

**PARKLANDS LEE
COMMUNITY DEVELOPMENT
DISTRICT**

**REGULAR MEETING
AGENDA**

May 10, 2018

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

May 2, 2018

Board of Supervisors
Parklands Lee Community Development District

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

Dear Board Members:

A Regular Meeting of the Parklands Lee Community Development District's Board of Supervisors will be held on Thursday, May 10, 2018 at 1:15 p.m., at The Renaissance Center, 28121 Palmira Blvd., Bonita Springs, Florida 34135. The agenda is as follows:

1. Call to Order/Roll Call
2. Public Comments
3. Presentation of Audited Financial Report for Fiscal Year Ended September 30, 2017, Prepared by Grau & Associates
4. Consideration of Resolution 2018-05, Accepting the Audited Financial Report for the Fiscal Year Ended September 30, 2017
5. Consideration of Resolution 2018-06, Approving Proposed Budgets for Fiscal Year 2018/2019 and Setting a Public Hearing Thereon Pursuant to Florida Law; Addressing Transmittal, Posting and Publication Requirements; and Providing an Effective Date
6. Consideration of Resolution 2018-07, Implementing Section 190.006(3)(A)(2)(c), Florida Statutes, and Instructing the Lee County Supervisor of Elections to Conduct the District's General Election
7. Approval of Unaudited Financial Statements as of March 31, 2018
8. Approval of January 11, 2018 Regular Meeting Minutes
9. Other Business
10. Staff Reports
 - A. District Counsel: *Donald A. Pickworth, Esq.*
 - B. District Engineer: *Banks Engineering, Inc.*

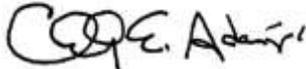
- C. District Manager: *Wrathell, Hunt and Associates, LLC*
 - i. 473 Registered Voters in District as of April 15, 2018
 - ii. NEXT MEETING DATE: July 12, 2018 at 1:15 P.M.

11. Audience Comments/Supervisors' Requests

12. Adjournment

If you have any questions, please contact me directly at 239-464-7114.

Sincerely,



Chesley E. Adams, Jr.
District Manager

FOR BOARD MEMBERS AND STAFF TO ATTEND BY TELEPHONE

CALL IN NUMBER: 1-888-354-0094

CONFERENCE ID: 8593810

**PARKLANDS LEE
COMMUNITY DEVELOPMENT DISTRICT**

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**PARKLANDS LEE
COMMUNITY DEVELOPMENT DISTRICT
BONITA SPRINGS, FLORIDA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2017**

**PARKLANDS LEE COMMUNITY DEVELOPMENT DISTRICT
BONITA SPRINGS, FLORIDA**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Parklands Lee Community Development District
Bonita Springs, Florida

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 5, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

We have also issued our report dated April 5, 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.

April 5, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Parklands Lee Community Development District, Bonita Springs, 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 plus deferred outflows of resources of the District exceeded its liabilities at the close of the most recent fiscal year resulting in a net position balance of \$7,980,866.
- The change in the District's total net position in comparison with the prior fiscal year was (\$205,356), 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 \$390,241, a decrease of \$(1,388) in comparison with the prior fiscal year. A portion of fund balance is restricted for debt service, assigned for subsequent year's expenditures and the remainder is unassigned fund balance which is available for spending at the District's discretion.

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

Governmental Funds

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

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

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

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

Notes to the Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

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

	NET POSITION	
	SEPTEMBER 30,	
	2017	2016
Current and other assets	\$ 402,733	\$ 396,274
Capital assets, net of depreciation	11,204,382	11,547,888
Total assets	11,607,115	11,944,162
Deferred outflows of resources	117,115	123,777
Total assets and deferred outflows of resources	11,724,230	12,067,939
Current liabilities	71,914	65,469
Long-term liabilities	3,671,450	3,816,248
Total liabilities	3,743,364	3,881,717
Net position		
Net investment in capital assets	7,650,047	7,855,417
Restricted	194,529	186,212
Unrestricted	136,290	144,593
Total net position	\$ 7,980,866	\$ 8,186,222

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,	
	2017	2016
Revenues:		
Program revenues		
Charges for services	\$ 447,782	\$ 451,247
Operating grants and contributions	778	16
Unrestricted investment earnings	97	61
Total revenues	<u>448,657</u>	<u>451,324</u>
Expenses:		
General government	108,065	105,404
Maintenance and operations	394,511	396,169
Interest	151,437	154,663
Total expenses	<u>654,013</u>	<u>656,236</u>
Change in net position	<u>(205,356)</u>	<u>(204,912)</u>
Net position - beginning	<u>8,186,222</u>	<u>8,391,134</u>
Net position - ending	<u>\$ 7,980,866</u>	<u>\$ 8,186,222</u>

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2017 was \$654,013. The majority of the costs of the District's activities were paid by program revenues.

GENERAL BUDGETING HIGHLIGHTS

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

Actual general fund expenditures for the fiscal year ended September 30, 2017 exceeded appropriations by \$8,992. The over expenditures were not considered material by management and no budget amendment was deemed necessary. The over expenditures were funded by available fund balance.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2017, the District had \$15,422,447 invested in capital assets for its governmental activities. In the government-wide financial statements depreciation of \$4,217,765 has been taken, which resulted in a net book value of \$11,204,382. 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 \$3,675,000 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 infrastructure projects for the subsequent fiscal year. It is anticipated that the general operations and maintenance of the District will remain fairly constant.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

**PARKLANDS LEE COMMUNITY DEVELOPMENT DISTRICT
 BONITA SPRINGS, FLORIDA
 STATEMENT OF NET POSITION
 SEPTEMBER 30, 2017**

	Governmental Activities
ASSETS	
Cash	\$ 141,713
Assessments receivable	323
Prepays	6,829
Restricted assets:	
Investments	253,868
Capital assets:	
Nondepreciable	5,122,000
Depreciable, net	6,082,382
Total assets	11,607,115
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	117,115
Total deferred outflows of resources	117,115
 LIABILITIES	
Accounts payable	12,492
Accrued interest payable	59,422
Non-current liabilities:	
Due within one year	150,000
Due in more than one year	3,521,450
Total liabilities	3,743,364
 NET POSITION	
Net investment in capital assets	7,650,047
Restricted for debt service	194,529
Unrestricted	136,290
Total net position	\$ 7,980,866

See notes to the financial statements

**PARKLANDS LEE COMMUNITY DEVