unsightly for any reason, shall be strictly prohibited. Contractor personnel shall wear shirts at all times and shall wear footwear that conforms to safe work practices.

1.4 Personnel Conduct

The Contractor shall enforce strict discipline and good order among its employees on the Project site. The Contractor shall ensure that its employees that communicate and interact with the community and any other customer/party associated with the Project are knowledgeable of the Project and the Services the Contractor is performing.

1.5 Safety Program

The Contractor shall develop, implement, and maintain a safety program for its operations on the Project. That safety program shall include, at a minimum, a safety policy, safety rules and procedures, safety training, procedures for reinforcing and monitoring safety programs, procedures for accident investigations, providing and maintaining equipment safety features, and safety record keeping.

The Contractor shall comply with all State of Florida and federal and local regulations, rules and orders, as they pertain to occupational safety and health, the safe operation and security of the facilities.

The Contractor shall provide, at the Contractor's expense, all safety equipment and materials necessary for and related to the work performed by its employees. Such equipment will include, but is not limited to items necessary to protect its employees and the general public, if applicable,

1.6 Facility Location, Equipment and Supplies

The Owner shall provide an existing Gate House on the Project Site for the Contractor as part of this Scope of Services. The Owner will maintain the exterior of the Gate House facility in good operating condition. The Contractor is responsible for maintaining the interior of the Gate House and all equipment provided by the owner in good operating condition. At the beginning and the end of the contract period, the Owner and Contractor will inventory and document the condition of all facilities and equipment. In the event wear and tear on the facilities and condition of equipment exceeds what would be considered normal, the Contractor will be responsible for replacement or repair of the facilities and equipment to the satisfaction of the Owner. The Contractor is responsible for the cost of all cleaning supplies, paper products, and personal hygiene products necessary to maintain the interior of the building and for the comfort of security personnel.

The Owner will provide a golf cart for patrol in the performance of their duties.

1.7 Document Control and Data Maintenance

1.7.1 Officer's Daily Log

The Contractor shall keep accurate records of all incidences that occur while on duty, documents received, and, if applicable, issued by this Contractor. A 'document log' shall be maintained during the work of this Contractor to provide records on the information available to or from this Contractor. The 'log' shall outline document titles and dates, the originator, received dates, and to/from information. This 'log' shall be updated daily and submitted to the Owner upon request.

1.7.2 <u>Data Maintenance</u>

The Contractor shall, alter review with the Owner, establish a systematic process for the insertion of revised sets and the integration of that data

into the overall Project plan after verification for compatibility and consistency of the information received with existing information.

1.7.3 Data Dispersal

Should the Contractor distribute data to others, the Contractor shall document the distribution of data by completing a letter of transmittal. All distribution of data shall be accompanied by a letter of transmittal with a copy provided to the Owner identifying:

- Party to whom the data is being transferred
- Origination of the request for transfer
- Name of data being transferred
- Type(s) of data being transferred
- Date of transfer
- Purpose of transfer, or use of information
- Further action necessary

The Contractor shall propose a format for, and keep a log of, all data transfers for updates to the Owner.

1.8 Verification of Data

All data provided to the Contractor shall be examined for consistency with its records and work efforts. Any obvious inconsistency shall be reported to the Owner verbally and in writing, upon discovery.

1.9 Ownership of Equipment

It is to be understood that all equipment purchased under this contract by the Contractor or provided to the Contractor, either by the Owner or third parties, is the sole property of the Owner. The Contractor shall have temporary charge of the equipment while performing contracted services for the Project. All equipment shall be returned to the Owner at the conclusion of the Project.

The Owner shall retain the right to require that the Contractor transfer all Project equipment to the Owner immediately upon fourteen (14) days written notice, for any reason.

1.10 Liability Insurance

Contractor shall, throughout the performance of its Services maintain:

Occurrence basis comprehensive general liability insurance (including a broad form contractual coverage) and automobile liability insurance, with minimum limits of \$2,000,000.00 respectively, protecting it and Owner from claims for bodily injury (including death) and property damage which may arise from or in connection with the performance of Contactor's Services under the Agreement or from or out of any act or omission of Contractor, its officers, directors, agents, and employees.

1.12 Certification

Contractor shall possess and provide owner with evidence of all necessary certifications and/orlicenses to perform the services required under this Scope of Services.

2. COORDINATION

The Contractor shall provide coordination with the Owner for all items associated with the requirements of this Agreement.

2.1 General

The Contractor shall meet with the Owner on a monthly basis. Those meetings shall serve as a forum for the exchange of information, identification of pertinent and critical issues, determination of an action plan and schedule for resolving those issues, review of schedule, and budget status. The Contractor shall prepare the agenda for those meetings and submit it to the Owner two working days prior to the date of each meeting. The Contractor shall record and distribute minutes of each meeting to all attendees within five (5) business days, as well as other parties with a 'need-to-know.' The Owner shall provide the meeting location.

The contractor will provide bi-weekly site visits by an appropriate manager.

In addition, Contractor shall provide a representative to attend scheduled meetings of the Board of Supervisors if requested to do so by the Owner. This representative shall be knowledgeable of this Project Scope and Scope of Services and shall be able to respond to any questions the Board may have as to the day to day activities at the Project site pursuant to this Agreement.

2.2 Contractor's Project Manager

Contractor shall designate a representative who will be responsible for overall supervision of the Contractor's work force on the Project and shall act as the single point of contact, on a daily basis, between the Owner and the Contractor. This individual shall maintain at all times a means of being contacted by the Owner (cellular phone) and shall respond to such calls or messages within twenty minutes of contact. This individual shall be responsible for maintaining the Contractor's schedule of activities. The appropriate manager will visit the site at least bi-weekly to ensure contract compliance and welfare of personnel.

3. SCHEDULED OPERATIONS

3.1 General

Contractor shall provide a visible security presence to deter any wrongdoing. The principle areas are, but are not limited to, all District-owned buildings such as the Clubhouse, Health and Fitness center, and respective appurtenant facilities during the hours requested by the Owner. Contractor shall also provide an officer to supervise entry into the community at the Gate House during the hours requested

by the Owner. The CDD reserves the right to adjust staffing and hours of operations as necessary.

3.2 Clubhouse, Health and Fitness Center and Associated Amenities

The officer on duty shall enforce all policies throughout the facility and will report all incidences to the Owner in written reports. The Contractor will be responsible for ensuring that the facilities are open at the designated time in the morning and secure and locked down on a nightly basis. In the event the Contractor, during their patrol, notes items in need of maintenance, they are to fill out the appropriate maintenance report and ensure that it is reported to the Owner in a timely basis. Safety hazards should be reported to the Owner immediately. The Contractor may also be requested to assist with directing the flow of traffic and parking during special events. The Contractor will participate in the utilization of a security tour verification system to ensure continuous and equitable patrol through Lake Ashton and Lake Ashton II Community Development Districts.

Security officers scheduled for special events will enforce all of the policies of the Districts as well as perform pre and post event inspections for damage to the facilities.

3.3 Gate House Policies

The officers on duty shall staff the Gate House during the days and hours as directed by the Owner and assist residents and guests that enter and leave the community and enforce the policies set forth by the Owner. The officers on duty shall be responsible for logging down all visitor vehicles that enter the community along with license plate numbers. The Contractor shall issue dash or rearview mirror tags for all visitors color coded according to the visitor's destination. The officer on duty shall monitor CCTV on evenings, weekends and holidays when recreational facilities are not staffed. Concerns should be conveyed to security patrol or the appropriate law enforcement agency. Any incidents shall be reported to the respective Owner in written report.

3.4 Neighborhood Patrols

Contractor shall patrol all neighborhoods during the days and hours designated by the Owner. In the event of an incident, the Contractor shall attempt to acquire names, addresses, and phone numbers from the offenders without causing harm to the contractor or the offender. Any/all incidents will be recorded and reported to the respective owner. In the event the owner adopts a parking policy for the Clubhouse or Health & Fitness Center parking areas, the Contractor shall also be responsible, if directed by the Owner, for amenity parking enforcement, ticketing and identifying vehicles in violation of the policy. The Contractor will also be responsible for logging and reporting street lights that are out or in need of repair. The Contractor will participate in the utilization of a security tour verification system to ensure continuous and equitable patrol through Lake Ashton and Lake Ashton II Community Development Districts.

3.5 Criminal Activities

If the contractor becomes aware of any criminal activities within the CDD property the contractor shall notify the appropriate local law enforcement agency immediately and record the incident in the officer's daily log along with any additional reports,

3.6 Damage to Facilities

Should the Contractor become aware of damage to the facilities within the area being serviced by the Contractor, the Contractor shall notify the respective Owner in writing. Contractor should notify the owner by phone and if necessary contact the appropriate local law enforcement agency to file a report for damages.

3.7 Security Officer Training

Contractor will ensure that all officers are current with Florida Class D Security Officer licensing as well as state mandated recurring training. Additionally, Contractor will provide a comprehensive orientation as well as proficiency training to include professional development and life safety subjects at the Contractor's expense. All security officers must have current CPR and AED certification, obtained and maintained at the Contractor's expense. Security officers must be able to operate the District owned AEDs.

4. ADMINSTRATION/OPERATIONS PROGRAM

The Contractor will develop procedures based upon Owner's requirements and direction and will implement an Administration, and Operation Program. This program will include, but not be limited to, the following:

4.1 General

4.1.1 This program shall consist of comprehensive operation and administrative procedures that will implement the policies and directives of the Owner. Those procedures will govern the Contractor's Services provided under this Agreement as generally outlined in this Scope of Services. This program shall implement best security industry standard practices (ASIS, IFPO). The program document shall contain key information relative to the major components described below. Contractor will ensure coordination with the Owner for proper policy and directive compliance prior to the draft being submitted.

The program document shall be presented in a three-ring binder using standard "8- ½ x 11" pages, single-spaced for text, graphics, and/or diagrams, and with, if necessary, 11" x 17" pages for diagrams and/or graphics that fold out if necessary. The document shall include as a minimum, a table of contents, section dividers,

numbered pages, issuance date on each page, and appendices as required. Each copy shall be numbered and the Contractor will keep a log of document holders (refer to Section 2.9.3, Data dispersal). The program document will include General and Post Orders as well as Special Security Instructions.

- 4.1.2 The program document shall be kept up-to-date always (formal review by Owner and Contractor Bi-Annually or as needed) by the Contractor in accordance with Owner's direction. Approved revisions to the document shall be indicated by footnote on the revised pages. The Contractor will distribute changes to all document holders. The program document will also be available in electronic format and provided by the Contractor to the Owner via electronic mail or using other technology designated by the Client.
- 4.1.3 The Contractor shall prepare draft copies of the document for review and comment by the Owner within thirty (30) calendar days of the notice to proceed with the Services. The Contractor shall anticipate at least two (2) more additional reviews by the Owner prior to issuance of the final document. All Owner comments shall be incorporated into the document The Contractor shall be responsible for preparing and submitting the following number of copies of the program document to the Owner.
 - First draft Six (6) bound copies, one (1) unbound copy
 - Second draft Six (6) bound copies, one (1) unbound copy
 - Third draft Six (6) bound copies, one (1) unbound copy
 - Final document Ten (10) bound copies, two (2) digital copies

4.2 Administration

- 4.2.1 The administrative section of the program document shall, at a minimum, address those functions which are the responsibility of the Contractor related to all administrative matters generally described in the Scope of Services and as outlined below.
- 4.2.2 Organization charts for administrative management functions include key personnel names, job titles, and phone numbers.
- 4.2.3 Policies and procedures related to the Contractor's program for communications with the community relative operations and customer service.
- 4.2.4 Personnel policies and procedures related to the Contractor's personnel performing services on the site.

4.3 **Operations**

- 4.3.1 The operations section of the program document shall, at a minimum, address those functions which are the responsibility of the Contractor in compliance with Owner's policies and directives related to all operations/customer service matters generally described in the Scope of Services.
- 4.3.2 Organization charts for operations and customer service related functions. Include key personnel names, job titles, and phone numbers.
- 4.3.4 Policies and procedures related to the Contractor's safety program
 The Contractor will submit the Administration and Operation
 Program for review and approval by the Owner's. The Contractor
 shall modify the program as required by the Owner's Program.

5. RESPONSE TIME

The Contractor shall provide services within the amount of time indicated in this Agreement. The following is general response time information and requirements for the Emergency Response Program. The Contractor is responsible to implement and maintain a general response protocol developed and approved by the Owner.

The Contractor shall, on a timely and efficient basis, respond to any and all requests, and inspections, and observations, etc. stipulated in the Project Manual. The Contractor shall provide supervisory and operating personnel as required who shall be available on call 24 hours per day, 7 days per week to respond to and correct any problems with any of the elements covered by this agreement.

Response time, unless otherwise directed by the Owner, should be followed as prescribed in section 2.2.

Should the Contractor fail to respond to a request for any services addressed in this Project Scope within the required allotted time, the Owner shall, at the Contractor's sole expense, provide the requested services.

6. COMPENSATION

Provided that the Contractor shall strictly perform all of its obligations under the Agreement, and subject only to additions and deductions by Work Authorizations, the Owner shall make payment to the Contractor for its Services, on a periodic basis plus additional fees for services rendered in connection with Work Authorizations.

The Contractor shall deliver to the Owner an Application for Payment in such form and with such detail, as the Owner requires.

Based on the Contractor's Application for Payment, and the approval of the Application for Payment issued by the Owner, the Owner shall make payments to the Contractor plus additional fees in connection with Work Authorizations.

7. TERMINATION

Anything in this Agreement to the contrary notwithstanding, Owner shall, at its sole discretion and without cause, have the right to suspend or terminate this Agreement upon thirty (30) days prior written notice to Contractor. In the event of termination, Owner's sole obligation and liability to Contractor, if any, shall be to pay to Contractor that portion of the fee earned by it through the date of termination.

If the Contractor should become insolvent, file any bankruptcy proceedings, make a general assignment for the benefit of creditors, suffer or allow appointment of a receiver, refuse, fail or be unable to make prompt payment to Subcontractors, disregard applicable laws, ordinances, governmental orders or regulations or the instructions of the Owner, or if the Contractor should otherwise be guilty of a violation of, or in default under, any provisions of the Contract, then the Owner may, without prejudice to any other right or remedy available to the Owner and after giving the Contractor and its surety, if any, seven (7) days written notice, terminate the Contract and the employment of the Contractor. In addition, without terminating this Contract as a whole, the Owner may, under any of the circumstances set forth above, terminate any portion of this Contract (by reducing, in such manner the Owner deems appropriate, the Scope of the Service to be performed by the Contractor) and complete the portion of this Contract so terminated in such manner as the Owner may deem expedient.

Contractor shall, at its sole discretion and without cause, have the right to suspend or terminate this Agreement upon ninety (90) days prior written notice to Owner. In the event of termination, Owner's sole obligation and liability to Contractor, if any, shall be to pay to Contractor that portion of the fee earned by it through the date of termination.

END OF SCOPE OF SERVICES

EXHIBIT B

PRICE SHEET

[ATTACHED BELOW]

LAKE ASHTON COMMUNITY DEVELOPMENT DISTRICT

SECURITY SERVICES

PRICING FORM

The designated times for gate house security officer are from 12:00 AM to 11:59 PM seven (7) days a week, 365 days per year. Please provide the following information:

§ 13.50	per hour	\$ <u>116,316.00</u>	Annual
§ <u>20.50</u>	per hour on holidays	\$ 2,952.00	Annual
•	•		ashton are generally twelve ease provide the following
\$13.50	per hour	\$58,158.00	Annual
\$20.50	per hour on holidays	\$1,476.00	Annual
iours, seven days	weekly. Please provide	the following inf	
\$ <u>13.50</u>	per hour	<u>\$11,880.00</u>	Annual
\$ <u>20.50</u>	per hour on holidays	\$ <u>615.00</u>	Annual
_	_		e based on room rental, for se provide the following
13.50	per hour	\$ <u>TBD</u>	Annual
<u>20.50</u>	per hour on holidays	\$TBD	Annual
Please provide an	annual total for the pro	posed services:	
\$191,397.00 plus s	pecial events as require	d Total Ar	nual
The District rese operation as need	-	st security servi	ices staffing and hours of



Vivonet Inc. c/o Vivonet Acquisition Suite 1790 – 1188 West Georgia ST Vancouver, BC V6E 4A2 Canada www.vivonet.com Vivonet Acquisitions LTD.

1790 – 1188 West Georgia St Vancouver, BC V6E 4A2 Canada www.vivonet.com SALES ORDER

Subject to Approval Proposed by: PaulHillan Quote Number: 00015166 Offer Valid Until:

Sales Order

Customer Information

Bill To

Lake Ashton Community Development District 4141 ashton club dr, Lake wales 33859

Company:

Contact Name: Contact Email:

Ship To/Installation Address

Fire @ Lake Ashton 4141 ashton club dr, Lake wales Florida United States 33859

Contact Phone: Contact Fax:

Products and Services

(tem	Quantity	Rate	Discount Amount
*** Terminal PosX w/ MSR, Display, Printer, CD & Router	1	\$1,149.00	\$1,149.00
*** Terminal PosX w/ MSR, Display, Printer & CD	1	\$1,099.00	\$1,099.00
** 3 Ys Advanced Exchange Replacement PosX Terminal/Printer	2	\$199.00	\$398.00
**** Remote Printer Epson Dot Matrix U220B	3	\$399.00	\$1,197.00
** Configuration - New DB add LOC using Duplicate DB only	1	\$549.00	\$549.00
* Vivonet POS - Monthly Subscription	2	\$99.00	\$198.00

Product Total: \$4,590.00

Applicable Taxes:

Shipping and Handling:

Grand Total: \$4,590.00

Sales Order Acknowledgements 7/4

- 1. Subscriptions are charged when the system is activated or 60 days from the date this order is signed by Customer, whichever date is earlier (the "Activation Date"). The Activation Date will be deemed to be the first day of the Initial Term.
 - 1. The applicable Vivonet entity is specified in the Terms of Use Agreement which forms part of this Sales Order
 - If this Sales Order is executed and / or returned to Vivonet by Customer after the Offer Valid to date specified above, Vivonet may adjust
 these terms and reissue the Sales Order for execution by Customer Equipment specified in the Sales Order will be configured and shipped
 to the Shipping Address indicated. Delivery times quoted are estimates, not guarantees, and are dependent on various factors including
 Customer providing certain requested information to Vivonet.

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2.	Hardware not covered under Advance Exchange Program Warranty will be replaced under the terms of the
	hardware Vendor's Depot warranty.

3. This Agreement will have an initial term of 36 months, commencing on the Activation Date (the "Initial Term"), and will thereafter renew automatically on a year to year basis, on the same terms as this Agreement, except for any changes to fees.

	m Start Date*: m End Date*:				ler Currency: USD ion Billing Frequency:	
Paymen	t Information					
Sales Orde	er Payment					
Credit Card	l Information:					
Card Type:	VISA/MC/AMEX/Discover	MEX				
Cardholder Name:	Patricia L Adams					
Credit Card Number:	371274876362049		97799)			
Expiry (mm/yyyy):	03/2020	CVC #: (3 or 4-digits)	606			
Subscripti	on Payment Options:					
Payment C	option 1: Credit Card	same as	above 🔲		Payment Option 2: Electronic	Fund Transfer*
Card Type:	VISA/MC/AMEX/Discover			·	Name of Bank:	
Cardholder Name:					Account Number:	
Credit Card Number:					Transit / Routing Number:	
Expiry (mm/yyyy):		CVC #: (3 or 4-digits)	***************************************		Institution # (Canada only):	
		• •		•	to Vivonet or scan and solution to Vivonet or scan and solution to the contract of the contrac	

Contract Signature

Upon signature by Customer and submission to Vivonet, the Sales Order shall become legally binding and governed by the Terms of Use Agreement between Vivonet and Customer, unless this order is rejected by Vivonet. Vivonet may reject the Sales Order if: (1) the signatory above does not have the authority to bind Customer to this Sales Order, (2) changes have been made to this Sales Order (other than completion of the signature block), or (3) the requested purchase order information or signature is incomplete or does not match our records. Subscriptions are non-cancelable before the end of the subscription period.

Customer:				
Date: June 2, 2017	-			
Signature: <u>Tricia L Adams</u>	,			
Tricia L Adams (Jun 26, 2017)				

This Terms of Use Agreement is made between VIVONET (hereinafter defined) and Customer (as described in the Sales Order (hereinafter defined)), dated effective as of the date of the Sales Order (the Effective Date"). If Customer's Ship to Address specified in the Sales Order is in the United States, "VIVONET" means Vivonet Inc., otherwise, "VIVONET" means Vivonet Acquisition Ltd.

THIS IS A LEGAL AGREEMENT BETWEEN VIVONET AND CUSTOMER. PLEASE READ THIS AGREEMENT CAREFULLY. BY eSIGNING THIS AGREEMENT OR USING THE SERVICES OR PRODUCTS OF VIVONET, CUSTOMER AGREES TO BE BOUND BY THE TERMS AND CONDITIONS OF THIS AGREEMENT WHICH INCLUDES THE SALES ORDER FORMING PART OF THIS AGREEMENT (COLLECTIVELY, THE "AGREEMENT"). IF CUSTOMER IS NOT WILLING TO BE BOUND BY ALL OF THE TERMS OF THIS AGREEMENT, CUSTOMER MUST SELECT "I WILL NOT eSIGN THIS DOCUMENT" AND SHALL NOT USE AND/OR ACCESS THE SERVICE OR PRODUCTS OFFERED BY VIVONET.

THE PARTIES, IN CONSIDERATION OF THE MUTUAL AGREEMENTS CONTAINED HEREIN, AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, AGREE AS FOLLOWS:

1 SERVICES

- 1.1 Subscription Services. Subject to the terms and conditions of this Agreement, VIVONET will make available to you (also referred to as "Customer") services covered by this Agreement and VIVONET hereby:
 - a. agrees to make commercially reasonable efforts to make available to you the services agreed to be provided by VIVONET in the Sales Order as described in VIVONET's user documentation in effect as at the Effective Date and any changes made by VIVONET to that service and made available by VIVONET to you as part of the "VIVONET" service you have acquired (collectively, the "Service"), for and only for your business located at the installation address described in the Sales Order; and
 - b. grants to you a non-exclusive right to use the software component made available by VIVONET over the internet, through mobile application, data extract, or other form as deemed appropriate by VIVONET, and all automatically-provided updates to that software (collectively the "Software") provided it is used by you only to access the Service.

You have subscribed to the Service .The Software is not sold to you, and (as between you and VIVONET) it is owned by VIVONET and protected by United States, Canadian and international intellectual property laws.

You may not access the Service if you are a direct competitor of VIVONET, except with VIVONET's prior express written consent. In addition, you may not access the Service for purposes of monitoring its availability, performance or functionality, or for any other benchmarking or competitive purposes.

1.2 **Permitted Uses of Software**. Except to the extent prohibited by law, you may not modify, reverse engineer, decompile, disassemble, or commercially distribute, license, resell or transfer the Software or its installer program.

All information and data received, sent, saved, collected or distributed through the Service, however transmitted (the "Content"), is the sole responsibility of the person such Content originated from. This means that you, other users of the Service, and the people who you contact or contact you, and not us, are entirely responsible for all Content that is received, sent, saved, collected, distributed or otherwise made available via the Service.

Further, you will ensure that the Content being provided to VIVONET by you or on your behalf for processing by VIVONET is compatible with VIVONET's requirements.

You shall not: (i) license, sublicense, sell, resell, transfer, assign, distribute or otherwise commercially exploit or make available to any third party the Service or the Content in any way; (ii) modify or make derivative works based upon the Service or the Content; (iii) create Internet "links" to the Service or "frame" or "mirror" any Content on any other server or wireless or Internet-based device; or (iv) reverse engineer or access the Service in order to: (a) build a competitive product or service, (b) build a product using similar ideas, features, functions or graphics of the Service, or (c) copy any ideas, features, functions or graphics of the Service. User subscriptions cannot be shared or used by more than one individual user but may be reassigned from time to time to new users who are replacing former users who have terminated their employment or otherwise changed job status or function and no longer use the Service provided the assignee complies with all obligations under this Agreement.

You may use the Service only for your internal business purposes and shall not: (i) send spam or otherwise duplicative or unsolicited messages in violation of applicable laws; (ii) send or store infringing, obscene, threatening, libelous, or otherwise unlawful or tortious material, including material harmful to children or violative of privacy rights; (iii) send or store material containing software viruses, worms, Trojan horses or other harmful computer code, files, scripts, agents or programs; (iv) interfere with or disrupt the integrity or performance of the Service, the Content or the data contained therein; or (v) attempt to gain unauthorized access to the Service or its related systems or networks. VIVONET reserves the right to interrupt, terminate, or restrict Service without notice to you and without any liability if you fail to comply with any obligation under this Agreement or if VIVONET suspects illegal, fraudulent, or abusive activity. You agree to cooperate with VIVONET in any investigation and use reasonable measures prescribed by VIVONET from time-to-time to address any issues or concerns identified by VIVONET.

- 1.3 Equipment. Your sales order (the "Sales Order") may list items of standard equipment that VIVONET is furnishing to you under the Agreement and may include a touch-screen point of sale ("POS") terminal, a thermal receipt printer and a magnetic card swipe reader (the "Standard Terminal Equipment"). If you have agreed to have VIVONET install equipment in addition to the Standard Terminal Equipment (the "Additional Terminal Equipment"), it is also listed in the Sales Order. As used in this Agreement, the term "Terminal Equipment" means the Standard Terminal Equipment and the Additional Terminal Equipment. As part of your Terminal Equipment purchase, VIVONET will pass through to Customer any transferable Terminal Equipment warranties, indemnities and remedies provided to VIVONET by the manufacturer, including any warranties and indemnities for intellectual property infringement. To the extent permitted by law, in connection with Terminal Equipment, notwithstanding anything to the contrary, VIVONET provides no indemnities and makes no other warranty, express or implied, including without limitation warranty of merchantability, fitness for purpose or non-infringement. Unless listed in the Sales Order, VIVONET will not install Customer provisioned equipment or other POS equipment.
- 1.4 Your Account Information and Use of Data. For our providing you the Service, you must provide true, accurate, current and complete information about you as prompted by the VIVONET Service registration process and maintain that information on an ongoing basis (an "Account"). You must have an Account to use the Service. By submitting personal information pursuant to this Agreement, you consent to the collection, processing, transmission, use, retention and disclosure of such personal information by us or our service providers to facilitate the transactions contemplated by this Agreement, for the management of VIVONET's business/operations, and/or for any purposes set out in VIVONET's privacy policy in effect from time-to-time (which is incorporated by reference and can be viewed at www.vivonet.com/grivacy or another site specified by VIVONET from time-to-time).

You give express permission for VIVONET to use any data shared with VIVONET through the Service for commercial purposes including, but not limited to the creation of a data warehouse for aggregate statistical reporting, provided such data is anonymized and/or aggregated. You agree to waive all future claims for injury or damages, direct or indirect, from VIVONET's use of this anonymous and/or

aggregated data. You agree that in no event will the data referenced in the preceding sentence constitute your confidential or proprietary information.

VIVONET will cause your Terminal Equipment to be delivered in accordance with its standard shipping terms at the time of shipment. If you have subscribed to VIVONET's activation service, based on information provided by you, VIVONET will configure and facilitate (via telephone and remote online sessions) connectivity to your menu and employee database. VIVONET will also make available our standard set-up assistance and employee training for the Services. Any substantial changes to your database requested by you after the initial set-up may be subject to additional charges, to be disclosed to you in advance. As part of the registration process, each user will select a user name (the "User Name") and a password (the "Password"). You shall provide us with accurate, complete, and updated account information. Failure to do so shall constitute a breach of this Agreement, which may result in immediate termination of your account. You may not: (i) select or use a User Name of another person with the intent to impersonate that person; (ii) use a name subject to the rights of any other person without authorization; or (iii) use a User Name that we, in our sole discretion, deem inappropriate or offensive.

You shall notify us of any known or suspected unauthorized use(s) of your account, or any known or suspected breach of security, including loss, theft, or unauthorized disclosure of your Password. You shall be responsible for maintaining the confidentiality of your Password.

Any fraudulent, abusive, or otherwise illegal activity is grounds for termination of your account and the Service, at our sole discretion, and you may be reported to appropriate law-enforcement agencies.

- 1.5 Web Applications. VIVONET will provide you with access to, and use of, VIVONET's web applications to be used by you for the management of your account, data and other information related to the Services or the Software, provided however, that all of your access and use is governed by any restrictions and conditions contained in this Agreement.
- During use of the Service or the Software, you may enter into 1.6 Third Party Applications. correspondence with, purchase goods or services from, or participate in promotions of advertisers or sponsors showing their goods and/or services through the Service and/or through other interactions with VIVONET and/or third parties. VIVONET reserves the right to solicit you or your customers (who have consented to such solicitation) with offers related to Third Party Applications. Any such activity, and any terms, conditions, warranties or representations associated with such activity, is solely between you or your customers, as applicable, and the applicable third-party. VIVONET and its licensors shall have no liability, obligation or responsibility in relation to such correspondence and/.or any Third Party Applications. VIVONET does not endorse any sites on the Internet that are linked through the Software. VIVONET provides these links to you only as a matter of convenience, and in no event shall VIVONET or its licensors be responsible for any content, products, or other materials on or available from such web sites or third parties (even if they are acquired through VIVONET). VIVONET provides the Service to you pursuant to the terms and conditions of this Agreement and any orders made as a result of offers from third parties through VIVONET's Service or Software are subject to payment by you of the applicable fees in accordance with this Agreement unless VIVONET has expressly and in writing agreed to the contrary. For the purposes of this Agreement, "Third Party Application(s)" means any software, application, technology, standard or specification, product or service developed by or on behalf of a third party for installation and/or use in conjunction with the Service, including without limitation, Terminal Equipment and products and services provided by members of VIVONET's Alliance Program. clarity, VIVONET's Software and Service specifically exclude Third Party Applications and Third Party Applications shall not form part of Software or Service and Third Party Applications shall not be treated, construed or interpreted as being supplied, authorized, endorsed or otherwise provided by or on behalf of VIVONET.
- 1.7 Consumer Interactions. During use of the Service or the Software, you give express permission for VIVONET to solicit those consenting consumers that have agreed to our mobile terms and conditions with offers of complementary but not competing products by referencing their transaction with you in the

- offer. VIVONET further reserves the right to solicit consenting consumers that have agreed to our mobile terms and conditions with offers of Third Party Applications (whether complementary or competitive) where no specific transaction with you is mentioned in the offer.
- 1.8 Reseller Of Third Party Applications. If VIVONET is reselling any Third Party Applications to Customer pursuant to this Agreement, VIVONET will pass through to Customer any transferable warranties, indemnities remedies provided to VIVONET by the provider of the Third Party Applications, including without limitation, any warranties and indemnities for intellectual property infringement. To the extent permitted by law, in connection with Third Party Applications, notwithstanding anything to the contrary, VIVONET provides no indemnities and makes no other warranty, express or implied, including without limitation, warranty of merchantability, fitness for purpose or non-infringement.

2 FEES

- 2.1 Processing Fees. If set out in your Sales Order, VIVONET may apply certain fees associated with the system, including but not limited to, payment processing, loyalty, transactions, third party application integration, data access services and such other fees as may be determined from time to time and outlined in the Sales Order. VIVONET will provide you with advance notice of any increase such that you will have 30 days between the receipt of such notice and the date upon which you are required to notify VIVONET of your intention to terminate the Service which is resulting in the applicable processing fees, as described in Section 3.2(b) or 3.2(d).
- 2.2 Billing. During the Term of this Agreement, you agree to pay VIVONET all Service fees and all applicable processing fees (collectively, the Service Fees"), with the payment method and/or the payment schedule indicated in the Sales Order for each product. VIVONET is hereby authorized to issue pre-authorized debits and/or process charges to your credit card, provided with the Sales Order, in the amount shown in the Sales Order plus all applicable taxes.
- 2.3 Payment. You will receive an invoice for the total amount of the Sales Order accompanying this Agreement. Regardless of which Deposit payment method you elect on your Sales Order, if payment is not received by VIVONET within 30 days of execution of this Agreement, VIVONET reserves the right to automatically and without notice to you, process your Deposit payment using the credit card or bank account provided by you VIVONET, and you hereby agree to pay such amounts charged. Your first Service Fee will be processed on the 1st of the month subsequent to the activation of your Account, or 60 days from the date the Sales Order is esigned whichever is the earlier, and thereafter on the 1st of each subsequent month unless otherwise mutually agreed upon in your Sales Order. No invoice will be sent to you unless the amount being charged has changed. You shall pay all fees or charges to the Account in accordance with the fees, charges, and billing terms in effect at the time a fee or charge is due and payable. All payment obligations are non-cancelable and all amounts paid are non-refundable. You are responsible for paying for all fees ordered for the entire term of the Agreement, whether or not the Service is actively used. If you believe your bill is incorrect, you must contact VIVONET in writing within 60 days of the invoice date of the invoice containing the amount in question to be eligible to receive an adjustment or credit.

You may subscribe to additional services by executing an additional written Sales Order with VIVONET. Added subscriptions will be subject to the following: (i) added subscriptions will be coterminous with the preexisting term of the Agreement; (ii) the subscription fee for the added subscription will be the then current, generally applicable subscription fee; and (iii) subscriptions added in the middle of a billing month will be charged in full for that billing month. All pricing terms are confidential, and you agree not to disclose them to any third party.

In addition to any other rights granted to VIVONET herein, VIVONET reserves the right to suspend or terminate this Agreement and your access to the Services if your account becomes delinquent (falls into arrears). Delinquent invoices are subject to interest of 1.5% per month on any outstanding balance, which is 19.56% per year, or the maximum permitted by law, whichever is less, plus all expenses of collection. You will continue to be charged for user subscriptions during any period of suspension. Upon

termination of this Agreement by you or by VIVONET, you will be obligated to pay the balance due on your account computed in accordance with this Section 1.8.

VIVONET reserves the right to impose a reconnection fee in the event you are suspended and thereafter request access to the Services. You agree and acknowledge that VIVONET has no obligation to retain your data and that such data may be irretrievably deleted if your account remains delinquent for more than 30 days. VIVONET reserves the right to apply an NSF fee for any rejected payments.

- 2.4 **Fee Increases.** VIVONET will not increase Service Fees for the Initial Term where the Initial Term of this Agreement is 36 months or more, except where new or additional functions are added or become available to you, of which you will be notified as described in Section 6.2. The Service Fees may increase by no more than 10% per year and VIVONET will provide you with advance notice of any increase, such that you will have at least 30 days between the receipt of such notice and the date upon which you are required to notify VIVONET of your intent to terminate the Service as described in Section 3.2(b) or 3.2(d), if you wish to terminate the Service and not pay the increased Service Fees.
- 2.5 Applicable Taxes and Freight Charges. VIVONET fees and charges are exclusive of all taxes, levies or duties imposed by any tax authorities and you will pay any and all applicable sales, use, service, property, import or other taxes in connection with the Service, including the installation of equipment. In addition, unless otherwise specified in the Sales Order, you are responsible for paying all freight and duty charges.

3 TERM AND TERMINATION

- 3.1 **Initial Term and Renewal Terms**. This Agreement will have an initial term of 36 months or as otherwise mutually agreed upon in your Sales Order, commencing on the date your first Service Fee is payable as per Section 2.1 (the "Initial Term"), and will thereafter renew automatically on a year to year basis, on the same terms as this Agreement, except for any changes to fees.
- 3.2 **Termination**. Despite Section 3.1, this Agreement will terminate in each of the following events:
 - a. at the option of either party if the other party materially defaults in the performance or observance of any of its obligations under this Agreement and does not remedy the default within 15 days after receiving written notice of it;
 - b. at the option of either party if the other party becomes insolvent or bankrupt or makes an assignment for the benefit of creditors, or if a receiver or trustee in bankruptcy is appointed for the other party, or if any proceeding in bankruptcy, receivership, or liquidation is instituted against the other party and is not dismissed within 30 days following commencement thereof;
 - c. after the Initial Term, at the option of either party upon 30 days written notice, delivered to the other Party at its address set out above, provided that no amounts previously paid are refundable;
 - d. prior to the end of the Initial Term, upon 30 days written notice to VIVONET, subject to Section 3.3.
- 3.3 **Effect of Termination of Agreement**. Upon termination or expiration of this Agreement or a Sales Order (as appropriate):
 - a. VIVONET may immediately cease providing Service under any terminated Sales Order(s).
 - b. You shall not be entitled to any refund of monies paid hereunder, except as otherwise expressly provided for in the Sales Order. Nothing in this Section shall affect any right to claim damages directly resulting from the other party's material breach, subject to all of the provisions of this Agreement.
 - c. The provisions of Sections 1.2, 1.3, 1.5, 1.8,2, 7, 7.2, 9, 10, 10.7 and 0 expressly continue and survive such termination, as shall any other provision hereof or in a Sales Order that by its terms is intended to survive and have effect after termination.

- d. If VIVONET terminates this Agreement pursuant to Section 3.2(a) or 3.2(b) or if you terminate this Agreement pursuant to Section 3.2(b) or 3.2(d), all outstanding unpaid charges will become immediately due and payable; and VIVONET may by notice to you accelerate and declare that the entire balance of all fees under this Agreement for the remainder of the term are immediately due and payable, and VIVONET may collect such balance as provided herein or in any manner consistent with applicable law.
- e. Each party will promptly return to the other party any confidential information of the other party in its possession or control.
- f. Provided you have complied with your obligations under this Agreement, you shall have the right to request and receive from VIVONET a copy of all of your transactional data stored on any VIVONET system in conjunction with any Services provided under a Sales Order in either XML or CSV format. You shall receive the data on either on CD, DVD, or by electronic means upon request and you shall pay VIVONET the processing fee applicable at the time of your request, which currently is currently \$100 per gigabyte, payable in advance.
- g. Upon termination or expiration of this Agreement for any reason, VIVONET will no longer have any responsibility or liability for any warranty services obligations related to the Terminal Equipment under this Agreement.

4 TITLE OF THE TERMINAL EQUIPMENT

4.1 Unless you are leasing, title to the Terminal Equipment passes on shipment from VIVONET or its supplier's facility. Title to Terminal Equipment software will remain with the applicable licensor(s). Ship dates are estimates only. VIVONET is not liable for delays in shipment or failure to ship by the estimated ship date.

5 REPAIR SERVICE

5.1 Repair/Replacement Service During The Initial Term. VIVONET will, at your request, facilitate the necessary repair or replacement of the Terminal Equipment in accordance with the manufacturers' warranty on these items. You agree to immediately notify VIVONET of any defect or failure in operation or functioning of the Terminal Equipment. You may request and schedule repair/replacement by emailing support@vivonet.com. If you have acquired the manufacturers Advanced Exchange Program Warranty services, you may be eligible to expedited services within target timelines specified at www.vivonet.com or another site specified by VIVONET from time-to-time. Although VIVONET makes commercially reasonable efforts to meet the high response timelines specified on its website, they are not guaranteed. Hardware not covered under the manufacturer's Advance Exchange Program Warranty will be replaced under the terms of the manufacturer's Depot warranty.

6 SUPPORT, SERVICE LEVEL OBJECTIVES, AND MAINTENANCE

6.1 Support. VIVONET's provides support (as specified on www.vivonet.com or another site specified by VIVONET from time-to-time) relating to the operation, use and troubleshooting of the Software and the Service, provided that your Account is in good standing. Outside of regular support hours, VIVONET will also provide assistance for emergency issues that result in the inoperability of critical system functions (e.g. basic transaction processing, payment processing, receipt and remote printing). However, VIVONET is not responsible for any problem arising as a result of any cause other than the Software or the Service, and will for instance not be responsible for any problem arising as a result of your own computer(s), network(s), other installed software, internet service provider, or any other cause not controlled by VIVONET, even if such problems result in your inability to use the Software or the Service. Further, VIVONET's obligations to provide support for any particular version of the Software will terminate automatically on the 30th day after VIVONET makes available a newer version to you, and from that day on will only apply to the newly-provided version. Also, VIVONET has no obligation to provide any support for any Software that has been modified by you or on your behalf.

- 6.2 **Service Level Objectives**. VIVONET service level objectives may be found at www.vivonet.com or another site specified by VIVONET from time-to-time.
- 6.3 Maintenance/Updates. VIVONET will, as soon as reasonably possible following development and testing to VIVONET's own satisfaction, update the Service and the Software. Updated Service will automatically be available to you when you use the Service subject to the terms of this Agreement, unless they include new/additional functions which entail increased fees in which case you will not be provided such Service until you have been informed of, and been given the opportunity to decline, those new Service and fees. VIVONET may also provide updated Software to you from time to time, which will be subject to the terms of this Agreement.

7 WARRANTIES AND LIABILITY LIMITATIONS

- 7.1 WARRANTY AND WARRANTY EXCLUSIONS. VIVONET PROVIDES THE SOFTWARE AND SERVICES ON AN "AS IS" BASIS AND MAKES NO EXPRESS OR IMPLIED WARRANTIES OR CONDITIONS REGARDING EITHER THE SOFTWARE OR THE SERVICES AND WITHOUT LIMITING THE FOREGOING VIVONET HEREBY EXPRESSLY EXCLUDES TO THE EXTENT POSSIBLE AT LAW ALL WARRANTIES, REPRESENTATIONS AND CONDITIONS OF ANY KIND INCLUDING WITHOUT LIMITATION THOSE OF NON-INFRINGEMENT OF THIRD PARTY RIGHTS, DURABILITY, MERCHANTABILITY, OR FITNESS FOR ANY PARTICULAR PURPOSE.
- 7.2 Liability Limitations. In no event will VIVONET be liable to you for any indirect, consequential, incidental or special damages, or for any lost profits, lost savings, or incorrect taxes, even if VIVONET has been advised of the possibility of such damages, or for any claim by any third party. Further, without limiting the previous sentence, regardless of the source, cause or form of any harm or damages suffered by you, VIVONET's absolute maximum aggregate liability to you in any case whatsoever will be the amount of Service Fees paid by you to VIVONET on account of the 12 months immediately preceding the date the harm in question first arose.

8 MISCELLANEOUS

- 8.1 This Agreement (which includes the Sales Order) is the entire agreement between you and VIVONET and supersedes any prior agreements, discussions, representations or warranties, written or oral, relating to the Software, the Service or other subject matter herein, and may only be changed by agreement in writing signed by both parties. Further, VIVONET is not, and will not be, bound by any provision of any purchase order, correspondence, or otherwise.
- 8.2 Neither party may assign this Agreement without the other party's prior written consent, which consent will not be unreasonably, withheld, delayed or conditioned, provided that such assignment does not materially affect the rights or obligations of the non-assigning party. Notwithstanding the foregoing, VIVONET may assign this Agreement without consent to any purchaser of a majority of VIVONET's outstanding shares or to any purchaser of substantially all of the assets of VIVONET that relate to this transaction, or may assign it to a parent, wholly owned subsidiary, or to an Affiliate. VIVONET will make commercially reasonable efforts to notify you of any assignment made by VIVONET in accordance with preceding sentence. Any purported assignment in violation of this Section shall be null and void. "Affiliate" means with respect to any entity, any other entity directly or indirectly controlling or controlled by, or under common control with, such entity. For purposes of this Agreement, "control" (including the terms "controlling" and "under common control with") shall mean the power, directly or indirectly, to direct or cause the direction of the management and policies of such entity, whether through the ownership of voting securities, by contract, or otherwise.
- 8.3 If Customer's ship to address for products and services under this Agreement is located in the United States, this Agreement is governed by and construed under the laws of the State of New York, United States, otherwise, this Agreement is governed by and construed under the laws of the Province of British Columbia, Canada and the laws of Canada applicable therein ("Applicable Law"). The Parties

agree that the United States Convention on Contracts for the Sale of Goods is hereby excluded in its entirety from application to this Agreement.

All disagreements and disputes arising out of or in connection with this Agreement shall be finally settled by arbitration. The decision of the arbitrator shall be final and binding upon the Parties (save in the case of manifest error). The award of the arbitrator shall be made in writing and shall have reasons. The arbitrator's award shall make provision for the costs of the arbitration to be paid by the Parties in such proportions as the arbitrator decides appropriate. The arbitration shall be: (i) held in Vancouver, Canada; (ii) conducted under the Applicable Law; (iii) conducted in the English language; (iv) settled under the Rules of Arbitration of the International Chamber of Commerce ("Rules"); and (v) heard by one arbitrator appointed in accordance with the Rules and to be mutually agreed to by the Parties within thirty (30) days of the appointment of the arbitrator, failing which a neutral third party shall appoint the arbitrator. No dispute between the Parties, or involving any person but Customer, may be joined or combined together, without the prior written consent of VIVONET.

Judgment upon the award rendered by the arbitrator may be entered in any Court having jurisdiction thereof. Notwithstanding the foregoing, nothing herein contained shall prevent any party from: (a) seeking an injunction and any relief ancillary thereto from a court of competent jurisdiction; or (b) instituting legal proceedings for claims or disputes relating to any amounts owing by Customer to VIVONET in connection with the acquisition by the Customer of products and services under this Agreement. Customer irrevocably waives any objection on the grounds of venue, forum non conveniens or any similar grounds and irrevocably consent to service of process by mail or in any other manner permitted by applicable law

- 8.4 The waiver by either party of any breach of this Agreement will not constitute a waiver of any subsequent breach of the same or any other provision.
- 8.5 The invalidity or unenforceability of the whole or any part of any provision of this Agreement will not affect the validity or enforceability of any other provision or the remainder of such provision.
- 8.6 This Agreement may be executed in two or more identical counterparts, facsimile counterparts, or electronic counterparts, each of which when executed by a party shall be deemed to be an original and such counterparts shall together constitute one and the same agreement. This Agreement may also be executed by means of an electronic signing process.
- 8.7 Any notice required to be given to VIVONET hereunder must be sent to the following address:
 - VIVONET Suite 1790- 1188 West Georgia Street, Vancouver, BC V6E 4A2 Attention: CFO
 - With a copy VIVONET Legal Department, Suite 1790- 1188 West Georgia Street, Vancouver, BC V6E 4A2
 - VIVONET may provide you notice under this Agreement by email or other electronic communication. You consent to receive such notices in any of the foregoing manners and agree that any such notices by VIVONET will satisfy any legal communication requirements.
- 8.8 The headings and titles of this Agreement are for reference only and do not form part of this Agreement.
- 8.9 The VIVONET Service is not intended for or knowingly provided to, and may not be used by, persons under the age of consent. By agreeing to the Terms of Use, you hereby represent and warrant to us that you are at least of the age of consent, in your jurisdiction.
- 8.10 The services may be subject to limitations, delays and other problems inherent in the use of the Internet and electronic communications. VIVONET is not responsible for any delays, deliver failures, or other damage resulting from such problems. In addition, neither you nor VIVONET will be liable for any failure or delay in performance of this Agreement which is caused by something that is in the control of third parties or circumstances beyond the reasonable control of a party (collectively, "Force Majeure"). Force Majeure events shall include (but not be limited to) acts of God, fire, flood, lightning, earthquake or other natural disaster; war, riot or civil unrest, strike, lockout or boycott or other industrial action; interruption

- or failure of supplies of power, fuel, water, transport, equipment, software or services (including the internet and telecommunication services); or material required for the performance of obligations under this Agreement. Notwithstanding the forgoing, under no circumstances will a party's obligation to pay any amount under this Agreement be obviated by an event of Force Majeure.
- 8.11 In the United States and Canada, the Service is not knowingly provided to children under the age of 14. If you are accessing the Service from the United States or Canada, you hereby represent, warrant and covenant that you are at least 14 years old. If you have not attained the minimum age specified in the preceding sentence, you are prohibited from accessing the Service. If you are accessing the Service from anywhere other than Canada, prior to such access you will ensure that you have attained the minimum age for accessing the Service in your jurisdiction.
- 8.12 It is the express wish of the parties that this agreement and all related documents have been drawn up in English. C'est la volonté expresse des parties que la présente convention ainsi que les documents qui s'y rattachent soient rédigés en anglais.

9 OWNERSHIP OF INTELLECTUAL PROPERTY

- 9.1 As between VIVONET AND CUSTOMER, VIVONET alone (and its licensors and Affiliates, where applicable) shall own all right, title and interest, including all related intellectual property rights, in and to the VIVONET technology, the Content and the Service and any suggestions, ideas, enhancement requests, feedback, recommendations or other information provided by you or any other party relating to the Service (collectively "Input"). You hereby grant to VIVONET a non-exclusive, perpetual, irrevocable, paid-up, transferable, sub-licensable, worldwide license under all intellectual property rights covering such Input to use, disclose and exploit all such Input for any purpose. VIVONET may develop technology, modifications, corrections, enhancements, derivatives or extensions (collectively, "Improvements"), and further may also develop branding elements based on such Input, and such Improvements and branding elements, and any intellectual property rights therein, as well as any related intellectual property registrations, shall be owned exclusively by VIVONET. You agree to execute such further documents and instruments as may be required to confirm such ownership by VIVONET. This Agreement is not a sale and does not convey to you any rights of ownership in or related to the Service, the VIVONET technology or the intellectual property rights owned by VIVONET.
- 9.2 "VIVONET" and the VIVONET logo (the "VIVONET Marks") are trademarks of Vivonet Inc. and/or Vivonet Acquisition Ltd and/or their Affiliates. All rights in VIVONET Marks are reserved.

10 FRANCHISEE AND FRANCHISOR PROVISIONS

- 10.1 If you are a Franchisee or Franchisor, as defined in Section 10.2, you hereby represent, warrant, acknowledge and agree to the following provisions in this Section 10 in addition to all of the foregoing terms and conditions.
- 10.2 For all purposes of this Agreement:
 - a. "Franchisor" means the owner or licensor of the franchise system and methods under which you operate your business; and
 - b. "Franchisee" means the person, firm or corporation to whom or which a franchise system or method is granted.
- 10.3 **Data Use**. VIVONET has the right and authority to disclose this Agreement and any or all information and data relating to the Service and this Agreement to the Franchisor and/or Franchisee (as applicable), and VIVONET will not be responsible in any way for the use of such information or data by the Franchisor or Franchisee.
- 10.4 **Franchisor's Warranty for Data**. Franchisor has sought and obtained the written consent of each Franchisee or other person or entity using the franchise system in order for Franchisor to access the information and data made available by them to VIVONET in the course of their use of the Service.

- 10.5 Service Fees Adjustment. Notwithstanding any other terms of this Agreement, the Franchisee hereby expressly acknowledge and agree that the Service Fees and other consideration provided by Franchisee, are based upon certain terms and conditions of an agreement between VIVONET and the Franchisor. If certain terms and conditions of such agreement are not met by Franchisor, the Service Fees and other consideration payable by the Franchisee under this Agreement may be affected (either adversely or beneficially to the Franchisee), and the Franchisee hereby agrees that VIVONET will be entitled to make such adjustment as necessary to the Service Fees and other consideration payable by the Franchisee, and the Franchisee hereby agrees to pay any such adjusted Service Fees or other consideration hereunder.
- 10.6 **Termination**. Despite Section 3.1 and in addition to Section 3.1, and notwithstanding any other terms of this Agreement, this Agreement will automatically terminate in the event that
 - a. the Franchisee's agreement with the Franchisor terminates or expires for any reason, or
 - b. VIVONET's agreement with the Franchisor is terminated or expires for any reason.
- 10.7 Data Requests. Provided you have complied with your obligations under this Agreement, the Franchisee and the Franchisor shall each have the right to request and receive from VIVONET a copy of all of the Franchisee's transactional data stored on any VIVONET system in conjunction with any services provided under a Sales Order in either XML or CSV format. The Franchisee shall receive the data on either on CD, DVD, or by electronic means upon request and VIVONET shall charge, either the Franchisee or the Franchisor as applicable, VIVONET's applicable processing fee, which is currently \$100 per gigabyte, payable in advance.

11 INDEMNIFICATION

YOU AGREE TO DEFEND, INDEMNIFY AND HOLD HARMLESS VIVONET, VIVONET'S OFFICERS, DIRECTORS, EMPLOYEES, SUPPLIERS, LICENSORS AND AFFILIATES, FROM AND AGAINST ANY CLAIMS, LOSSES, DAMAGES, FINES AND EXPENSES (INCLUDING ATTORNEY'S FEES AND COSTS) ARISING OUT OF OR RELATING TO ANY CLAIMS THAT YOU HAVE USED THE VIVONET SERVICE IN VIOLATION OF ANOTHER PARTY'S RIGHTS, IN VIOLATION OF ANY LAW, IN VIOLATION OF THIS AGREEMENT, OR ANY OTHER CLAIM RELATED TO, OR ARISING OUT OF, YOUR USE OF THE VIVONET SERVICE OR THIS AGREEMENT.

12 CUSTOMER RESPONSIBILITIES

- 12.1 If Customer processes, stores or transmits credit cards, or debit cards information, Customer acknowledges and agrees that Customer is responsible for ensuring compliance with the Payment Card Industry Data Security Standards (PCI DSS) and any other security and privacy standards and laws that are relevant to Customer.
- 12.2 Notwithstanding anything to the contrary, Customer is responsible at Customer's expense for the purchase, installation, maintenance and payment of all third party hardware, software, communications equipment and telecommunication and other services, including but not limited to Internet required to use the Service and Software. Without limiting the forgoing, Customer is responsible for cost associated with extracting data from Customer point-of-sale or other system required for the operation of Service in the event that the point-of-sale is not provided by VIVONET. VIVONET assumes no responsibility or liability with respect to the forgoing, nor their proper functioning with the Services or Software. Without limiting the generality of the forgoing, Customer acknowledges and agrees that Customer is responsible for paying any additional fees and charges payable to third parties for any updates or upgrades, including without limitation, updates or upgrades to the operating system or anything else required to ensure compliance with this Agreement, PCI DSS requirements, and any requirements for the Service set by VIVONET from time-to-time.

- 12.3 Customer is responsible for ensuring compliance in all aspects with all relevant laws (including without limitation, in connection with the collection, storage, use and disclosure of any personal information contained in the customer data) any terms and conditions applicable to all third party software, hardware and services provided pursuant to this Agreement.
- 12.4 In order to install and operate the VIVONET POS system and integrated peripherals, Customer must prepare Customer's location in accordance with the networking requirements described in the network set up diagrams and documents supplied by VIVONET during implementation. It is the Customer's sole responsibility to complete all network preparation for the VIVONET solution, including establishing an optimal WiFi environment if Customer is deploying WiFi POS or peripherals.
- 12.5 In order to access and use any products or the Services, Customer must provide and maintain at Customer's expense a computer system and operating system software meeting the requirements set by VIVONET from time-to-time, as well as internet access via DSL or cable, plus, for training and support purposes, a separate simultaneously available telephone line.
- 12.6 If applicable, Customer must work with VIVONET to remotely activate the Service, provision training and confirm operability of the POS equipment and access to the Enterprise Manager. Customer must also provide all required information and authorizations necessary to complete the creation of Customer's database and access the Customers equipment and systems associated with the Service. By entering into this Agreement Customer hereby confirms VIVONET's right to remotely access Customer's POS equipment and systems associated with the Service in relation to the provision of the Service (which includes without limitation, support, configuration management, trouble shooting, responding to notification and alerts, etc.).
- 12.7 Customer must complete all training as directed by VIVONET and train all staff in the use of the VIVONET products and services according to the staff roles assigned. Any agreed appointment dates and times require at least 72 hours cancellation notice or may be subject to fees. Standard Activation services hours can be found at www.vivonet.com or another site specified by VIVONET from time-to-time.

13 ADDITIONAL TERMS

If any acceptance or other communications of any kind from you contain any additional terms with respect to this Agreement, even if VIVONET fails to object to the provisions in any communications from you, such communications shall be null and void and of no force and effect.

14 PREVAILING PARTY COSTS

The party that is not successful in the event of any litigation or other proceeding that arises under this Agreement will pay all reasonable costs and expenses (including legal fees on a solicitor and his own client basis together with all applicable taxes) of the successful party incurred with respect to any litigation or proceedings taken for the purpose of enforcing the rights or remedies of the successful party.

15 MODIFICATION TO TERMS

VIVONET reserves the right to modify the terms and conditions of this Agreement or its policies relating to the Service at any time, effective upon posting of an updated version of this Agreement on the Service. You are responsible for regularly reviewing this Agreement. Continued use of the Service after any such changes shall constitute your consent to such changes.

16 QUESTIONS OR ADDITIONAL INFORMATION

If you have questions regarding this Agreement or wish to obtain additional information, please send an e-mail to <u>info@vivonet.com</u>.

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Contract - Fire @ Lake Ashton

(3)

Adobe Sign Document History

06/26/2017

Created:

06/02/2017

By:

Paul Hillan (phillan@vivonet.com)

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Proposed Budget Fiscal Year 2019



May 11, 2018



Lake Ashton Community Development District

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Lake Ashton

Community Development District

General Fund

Description	Adopted Budget FY 2018	Actual Thru 3/31/2018	Projected Next 6 Months	Total Projected 9/30/2018	Proposed Budget FY 2019
Revenues					
Special Assessments - Levy	\$1,572,079	\$1,542,261	\$37,282	<i>\$1,579,54</i> 3	\$1,572,079
Rental Income	\$50,000	<i>\$31,975</i>	\$18,350	\$50,325	\$50,000
Entertainment Fees	\$130,000	\$137,108	\$15,645	<i>\$152,75</i> 3	\$130,000
Newsletter Ad Revenue	\$55,000	\$7 2,351	\$19,344	<i>\$91,695</i>	\$55,000
Interest Income	\$1,000	\$3,284	\$2,903	\$6,187	\$1,000
Miscellaneous Income	\$5,000	\$11,462	\$2,500	\$13,962	\$5,000
Restaurant Lease	\$12,000	\$5,484	\$0	\$5,484	\$0
Insurance Proceeds	\$0	\$192,846	\$0	<i>\$192,846</i>	\$0
Carryforward	\$0	\$80,607	\$0	\$80,607	\$0
TOTAL REVENUES	\$1,825,080	\$2,077,377	\$96,024	\$2,173,401	\$1,813,079
Expenditures					
<u>Administrative</u>					
Supervisor Fees	\$3,000	\$1,450	\$1,500	\$2,950	\$3,000
FICA Expense	\$230	\$111	\$115	\$226	\$230
Engineering	\$20,000	\$3,825	<i>\$11,475</i>	\$15,300	\$15,000
Arbitrage	\$1,200	<i>\$0</i>	\$1,200	\$1,200	\$1,200
Dissemination	\$1,000	\$850	\$500	\$1,350	\$1,000
Attorney	\$20,000	\$13,894	\$13,894	<i>\$27,787</i>	\$25,000
Annual Audit	\$4,123	\$23	\$4,100	\$4,123	\$4,223
Trustee Fees	\$4,310	\$0	\$4,310	\$4,310	\$4,310
Management Fees	\$58,482	\$29,241	\$29,241	\$58,482	\$58,482
Computer Time	\$1,000	\$500	\$500	\$1,000	\$1,000
Travel and Per Diem	\$0	\$100	\$0	\$100	\$0
Postage	\$2,500	\$2,082	\$1,244	\$3,326	\$3,500
Printing & Binding	\$1,600	<i>\$585</i>	\$705	\$1,290	\$1,350
Newsletter Printing	\$32,000	\$20,062	\$18,786	\$38,848	\$35,000
Rentals & Leases	\$5,000	\$2,616	\$2,044	\$4,660	\$5,000
Insurance	\$34,278	\$36,737	\$0	\$36,737	\$40,411
Legal Advertising	\$500	\$92	\$235	\$326	\$500
Other Current Charges	\$1,250	\$511	\$357	\$868	\$1,250
Property Taxes	\$12,000	\$12,408	\$0	\$12,408	\$12,500
Office Supplies	\$100	<i>\$6</i> 3	\$12	<i>\$75</i>	\$100
Dues, Licenses & Subscriptions	\$175	\$175	\$0	\$175	\$175
TOTAL ADMINISTRATIVE	\$202,748	\$125,324	\$90,216	\$215,540	\$213,231

Lake Ashton

Community Development District

General Fund

Description	Adopted Budget FY 2018	Actual Thru 3/31/2018	Projected Next 6 Months	Total Projected 9/30/2018	Proposed Budget FY 2019
Mainten <u>a</u> nce					
Field Management Services	\$322,330	\$159,529	\$162,801	\$322,330	\$332,000
Gate & Patrol Officers	\$209,457	<i>\$106,762</i>	\$102,060	\$208,822	\$209,457
Pool Officer	\$12,495	\$2,535	\$9,960	\$12,4 9 5	\$12,495
Pest Control	\$1,750	\$1,080	<i>\$720</i>	\$1,800	\$1,800
Security/Fire Alarm/Gate Repairs	\$5,000	<i>\$3,375</i>	\$1,673	\$5,048	\$5,100
Telephone/Internet	\$13,600	\$6,570	\$6,360	\$12,930	\$13,600
Electric	\$216,000	<i>\$107,367</i>	\$106,050	<i>\$2</i> 13,417	\$216,000
Water	\$12,000	\$5,689	\$5,694	\$11,383	\$12,000
Gas	\$15,000	\$16,851	\$0	\$16,851	\$17,000
Refuse	\$10,500	<i>\$4,123</i>	<i>\$4,333</i>	\$8,456	\$10,000
Clubhouse Maintenance	\$105,000	\$56,353	<i>\$53,758</i>	\$110,112	\$110,000
Pool and Fountain Maintenance	\$20,000	\$10,753	\$9,390	\$20,143	\$20,000
Landscape Maintenance	\$176,007	\$87,576	\$88,004	\$175,580	\$176,007
Plant Replacement	\$7,000	\$3,609	\$3,391	\$7,000	\$7,000
Irrigation Repairs	\$7,500	\$247	\$2,500	\$2,747	\$3,500
Lake Maintenance	\$18,540	\$9,270	\$9,270	\$18,540	\$18,540
Wetland/Mitigation Maintenance	\$34,800	\$17,400	\$17,400	\$34,800	\$34,800
Permits/Inspections	\$2,160	\$862	\$622	\$1,484	\$1,500
Office Supplies/Printing/Binding	\$4,000	\$3,954	\$1,022	\$4,976	\$5,000
Operating Supplies	\$25,000	\$23,449	\$14,1 1 6	\$37,564	\$25,000
Credit Card Processing Fees	\$3,500	\$2,468	\$703	\$3,172	\$3,500
Dues & Subscriptions	\$8,500	\$2,452	\$5,865	\$8,317	\$8,500
Decorations	\$2,000	\$628	\$0	\$628	\$2,000
Special Events	\$130,000	\$135,640	\$15,402	\$151,042	\$130,000
Storm Damage	\$0	\$303,316	\$0	\$303,316	\$0
Traffic Accident Repairs	\$0	\$4,716	\$0	\$4,716	\$0
TOTAL MAINTENANCE	\$1,362,139	\$1,076,573	\$621,095	\$1,697,668	\$1,374,799
TOTAL EXPENDITURES	\$1,564,886	\$1,201,897	\$711,311	\$1,913,208	\$1,588,029
Other Sources and Uses					
Capital Reserve-Transfer Out	(\$260,194)	(\$260,194)	\$0	(\$260,194)	(\$225,050)
TOTAL OTHER SOURCES AND USES	(\$260,194)	(\$260,194)	\$0	(\$260,194)	(\$225,050)
EXCESS REVENUES	\$0	\$615,287	<u>(</u> \$615,287)	\$0	\$0
	EV 2015	FY 2016	FY 2017	FY 2018	EV 2010
Net Assessment	<u>FY 2015</u> \$1,572,076	<u>FY 2016</u> \$1,572,076	<u>FY 2017</u> \$1,572,076	\$1,572,076	F <u>Y 2019</u> \$1,572,079
Plus Collection Fees (7%)	\$1,372,076 \$118,328	\$1,372,076 \$118,328	\$1,372,076 \$118,328	\$1,372,076	\$1,572,079 \$118,329
Gross Assessment	\$1,690,405	\$1,690,404	\$1,690,404	\$1,690,404	\$1,690,408
No. of Units	986	986	986	986	986
Gross Per Unit Assessment	\$1,714.41	\$1,714.41	\$1,714.41	\$1,714.41	\$1,714.41

PROPOSED GENERAL FUND BUDGET FISCAL YEAR 2019

REVENUES:

Special Assessments

The District will levy a non ad-valorem special assessment on all taxable property within the District to fund all of the General Operating Expenditures for the fiscal year.

Rental Income

Rental fees charged for rental of facilities for events.

Entertainment Fees

Fees charged for the Entertainment Series tickets and Special Event tickets. The entertainment fees include a charge for those paying with credit cards to offset the credit card processing fees.

Newsletter Income

The District will earn advertising income from local businesses who would like to advertise in the CDD newsletter that is published on a monthly basis.

Interest Income

The District will have all excess funds invested with the State Board of Administration. The amount is based upon the estimated average balance of funds available during the fiscal year.

Miscellaneous Income

Miscellaneous income sources including Monday Morning Coffee Revenue and Postage Revenue as well as any other business center revenue earned during the fiscal year.

Restaurant Lease Income

Monthly lease payment for lease of the Restaurant.

EXPENDITURES:

Supervisor Fees

The Florida Statutes allows each board member to receive \$200 per meeting not to exceed \$4,800 in one year. The amount for the fiscal year is based upon the five paid supervisors attending the estimated 12 monthly meetings at \$50 per attendance.

FICA Expense

Represents the Employer's share of Social Security and Medicare taxes withheld from Board of Supervisors checks.

Engineering Fees

The District's engineer will be providing general engineering services to the District including attendance and preparation for board meetings, etc.

PROPOSED GENERAL FUND BUDGET FISCAL YEAR 2019

Arbitrage

The District is required to annually have an arbitrage rebate calculation on the District's Series 2015 Capital Improvement Revenue Refunding Bonds. Currently the District has contracted Grau & Associates, an independent certified public accounting firm, to calculate the rebate liability and submit a report to the District.

Dissemination Agent

The District is required by the Security and Exchange Commission to comply with Rule 15(c)(2)-12(b)(5), which relates to additional reporting requirements for un-rated bond issues. The District has contracted with Governmental Management Services, to provide this service.

Attorney

The District's legal counsel will be providing general legal services to the District, i.e., attendance and preparation for monthly meetings, review operating and maintenance contracts, etc.

Annual Audit

The District is required annually to conduct an audit of its financial records by an Independent Certified Public Accounting Firm.

Trustee Fees

The District issued Series 2015A-1 and A-2 Capital Improvement Revenue Refunding Bonds which are held with a Trustee at US Bank. The amount of the trustee fees is based on the agreement between US Bank and the District.

Management Fees

The District receives Management, Accounting and Administrative services as part of a Management Agreement with Governmental Management Services. These services are further outlined in Exhibit "A" of the Management Agreement.

Computer Time

The District processes all of its financial activities, i.e., accounts payable, financial statements, etc. on a mainframe computer leased by Governmental Management Services.

Postage

Mailing of checks, overnight deliveries, correspondence, etc.

Printing & Binding

Printing copies, printing of computerized checks, stationary, envelopes etc.

Newsletter Printing

Cost of preparing and printing monthly newsletter for CDD residents.

Rentals & Leases

The District currently has a lease for the copier at the clubhouse that is estimated to cost \$176 per month plus copy overage and toner shipping charges.

PROPOSED GENERAL FUND BUDGET FISCAL YEAR 2019

Insurance

The District's General Liability & Public Officials Liability Insurance policy and property insurance is with Florida Insurance (FIA). FIA specializes in providing insurance coverage to governmental agencies.

Legal Advertising

The District is required to advertise various notices for monthly Board meetings, public hearings, etc. in a newspaper of general circulation.

Other Current Charges

Bank charges and any other miscellaneous expenses that are incurred during the year.

Property Taxes

Non-exempt Ad-valorem taxes on property owned within the District.

Office Supplies

Miscellaneous office supplies.

Dues, Licenses & Subscriptions

The District is required to pay an annual fee to the Department of Economic Opportunity for \$175. This is the only expense under this category for the District.

MAINTENANCE:

Field Management Fees

Governmental Management Services will provide on-site management services for the District. The amount budgeted is based on an estimated annual contract amount of \$322,330. This amount represents a 3% proposed increase.

Gate & Patrol Officers

Property and gate attendant services for the Lake Ashton Community Development District are now provided by Community Watch Solutions, LLC. The amount budgeted is based on the annual contract.

Pool Officer

Pool monitoring services for the Lake Ashton Community Development District are now provided by Community Watch Solutions, LLC. The amount budgeted is based on the number of hours needed.

Pest Control

The District has obtained a contract with Florida Pest Control for bugs, mosquitoes and rodent control.

Security/Fire Alarm/Gate Repairs

Annual fire alarm and security alarm monitoring as well as gate repairs.

PROPOSED GENERAL FUND BUDGET FISCAL YEAR 2019

Telephone/Internet

The District is contracted with Spectrum for Internet services, telephone services, and guest wi-fi services. The District is also contracted with Kings III for emergency telephone service at the pool.

Electric

The District has various accounts with TECO for electric services.

Account Number	<u>Description</u>	<u> Annual Amount</u>
211003673699	3555 LAKE ASHTON BL LTS	\$500.00
211003674275	LAKE ASHTON-OUTDOOR LIGHTING	\$46,000.00
211003674721	1101 ASHTON PALMS DRIVE	\$400.00
211003674952	ASHTON PALMS DR A/L - OUTDOOR LIGHTING	\$500.00
211003675454	ASHTON PALMS DRIVE- OUTDOOR LIGHTING	\$7,800.00
211003675231	LAKE ASHTON PHIIIB - OUT DOOR LIGHTING	\$22,500.00
211003673350	3555 LAKE ASHTON BL GRD HSE	\$3,500.00
211003674523	DUNMORE DRIVE AL	\$43,000.00
211003673988	4141 ASHTON CLUB DRIVE	\$60,500.00
221000397002	LAKE ASHTON PH5 LTS	\$12,150.00
211003675660	LAKE ASHTON PH6	<i>\$14,750.00</i>
211003675918	THE PALMS/MACARTHUR PALMS	\$4,400.00
TOTAL		\$216,000.00

Water

The District receives water service from the City of Lake Wales.

Account Number	<u>Description</u>	<u>Annual Amount</u>
<i>20735</i> ·	4141 ASHTON CLUB DRIVE	\$8,500.00
22109	GATE ENTRANCE-IRR	\$1,000.00
37767	PALMS IRRIGATION	\$1,000.00
20740	4128 LAKE ASHTON BLVD.	\$1,500.00
TOTAL		\$12,000.00

Gas

The District currently uses Amerigas Propane for gas to heat the pool.

Refuse Service

The District is currently contracted with Florida Refuse for garbage pickup and recycling services. The monthly amount is approximately \$833.00.

PROPOSED GENERAL FUND BUDGET FISCAL YEAR 2019

Maintenance

Repairs and Maintenance

Regular repairs and maintenance to the District's Facilities throughout the community.

Pool and Fountain Maintenance

The District is currently contracted with Heartland Commercial Pool Services. The monthly amount to maintain the pool is \$1,290. A contingency of \$4,520 is included for special maintenance and repairs.

<u>Landscape Maintenance</u>

The District has contracted with Yellowstone Landscape to provide landscape maintenance services for the Lake Ashton Community Development District. These services will include, mowing, edging, trimming, debris removal, fertilizer, insect, disease and weed control, shrubs, tree maintenance, irrigation, planting of annuals, mulching, palm pruning, and maintenance on Fig.

Plant Replacement

Replacement of plants needed throughout the District.

Irrigation Repairs

Unscheduled repairs and maintenance to the irrigation system throughout the District.

Lake Maintenance

The District has obtained a contract with Applied Aquatic Management for the maintenance of 13 ponds, canals, & E-1 pond Littoral Shelf.

<u>Description</u>	<u>Monthly</u>	<u>Annually</u>
Applied Aquatics	\$1,545.00	\$18.540

Wetland/Mitigation Maintenance

The District has obtained a contract with Applied Aquatic Management for Wetlands/Mitigation maintenance. The management program will include the control of vegetation, algae, and grass/brush control.

<u>Description</u>	<u>Quarterly</u>	<u>Annually</u>	<u>Area</u>
Applied Aquatics	\$7,300.00	\$29,200.00	Mitigation Areas: 1B, 7A
			Wetlands Areas: 2, 3, 4, 5,
			6, 8, Utility Easement
			Wetland, and
			East Conservation Area
	<u>Semi-Annually</u>	<u>Annually</u>	<u>Area</u>
Applied Aquatics	\$2,800.00	\$5,600.00	Conservation Area from
			Clubhouse West to boat
			ramn

PROPOSED GENERAL FUND BUDGET FISCAL YEAR 2019

Permits/Inspections

The District is required to renew permits and other inspections on an annual basis with the City of Lake Wales, Polk County and The State of Florida to comply with regulations.

Office Supplies/Printing & Binding

Office supplies for the clubhouse that will include items such as paper, toner, etc.

Operating Supplies

General operating supplies such as chemicals, paints, paper products, etc. for the clubhouse.

Credit Card Processing Fee

The District processes credit cards with Bank of America.

Dues & Licenses

The District is required to pay an annual subscription for Motion Picture Licensing and Music Licensing.

Decorations

The District funds seasonal decorations for the Clubhouse.

Special Events

The District will have shows and dances throughout the year.

Capital Projects

Represents the estimated capital reserve funding for capital expenditures that will be transferred to the Capital Projects Fund. See page 9 for the Capital Projects Fund Budget.

Lake Ashton

Community Development District

	Adopted Budget FY 2018	Actual Thru 3/31/2018	Projected Next 6 Months	Total Pro jected 9/30/2018	Proposed Budget FY 2019
Revenues					
Capital Reserve-Transfer In	\$260,194	\$260,194	\$0	\$260,194	\$225,050
Interest Income	\$100	\$2,152	\$2,400	\$4,552	\$100
Carryforward Surplus	\$275,876	\$280,425	\$0	\$280,425	\$0
TOTAL REVENUES	\$536,170	\$542,770	\$2,400	\$545,170	\$225,150
Expenditures					
Capital Projects-FY 18					
Ballroom Window Replacement	\$66,000	\$0	\$66,000	\$66,,000	\$0
Bowling Alley Equipment & Scoreboards	\$25,000	\$0	\$25,000	\$25,000	\$0
Computer Allowance	\$5,000	\$550	\$4,450	\$5,000	\$0
Pool Fence Panel Refurbishment	\$16,000	\$0	\$16,000	\$16,000	\$0
Fitness Equipment	\$19,000	\$0	\$19,000	\$19,000	\$0
Fitness Center Refurbishment	\$0	\$3,260	\$0	\$3,260	\$0
HV AC Replacement	\$20,000	\$6,293	\$13,707	\$20,000	\$0
Landscape Refurbishment	\$10,100	\$0	\$10,100	\$10,100	\$0
Pavement Management-Parking lot Resurfacing/Striping	\$70,000	\$0	\$70,000	\$70,000	\$0
Pavement Management-2993 LF Gullane, Dornoch, Robellini, Coconut	\$165,000	\$0	\$165,000	\$165,000	\$0
Pool Equipment	\$10,000	\$2,635	<i>\$7,365</i>	\$10,000	\$0
Restaurant Equipment Allowance	\$15,000	\$5,852	\$9,148	\$15,000	\$0
Stormwater System and Curb Repairs	\$25,000	\$31,680	\$0	\$31,680	\$0
Ticketing Software	\$10,000	\$0	\$10,000	\$10,000	\$0
Traffic Calming Speed Humps (2)	\$7,500	\$0	\$7,500	\$7,500	\$0
Capital Reserves-FY 18	\$71,920	\$0	\$71,206	\$71,206	\$0
Other Current Charges	\$650	\$212	\$213	\$425	\$0
Capital Projects-FY 19					
Capital Reserves-FY 19	\$0	\$0	\$0	\$0	\$224,650
Other Current Charges	\$0	\$0	\$0	\$0	\$500
TOTAL EXPENDITURES	\$536,170	\$50,482	\$494,689	\$545,170	\$225,150
EXCESS REVENUES	\$0	\$492,289	(\$492,289)	\$0	\$0

Lake Ashton

Community Development District

Debt Service Fund Series 2015 Special Assessment Refunding Bonds

Description	Adopted Budget FY 2018	Actual Thru 3/31/2018	Projected Next 6 Months	Total Projected 9/30/2018	Proposed Budget FY 2019
Revenues					
Special Assessments - Levy	\$477,921	\$459,914	<i>\$17,202</i>	\$477,116	<i>\$474,5</i> 36
Interest Income	\$0	\$398	\$180	<i>\$578</i>	\$0
Carry Forward Surplus ⁽¹⁾	\$165,434	\$208,360	\$0	\$208,360	\$134,054
TOTAL REVENUES	\$643,355	\$668,672	\$17,382	\$686,054	\$608,590
Expenditures					
Series 2015A-1					
Interest - 11/01	\$111,625	\$111,625	\$0	\$ 1 11,625	\$104,750
Interest - 05/01	\$111,625	<i>\$0</i>	\$110,250	\$110,250	\$104,750
Principal - 05/01	\$205,000	\$0	\$200,000	\$200,000	\$210,000
Special Call - 11/01	\$25,000	\$55,000	\$0	<i>\$55,000</i>	\$0
Special Call - 05/01	\$0	\$0	\$20,000	\$20,000	\$0
<u>Series 2015A-2</u>					
Interest - 11/01	\$15,125	\$15,125	\$0	\$15,125	\$14,500
Interest - 05/01	\$15,125	<i>\$0</i>	\$15,000	<i>\$15,000</i>	\$14,500
Principal - 05/01	\$20,000	<i>\$0</i>	<i>\$20,000</i>	\$20,000	\$20,000
Special Call - 11/01	\$0	\$5,000	\$0	\$5,000	\$0
TOTAL EXPENDITURES	\$503,500	\$186,750	\$365,250	\$552,000	\$468,500
EXCESS REVENUES	\$139,855	\$481,922	(\$347,868)	\$134,054	\$140,090

⁽¹⁾ Carryforward suplus is net of the Reserve Requirement.

2015A-1	\$	99,500
2015A-2	\$	14,000
11/19 Interest	-3-	113,500

No. of Units	Per Unit	2015A-1	2015 A-2
290	\$0.00	\$0.00	\$0.00
146	\$539.74	\$ 78 ,802.04	\$0.00
16	\$684.62	\$10,953.92	\$0.00
296	\$765.82	\$226,682.72	\$0.00
24	\$1,092.43	\$0.00	\$26,218.32
64	\$1,028.98	\$38,000.64	\$27,854.08
87	\$977.74	\$85,063.38	\$0.00
GC	\$16,678.16	\$16,678.16	\$0.00
923		\$456,180.86	\$54,072.40
Discounts/Collection Fees	(7%)	(\$31,932.66)	(\$3,785.07)
Net Assessment Total	,	\$424,248.20	\$50,287.33

Lake Ashton

Community Development District Series 2015A-1 Capital Improvement Revenue Refunding Bonds

AMORTIZATION SCHEDULE

DATE	 BALANCE	PRINCIPAL	na south manua	INTEREST	TOTAL
05/01/18	\$ 4,410,000.00	\$ 220,000.00	\$	110,250.00	\$ 496,875.00
11/01/18	\$ 4,190,000.00	\$	\$	104,750.00	\$ -
05/01/19	\$ 4,190,000.00	\$ 210,000,00	\$	104,750.00	\$ 419,500.00
11/01/19	\$ 3,980,000.00	\$ -	\$	99,500.00	\$ •
05/01/20	\$ 3,980,000.00	\$ 225,000.00	\$	99,500.00	\$ 424,000.00
11/01/20	\$ 3,755,000.00	\$ -	\$	93,875.00	\$ -
05/01/21	\$ <i>3,755,000.00</i>	\$ 235,000.00	\$	93,875.00	\$ 422,750.00
<i>]1/01/21</i>	\$ 3,520,000.00	\$ -	\$	88,000.00	\$ -
05:/01/22	\$ 3,520,000.00	\$ 245,000.00	\$	88,000.00	\$ 421,000.00
11/01/22	\$ 3,275,000.00	\$ -	\$	81,875.00	\$ -,
05/01/23	\$ 3,275,000.00	\$ 260,000.00	\$	81,875.00	\$ 423,750.00
11/01/23	\$ 3,015,000.00	\$ -	\$	<i>75,375.00</i>	\$ -
05:/01/24	\$ 3,015,000.00	\$ 270,000.00	\$	<i>75,375.00</i>	\$ 420,750.00
11/01/24	\$ 2,745,000.00	\$ -	\$	68,625.00	\$ •
05/01/25	\$ 2,745,000.00	\$ 285,000.00	\$	68,625.00	\$ 422,250.00
11/01/25	\$ 2,460,000.00	\$ -	\$	61,500.00	\$
05/01/26	\$ 2,460,000.00	\$ 300,000.00	\$	61,500.00	\$ 423,000.00
11:/01/26	\$ 2,160,000.00	\$ -	\$	54,000.00	\$ =
05/01/27	\$ 2,160,000.00	\$ 315,000.00	\$	54,000.00	\$ 423,000.00
11/01/27	\$ 1,845,000.00	\$ •	\$	46,125.00	\$ -
05/01/28	\$ 1,845,000.00	\$ 335,000.00	\$	46,125.00	\$ 427,250.00
11/01/28	\$ 1,510,000.00	\$ -	\$	37,750.00	\$ -
05/01/29	\$ 1,510,000.00	\$ 350,000.00	\$	37,750.00	\$ 425,500.00
11/01/29	\$ 1,160,000.00	\$ -	\$	29,000.00	\$ -
05/01/30	\$ 1,160,000.00	\$ <i>370,000.00</i>	\$	29,000.00	\$ 428,000.00
11/01/30	\$ 790,000.00	\$	\$	19,750.00	\$ -
05/01/31	\$ 790,000.00	\$ 385,000.00	\$	19,750.00	\$ 424,500.00
11/01/31	\$ 405,000.00	\$ •	\$	10,125.00	\$ •
05/01/32	\$ 405,000.00	\$ 405,000.00	\$	10,125.00	\$ 425,250.00
		\$ 4,410,000.00	\$	1,850,750.00	\$ 6,427,375.00

Lake Ashton

Community Development District
Series 2015 A-2 Capital Improvement Revenue Refunding Bonds

AMORTIZATION SCHEDULE

DATE		BALANCE	 PRINCIPAL	 INTEREST	 TOTAL
05/01/18	\$	600,000.00	\$ 20,000.00	\$ 15,000.00	\$ 55,125.00
11/ 0 1/18	\$	580,000.00	\$ -	\$ 14,500.00	\$ -
<i>05/01/19</i>	\$	580,000.00	\$ 20,000.00	\$ 14,500.00	\$ 49,000.00
11/01/19	\$	560,000.00	\$ •	\$ 14,000.00	\$ -
05/01/20	\$	560,000.00	\$ 20,000.00	\$ 14,000.00	\$ 48,000.00
11/01/20	\$	540,000.00	\$ -	\$ 13,500.00	\$ -
05/01/21	\$	540,000.00	\$ 20,000.00	\$ 13,500.00	\$ 47,000.00
11/01/21	\$	520,000.00	\$ -	\$ 13,000.00	\$ -
05/01/22	\$	520,000.00	\$ 20,000.00	\$ 13,000.00	\$ 46,000.00
11/01/22	\$ \$	500,000.00	\$ -	\$ 12,500.00	\$ -
05/01/23		500,000.00	\$ 20,000.00	\$ 12,500.00	\$ 45,000.00
11/01/23	\$	480,000.00	\$ 	\$ 12,000.00	\$,
05/01/24	\$	480,000.00	\$ 25,000.00	\$ 12,000.00	\$ 49,000.00
11/01/24	\$	455,000.00	\$ · -	\$ 11,3 75 .00	\$ -
05/01/25	\$	455,000.00	\$ 25,000.00	\$ 11,375.00	\$ 47,750.00
1 1/0 1/25	\$	430,000.00	\$ -	\$ 10,750.00	\$ -
<i>05/01/26</i>	\$	430,000.00	\$ 25,000.00	\$ 10,750.00	\$ 46,500.00
11/01/26	\$	405,000.00	\$ -	\$ 10,125.00	\$ -
05/01/27	\$	405,000.00	\$ 30,000.00	\$ 10,125.00	\$ 50,250.00
1 1/01/27	\$	375,000.00	\$ -	\$ <i>9,375.00</i>	\$ •
05:/01/28	\$	375,000.00	\$ 30,000.00	\$ 9,375.00	\$ 48,750.00
11/01/28	\$	345,000.00	\$ -	\$ 8,625.00	\$ -
05/01/29	\$	345,000.00	\$ 30,000.00	\$ 8,625.00	\$ 47,250.00
11/01/29	\$	315,000.00	\$ -	\$ 7,875.00	\$ -
05/01/30	\$	315,000.00	\$ 35,000.00	\$ 7,875.00	\$ 50,750.00
11/01/30	\$	280,000.00	\$ 	\$ 7,000.00	\$ -
05/01/31	\$	280,000.00	\$ 35,000.00	\$ 7,000.00	\$ 49,000,00
11/01/31	\$	245,000.00	\$ •	\$ 6,125.00	\$ -
05:/01/32	\$	245,000.00	\$ 35,000.00	\$ 6,125.00	\$ 47,250.00
11/01/32	\$	210,000.00	\$ •	\$ 5,250.00	\$ -
05/01/33	\$	210,000.00	\$ 40,000,00	\$ 5,250.00	\$ 50,500.00
11/01/33	\$	170,000.00	\$ •	\$ 4,250.00	\$ -
05/01/34	\$	170,000.00	\$ 40,000.00	\$ 4,250.00	\$ 48,500.00
11/01/34	\$	130,000.00	\$ -	\$ 3,250.00	\$ -
05/01/35	\$	130,000.00	\$ 40,000.00	\$ 3,250.00	\$ 46,500.00
11/01/35	\$	90,000.00	\$ · -	\$ 2,250.00	\$ •
05/01/36	\$	90,000.00	\$ 45,000.00	\$ 2,250.00	\$ 49,500.00
11/01/36	\$.	45,000.00	\$ •	\$ 1,125.00	\$ · -
05/01/37	\$	45,000.00	\$ 45,000.00	\$ 1,125.00	\$ 47,250.00
			\$ 600,000.00	\$ 348,750.00	\$ 968,875.00

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

LAKE ASHTON COMMUNITY DEVELOPMENT DISTRICT POLK COUNTY, FLORIDA

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors Lake Ashton 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 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.

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 June 22, 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 June 22, 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.

Bun & association

June 22, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Lake Ashton 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 \$10,708,566.
- The change in the District's total net position in comparison with the prior fiscal year was (\$249,376), a decrease. 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 \$1,154,613, an increase of \$79,937 in comparison with the prior fiscal year. A portion of fund balance is non-spendable for prepaid and deposit items, restricted for debt service, assigned to capital projects and the remainder is unassigned fund balance which is available for spending at the District's discretion.

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

The government-wide financial statements include all governmental activities that are principally supported by special assessment. The District does not have any business-type activities. The governmental activities of the District include the general government (management), maintenance and culture and recreation 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 outflow 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 governmental funds for external reporting. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund and capital projects fund, all of which are considered major funds.

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

Notes to the Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

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

NET POSITION SEPTEMBER 30.

	2017	2016
Current and other assets	\$ 1,254,251	\$ 1,159,053
Capital assets, net of depreciation	14,912,577	15,613,671
Total assets	16,166,828	16,772,724
Current liabilities	205,263	197,398
Long-term liabilities	5,252,999	5,617,384
Total liabilities	5,458,262	5,814,782
Net position		
Net investment in capital assets	9,659,578	9,996,287
Restricted	343,486	384,443
Unrestricted	705,502	577,212
Total net position	\$ 10,708,566	\$ 10,957,942

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

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

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

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

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,

VOICE LE TREE	2017 2016			
Revenues:				
Program revenues				
Charges for services	\$	2,455,312	\$	2,461,203
Operating grants and contributions		823		436
Capital grants and contributions		2,916		1,712
General revenues				
Unrestricted investment earnings		7,568		3,965
Total revenues		2,466,619		2,467,316
Expenses:				
General government		200,412		201,750
Maintenance and operations		726,046		875,772
Culture and recreation		1,537,318		1,499,000
Interest		252,219		269,573
Total expenses		2,715,995		2,846,095
Change in net position		(249,376)		(378,779)
Net position - beginning		10,957,942		11,336,721
Net position - ending	\$	10,708,566	\$	10,957,942

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2017 was \$2,715,995. The costs of the District's activities were primarily funded by program revenues. Program revenues are comprised primarily of assessments. The remainder of the current fiscal year revenue includes interest revenue and miscellaneous income. The decrease in current fiscal year expenses is primarily the result of the District incurring less maintenance and operations expenses.

GENERAL BUDGETING HIGHLIGHTS

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. The general fund budget for the fiscal year ended September 30, 2017 was amended to increase revenues by \$42,115 and increase appropriations by \$42,114. 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 \$24,655,347 invested in capital assets for its governmental activities. In the government-wide financial statements depreciation of \$9,742,770 has been taken, which resulted in a net book value of \$14,912,577. 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 \$5,070,000 Bonds outstanding for its governmental activities. More detailed information about the District's capital debt is presented in the notes of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND OTHER EVENTS

The District does not anticipate any major projects or significant changes to its infrastructure maintenance program for the subsequent fiscal year. In addition, it is anticipated that the general operations of the District will remain fairly constant.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

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

	Governmental Activities	
ASSETS		
Cash	\$	139,214
Investments		594,609
Accounts receivable		10,158
Assessments receivable		4,191
Prepaid items and deposits		55,487
Restricted assets:		
Investments		450,519
Interest receivable		73
Capital assets		
Nondepreciable		2,462,929
Depreciable, net		12,449,648
Total assets		16,166,828
LIABILITIES		
Accounts payable		59,282
Deposits payable		11,000
Unearned revenue		29,356
Accrued interest payable		105,625
Non-current liabilities:		
Due within one year		225,000
Due in more than one year		5,027,999
Total liabilities		5,458,262
NET ASSETS		
Net investment in capital assets		9,659,578
Restricted for debt service		343,486
Unrestricted		705,502
Total net position	\$	10,708,566

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

									N	et (Expense)
									R	evenue and
									Ch	anges in Net
				Pr	ogra	m Revenue	s			Position
				Charges	0	perating	C	apital		
				for	Gr	ants and	Gra	ants and	G	overnmental
Functions/Programs	E	xpenses		Services	Cor	ntributions	Con	tributions		Activities
Primary government:										
Governmental activities:										
General government	\$	200,412	\$	200,412	\$	-	\$	_	\$	-
Maintenance and operations		726,046		1,382,935		-		2,916		659,805
Culture and recreation		1,537,318		297,141		-		-		(1,240,177)
Interest on long-term debt		252,219		574,824		823		-		323,428
Total governmental activities		2,715,995		2,455,312		823		2,916		(256,944)
			Ge	neral revenue	5g.					
				Unrestricted		tment earr	inas			7,568
			Ì	Total gener			go			7,568
			Ch	ange in net p						(249,376)
				t position - b						10,957,942
				t position - b	_	-			\$	10,708,566
				c position - c	· ····································	9			<u>Ψ</u>	10,700,000

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

	Major Funds					Total		
		Debt				Capital	Governmental	
		General		Service		Projects		Funds
ASSETS						-		
Cash	\$	94,359	\$	-	\$	44,855	\$	139,214
Investments		344,524		450,519		250,085		1,045,128
Due from other funds		9,458		-		-		9,458
Accrued interest receivable		-		73		-		73
Accounts receivable		10,158		-		-		10,158
Assessments receivable		3,206		985		-		4,191
Prepaid items		55,487		-		-		55,487
Total assets	\$	517,192	\$	451,577	\$	294,940	\$	1,263,709
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$	51,759	\$	-	\$	7,523	\$	59,282
Deposits payable		11,000		-		-		11,000
Due to other funds		-		2,466		6,992		9,458
Unearned revenue		29,356		-		-		29,356
Total liabilities		92,115		2,466		14,515		109,096
Fund balances:								
Nonspendable:								
Prepaids		55,487		-		-		55,487
Restricted for:								
Debt service		-		449,111		-		449,111
Assigned to:								
Capital projects		-		-		280,425		280,425
Unassigned:								
General fund		369,590		-		-		369,590
Total fund balances		425,077		449,111		280,425		1,154,613
Total liabilities and fund balances	\$	517,192	\$	451,577	\$	294,940	\$	1,263,709

LAKE ASHTON 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		\$ 1,154,613
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 Accumulated depreciation	24,655,347 (9,742,770)	14,912,577
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 Bonds payable	(105,625) (5,252,999)	(5,358,624 <u>)</u>
Net position of governmental activities		\$ 10.708.566

LAKE ASHTON 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		
			Debt Capital			Capital	Governmental	
		General		Service		Projects		Funds
REVENUES								
Assessments	\$	1,583,347	\$	574,824	\$	-	\$	2,158,171
Rental income		60,850		-		-		60,850
Entertainment fees		138,885		-		-		138,885
Newsletter ad revenue		65,521		-		-		65,521
Other revenues		31,885		-		-		31,885
Interest		7,568		823		2,916		11,307
Total revenues		1,888,056		575,647		2,916		2,466,619
EXPENDITURES Current:								
General government		200,412		-		-		200,412
Maintenance and operations		53,850		-		114,988		168,838
Culture and recreation		1,283,595		=		-		1,283,595
Debt service:								
Principal		-		355,000		-		355,000
Interest		-		269,000		-		269,000
Capital outlay				_		109,837		109,837
Total expenditures		1,537,857		624,000		224,825		2,386,682
Excess (deficiency) of revenues over (under) expenditures		350,199		(48,353)		(221,909)		79,937
OTHER FINANCING SOURCES (USES) Transfer in (out)		(300,600)		_		300,600		_
Total other financing sources (uses)		(300,600)		_		300,600		_
Net change in fund balances		49,599		(48,353)		78,691		79,937
Fund balances - beginning		375,478		497,464		201,734		1,074,676
Fund balances - ending	\$	425,077	\$	449,111	\$	280,425	\$	1,154,613

LAKE ASHTON 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	\$ 79,937
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, the cost of capital assets is eliminated in the statement of activities and capitalized in the statement of net position.	109,837
Depreciation of capital assets is not recognized in the governmental fund financial statements, but is reported as an expense in the statement of activities.	(810,931)
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.	355,000
Amortization/accretion of Bond discounts/premiums is not recognized in the governmental fund financial statements, but is reported as an adjustment to expense in the statement of activities.	9,385
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.	 7,396
Change in net position of governmental activities	\$ (249,376)

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

NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY

Lake Ashton Community Development District ("the District") (formerly Lake Myrtle Community Development District prior to a name change on February 21, 2001) was created on August 15, 2000 pursuant to Ordinance No. 2000-11 enacted by the City Commission of the City of Lake Wales, Florida, under the "Uniform Community Development District Act of 1980", otherwise known as Chapter 190, Florida Statutes. The Act provides among other things, the power to manage basic services for community development, power to borrow money and issue Bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

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

The District is governed by the Board of Supervisors ("Board"), which is composed of five members. The Supervisors are elected by 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 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 fund is used to account for the accumulation of resources for the annual payment of principal and interest on long-term debt.

Capital Projects Fund

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity

Restricted Assets

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

Deposits and Investments

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Capital Assets (Continued)

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>
Equipment	10
Buildings and Infrastructure	20 - 30

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

Unearned Revenue

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

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Fund Equity/Net Position (Continued)

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.

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

Other Disclosures

Use of Estimates

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

NOTE 3 – BUDGETARY INFORMATION

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

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

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

NOTE 4 - DEPOSITS AND INVESTMENTS

Deposits

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

Investments

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

	Amortized Cost		Amortized Cost		Amortized Cost		Credit Risk	Maturities
US Bank Money Market 5 - Ct	\$	450,519	N/A	N/A				
Investment in Local Government Surplus Funds Trust Fund (Florida PRIME)	\$	594,609 1,045,128	AAAm	Weighted average of the fund portfolio: 51 days				

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.

NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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.

NOTE 5 - INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

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

Fund	Red	ceivable	Pa	ayable
General	\$	9,458	\$	-
Debt service		-		2,466
Capital projects		-		6,992
Total	\$	9,458	\$	9,458

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. The balances pertain to assessment monies held in the debt service fund which have not yet been remitted to the general fund as well as funds to be reimbursed to the general fund by the capital projects fund for expenditures initially covered by the general fund.

Interfund transfers for the fiscal year ended September 30, 2017 were as follows:

Fund	Tr	Transfer in		nsfer Out
General fund	\$	-	\$	300,600
Capital projects		300,600		-
Total	\$	300,600	\$	300,600

Transfers are used to move revenues from the fund where collection occurs to the fund where funds have been reallocated for use. In the case of the District, transfers from the general fund to the capital projects were made to accumulate funds for future infrastructure maintenance and replacement costs.

NOTE 6 - CAPITAL ASSETS

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

	Beginning				
	Balance	Additions	Reductions	Ending Balance	
Governmental activities					
Capital assets, not being depreciated					
Land and land improvements	\$ 2,462,929	\$ -	\$ -	\$ 2,462,929	
Total capital assets, not being depreciated	2,462,929	+		2,462,929	
Capital assets, being depreciated					
Infrastructure - w ater control	6,633,589	-	_	6,633,589	
Infrastructure - other	2,119,441	-	-	2,119,441	
Infrastructure - roads	6,778,263	-	-	6,778,263	
Infrastructure - recreational	6,132,209	-		6,132,209	
Equipment	419,079	109,837	-	528,916	
Total capital assets, being depreciated	22,082,581	109,837	_	22,192,418	
Less accumulated depreciation for:					
Infrastructure - w ater control	2,517,536	221,120	_	2,738,656	
Infrastructure - other	1,553,270	105,972	_	1,659,242	
Infrastructure - roads	2,220,621	230,116	_	2,450,737	
Infrastructure - recreational	2,492,448	204,407	-	2,696,855	
Equipment	147,964	49,316	-	197,280	
Total accumulated depreciation	8,931,839	810,931	-	9,742,770	
Total capital assets, being depreciated, net	13,150,742	(701,094)		12,449,648	
Governmental activities capital assets, net	\$ 15,613,671	\$ (701,094)	\$ -	\$ 14,912,577	

Depreciation expense was charged to the following function/programs:

	\$ 810,931
Culture and recreation	253,723
Maintenance and operations	\$ 557,208

NOTE 7 – LONG TERM LIABILITIES

On March 30, 2015, the District issued \$5,115,000 Capital Improvement Revenue Refunding Bonds, Series 2015A-1, and \$720,000 Capital Improvement Revenue Refunding Bonds, Series 2015A-2 (Collectively the "Series 2015 Bonds"). The Series 2015A-1 Bonds consist of \$2,485,000 Term Bonds Series 2015A-1 due May 1, 2025 and \$2,630,000 Term Bonds Series 2015A-1 due May 1, 2032. The Series 2015A-2 consist of \$235,000 Term Bonds Series 2015A-2 due May 1, 2015 and \$485,000 Term Bonds Series 2015A-2 due May 1, 2037. The Bonds have a fixed interest rate of 5.00%. The Bonds were issued to refund to, together with other legally available moneys of the District, currently refund and redeem all the District's outstanding Capital Improvement Revenue Bonds, Series 2001A, Capital Improvement Revenue Bonds, Series 2003A, and Capital Improvement Revenue Bonds, Series 2005A (collectively, the "Refunded Bonds"). Interest is to be paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid serially commencing May 1, 2016 through May 1, 2037.

The Series 2015 Bonds are subject to redemption at the option of the District prior to maturity. The Series 2015 Bonds are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond Indenture. This occurred during the current fiscal year as the District collected assessments and prepaid \$135,000 of the Bonds.

NOTE 7 – LONG TERM LIABILITIES (Continued)

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

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

	١	Beginning					Ending	D	ue Within
		Balance	Ad	ditions	Re	eductions	Balance	C	ne Year
Governmental activities	-								
Bonds payable:									
Series 2015	\$	5,425,000	\$	-	\$	355,000	\$ 5,070,000	\$	225,000
Original Issue Premium		192,384		-		9,385	182,999		-
Total	\$	5,617,384	\$	-	\$	364,385	\$ 5,252,999	\$	225,000

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

	 Governmental Activities					
Year ending						
September 30:	Principal		Interest	_	Total	
2018	\$ 225,000	\$	253,500	\$	478,500	
2019	235,000		242,250		477,250	
2020	245,000		230,500		475,500	
2021	260,000		218,250		478,250	
2022	270,000		205,250		475,250	
2023-2027	1,580,000		808,750		2,388,750	
2028-2032	2,040,000		369,750		2,409,750	
2033-2037	215,000		33,000		248,000	
Total	\$ 5,070,000	\$ 2	2,361,250	\$	7,431,250	

NOTE 8 – INTERGOVERNMENTAL AGREEMENT

In a prior fiscal year, the District entered into an interlocal agreement (the "Agreement") with Lake Ashton II Community Development District whereby the two Districts agreed to share and prorate the maintenance and operation of the roadways described in the Agreement based on the number of housing units for which certificates of occupancy have been issued in each District as of September 15 of each year. However, in the prior fiscal year, the Agreement was amended to make all current and future roadways and appurtenances owned by and located within each District subject to the Agreement as of the date of acquisition or control by the respective District without need for further amendment. Additionally, the District agreed to each reimburse the other for prior roadway repair costs paid under the original Agreement.

NOTE 9 – MANAGEMENT COMPANY

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

NOTE 10 – RISK MANAGEMENT

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

NOTE 11 - SUBSEQUENT EVENTS

<u>Bond Payments</u>
Subsequent to fiscal year end, the District made prepayments totaling \$60,000 on the Series 2015 Bonds.
The prepayments were extraordinary mandatory redemptions as outlined in the Bond Indenture.

LAKE ASHTON 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	Variance with Final Budget - Positive		
		Original	Final	Amounts	(N	egative)
REVENUES						
Assessments	\$	1,572,079	\$ 1,572,079	\$ 1,583,347	\$	11,268
Rental income		45,000	62,100	60,850		(1,250)
Entertainment fees		130,000	138,885	138,885		-
Newsletter ad revenue		50,000	66,130	65,521		(609)
Other revenues		5,000	5,000	31,885		26,885
Restaurant Lease		12,000	12,000	-		(12,000)
Interest		1,000	1,000	7,568	_	6,568
Total revenues		1,815,079	1,857,194	1,888,056		30,862
EXPENDITURES Current:						
General government		202,079	202,079	200,412		1,667
Maintenance and operations		53,340	53,340	53,850		(510)
Culture and recreation		1,259,061	1,301,175	1,283,595		17,580
Total expenditures		1,514,480	1,556,594	1,537,857		18,737
Excess (deficiency) of revenues over (under) expenditures		300,599	300,600	350,199		49,599
OTHER FINANCING SOURCES						
Transfer out		(300,600)	(300,600)	(300,600)		_
Total other financing sources		(300,600)	(300,600)	(300,600)		_
Net change in fund balances	\$	(1)	\$ -	49,599	\$	49,599
Fund balance - beginning				375,478	-	
Fund balance - ending				\$ 425,077	:	

LAKE ASHTON 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. The general fund budget for the fiscal year ended September 30, 2017 was amended to increase revenues by \$42,115 and increase appropriations by \$42,114. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2017.



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

To the Board of Supervisors Lake Ashton 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 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 June 22, 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.

Brand assocution

June 22, 2018



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

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

We have examined Lake Ashton 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 Community Development District, Polk County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

Bun & assocution

June 22, 2018



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

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

Report on the Financial Statements

We have audited the accompanying basic financial statements of Lake Ashton 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 June 22, 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 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 June 22, 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 of 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 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 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.

Drw & Associata
June 22, 2018

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None

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

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

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

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

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

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

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

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

- 4. The name or official title and legal authority of the District are disclosed in the notes to the financial statements.
- 5. The financial report filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes agrees with the September 30, 2017 financial audit report.
- 6. The District has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.
- 7. We applied financial condition assessment procedures and no deteriorating financial conditions were noted. 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.





Community Director's Report

Lake Ashton CDD District Manager Lake Ashton CDD Board of Supervisors July 2018

Monday Coffee

• Featured speakers in the upcoming weeks include Winter Haven Main Street, Winter Haven Public Library, Lake Wales Care Center Stay at Home Worker's, Reading Pals, and more.

LA Times

- Revenue collected for the July newsletter is \$6,830.
- The August edition of the newsletter will be released and distributed July 31.

Activities & Resident Services

- Upcoming activities and special events set up by staff include Bloodmobile Blood Drive, Blood Pressure & Glucose checks, Alter Eagles, Beach Party Bash, Key West week-long trip, a tribute band showcase, Oktoberfest, and more.
- There is a Fitness Center Orientation hosted by Lake Wales Medical Center on July 26.
- New Resident Orientation is scheduled at the Clubhouse August 15 (Bob Ference) and October 17 (Mike Costello).
- Staff has confirmed shows for the 2019 Entertainment Series. The dates will be January 9, February 15, March 8, March 15, and April 5.
- Sixty additional seats at each showtime (5 pm and 8 pm), for a total of 120 seats for the shows combined, will be added to accommodate the increased demand of the Entertainment Series.
- Promotional posters announcing the 2019 Entertainment Series and Featured Shows as well as ticket sales information will be released in the September edition of the LA Times.

Room Rental

- The Ballroom was rented out nine (9) times in June; a report is attached. Rental revenue is \$6.600.
- In June thirty-five (35) inquiries came in for Ballroom rental.

Restaurant

• Two Square POS stands were purchased. The POS software is installed on one system and Restaurant staff is in the process of integrating menu items and testing its functionality. Once that system is operational the second system will be installed. Both systems should be operational soon.

- A monthly lease compliance audit was conducted.
- Staff received the second installment of the security deposit on Friday, July 6.
- NiNi's at Lake Ashton has started releasing specials on a weekly basis on Tuesdays. These
 are being sent via electronic mail to residents.
- NiNi's at Lake Ashton is providing sandwiches for sale at Bingo every Monday.
- A maintenance walk-through is scheduled for Monday, July 16.

Security, Guest Registration, & Public Safety

- LACDD BOS approved adding bulk text and voice services to the website hosting platform for the purpose of distributing public safety messages. An article was included in the June and July editions of the LA Times informing residents of how to sign up for these messages. A form is also available at the Activities Desk for residents that wish to have staff complete the sign-up process. A test message was sent on July 4 to the approximate 100 residents that have signed up.
- The pool emergency phone was tested in June and is operational. Lightning knocked it
 offline for a couple of days at the end of June but Kings III staff repaired the phone
 onsite and it is currently operational.
- Thompson Nursery Road Security Officers processed 6558 guest vehicles in June.
- Staff and Security Officers registered 228 guests in June.

Capital Projects & Other Updates

- Staff presented a proposal for 400' of Lake Ashton lake bank restoration due to erosion problems caused by Hurricane Irma. Erosion and vegetation expenses are not covered by insurance. The proposal was approved at the December BOS meeting. Staff has notified the vendor of the approval and is working on obtaining the required permits to move forward with the project.
- The permit renewal for shoreline maintenance (on Lake Ashton) has been submitted to FWC.
- The approved meeting schedule for FY 2018 is posted on Ashtonliving.net. The Board is scheduled to meet August 10, and September 14 at 9 a.m. in the Clubhouse Ballroom.
- The next Joint BOS meeting will be held on August 10 at 11 am in the Clubhouse Ballroom.
- Staff met with the LAIICDD Community Director, Mary Bosman, to work on a combined feedback survey that will be presented at the August Joint BOS meeting.
- A letter informing all club, group and organization leaders of the amenity policy in place will be sent out prior to the July BOS meeting. Staff will keep supervisors informed of any questions or concerns.
- Staff met with the District Engineer on Monday, July 2 to review pavement and storm water areas in the community. Staff will be working with the District Engineer on quotes for the pavement of select roads to be completed in fiscal year 2019. The roads scheduled for repair this fiscal year will be deferred to fiscal year 2019.
- The District Engineer is also working on drawings for staff to present to contractors to obtain a quote on screening in the restaurant patio area and the addition of a hard roof. Staff will present findings at the August BOS meeting.
- Staff met with Jurin Roofing to review leaks in a couple of rooms in the Clubhouse following a severe storm that occurred on Sunday, June 24. All repairs will be made under warranty.
- Staff is researching options for hand dryers and alternative hand towel dispensers for all restrooms in the Clubhouse. Staff will present options at the August BOS meeting.

Ballroom Rental Fee Report

From: 6/1/18 to 6/30/18 Meeting Room: Grand Ballroom

Mooting Date	Mooting Title	Room Fee
Meeting Date	Meeting Title	Collected
6/1/2018	Parkinson's Support Group	\$0.00
6/4/2018	Monday Coffee	\$0.00
6/4/2018	Bingo	\$400.00
6/6/2018	Yoga	\$0.00
6/6/2018	LA (LW) HOA BOD Meeting	\$0.00
6/7/2018	Shufflin' Squares Dance	\$0.00
6/8/2018	LA (LW) CDD Meeting	\$0.00
6/10/2018	Community Potluck	\$0.00
6/11/2018	Monday Coffee	\$0.00
6/11/2018	Bingo	\$400.00
6/13/2018	Yoga	\$0.00
6/13/2018	New Resident Orientation	\$0.00
6/13/2018	Pet Co-Op	\$0.00
6/14/2018	Square Dance Lessons	\$0.00
6/16/2018	NAACP	\$1,000.00
6/17/2018	LA Democratic Club	\$0.00
6/18/2018	Monday Coffee	\$0.00
6/18/2018	Bingo	\$400.00
6/20/2018	Yoga	\$0.00
6/21/2018	Shufflin' Squares Dance	\$0.00
6/22/2018	Rodriquez/Ramos Wedding	\$1,000.00
6/23/2018	Kelly's Birthday Party	\$1,000.00
6/25/2018	Monday Coffee	\$0.00
6/25/2018	Bingo	\$400.00
6/26/2018	HOA BOD meeting	\$0.00
6/27/2018	Yoga	\$0.00
6/27/2018	Great Gatsby Celebration	\$0.00
6/28/2018	Square Dance Lessons	\$0.00
6/29/2018	Ramos Wedding	\$1,000.00
6/30/2018	StFleur/Ferdinand Wedding	\$1,000.00
	Total	\$6,600.00

Lake Ashton Community Development District

135 W Central Blvd. Suite 320, Orlando Florida 32801

Memorandum

via email

DATE: July 13, 2018

TO: Darrin Mossing

District Manager

FROM: Matthew Fisher Operation Manager

RE: Lake Ashton CDD Monthly Managers Report – July 13, 2018

The following is a summary of activities related to the field operations of the Lake Ashton Community Development District:

Ballroom:

- 1. Staff replacing lights and ballasts as needed.
- 2. A/C working properly.
- 3. Filters have been changed in the Ballroom.

Pool/Spa:

- 1. The Pool and Spa are operating properly.
- 2. Handicap lifts have been tested.
- 3. Pool and Spa handrail covers have been replaced.
- 4. Pool and Spa main drains replaced.

Lakes/Ponds:

- 1. Lakes are being treated according to our contract with Applied Aquatic.
- 2. Lake and pond levels are increasing due to heavy rainfall.
- 3. Fallen tree removed over canal maintained by the CDD.

Landscaping:

1. Staff has been meeting on a weekly basis with Yellowstone Landscape to review CDD property.

- 2. Irrigation inspections were performed with minor repairs.
- 3. Dead Jack Frost Ligustrum's replaced in East parking lot.
- 4. New annuals installed on CDD property.
- 5. Fallen tree from conservation area onto 3024 Dunmore removed.
- 6. Declining Indian Hawthorn in East parking lot replaced with Arboricola.
- 7. Five declining Ficus trees removed and replaced with four Japanese Blueberry's in front of Clubhouse Ballroom.
- 8. Eight Bottlebrush trees installed along fence line between Thomson Nursery Road and Aberdeen Lane.

Other:

- 1. Height limit sign rehung at Gate House.
- 2. Paver walk way pressure washed leading to main entrance to foyer.
- 3. Toilet repaired in woman's restroom in main hallway.
- 4. Clubhouse main hallway and restrooms scrubbed and sealed.
- 5. Palm tree and Ligustrum uplighting repaired at entrance to community.
- 6. Outlet and electrical cord replaced to beer cooler in attic.
- 7. Axel bearing and brake pads replaced on cart one.
- 8. Battery cable replaced on cart number two.
- 9. Fitness Services of Florida performed preventative maintenance in Fitness Center.
- 10. Light switch replaced at Pavilion.
- 11. Pavilion floor, screen, and soffits pressure washed.
- 12. Two ballasts replaced in Card Room.
- 13. Fan motor to walk in cooler replaced.
- 14. Pool light pole repositioned; turned during storm.
- 15. Pressure washed pavers at Reflection Garden.
- 16. Preventative maintenance performed by Millers Central Air on all Clubhouse A/C units.
- 17. Worn refrigeration gaskets replaced in restaurant kitchen.
- 18. Shuffleboard Court light lenses cleaned.

Should you have any questions please call me at 863-956-6207

Respectfully,

Matthew

Fisher



Search Results

In the table below, organization names are linked to coordinator contact information. Supervisor of Election and Commission on Ethics links display the relevant contact information.

Once we have logged in a Form 6, the status will contain the date received and the message "Form Available Soon!" When the Form 6 becomes available online, the Filing Requirement Fulfilled status will have a link to "View Form."

If you filed with the Commission or the Supervisor of Elections and no date appears in the "Filing Requirement Fulfilled" column, it means either the Supervisor or Commission has not yet recorded receipt of your form. Generally, forms are recorded within a few days of receipt. If you are concerned about the status of your form, please use the contact information under "Statutory Filing Requirement."

Section 112.31445, Florida Statutes, requires that all CE Form 6 Full and Public Disclosure of Financial Interests, other than those of judges and judges of compensation claims, be posted online. Before being posted online, any information required by law to be maintained as confidential must be redacted. For persons other than those who have filed as candidates with the Department of State, this process may take up to five business days.

IMPORTANT INFORMATION FOR INCUMBENTS FILING AS CANDIDATES WITH THE DEPARTMENT OF STATE

If you are an incumbent filing financial disclosure with the Department of State as part of qualifying for re-election, you do not have to separately file disclosure with the Commission; the Department is required to send us your form. However, we do not expect the Department to send the forms until June 27, and we expect them to send a very large volume on that date, meaning an increase in our processing time. Therefore, if you filed your Form 6 with the Department of State as part of the qualifying period that began June 4, there will be a delay in showing your form as "received" on our website. Those forms may be available for viewing on the Department of State website before they are available here.

Your Search for "Lake Ashton Community Development Dist - Board of Supervisors" returned the following results:

Coordinator:

Narrow results to a particular suborg:

Rich Hans

- All Suborganizations
- Governmental Management Services
- Board of Supervisors
 Employees
- 5385 N. Nob Hill Rd

5385 N. Nob Hill Rd Sunrise, FL, 33351

(954) 721-8681

rhans@gmssf.com

rhans@	gmssf.com					
Filer i	D Form Year	Full Name	Organizations	Statutory Filing Requirement	Filing Requirement Fulfilled	Filing History
26545	3 2017	Costello , Michael	Lake Ashton Community Development Dist-Board of Supervisors	Form 1 with <u>Polk County SOE</u>	2 06/19/2018	View Filing History
24394	2017	Deane, Borden	Lake Ashton Community Development Dist-Board of Supervisors	Form 1 with <u>Polk County SOE</u>	2 06/04/2018	View Filing History
24394	2 2017	Ference , Robert	Lake Ashton Community Development Dist-Board of Supervisors	Form 1 with Polk County SOE	(3) 06/22/2018	View Filing History
23356	5 2017	Pontious, Carol	Lake Ashton Community Development Dist-Board of Supervisors	Form 1 with Polk County SOE	2 06/11/2018	View Filing History
23356	7 2017	VanSickle , Brenda G.	Lake Ashton Community Development Dist-Board of Supervisors	Form 1 with Polk County SOE	© 06/05/2018	View Filing History

Search Again

General Information about Filing Financial Disclosure

- Brochure: A Guide to the Sunshine Amendment and Code of Ethics (PDF)
- Financial Disclosure Laws
- The Commission on Ethics Rules on Financial Disclosure
- Forms and Detailed Instructions

For assistance with financial disclosure, you may wish to contact the Commission's Financial Disclosure Coordinator, Kimberly Holmes, at disclosure@leg.state.fl.us or (850) 488-7864. Address correspondence to P.O. Drawer 15709 Tallahassee, FL 32317-5709.

Under Florida law, e-mail addresses are public records. If you do not want your e-mail address released in response to a public-records request, do not send electronic mail to this entity. Instead, contact this office by phone or in writing.

Lake Ashton Community Development District

Check Run Summary

July 13, 2018

Date	Check Numbers	Amount
<u>General Fund</u>		
6/5/2018	6059-6074	\$27,356.85
6/19/2018	6075-6088	\$30,166.40
6/26/2018	6089-6094	\$19,105.44
6/27/2018	6095-6107	\$21,622.01
7/2/2018	6108	\$600.00
General Fund Tota	ıL	\$98,850.70
<u>Capital Projects Fund</u>		
6/5/2018	240	\$3,500.00
6/26/2018	241	\$4,080.00
6/27/2018	242-243	\$14,182.74
Capital Projects Fu	nd Total	\$21,762.74

AP300R *** CHECK NOS. 006059-050000

YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER RUN 7/03/18 LAKE ASHTON CDD - GF

PAGE 1

BANK A LAKE ASHTON - GF

	_	INIC II BINGS IISIIION GI			
CHECK VEND# DATE	INVOICEEXPENSED TO DATE INVOICE YRMO DPT ACCT#	VENDOR NAME SUB SUBCLASS	STATUS	AMOUNT	CHECK AMOUNT #
6/05/18 00062	5/25/18 05794960 201806 320-57200-	41000	*	901.56	
	SERVICE THRU 06/29/18	BRIGHT HOUSE NETWORKS			901.56 006059
6/05/18 00003	5/22/18 6-188-93 201805 310-51300-	42000	*	41.02	
	DELIVERIES THRU 05/15/18	FEDEX			41.02 006060
6/05/18 00068	5/03/18 60965 201805 320-57200- PREVENTATIVE MAINT	54500	*	977.24	
		FITNESS SERVICES OF FLORIDA			977.24 006061
6/05/18 00036	6/01/18 161 201806 310-51300- MGMT FEES-JUNE 2018	34000	*	4,873.50	
	6/01/18 161 201806 310-51300-	35100	*	83.33	
	COMPUTER TIME-JUNE 2018 6/01/18 161 201806 310-51300- DISSEMINATION-JUNE 2018	31300	*	83.33	
	6/01/18 161 201806 310-51300-	35101	*	55.56	
	WEBSITE ADMIN-JUNE 2018 6/01/18 161 201806 310-51300-	42000	*	91.14	
	POSTAGE/DELIVERY-JUNE 18 6/01/18 161 201806 310-51300- COPIES-JUNE 2018	42500	*	93.10	
	6/01/18 161 201806 310-51300-		*	97.63	
	DOMAIN RENEWAL-JUNE 2018 6/01/18 161 201806 310-51300-		*	190.90	
	BACKGROUND CHECK-JUNE 18	GMS - SO FLORIDA, LLC			5,568.49 006062
6/05/18 00067	5/18/18 173914 201805 320-57200-			130.00	
	GATE MAINT-MAY 2018	THE HARTLINE ALARM COMPANY, INC			130.00 006063
6/05/18 00233	5/10/18 91630479 201805 320-57200-		*	34.99	
	CLEANING SUPPLY	HD SUPPLY FACILITIES MAINTENANC	E		34.99 006064
6/05/18 00059	5/01/18 16196 201806 320-57200- FOUNTAIN SVC-JUNE 2018	34502	*	200.00	
	5/01/18 16197 201806 320-57200- POOL SVC-JUNE 2018	34502	*	1,365.00	
	FOOL SVC-DUNE 2018	HEARTLAND COMMERCIAL POOL SERVI	CES		1,565.00 006065
6/05/18 00504	4/26/18 92341 201804 320-57200- ELEC SVC IN DINNING AREA			259.69	

AP30	OR		
***	CHECK	NOS.	006059-050000

YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER RUN 7/03/18 PAGE 2 LAKE ASHTON CDD - GF BANK A LAKE ASHTON - GF

CHECK VEND# DATE	INVOICEEXPENSED TO DATE INVOICE YRMO DPT ACCT# SUB S	VENDOR NAME SUBCLASS	STATUS	AMOUNT	CHECK
	4/27/18 92354 201804 320-57200-54500 ELEC SVC AT LIFT SATION		*	85.00	
	5/09/18 92490 201805 320-57200-54500		*	575.20	
	OUTLET INSTALL-KITCHEN KING	CAID ELECTRICAL SERVICES			919.89 006066
6/05/18 00512	5/01/18 1505007 201805 320-57200-41000		*	42.00	
	SERVICE THRU 05/31/18 KING	GS III OF AMERICA, INC.			42.00 006067
6/05/18 00089	5/21/18 L060G0IG 201805 310-51300-48000		*	53.00	
	NOTICE OF CANDIDATES BOS THE	LEDGER			53.00 006068
6/05/18 00361	5/01/18 145435 201805 320-57200-54500		*	806.00	
	REFRIGERATION/ICE MAINT MILI	LER'S CENTRAL AIR, INC.			806.00 006069
6/05/18 00090	5/06/18 45624403 201805 320-57200-54000		*	55.86	
	SUBSCRIPTION RENEWAL NEWS	S CHIEF			55.86 006070
6/05/18 00470	5/31/18 053118 201805 320-57200-52000		*		
	COFFEE SERVICES SHUI	FFLIN'S SQUARES			47.76 006071
6/05/18 00054	5/18/18 40431 201805 320-57200-52000		*	232.56	
	SUPPLIES STATE	TEWIDE BUILDING MAINTENANCE			232.56 006072
6/05/18 00061	5/14/18 MAI-18 201805 320-5/200-43000		* 15	 ,758.85	
	ELECTRIC-MAY 2018 TECC) 		:	15,758.85 006073
6/05/18 00445	3/31/18 INV-0000 201802 320-57200-46202		*	222.63	
	IRRIGATION REPAIRS YELI	LOWSTONE LANDSCAPE			222.63 006074
6/19/18 00085	5/09/18 112905 201805 320-57200-54500			330.00	
	REPLACE FLOAT SWITCH 5/09/18 112906 201805 320-57200-54500		*	130.00	
	REPAIR SLOAN TOILET A.D	. BAYNARD PLUMBING, INC.			460.00 006075
6/19/18 00502	6/01/18 1375 201807 320-57200-34502 SECURITY SVC-JULY 2018	BAYNARD PLUMBING, INC.	* 1	,593.00	

AP300R *** CHECK NOS. 006059-050000

YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER RUN 7/03/18 LAKE ASHTON CDD - GF BANK A LAKE ASHTON - GF

PAGE 3

CHECK VEND# DATE	INVOICEEXPENSED TO DATE INVOICE YRMO DPT ACCT# 8	VENDOR NAME SUB SUBCLASS	STATUS	AMOUNT	CHECK
	6/01/18 1375 201807 320-57200-3 SECURITY SVC-JULY 2018		*	27,755755	10 501 00 006056
		COMMUNITY WATCH SOLUTIONS, LLC			19,581.80 006076
6/19/18 00003	6/05/18 6-202-73 201805 310-51300-4	12000	*	40.60	
	DELIVERIES THRU 05/31/18 6/12/18 6-210-23 201806 310-51300-4 DELIVERIES THRU 06/01/18	12000	*	40.01	
		FEDEX			80.61 006077
6/19/18 00215	6/01/18 306 201806 320-57200-3 FEILD MGMT-JUNE 2018	34000	*	2,083.33	
	FEIDS FIGHT COME 2010	GMS-CENTRAL FLORIDA, LLC			2,083.33 006078
6/19/18 00011	6/01/18 16931 201805 310-51300-3 AUDIT FYE 09/30/17			1,500.00	
	A0DII FIE 07/30/17	GRAU & ASSOCIATES, P.A.			1,500.00 006079
6/19/18 00504	5/30/18 92558 201805 320-57200-5 ELECTRICAL SVC	54500	*		
	EEECTRICATE DVC	KINCAID ELECTRICAL SERVICES			881.08 006080
6/19/18 00512	6/01/18 1514642 201806 320-57200-4			42.00	
, ,	EMERG. PHONE SVC-JUNE 18	KINGS III OF AMERICA, INC.			42.00 006081
6/19/18 00164	6/15/18 81296 201805 310-51300-3			1,950.91	
	SERVICE THRU 05/31/18	LATHAM, SHUKER, EDEN & BEAUDINE, L	LP		1,950.91 006082
6/19/18 00014	5/21/18 L060G0IG 201805 310-51300-4			53.00	
	NOTICE OF CANDIDATES BOS	THE LEDGER			53.00 006083
6/19/18 00547		10000	*		
0/13/10 00317	RIEMB DAMAGE DEPOSIT		*	200.00	
	6/06/18 060618 201806 300-36200-1 RIEMB DAMAGE DEPOSIT			47.50-	
		POLK COUNTY PUBLIC SCHOOLS			452.50 006084
6/19/18 00399	6/07/18 10057 201805 320-57200-5 LEAGUE MOINTORING-MAY 18	54500	*	975.00	
	LEAGUE MOINTORING-MAY 18	ALEX SMITH			975.00 006085
6/19/18 00277	6/07/18 21463 201805 320-57200-5 SEMI ANNUAL INSPE-5/29/18	54500	*	1,800.00	

	DANK A DAKE ADITION GF			
CHECK VEND# DATE	INVOICE EXPENSED TO VENDOR NAME DATE INVOICE YRMO DPT ACCT# SUB SUBCLASS	STATUS	AMOUNT	CHECK AMOUNT #
	6/07/18 21463 201805 320-57200-54100 CITY OF LW PERMIT	*	89.92	
	STATE FIRE EXTINGUISHER S	ERVICE, INC		1,889.92 006086
6/19/18 00395	5/21/18 6817 201805 320-57200-52000	*	29.25	
	NAME BADGE TROPHY SHOP ONLINE			29.25 006087
6/19/18 00430	5/31/18 50048516 201806 310-51300-42502	*		~
	LEASE PAYMENT-JUNE 2018 WELLS FARGO FINANCIAL LEA	SING		187.00 006088
6/26/18 00055	6/15/18 20735-06 201806 320-57200-43100	*	669.34	
	4141 ASHTON CLUB DR 6/15/18 20740-06 201806 320-57200-43100	*	36.60	
	4128 LAKE ASHTON BLVD 6/15/18 22109-06 201806 320-57200-43100	*	175.50	
	GATE ENTRANCE-IRRIGATION 6/15/18 37767-06 201806 320-57200-43100	*	141.71	
	PALMS CDD IRRIGATION			1,023.15 006089
6/26/18 00098	5/08/18 563960 201805 320-57200-52000 SUPPLIES	*	178.58	
	5/09/18 9122377 201805 320-57200-52000 SUPPLIES	*	269.82	
	5/16/18 2594113 201805 320-57200-52000 SUPPLIES	*	27.30	
	5/17/18 1245289 201805 320-57200-52000 SUPPLIES	*	129.84	
	5/22/18 6594374 201805 320-57200-52000	*	95.72	
	SUPPLIES 5/31/18 7582124 201805 320-57200-52000	*	23.96	
	SUPPLIES HOME DEPOT CREDIT SERVICE	S		725.22 006090
6/26/18 00548	6/21/18 062118 201806 300-22000-10000	*	500.00	
	RIEMB DAMAGE DEPOSIT 6/21/18 062118 201806 300-36200-10500	*	25.00-	
	RIEMB DAMAGE DEPOSIT NAACP LAKE WALES UNIT 510	9		475.00 006091
6/26/18 00217	5/31/18 0654-000 201805 320-57200-43300 SERVICE THRU 05/31/18	*	378.79	
	REPUBLIC SERVICES #654			378.79 006092

YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER RUN 7/03/18 LAKE ASHTON CDD - GF BANK A LAKE ASHTON - GF

PAGE 5

CHECK VEND#INVOICE DATE DATE INVOICE	EXPENSED TO YRMO DPT ACCT# SUB	VENDOR NAME SUBCLASS	STATUS	AMOUNT	CHECK
6/26/18 00061 6/13/18 JUNE-18 ELECTRIC	SVC-JUNE 2018	200		16,159.84	16,159.84 006093
				343.44	
6/26/18 00217 6/14/18 0654-000 : SERVICE '	THRU 07/31/18				
	RE	PUBLIC SERVICES #654			343.44 006094
6/27/18 00085 6/08/18 113199 : REPAIR TO	OLIET	0	*	130.00	
	A.	D. BAYNARD PLUMBING, INC.			130.00 006095
6/27/18 00394 3/30/18 106591	201803 320-57200-5450 RAP MAINT-MAR 18	0	*	215.95	
	MA	ERICAN CLEANING & EQUIPMENT			215.95 006096
	201806 320-53800-4680 PLANT SVC-JUNE 18	. ಮರುರವ ಮರು ಕಟ್ಟಾರು ಮರು ಮರು ಕಟ್ಟಿ 1	* (5) (5) (5) (5) (5) (5) (5) (5) (5) (5)	7,300.00	
	201806 320-53800-4680 PLANT SVC-6/18/18	0	*	2,800.00	
-	AP	PLIED AQUATIC MANAGEMENT, IN	IC.		10,100.00 006097
6/27/18 00329 2/09/18 1513121	201801 310-51300-3110		* ************************************	1,725.00	
3/09/18 1525574	SVC THRU 1/26/18 201802 310-51300-3110 SVC THRU 2/23/18	0	*	2,715.00	
4/18/18 1536854	201803 310-51300-3110 SVC THRU 3/30/18	0	*	2,363.12	
5/10/18 1548301	201804 310-51300-3110 SVC THRU 4/27/18	0	*	1,875.00	
		WBERRY ENGINEERS, INC.			8,678.12 006098
6/27/18 00214 6/12/18 AR347632 : TONER	201806 320-57200-5200		*	8.00	
	DE	X IMAGING			8.00 006099
6/27/18 00549 6/26/18 10011 DUAL REF	201806 320-57200-5450 LEXTIVE TINT		*	85.00	
	EC	ONOMY GLASS TINTING		75	85.00 006100
6/27/18 00068 6/15/18 61257 PREVENTA			*	216.04	
	FI	TNESS SERVICES OF FLORIDA			216.04 006101
6/27/18 00322 6/27/18 53-BID-3 PERMIT #	201806 320-57200-5410 53-60-00668			280.00	

AP300R *** CHECK NOS. 006059-050000

YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER RUN 7/03/18 LAKE ASHTON CDD - GF BANK A LAKE ASHTON - GF

PAGE 6

CHECK VEND# DATE	INVOICE EXPENSED TO DATE INVOICE YRMO DPT ACCT# SU		STATUS	AMOUNT	CHECK AMOUNT #
	6/27/18 53-ID-38 201806 320-57200-54 PERMIT #53-60-00669	100	*	140.00	
		FLORIDA DEPARTMENT OF HE	ALTH		420.00 006102
6/27/18 00077	6/19/18 8275489 201806 320-57200-54 PEST CONTROL SVC	501	*	120.00	
		FLORIDA PEST CONTROL			120.00 006103
6/27/18 00504	6/13/18 92695 201806 320-57200-54 REPAIR BEER COOLER	1500	*	155.94	
	6/13/18 92696 201806 320-57200-54 REPAIR FRON GATE		*	379.88	
	6/15/18 92703 201806 320-57200-54 REPAIR TENNIS COURT	1500	*	142.65	
		KINCAID ELECTRICAL SERVI	CES		678.47 006104
6/27/18 00361	6/15/18 50512 201806 320-57200-54 A/C REPAIR		*	79.00	
		MILLER'S CENTRAL AIR, IN	C.		79.00 006105
6/27/18 00234	4/25/18 71965489 201804 320-57200-51 SUPPLIES		*	23.97	
	5/04/18 71965489 201805 320-57200-51 SUPPLIES	.000	*	87.99	
	5/22/18 71980626 201805 320-57200-51 SUPPLIES	.000	*	338.35	
	5/22/18 71980626 201805 320-57200-51 SUPPLIES	.000	*	72.48	
		STAPLES BUSINESS CREDIT			522.79 006106
6/27/18 00054	6/19/18 40560 201806 320-57200-54 CERAMIC TILE RESTORATION		*	180.00	
	6/19/18 40564 201806 320-57200-52 SUPPLIES	2000	*	188.64	
		STATEWIDE BUILDING MAINT	ENANCE		368.64 006107
7/02/18 00550	7/02/18 07042018 201807 320-57200-49 3 ARTISTS FOR JULY 4TH		*	600.00	
		JAMES THOMAS			600.00 006108
		TOTAL	FOR BANK A	98,850.70	
		TOTAL	FOR REGISTER	98,850.70	

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AP30	00R		
***	CHECK	NOS.	000240-050000

YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER RUN 7/03/18 PAGE 1 LAKE ASHTON CDD - CPF BANK B LAKE ASHTON - CPF

CHECK VEND# DATE	INVOICEEXPENSED TO VENDOR NAME DATE INVOICE YRMO DPT ACCT# SUB SUBCLASS	STATUS	AMOUNT	CHECK AMOUNT #
6/05/18 00081	5/15/18 INV-0000 201805 600-53800-60075 REPLACE CONTAMINATED SOD YELLOWSTONE LANDSCAPE	*	3,500.00	3,500.00 000240
6/26/18 00015	4/20/18 042018 201806 600-53800-60079 RESTURANT EQUIP. BALANCE CENTRAL FOOD EQUIPMENT, INC.	*	4,080.00	4,080.00 000241
6/27/18 00070	6/12/18 FS26994 201806 600-53800-60073 FITNESS MACHINES DEPOSIT FITNESSMITH	*	6,984.00	6,984.00 000242
6/27/18 00082	5/23/18 12293364 201805 600-53800-60079 SUPPLIES	*	1,784.08	
	5/24/18 12293511 201805 600-53800-60079 SUPPLIES	*	957.79	
	5/30/18 12294435 201805 600-53800-60079 SUPPLIES	*	3,173.46	
	6/01/18 060118 201805 600-53800-60079 SUPPLIES	*	1,283.41	
	SYSCO CENTRAL FLORIDA			7,198.74 000243
	TOTAL FOR	BANK B	21,762.74	
	TOTAL FOR	REGISTER	21,762.74	

LAKA LAKE ASHTON SROSINA

LAKE ASHTON CDD FY 2018 CASH RECEIPTS

	(October-17	November-17		December-17		January-18			February-18		March-18	
ENTERTAINMENT	\$	96,050.00	\$	14,974.00	\$	10,991.00	\$	9,342.00	\$	3,998.00	\$	1,753.00	
BALLROOM RENTAL	\$	5,450.00	\$	3,475.00	\$	6,750.00	\$	7,000.00	\$	5,400.00	\$	3,900.00	
DAMAGE DEPOSITS	\$	(1,000.00)	\$	-	\$	3,250.00	\$	(1,000.00)	\$	1,000.00	\$	500.00	
NEWSLETTER INCOME	\$	23,056.70	\$	9,769.74	\$	5,298.66	\$	17,570.86	\$	7,846.66	\$	8,808.16	
COFFEE INCOME	\$	600.00	\$	300.00	\$	100.00	\$	350.00	\$	250.00	\$	465.00	
CLERICAL	\$	125.00	\$	40.00	\$	83.00	\$	96.00	\$	219.00	\$	209.90	
SECURITY FEE	\$	1,037.50	\$	418.75	\$	512.50	\$	<i>568.</i> 75	\$	512.50	\$	771.00	
CLICKERS	\$	148.00	\$	111.00	\$	185.00	\$	111.00	\$	148.00	\$	-	
RESTAURANT LEASE-DEFERRED	\$	-	\$	-	\$	<u> </u>	\$	1,000.00	\$		\$	1,000.00	
RESTAURANT LEASE	\$	1,000.00	\$	1,000.00	\$	1,000.00	\$	1,000.00	\$	1,000.00	\$	483.87	
INSURANCE PROCEEDS	\$	-	\$	4,716.00	\$	-	\$	-	\$	182,946.49	\$	5,183.45	
MISCELLANEOUS	\$	-	\$	-	\$	4,100.00	\$	-	\$		\$	833.33	
SALES TAX PAYABLE	\$	70.00	\$	70.00	\$	70.00	\$	148.00	\$		\$	38.71	
	\$	126,53720	\$	34,874.49	\$	32,340.16	\$	36,186.61	\$	203,320.65	\$	23,946.42	

	April-18	May-18	June-18	July-18	August-18	Se	ptember-18
ENTERTAINMENT	\$ 3,138.31	\$ 2,130.00	\$ -	\$ -	\$ -	\$	-
BALLROOM RENTAL	\$ 14,100.00	\$ 3,950.00	\$ -	\$ 	\$ •	\$	-
DAMAGE DEPOSITS	\$ 1,000.00	\$ 2,000.00	\$ -	\$ -	\$ -	\$	-
NEWSLETTER INCOME	\$ 5,916.66	\$ 5,419.66	\$ -	\$ 	\$ -	\$	-
COFFEE INCOME	\$ 200.00	\$ 150.00	\$ -	\$ -	\$	\$	-
CLERICAL	\$ 258.20	\$ 136.00	\$ -	\$ 	\$ -	\$	-
SECURITY FEE	\$ 450.00	\$ 912.50	\$ -	\$ 	\$ -	\$	=======================================
CLICKERS	\$ 37.00	\$ 74.00	\$ <u>-</u>	\$ -	\$ -	\$	-
INSURANCE PROCEEDS	\$ -	\$ -	\$ •	\$ -	\$ -	\$	-
MISCELLANEOUS	\$ 183.80	\$ -	\$ -	\$ 	\$ -	\$	-
RESTAURANT LEASE	\$ -	\$ -	\$ 	\$ -	\$ -	\$	-
SALES TAX PAYABLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$	-
	\$ 28,783.97	\$ 14,772.16	\$ •	\$ -	\$ -	\$	

FISCAL YEAR 2018 TOTAL									
ENTERTAINMENT FEES	\$	142,376.31							
BALLROOM RENT AL	\$	50,025.00							
DAMAGE DEPOSITS	\$	<i>5,750</i> .00							
NEWSLETTER INCOME	\$	83,687.10							
COFFEE INCOME	\$	2,415.00							
CLERICAL	\$	1,167.10							
SECURITY FEE	\$	5,183.50							
CLICKERS	\$	814.00							
INSURANCE PROCEEDS	\$	192,845.94							
MISCELLANEOUS	\$	5,117.13							
RESTAURANT LEASE	\$	5,483.87							
SALES TAX PAYABLE	\$	396.71							
	\$	498,761.66							

ENTERT AINMENT

DATE 5/2/2018 5/2/2018 5/2/2018 5/2/2018 5/2/2018	DESCRIPTION 590	NAME			DESCRIPTION
5/2/2018 5/2/2018	· · · · · · · · · · · · · · · · · · ·	Pat Huelsman	\$	80.00	Pizza Party - 5/18/18
5/2/2018	590	Dyanna Doldwedel	\$	20.00	Pizza Party - 5/18/18
	590	Lorraine Chloros	\$	40.00	Pizza Party - 5/18/18
	590	Kaye Prusieciu	\$	80.00	Pizza Party - 5/18/18
5/2/2018	590	William Novatny	5	60.00	Pizza Party - 5/18/18
5/2/2018	590	Patricia Patrick	\$	20.00	Pizza Party - 5/18/18
5/2/2018	590	Anthony Licalsi	5	80.00	Pizza Party - 5/18/18
5/2/2018	590	Matthew Para	\$	20.00	Pizza Party - 5/18/18
5/2/2018	590	George Fetcho	\$	30.00	Pizza Party - 5/18/18
	i	Carl Boast	\$	20.00	· · · · · · · · · · · · · · · · · · ·
5/2/2018	590				Pizza Party - 5/18/18
5/2/2018	590	Vickie Castaneda	\$	20.00	Pizza Party - 5/18/18
5/2/2018	590	Elizabeth Thul	\$	20.00	Pizza Party - 5/18/18
5/2/2018	<u>590</u>	Robert Hinkle	\$	20.00	Pizza Party - 5/18/18
5/3/2018	591	Jo Luebking	\$	40.00	Pizza Party - 5/18/18
5/3/2018	591	Terry Fordham	\$	10.00	Pizza Party - 5/18/18
5/3/2018	591	Jeanette Cheesman	\$	60.00	Pizza Party - 5/18/18
5/3/2018	591	Domenica Nix	\$	30.00	Pizza Party - 5/18/18
5/3/2018	591	Sharon Farbert	\$	20.00	Pizza Party - 5/18/18
5/3/2018	591	Amy Frahm	\$	20.00	Pizza Party - 5/18/18
5/3/2018	591	Orlando Martins	\$	40.00	Pizza Party - 5/18/18
5/3/2018	591	Jane Fuller	\$	20.00	Pizza Party - 5/18/18
5/3/2018	591	Maria Olesen	\$	20.00	Pizza Party - 5/18/18
5/4/2018	592	Robert Carlson	\$	10.00	Pizza Party - 5/18/18
5/4/2018	592	Everett Wade	\$	20.00	Pizza Party - 5/18/18
5/4/2018	592	Carol Pontious	\$	20.00	Pizza Party - 5/18/18
5/4/2018	592	Thomas Wierdak	\$	20.00	Pizza Party - 5/18/18
5/7/2018	593	Joan Switalski	\$	20.00	Pizza Party - 5/18/18
5/7/2018	593	Anne McInroy	\$	20.00	Pizza Party - 5/18/18
5/7/2018	593	Kathi Plummer	\$	40.00	Pizza Party - 5/18/18
5/7/2018	593	Roberta Sell	\$	10.00	Pizza Party - 5/18/18
5/7/2018	593	Domenica Nix	\$	20.00	Pizza Party - 5/18/18
5/7/2018	593	Deborah Platt	\$	20.00	Pizza Party - 5/18/18
5/7/2018	593	Mary Ax	\$	26.00	Memorial Day Event - Refunded on 5/9/18
5/7/2018	593	Carol Corley	\$	20.00	Pizza Party - 5/18/18
5/9/2018	594	Mary Ax	\$	(26.00)	Refund for Memorial Day Tickets (couldn't take cc)
5/11/2018	Cash	Angelillo	\$	20.00	Pizza Party - 5/18/18
5/11/2018	CK 6315	Giebler	\$	40.00	Pizza Party - 5/18/18
			\$	····	
5/11/2018	CK 6904	Hienronimus		40.00	Pizza Party - 5/18/18
5/11/2018	CK 510	Totten	\$	20.00	Pizza Party - 5/18/18
5/11/2018	Ck 931	Ferrieri	\$	100.00	Pizza Party - 5/18/18
5/11/2018	Ck 456	Kennedy	\$	40.00	Pizza Party - 5/18/18
5/11/2018	CK3951	Nettleton	\$	80.00	Pizza Party - 5/18/18
5/11/2018	CK 1269	Smith	\$	80.00	Pizza Party - 5/18/18
5/11/2018	CK1149	Steenberg	\$	40.00	Pizza Party - 5/18/18
5/11/2018	CK 11153	McGuire	\$	20.00	Pizza Party - 5/18/18
5/11/2018	CK 128	Cook	\$	20.00	Pizza Party - 5/18/18
5/11/2018	CK 3505	Sardina	\$	40.00	Pizza Party - 5/18/18
5/11/2018	CK 3050	Weis	\$	20.00	Pizza Party - 5/18/18
	CK 192	Rogers	\$	20.00	Pizza Party - 5/18/18
5/11/2018	CK 164	Fleming	\$	20.00	Pizza Party - 5/18/18
5/11/2018 5/11/2018	1	McClure	\$	40.00	Pizza Party - 5/18/18
	CK 149				
5/11/2018	CK 149 CK 2928	Escoda	\$	20.00	Pizza Party - 5/18/18
5/11/2018 5/11/2018 5/11/2018	CK 2928			20.00	
5/11/2018 5/11/2018 5/11/2018 5/11/2018	CK 2928 CK 1803	Boyd	\$	20.00	Pizza Party - 5/18/18
5/π/2018 5/π/2018 5/π/2018	CK 2928				

5/11/2018	CK 1041	Hanley	\$ 80.00	Pizza Party - 5/18/18
5/11/2018	CK 522	Brodsky	\$ 20.00	Pizza Party - 5/18/18
5/11/2018	CK 3968	Cashman	\$ 20.00	Pizza Party - 5/18/18
5/11/2018	CK 1742	Cardin	\$ 20.00	Pizza Party - 5/18/18
5/11/2018	CK 479	Spadaro	\$ 80.00	Pizza Party - 5/18/18
5/11/2018	CK 3230	Trahan	\$ 10.00	Pizza Party - 5/18/18
5/11/2018	CK 1038108	Wygart	\$ 20.00	Pizza Party - 5/18/18
5/11/2018	CK 1577	Hillock	\$ 40.00	Pizza Party - 5/18/18
5/11/2018	CK 1999	Bombard	\$ 20.00	Pizza Party - 5/18/18
5/11/2018	CK 1199	Wells	\$ 10.00	Pizza Party - 5/18/18
5/14/2018	595	Katherine Prusiecki	\$ 10.00	<u> Pizza Party - 5/18/18</u>
5/15/2018	596	Jerry Weimer	\$ 10.00	Pizza Party - 5/18/18
5/25/2018	CK 1035	Hanley	\$ 20.00	Wine & Jazz
5/25/2018	CK 4005	Gamble	\$ 20.00	Pizza Party - 5/18/18
5/25/2018	CK 1311	Halde	\$ 20.00	Pizza Party - 5/18/18
TOTAL			\$ 2,130.00	

RENTALS

DATE	DESCRIPTION	NAME	1	AMOUNT	DESCRIPTION
9/29/2017	ck26104	Polk State College Foundation	\$	1,000.00	Room rental 5/12/18
5/11/2018	CK 1145	Lake Ashton Bingo	\$	1,200.00	May 2018 Rent
5/25/2018	CK 0339684	The School Board Polk Co	\$	1,000.00	Ballroom Rental 5/24/18
5/25/2018	CK 2188479041	Olga Rodriguez	\$	1,000.00	Room Rental 6/23/18
5/25/2018	CK 192	NAACP	\$	(250.00)	DD 6/16/18 - overpaid room rental on 2/28/17 deduct \$250 from room rental revenue and apply to damage deposit
TOTAL			\$	3,950.00	-

NEWSLETTER

DATE	DESCRIPTION	NAME	AMOUNT	DESCRIPTION
5/3/2018	591	Leisure World	\$ 2,250.00	12 Month Ad LA Times
5/11/2018	CK1030	Morgan Stanley	\$ 175.00	June Inserts LAT
5/11/2018	CK 05973969	Edward Jones	\$ 175.00	May 2018 Inserts
5/24/2018	599	Art's Carts	\$ 323.08	June 2018 LA Times Ad
5/24/2018	599	Blackburn's Interiors	\$ 350.00	June 2018 LA Times Ad
5/24/2018	599	Calico Roofing	\$ 85.50	June 2018 LA Times Ad
5/24/2018	599	Dan's Fans	\$ 175.00	June 2018 LA Times Ad
5/24/2018	599	do Terra Pamela McGuire	\$ 275.00	June 2018 LA Times Ad
5/24/2018	599	FEL	\$ 323.08	June 2018 LA Times Ad
5/24/2018	599	Performance Plus Carts	\$ 444.00	June 2018 LA Times Ad
5/24/2018	599	Rainbow Wicker	\$ 130.00	June 2018 LA Times Ad
5/25/2018	600	Unlimited Propery Solutions	\$ 175.00	June 2018 LA Times Insert
5/25/2018	CK 50052	United Refrigeration	\$ 250.00	LA Times Advertising & Insert
5/25/2018	Cash	Bogard	\$ 15.00	Mail LA Times
5/25/2018	CK 1214	Barron	\$ 24.00	Summer LAT Subscription
5/25/2018	CK 1451	Frank	\$ 18.00	Summer LAT Subscription
5/25/2018	CK 3723	Pratt	\$ 15.00	Summer LAT Subscription
5/25/2018	CK 10499	Monaghan	\$ 15.00	Summer LAT Subscription
5/25/2018	CK 1052	Parota	\$ 15.00	Summer LAT Subscription
5/25/2018	CK 2343	W yckoff	\$ 12.00	Summer LAT Subscription
5/30/2018	601	Norris Horton	\$ 175.00	June 2018 LA Times Insert
TOTAL			\$ 5,419.66	

CLERICAL

DATE	DESCRIPTION	NAME	AN	10UNT	DESCRIPTION
5/2/2018	590	Robert Bink	\$	15.00	Subscription for LA Times for Summer Delivery
5/11/2018	Cash	Clerical	\$	53.00	Directories, Faxes, Copies, Postage
5/25/2018	Cash	Clerical	\$	68.00	Directories, Postage, Copies, Faxing
TOTAL			\$	136.00	

COFFEE

_	OTTLE					
	DATE	DESCRIPTION	NAME	Al	MOUNT	DESCRIPTION
Γ	5/25/2018	CK 537	Robert Avery	\$	75.00	Monday Coffee Vendor
	5/25/2018	CK 1033	Morgan Stanley	\$	75.00	Monday Coffee Vendor
Г	TOTAL			\$	150.00	

DEPOSITS

DATE	DESCRIPTION	NAME	AMOUNT		DESCRIPTION
5/2/2018	590	Edd Dean (Publix)	\$	(500.00)	Refund of Damage Deposit for Event 4/24/18
5/18/2019	598	Allen Ferdinand	\$ 500.00		Damage Deposit - 6/30/18
5/24/2018	599	Melissa Ramos	\$	500.00	Damage Deposit - 6/29/18
5/25/2018	CK 0339684	The School Board Polk Co	\$	500.00	Damage Deposit 5/24/18
5/25/2018	CK 192	NAACP	\$	500.00	DD 6/16/18 - overpaid room rental on 2/28/17 deduct\$250 from room rental revenue and apply to damage deposit
5/25/2018	CK 2188479043	Olga Rodriguez	\$	500.00	Damage Deposit 6/23/18
TOTAL			\$	2,000.00	

ENTRANCE GATE OPENERS

DATE	DESCRIPTION	NAME	A٨	MOUNT	DESCRIPTION
5/3/2018	591	James Jameson	\$	3700	Main Entrance Gate Opener
5/17/2018	597	Michael Nicknadarvich	\$	37.00	Main Entrance Gate Opener
TOTAL			\$	74.00	

SECURITY

DATE	DESCRIPTION	NAME		MOUNT	DESCRIPTION
5/11/2018	CK 11658	Lake Wales Charter Schools	\$	100.00	Security Officer for LWHS Prom Decorating
5/18/2018	598	Allen Ferdinand	\$	175.00	Security - 6/30/18
5/24/2018	599	Melissa Ramos	\$	212.50	Security - 6/29/18
5/25/2018	CK 0339684	The School Board Polk Co	\$	200.00	Security 5/24/18
5/25/2018	CK 192	NAACP	\$	125.00	Security for 6/16/18
5/25/2018	CK 2188479043	Olga Rodriguez	\$	100.00	Partial Security 6/23/18
TOTAL			\$	912.50	

TOTAL CASH RECEIPTS - MAY 2018		14 772 16	
TOTAL CASH RECEIPTS - MAY 2018	3	14,772.10	
	· ·	, =	

SUMMARY								
ENTERTAINMENT	\$	2,130.00						
ROOM RENTALS	\$	3,950.00						
ROOM RENTALS-DEFERRED	\$	-						
NEWSLETTER	\$	5,419.66						
NEWSLETTER-DEFERRED	\$	-						
CLERICAL	\$	136.00						
COFFEE	\$	150.00						
DEPOSITS	\$	2,000.00						
DEPOSIT-RESTAURANT	\$	-						
ENTRANCE GATE OPENER	\$	74.00						
RESTAURANT/SALES TAXES	\$	-						
SECURITY	\$	912.50						
MISCELLANEOUS	_ \$	-						
TOTAL	\$	14,772.16						

DEPOSITS PER BANK	\$ 17,780.81	BANK REC CASH RECEIPTS
ADD: MAY 2018 DIT	\$ 175.00	\$17,955.81
LESS: APRIL 2018 DIT	\$ -	
DEFERRED	\$ -	
TOTAL BANK DEPOSITS	\$ 17,955.81	
LESS:TAX RECEIPTS	\$ (4,183.65)	
LESS: SBA TRANSFER	\$ -	
LESS: ADJUSTMENTS	\$ 1,000.00	
LESS: REFUND	\$ -	
LESS: MISC DEPOSITS	\$ •	
TOTAL CLUBHOUSE DEP.	\$ 14,772.16	
TOT AL ABOVE	\$ 14,772.16	
VARIANCE	\$ 0.00	
TOTAL CASH RECEIPTS	\$ 17,955.81	\$0.00

JOURNAL ENTRY:				
	001.300.10100.10000	\$	13,772.16	
DEPOSITS	001.300.22000.10000	\$	-	\$ 2,000.00
DEPOSIT-RESTAURANT	001.300.22000.10100	\$	-	\$ -
DEFERRED REVENUE	001.300.22300.10000	\$	1,000.00	\$ -
SALES TAX PAYABLE	001.300.21900.10000	\$	-	\$ -
ENTERT AINMENT FEES	001.300.36200.10000	\$	-	\$ 2,130.00
ROOM RENTALS	001.300.36200.10100	\$	-	\$ 3,950.00
NEW SLETTER INCOME	001.300.36200.10200	\$	-	\$ 5,419.66
COFFEE INCOME	001.300.36200.10300	\$	-	\$ 150.00
CLERICAL	001.300.36200.10400	\$	-	\$ 136.00
SECURITY FEE	001.300.3620010500	\$	-	\$ 912.50
RESTAURANT INCOME	001.300.34900.10100	\$	-	\$ -
GARAGE CLICKERS	001.300.36200.10600	\$	-	\$ 74.00
RENTAL ID CARDS	001.300.36200.10800	\$	-	\$ -
MISC INCOME	001.300.36900.10000	\$		\$ -
		\$	14,772.16	\$ 14,772.16

Lake Ashton CDD

Special Assessment Receipts Fiscal Year Ending September 30, 2018

				Оам		Debt					6.53	1,690,408.25 .36300.10100		\$456,180.85 2015-1	\$.	54,072.40 2015-2	\$5	510,253.25
Date	Collection	<i>O</i> 8 <i>M</i>	Debt Svc	Discounts/	ı	Discounts:/	C	ommissions	1	Net Amount		General Fund		Debt Svc Fund	De	bt Svc Fund	ı	Debt Total
Received	Period	 Receipts	Receipts	Penalties		Penalties		Paid		Received		100.00%		89.403%		10.597%		100%
		 									4904 1505							
11/15/2017	10/1/17-10/31/17	\$ 8,572.05	\$ 3,275.20	\$ 342.89	\$	131.00	\$	227.46	\$	11,145.90	\$	8,054.44	\$	2,763.85	\$	327.61	\$	3,091.46
11/17/2017	11/1/17-11/5/17	\$ 97,721.37	\$ 19,998.90	\$ 3,909.04	\$	799.93	\$	2,260.23	\$	110,751.07	\$	92,076.17	\$	16,695.89	\$	1,979.01	\$	18,674.91
11/22/2017	6/1/17-10/31/17	\$ 25,975.57	\$ 8,283.96	\$ 1,347.60	\$	422.59	\$	649.79	\$	31,839.55	\$	24,128.85	\$	6,893.59	\$	817.12	\$	7,710.71
12/5/2017	11/06:/17-11/12/17	\$ 219,444.48	\$ 57,363.12	\$ 8,778.13	\$	2,294.47	\$	5,314.70	\$	260,420.30	\$	206,583.94	\$	48,131.23	\$	5,705.13	\$	53,836.36
12/13/2017	11/13/17-11/22/17	\$ 500,607.72	\$ 140,899.37	\$ 20,025.12	\$	5,635.81	\$	12,316.92	\$	603,529.24	\$	471,121.52	\$	118,376.24	\$	14,031.47	\$	132,407.71
12/20/2017	11/23/17-11/30/17	\$ 627,474.06	\$ 202,907.63	\$ 25,099.99	\$	8,116.01	\$	15,943.31	\$	781,222.38	\$	590,127.43	\$	170,844.29	\$	20,250.65	\$	191,094.95
1/16/2018	12/01/17-12/31/17	\$ 78,946.69	\$ 25,853.31	\$ 2,372.64	\$	783.21	\$	2,032.88	\$	99,611.27	\$	<i>75,012.52</i>	\$	21,991.98	\$	2,606.77	\$	24,598.75
1/31/2018	INTEREST	\$ -	\$ -	\$ -	\$	-	\$	-	\$	1,123.84	\$	868.57	\$	228.22	\$	27.05	\$	255.27
2/14/2018	01/01/18-01/31/18	\$ 20,572.92	\$ 5,595.58	\$ 411.48	\$	111.93	\$	512.90	\$	25,132.19	\$	19,767.46	\$	4,796.22	\$	568.51	\$	5,364.73
3/15/2018	02/01/18-02/28/18	\$ 7,714.02	\$ 2,801.97	\$ 68.57	\$	26.12	\$	208.43	\$	10,212.87	\$	7,485.35	\$	2,438.48	\$	289.04	\$	2,727.52
4/13/2018	03/01/18-03/31/18	\$ 48,087.83	\$ 20,469.50	\$ -	\$	-	\$	1,371.15	\$	67,186.18	\$	47,034.60	\$	18,016.08	\$	2,135.50	\$	20,151.58
4/26/2018	INTEREST	\$ -	\$ -	\$ -	\$	-	\$	-	\$	68.08	\$	49.38	\$	16.72	\$	1.98	\$	18.70
5/15/2018	04/01/18-04/30/18	\$ 3,428.82	\$ 765.82	\$ (51.43)	\$	(22.97)	\$	85.39	\$	4,183.65	\$	3,414.66	\$	68750	\$	81.49	\$	768.99
6/15/2018	05/01/18-05/31/18	\$ 2,144.84	\$ -	\$ (64.35)	\$	-	\$	44.18	\$	2,165.01	\$	2,165.01	\$	-	\$	-	\$	-
6/20/2018	06/01/18-06/01/18	\$ 36,908.07	\$ 16,189.90	\$ (1,660.88)	\$	(728.53)	\$	1,109.75	\$	54,377.63	\$	37,716.51	\$	14,895.51	\$	1,765.61	\$	16,661.12
											E)		8	_				
		\$ 1,677,598.44	\$ 504,404.26	\$ 60,578.80	\$	17,569.57	\$	42,077.09	\$	2,062,969.16	\$	1,585,606.40	\$	426,775.82	\$	50,586.94	\$	477,362.76
BALANCE REMAINI	VG	\$12,809,81	\$5,848.99										Ø					

Gross Percent Collected	 99.15%
Balance Due	\$18,658.80

COMMUNITY DEVELOPMENT DISTRICT COMBINED BALANCE SHEET

May 31, 2018

		Total		
		Debt	Capital	Governmental
	General	Service	Reserve	<u>Funds</u>
ASSETS:		•		
Cash-Wells Fargo	\$307,800		\$43,560	\$351,360
Assessments Receivable	\$39,882	\$16,661		<i>\$56,543</i>
Due from Other Funds	\$63,856			\$63,856
Investment - State Board	\$446,119			\$446,119
Investment - State Board Capital Reserve			\$406,965	\$406,965
Investments:				
Series 2015				
Reserve A		\$235,063		\$235,063
Interest A		\$2		\$2
Revenue A		\$178,418		\$178,418
Prepayment A-1		\$4,408		\$4,408
Prepayment A-2		\$4,469		\$4,469
TOTAL ASSETS	\$857,656	\$439,021	\$450,525	\$1,747,202
LIABILITIES:				
Accounts Payable	\$38,816		\$10,699	\$49,515
Due to Other Funds		\$63,856		\$63,856
Sales Tax Payable				\$0
Deposits-Room Rentals	\$5,250			\$5,250
Deferred Revenue	\$4,500			\$4,500
TOTAL LIABILITIES	\$48,566	\$63,856	\$10,699	\$123,121
FUND BALANCES:				
Restricted:				
Debt Service		<i>\$375,165</i>		\$3 <i>75,165</i>
Assigned:				
Capital Reserve			\$439,826	\$439,826
Unassigned	\$809,090	, 		\$809,090
TOTAL FUND BALANCES	\$809,090	\$375,165	\$439,826	\$1,624,081
TOTAL LIABILITIES & FUND BALANCES	\$857,656	\$439,021	\$450,525	\$1,747,202

COMMUNITY DEVELOPMENT DISTRICT GENERAL FUND

Statement of Revenues, Expenditures, and Changes in Fund Balance For The Period Ending May 31, 2018

	ADOPTED BUDGET	PRORATED BUDGET THRU 5/31/18	ACTUAL THRU 5/31/18	VARIANCE
<u>REVENUES:</u>				'
Special Assessments - Levy	\$1,572,079	\$1,572,079	\$1,585,606	\$13,527
Rental Income	\$50,000	\$33,333	\$50,275	\$16,942
Entertainment Fees	\$130,000	\$130,000	\$142,376	\$12,376
Newsletter Ad Revenue	\$55,000	\$55,000	\$83,687	\$28,687
Interest Income	\$1,000	\$667	\$4,796	\$4,129
Miscellaneous Income	\$5,000	\$3,333	\$13,732	\$10,399
Restaurant Lease	\$12,000	\$8,000	\$5,484	(\$2,516)
Insurance Proceeds	\$0	\$0	\$192,846	\$192,846
TOTAL REVENUES	\$1,825,080	\$1,802,413	\$2,078,803	\$276,390
EXPENDITURES:				
ADMINISTRATIVE:				
Supervisor Fees	\$3,000	\$2,000	\$2,200	(\$200)
FICA Expense	\$230	\$153	\$169	(\$16)
Engineering	\$20,000	\$13,333	\$12,503	\$830
Arbitrage	\$1,200	\$800	\$600	\$200
Dissemination	\$1,000	\$667	\$1,117	(\$450)
Attorney	\$20,000	\$13,333	\$19,269	(\$5,936)
Annual Audit	\$4,123	\$2,749	\$2,023	\$726
Trustee Fees	\$4,310	\$4,310	\$4,310	\$0
Management Fees	\$58,482	\$38,988	\$38,988	\$0
Computer Time	\$1,000	\$667	\$667	\$0
Travel & Per Diem	\$0	\$0	\$100	(\$100)
Postage	\$2,500	\$1,667	\$2,383	(\$717)
Printing & Binding	\$1,600	\$1,067	\$924	\$143
Newsletter Printing	\$32,000	\$21,333	<i>\$26,791</i>	(\$5,457)
Rentals & Leases	\$5,000	\$3,333	\$3,809	(\$476)
Insurance	\$34,278	\$34,278	\$36,737	(\$2,459)
Legal Advertising	\$500	\$333	<i>\$286</i>	\$48
Other Current Charges	\$1,250	\$833	\$3,085	(\$2,252)
Property Taxes	\$12,000	\$12,000	\$12,408	(\$408)
Office Supplies	\$100	\$67	\$63	\$4
Dues, Licenses & Subscriptions	\$175	\$175	\$175	\$0
TOTAL ADMINISTRATIVE	\$202,748	\$152,086	\$168,605	(\$16,519)

COMMUNITY DEVELOPMENT DISTRICT GENERAL FUND

Statement of Revenues, Expenditures, and Changes in Fund Balance For The Period Ending May 31, 2018

1	ADOPTED	PRORATED BUDGET	ACTUAL	
	BUDGET	THRU 5/31/18	THRU 5/31/18	VARIANCE
<u>Field:</u>				
Field Management Services	\$322,330	\$210,754	\$202,199	\$8,556
Gate Attendants	\$209,457	\$139,638	\$141,333	(\$1,695)
Pool Attendants	\$12,495	\$8,330	\$2,535	\$5,795
Pest Control	<i>\$1,750</i>	\$1,167	\$1,080	\$87
Security/Fire Alarm/Gate Repairs	\$5,000	\$3,333	<i>\$4,377</i>	(\$1,044)
Telephone/Internet	\$13,600	<i>\$9,067</i>	<i>\$7,688</i>	<i>\$1,378</i>
Electric	\$216,000	\$144,000	\$139,483	\$4,517
Water	\$12,000	\$8,000	<i>\$7,762</i>	\$238
Gas	\$15,000	\$15,000	\$21,877	<i>(\$6,877)</i>
Refuse	\$10,500	\$7,000	\$5,224	<i>\$1,776</i>
Clubhouse Maintenance	\$105,000	\$70,000	\$81,992	(\$11,992)
Pool and Fountain Maintenance	\$20,000	\$13,333	\$13,883	(\$549)
Landscape Maintenance	\$176,007	\$117,338	\$116,911	\$427
Plant Replacement	\$7,000	<i>\$4,667</i>	\$3,609	\$1,058
Irrigation Repairs	\$7,500	\$5,000	\$470	\$4,530
Lake Maintenance	\$18,540	<i>8,540</i> \$12,360 \$12		\$0
Wetland Mitigation and Maintenance	\$34,800	\$34,800 \$17,400		\$0
Permits/Inspections	\$2,160	\$1,440	\$952	<i>\$488</i>
Office Supplies/Printing/Binding	\$4,000	• •		(\$2,111)
Operating Supplies	\$25,000	\$16,667	\$27,166	(\$10,499)
Credit Card Processing Fees	<i>\$3,500</i>	\$2,333	\$3,010	(\$676)
Dues <i>a</i> Subscriptions €	<i>\$8,500</i>	<i>\$5,667</i>	\$2,904	<i>\$2,763</i>
Decorations	\$2,000	\$1,333	\$628	<i>\$706</i>
Special Events	\$130,000	\$130,000	\$138,341	(\$8,341)
Storm Damage	\$0	\$0	\$303,316	(\$303,316)
Traffic Accident Damage	\$0	\$0	<i>\$4,716</i>	(\$4,716)
TOTAL FIELD	\$1,362,139	\$946,493	\$1,265,991	(\$319,497)
TOTAL EXPENDITURES	\$1,564,886	\$1,098,579	\$1,434,596	(\$336,01 7)
OTHER SOURCES AND USES				
Capital Reserve-Transfer Out	(\$260,194)	(\$260,194)	(\$260,194)	\$0
TOTAL OTHER SOURCES AND USES	(\$260,194)	(\$260,194)	(\$260,194)	\$0
EXCESS REVENUES (EXPENDITURES)	\$0		\$384,013	
FUND BALANCE - Beginning				
TOND DALAINCL - Deginining	<i>\$0</i>		\$425,077	

⁽¹⁾ Assessments are shown net of Discounts and Collection Fees.

COMMUNITY DEVELOPMENT DISTRICT

Capital Projects Reserve Fund Statement of Revenues, Expenditures, and Changes in Fund Balance For The Period Ending May 31, 2018

_				
	ADOPTED	PRORATED BUDGET	ACTUAL	
	BUDGET	THRU 5/31/18	THRU 5/31/18	VARIANCE
REVENUES:	and the second section of the second second section of the section of the second section of the s			
Interest Income	\$100	\$67	\$3,678	\$3,612
Capital Reserve-Transfer In FY 18	\$260,194	\$260,194	\$260,194	\$0
TOTAL REVENUES	\$260,294	\$260,260	\$263,872	\$3,612
EXPENDITURES:				estation and the second se
Capital Projects:				
Restaurant Equipment	\$0	\$0	\$5,344	(\$5,344)
Ballroom Window Replacement	\$66,000	\$44,000	\$32,347	\$11,653
Bowling Alley Equipment & Scoreboards	\$25,000	\$16,667	\$0	\$16,667
Computer Allowance	\$5,000	\$3,333	\$550	<i>\$2,783</i>
Pool Fence Panel Refurbishment	\$16,000	\$10,667	\$0	\$10,667
Fitness Equipment	\$19,000	\$12,667	\$0	\$12,667
Fitness Center Restroom Refurbishment	\$0	\$0	\$3,260	(\$3,260)
HV AC Replacement	\$20,000	\$13,333	<i>\$6,293</i>	\$7,040
Landscape Refurbishment	\$10,100	\$6,733	\$3,500	\$3,233
Pavement Management-Parking lot Resurfacing/Striping	\$70,000	\$46,667	\$0	\$46,667
Pavement Management-2993 LF Gullane, Dornoch, Robellini	\$165,000	\$110,000	\$300	\$109,700
Pool Equipment	\$10,000	\$6,667	\$2,635	\$4,031
Restaurant Equipment Allowance	\$15,000	\$15,000	\$18,254	(\$3,254)
Stormwater System and Curb Repairs	\$25,000	\$25,000	\$31,680	(\$6,680)
Ticketing Software	\$10,000	\$6,667	\$0	\$6,667
Traffic Calming Speed Humps (2)	\$ 7 ,500	\$5,000	\$0	\$5,000
Other Current Charges	\$650	\$433	\$308	\$126
Capital Reserves	\$71,920	\$4 7 ,947	\$0	\$47,947
TOTAL EXPENDITURES	\$536,170	\$370,780	\$104,471	\$266,309
EXCESS REVENUES (EXPENDITURES)	(\$275,876)		\$159,401	
FUND BALANCE - Beginning	\$275,876		\$280,425	
FUND BALANCE - Ending	\$0		\$439,826	-
				•

COMMUNITY DEVELOPMENT DISTRICT

SERIES 2015

DEBT SERVICE FUND

Statement of Revenues, Expenditures, and Changes in Fund Balance For The Period Ending May 31, 2018

REVENUES: Interest Income \$0 \$0 \$692 \$692 Assessments - Levy \$477,921 \$477,921 \$477,363 (\$558) TOTAL REVENUES \$477,921 \$477,921 \$478,055 \$134 EXPENDITURES: Series 2015A-1 Interest - 11/01 \$111,625 \$111,625 \$110,250 \$1,375 Principal - 5/01 \$205,000 \$205,000 \$200,000 \$5,000 Special Call - 11/01 \$25,000 \$25,000 \$55,000 \$50,000 Special Call - 05/01 \$0 \$0 \$0 \$20,000 \$50,000 Special Call - 11/01 \$25,000 \$25,000 \$55,000 \$50,000 Special Call - 05/01 \$0 \$0 \$0 \$0 \$0 Series 2015A-2 Interest - 11/01 \$15,125 \$15,125 \$15,125 \$0 Interest - 5/01 \$15,125 \$15,125 \$15,000 \$125 Special Call - 11/01 \$0 \$0 \$0 \$0 Special Call - 11/01 \$0 <t< th=""><th></th><th>ADOPTED</th><th>PRORATED</th><th>ACTUAL</th><th></th></t<>		ADOPTED	PRORATED	ACTUAL	
Interest Income \$0 \$0 \$0 \$692 \$692 Assessments - Levy \$477,921 \$477,921 \$477,363 (\$558) \$\$ TOTAL REVENUES \$4477,921 \$477,921 \$478,055 \$134 \$\$ EXPENDITURES: \$\$ \$477,921 \$477,921 \$478,055 \$134 \$\$ EXPENDITURES: \$\$ \$477,921 \$477,921 \$478,055 \$134 \$\$ \$\$ EXPENDITURES: \$\$ \$477,921 \$477,921 \$478,055 \$134 \$\$ \$\$ \$\$ EXPENDITURES: \$\$ \$\$ \$477,921 \$477,921 \$478,055 \$134 \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$ \$\$		BUDGET	THRU 5/31/18	THRU 5/31/18	VARIANCE
Assessments - Levy \$477,921 \$477,921 \$477,363 (\$558) TOTAL REVENUES \$477,921 \$477,921 \$478,055 \$134 EXPENDITURES: Series 2015A-1 Interest - 11/01 \$111,625 \$111,625 \$111,625 \$0 Interest - 5/01 \$111,625 \$111,625 \$110,250 \$1,375 Principal - 5/01 \$205,000 \$205,000 \$200,000 \$5,000 Special Call - 11/01 \$25,000 \$25,000 \$55,000 (\$30,000) Special Call - 05/01 \$0 \$0 \$0 \$20,000 \$55,000 Special Call - 05/01 \$15,125 \$15,125 \$0 Interest - 11/01 \$15,125 \$15,125 \$15,125 \$0 Interest - 5/01 \$15,125 \$15,125 \$15,125 \$0 Interest - 5/01 \$15,125 \$15,125 \$15,000 \$125 Principal - 5/01 \$20,000 \$20,000 \$20,000 \$0 Special Call - 11/01 \$0 \$50,000 \$20,000 \$50,000 Special Call - 11/01 \$0 \$50,000 \$0 \$0 \$0,000 Special Call - 11/01 \$0 \$0 \$0 \$0,000 Special Call - 11/01 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	REVEN <u>UES:</u>				
TOTAL REVENUES \$477,921 \$477,921 \$478,055 \$134 EXPENDITURES: Series 2015A-1 Interest - 11/01 \$111,625 \$111,625 \$111,625 \$0 Interest - 5/01 \$111,625 \$111,625 \$110,250 \$1,375 Principal - 5/01 \$205,000 \$205,000 \$200,000 \$5,000 Special Call - 11/01 \$25,000 \$25,000 \$55,000 (\$30,000) Special Call - 05/01 \$0 \$0 \$0 \$20,000 (\$20,000) Series 2015A-2 Interest - 11/01 \$15,125 \$15,125 \$15,125 \$0 Interest - 5/01 \$15,125 \$15,125 \$15,000 \$125 Principal - 5/01 \$20,000 \$20,000 \$20,000 \$0 Special Call - 11/01 \$0 \$55,000 \$20,000 \$0 Special Call - 11/01 \$55,000 \$20,000 \$20,000 \$0 Special Call - 11/01 \$0 \$0 \$0 \$55,000 (\$55,000) TOTAL EXPENDITURES \$503,500 \$503,500 \$552,000 (\$48,500) EXCESS REVENUES (EXPENDITURES) \$165,434 \$449,110	Interest Income	\$0	\$0	\$692	\$692
EXPENDITURES: Series 2015A-1 Interest - 11/01 \$111,625 \$111,625 \$111,625 \$0 Interest - 5/01 \$111,625 \$111,625 \$110,250 \$1,375 Principal - 5/01 \$205,000 \$205,000 \$200,000 \$5,000 Special Call - 11/01 \$25,000 \$25,000 \$55,000 (\$30,000) Special Call - 05/01 \$0 \$0 \$0 \$20,000 (\$20,000) Series 2015A-2 Interest - 11/01 \$15,125 \$15,125 \$15,125 \$0 Interest - 5/01 \$15,125 \$15,125 \$15,125 \$0 Interest - 5/01 \$15,125 \$15,125 \$15,000 \$125 Principal - 5/01 \$20,000 \$20,000 \$20,000 \$0 Special Call - 11/01 \$0 \$0 \$0 \$5,000 \$5,000 TOTAL EXPENDITURES \$503,500 \$503,500 \$552,000 (\$48,500) EXCESS REVENUES (EXPENDITURES) \$165,434 \$449,110	Assessments - Levy	\$477,921	\$477,921	\$477,363	(\$558)
Series 2015A-1 Interest - 11/01 \$111,625 \$111,625 \$111,625 \$0 Interest - 5/01 \$111,625 \$111,625 \$110,250 \$1,375 Principal - 5/01 \$205,000 \$205,000 \$200,000 \$5,000 Special Call - 11/01 \$25,000 \$25,000 \$55,000 (\$30,000) Special Call - 05/01 \$0 \$0 \$0 \$20,000 (\$20,000) Series 2015A-2 Interest - 11/01 \$15,125 \$15,125 \$15,125 \$0 Interest - 5/01 \$15,125 \$15,125 \$15,000 \$125 Principal - 5/01 \$20,000 \$20,000 \$20,000 \$0 Special Call - 11/01 \$0 \$0 \$5,000 (\$5,000) TOTAL EXPENDITURES \$503,500 \$503,500 \$552,000 (\$48,500) EXCESS REVENUES (EXPENDITURES) \$165,434 \$449,110	TOTAL REVENUES	\$477,921	\$477,921	\$478,055	\$134
Interest - 11/01 \$111,625 \$111,625 \$111,625 \$0 Interest - 5/01 \$111,625 \$111,625 \$110,250 \$1,375 Principal - 5/01 \$205,000 \$205,000 \$200,000 \$5,000 Special Call - 11/01 \$25,000 \$25,000 \$55,000 \$30,000) Special Call - 05/01 \$0 \$0 \$0 \$20,000 \$55,000 Series 2015A-2 Interest - 11/01 \$15,125 \$15,125 \$15,125 \$0 Interest - 5/01 \$15,125 \$15,125 \$15,000 \$125 Principal - 5/01 \$20,000 \$20,000 \$20,000 \$0 Special Call - 11/01 \$0 \$50,000 \$20,000 \$50 Special Call - 11/01 \$0 \$50,000 \$20,000 \$20,000 TOTAL EXPENDITURES \$503,500 \$503,500 \$552,000 \$448,500) EXCESS REVENUES (EXPENDITURES) \$165,434 \$449,110	EXPENDITURES:				
Interest - 5/01 \$111,625 \$111,625 \$110,250 \$1,375 Principal - 5/01 \$205,000 \$205,000 \$200,000 \$5,000	Series 2015A-1				
Principal - 5/01 \$205,000 \$205,000 \$5,000 Special Call - 11/01 \$25,000 \$25,000 \$55,000 Special Call - 05/01 \$0 \$0 \$20,000 \$20,000 Series 2015A-2 Interest - 11/01 \$15,125 \$15,125 \$15,125 \$0 Interest - 5/01 \$15,125 \$15,125 \$15,000 \$125 Principal - 5/01 \$20,000 \$20,000 \$20,000 \$0 Special Call - 11/01 \$0 \$0 \$5,000 \$5,000 TOTAL EXPENDITURES \$503,500 \$552,000 \$48,500 EXCESS REVENUES (EXPENDITURES) \$165,434 \$449,110	Interest - 11/01		\$111,625	\$111,625	\$0
Special Call - 11/01 \$25,000 \$25,000 \$55,000 (\$30,000) Special Call - 05/01 \$0 \$0 \$20,000 (\$20,000) Series 2015A-2 Interest - 11/01 \$15,125 \$15,125 \$15,125 \$0 Interest - 5/01 \$15,125 \$15,125 \$15,000 \$125 Principal - 5/01 \$20,000 \$20,000 \$20,000 \$0 Special Call - 11/01 \$0 \$0 \$5,000 (\$5,000) TOTAL EXPENDITURES \$503,500 \$503,500 \$552,000 (\$48,500) EXCESS REVENUES (EXPENDITURES) (\$25,579) (\$73,945) FUND BALANCE - Beginning \$165,434 \$449,110					
Special Call - 05/01 \$0 \$0 \$20,000 (\$20,000) Series 2015A-2 Interest - 11/01 \$15,125 \$15,125 \$15,125 \$0 Interest - 5/01 \$15,125 \$15,125 \$15,000 \$125 Principal - 5/01 \$20,000 \$20,000 \$20,000 \$0 Special Call - 11/01 \$0 \$0 \$5,000 (\$5,000) TOTAL EXPENDITURES \$503,500 \$503,500 \$552,000 (\$48,500) EXCESS REVENUES (EXPENDITURES) (\$25,579) (\$73,945) FUND BALANCE - Beginning \$165,434 \$449,110				· · ·	• •
Series 2015A-2 Interest - 11/01 \$15,125 \$15,125 \$0 Interest - 5/01 \$15,125 \$15,125 \$15,000 \$125 Principal - 5/01 \$20,000 \$20,000 \$20,000 \$0 Special Call - 11/01 \$0 \$0 \$5,000 \$5,000 TOTAL EXPENDITURES \$503,500 \$503,500 \$552,000 \$48,500) EXCESS REVENUES (EXPENDITURES) (\$25,579) (\$73,945) FUND BALANCE - Beginning \$165,434 \$449,110	•		• •		(\$30,000)
Interest - 11/01 \$15,125 \$15,125 \$15,125 \$0 Interest - 5/01 \$15,125 \$15,125 \$15,000 \$125 Principal - 5/01 \$20,000 \$20,000 \$20,000 \$0 Special Call - 11/01 \$0 \$0 \$5,000 (\$5,000) TOTAL EXPENDITURES \$503,500 \$503,500 \$552,000 (\$48,500) EXCESS REVENUES (EXPENDITURES) (\$25,579) (\$73,945) FUND BALANCE - Beginning \$165,434 \$449,110	Special Call - 05/01	\$0	\$0	\$20,000	(\$20,000)
Interest - 5/01 \$15,125 \$15,125 \$15,000 \$125 Principal - 5/01 \$20,000 \$20,000 \$0 Special Call - 11/01 \$0 \$0 \$5,000 (\$5,000) TOTAL EXPENDITURES \$503,500 \$503,500 \$552,000 (\$48,500) EXCESS REVENUES (EXPENDITURES) (\$25,579) (\$73,945) FUND BALANCE - Beginning \$165,434 \$449,110	<u>Series 2015A-2</u>				
Principal - 5/01 \$20,000 \$20,000 \$20,000 \$0 Special Call - 11/01 \$0 \$0 \$5,000 \$5,000 TOTAL EXPENDITURES \$503,500 \$503,500 \$552,000 (\$48,500) EXCESS REVENUES (EXPENDITURES) (\$25,579) (\$73,945) FUND BALANCE - Beginning \$165,434 \$449,110	Interest - 11/01	\$15,125	<i>\$15,125</i>	\$15,125	<i>\$0</i>
Special Call - 11/01 \$0 \$0 \$5,000 (\$5,000) TOTAL EXPENDITURES \$503,500 \$503,500 \$552,000 (\$48,500) EXCESS REVENUES (EXPENDITURES) (\$25,579) (\$73,945) FUND BALANCE - Beginning \$165,434 \$449,110	Interest - 5/01	\$15,125	\$15,125	\$15,000	\$125
TOTAL EXPENDITURES \$503,500 \$503,500 \$552,000 (\$48,500) EXCESS REVENUES (EXPENDITURES) (\$25,579) (\$73,945) FUND BALANCE - Beginning \$165,434 \$449,110	Principal - 5/01	\$20,000	\$20,000	\$20,000	\$0
EXCESS REVENUES (EXPENDITURES) (\$25,579) (\$73,945) FUND BALANCE - Beginning \$165,434 \$449,110	Special Call - 11/01	\$0	\$0	\$5,000	(\$5,000)
FUND BALANCE - Beginning \$165,434 \$449,110	TOTAL EXPENDITURES	\$503,500	\$503,500	\$552,000	(\$48,500)
	EXCESS REVENUES (EXPENDITURES)	(\$25,579)		(\$73,945)	
FUND BALANCE - Ending \$139,855 \$375,165	FUND BALANCE - Beginning	\$165,434		\$449,110	
	FUND BALANCE - Ending	\$139,855		\$375,165	

LAKE ASHTON COMMUNITY DEVELOPMENT DISTRICT Long Term Debt Report FY 2018

Series 2015-1, Special Assessment Bonds								
Interest Rate:	5.000%							
Maturity Date:	5/1/2025	\$1,965,000.00						
Interest Rate:	5.000%							
Maturity Date:	5/1/2032	\$2,500,000.00						
Reserve Requirement:	50% Maximum Annual Debt Service							
Bonds outstanding - 9/30/2017		\$4,465,000.00						
_	November 1, 2017 (Special Call)	(\$55,000.00)						
	May 1, 2018 (Mandatory)	(\$200,000.00)						
	May 1, 2018 (Special Call)	(\$20,000.00)						
Current Bonds Outstanding		\$4,190,000.00						

Series 2015-2, Special Assessment Bonds								
Interest Rate:	5.000%							
Maturity Date:	5/1/2025	\$170,000.00						
Interest Rate:	5.000%							
Maturity Date:	5/1/2037	\$435,000.00						
Reserve Requirement:	50% Maximum Annual Debt Service							
Bonds outstanding - 9/30/2017		\$605,000.00						
	November 1, 2017 (Special Call)	(\$5,000.00)						
	May 1, 2018 (Mandatory)	(\$20,000.00)						
Current Bonds Outstanding		\$580,000.00						

Total Current Bonds Outstanding	\$4,770,000.00

Lake Ashton Community Development District

General Fund Statement of Revenues and Expenditures (Month by Month) FY 2018

	ост	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	TOTAL
-	2017	2017	2017	2018	2018	2018	2018	2018	2018	2018	2018	2018	
Revenues													
Maintenance Assessments	\$0	\$1,392,092	\$75,013	\$20,636	\$7,485	\$47,035	\$3,464	\$39,882	\$0	\$0	\$0	\$0	\$1,585,606
Rental Income	\$5,450	\$3,475	\$6,750	\$7,000	\$5,400	\$3,900	\$14,100	\$4,200	\$0	\$0	\$0	\$0	\$50,275
Entertainment Fees	\$96,050	\$14,974	\$10,991	\$9,342	\$3,998	\$1,753	\$3,138	\$2,130	\$0	\$0	\$0	\$0	\$142,376
Newsletter Ad Revenue	\$23,057	\$9,770	\$5,299	\$17,571	\$7,847	\$8,808	\$5,917	\$5,420	\$0	\$0	\$0	\$0	\$83,687
Interest Income	\$342	\$188	\$180	\$200	\$1,208	\$1,166	\$744	\$768	\$0	\$0	\$0	\$0	\$4,796
Miscellaneous Income	\$1,911	\$870	\$4,981	\$1,126	\$1,130	\$1,446	\$1,129	\$1,141	\$0	\$0	\$0	\$0	\$13,732
Restaurant Lease	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$484	\$0	\$0	\$0	\$0	\$0	\$0	\$5,484
Insurance Proceeds	\$0	\$4,716	\$0	\$0	\$182,946	\$5,183	\$0	\$0	\$0	\$0	\$0	\$0	\$192,846
Total Revenues	\$127,809	\$1,427,084	\$104,213	\$56,875	\$211,014	\$69,775	\$28,492	\$53,541	\$0	\$0	\$0	\$0	\$2,078,803
ADMINISTRATIVE:													
Supervisor Fees	\$250	\$250	\$200	\$250	\$250	\$250	\$250	\$500	\$0	\$0	\$0	\$0	\$2,200
FICA Expense	\$19	\$19	\$15	\$19	\$19	\$19	\$19	\$38	\$0	\$0	\$0	\$0	\$169
Engineering	\$900	\$1,350	\$1,575	\$1,725	\$2,715	\$2,363	\$1,875	\$0	\$0	\$0	\$0	\$0	\$12,503
Arbitrage	\$0	\$0	\$0	\$0	\$0	\$0	\$600	\$0	\$0	\$0	\$0	\$0	\$600
Dissemination	\$83	\$83	\$83	\$83	\$83	\$433	\$183	\$83	\$0	\$0	\$0	\$0	\$1,117
Attorney	\$1,714	\$2,156	\$1,405	\$2,717	\$2,528	\$3,373	\$3,424	\$1,951	\$0	\$0	\$0	\$0	\$19,269
Consulting Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual Audit	\$0	\$0	\$0	\$23	\$0	\$0	\$500	\$1,500	\$0	\$0	\$0	\$0	\$2,023
Trustee Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$4,310	\$0	\$0	\$0	\$0	\$0	\$4,310
Management Fees	\$4,874	\$4,874	\$4,874	\$4,874	\$4,874	\$4,874	\$4,874	\$4,874	\$0	\$0	\$0	\$0	\$38,988
Computer Time	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$83	\$0	\$0	\$0	\$0	\$667
Travel & Per Diem	\$0	\$100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$100
Postage	\$341	\$672	\$464	\$199	\$199	\$207	\$156	\$145	\$0	\$0	\$0	\$0	\$2,383
Printing & Binding	\$115	\$111	\$138	\$0	\$103	\$118	\$157	\$182	\$0	\$0	\$0	\$0	\$924
Newsletter Printing	\$3,200	\$3,571	\$3,321	\$3,439	\$3,557	\$3,131	\$3,288	\$3,284	\$0	\$0	\$0	\$0	\$26,791
Rentals & Leases	\$709	\$187	\$320	\$998	\$187	\$224	\$997	\$187	\$0	\$0	\$0	\$0	\$3,809
Insurance	\$36,737	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$36,737
Legal Advertising	\$0	\$0	\$0	\$59	\$0	\$33	\$29	\$165	\$0	\$0	\$0	\$0	\$286
Other Current Charges	\$81	\$186	\$66	\$8	\$111	\$59	\$44	\$2,531	\$0	\$0	\$0	\$0	\$3,085
Property Taxes	\$0 \$0	\$12,408 \$0	\$0 \$0	\$0 \$50	\$0	\$0 \$0	\$0 \$0	\$0 \$0	\$0 \$0	\$0 50	\$0 \$0	\$0 50	\$12,408
Office Supplies	\$0 \$17.5	\$0 \$0	\$0 \$0	\$58 \$0	\$5 \$0	\$0 \$0	\$0	\$0 \$0	\$0 \$0	\$0 \$0	\$0 \$0	\$0 \$0	\$63 \$175
Dues, Licenses & Subscriptions	\$1/3	\$ <i>U</i>	\$ 0	\$0	\$ 0		\$0	\$0	\$ <i>U</i>	\$0	\$0	\$0	\$1/5
Total Administrative	\$49,281	\$26,050	\$12,544	\$14,5 36	\$14,714	\$15,167	\$20,791	\$15,523	\$0	\$0	\$0	\$0	\$168,605

Lake Ashton Community Development District

General Fund Statement of Revenues and Expenditures (Month by Month) FY 2018

	ОСТ	NOV	DEC	JAN	FEB	MAR	APR	МАУ	****				
Field:	2017	2017	2017	2018	2018	2018	2018	MA9 2018	JUN 	JUL	AUG	SEP	TOTAL
Field Management Services	*							4140		2018	2018	2018	
Gate Attendants	\$28,939	\$25,690	\$37,338	\$26,264	\$20,288	\$21,010	\$21,785	\$20.885	\$0	**			
Pool Attendants	\$17,756	\$17,290	\$17,739	\$18,363	\$16,876	\$18,738	\$17,010	\$17,561	\$0 \$0	\$0	\$0	\$0	\$202,199
Pest Control	\$0	\$0	\$257	\$2,278	\$0	\$0	\$0	\$17,301		\$0	\$0	\$0	\$141,333
	\$120	\$120	\$120	\$120	\$295	\$305	\$0	\$0 \$0	\$0	\$0	\$0	\$0	\$2,535
Security/Fire Alarm/Gate Repairs	\$1,153	\$1,079	\$168	\$130	\$715	\$526	\$476	\$0 \$130	\$0	\$0	\$0	\$0	\$1,080
Telephone/Internet	\$948	\$1,002	\$1,764	\$898	\$898	\$1,060	\$470 \$119	•	\$0	\$0	\$0	\$0	\$4,377
Electric	\$18,266	\$17,551	\$18,278	\$18,251	\$17,845	\$17,176		\$999	\$0	\$0	\$0	\$0	\$7,688
Water	\$814	\$976	\$970	\$1,004	\$962		\$16,357	\$15,759	\$0	\$0	\$0	\$0	\$139,483
Gas	\$4,522	\$2,478	\$3,588	\$5,552	\$2,973	\$964	\$953	\$1,119	\$0	\$0	\$0	\$0	\$7,762
Refuse	\$379	\$851	\$379	\$1,070	\$379	\$1,167	\$1,597	\$0	\$0	\$0	\$0	\$0	\$21,877
Clubhouse Maintenance	\$8,551	\$5,706	\$15,519	\$1,570 \$11,537		\$1,066	\$379	\$722	\$0	\$0	\$0	\$0	\$5,224
Pool and Fountain Maintenance	\$1,528	\$2,765	\$1,965	\$1,365	\$7,831 \$1,757	\$9,436	\$12,358	\$11,055	\$0	\$0	\$0	\$0	\$81,992
Landscape Maintenance	\$14,240	\$14,667	\$14,667	\$1,565 \$14,667	\$1,565	\$1,565	\$1,565	\$1,565	\$0	\$0	\$0	\$0	\$13,883
Plant Replacement	50	\$765	\$14,567	\$14,667 \$2,844	\$14,667	\$14,667	\$14,667	\$14,667	\$0	\$0	\$0	\$0	\$116,911
Irrigation Repairs	\$0	\$0	\$0 \$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,609
Lake Maintenance	\$1,545	\$1,545	\$0 \$1,545	\$0	\$470	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$470
Wetland Mitigation and Maintenance	\$0	\$0		\$1,545	\$1,545	\$1,545	\$1,545	\$1,545	\$0	\$0	\$0	\$0	\$12,360
Permits/Inspections	\$0	\$0 \$0	\$10,100	\$0	\$0	\$7,300	\$0	\$0	\$0	\$0	\$0	\$0 \$0	\$17,400
Office Supplies/Printing/Binding	\$1,017	\$0 \$339	\$0	\$0	\$312	\$550	\$0	\$90	\$0	\$0	\$0	\$0 \$0	
Operating Supplies	\$2,432		\$204	\$1,357	\$611	\$425	\$325	\$499	50	\$0	\$0 \$0		\$952
Credit Card Processing Fees	\$2,432 \$246	\$4,099	\$3,335	\$10,410	\$1,785	\$1,603	\$2,285	\$1,217	\$0	\$0	\$0 \$0	\$0	\$4,778
Dues & Subscriptions		\$1,113	\$340	\$391	\$195	\$184	\$266	\$276	\$0	\$0 \$0		\$0	\$27,166
Decorations	\$219	\$234	\$198	\$1,357	\$198	\$246	\$198	\$254	\$0	\$0 \$0	\$0	\$0	\$3,010
Special Events	\$0	\$368	\$0	\$260	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$2,904
Storm Damage	\$982	\$4,665	\$9,799	\$66,788	\$31,110	\$22,295	\$486	\$2,215	\$0 \$0	\$0	\$0	\$0	\$628
Traffic Accident Damage	\$1,305	\$0	\$112,048	\$153,022	\$36,941	\$0	\$0	\$0	\$0 \$0	\$0	\$0	\$0	\$138,341
Trayjk Accident Banage	\$0	\$4,716	\$0	\$0	\$0	\$0	\$0	\$0 \$0		\$0	\$0	\$0	\$303,316
TOTAL FIELD						40	J 0	\$ 0	\$0	\$0	\$0	\$0	\$4,716
TOTAL FIELD	\$104,961	\$108,018	\$250,321	\$339,472	\$158,460	\$121,828	\$92,372	\$90,557	ćo	**			1
OTHER SOURCES AND USES	Rus								30	→ →0	\$0	\$0	\$1,265,991
Capital Reserve-Transfer Out	\$0	\$0											
TOTAL OTHER SOURCES AND USES			\$0	(\$260,194)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$260, 194)
TOTAL OTHER SOURCES AND USES	\$0	\$0	\$0	(\$260.194)	\$0	\$0		\$0	\$0				,
Subtotal Operating Expenses	\$154,242	\$134,068	\$262,865	\$614,202	\$173,174	£135.00=			30	\$0	\$0	50	(\$260,194)
Excess Revenues (Expenditures)	(****			- JOI 1/202	21/2,1/4	\$136,995	\$113,163	\$106,080	\$ 0	<i>50</i>	\$0	\$0	\$1,694,790
	(\$26,433)	\$1,293,016	(\$158,652)	(\$557,327)	\$37,840	(\$67,220)	(\$84,671)	(\$52,540)	\$0	\$0	\$0	50	\$384,013
											20	<i>\$0</i>	\$384,UI3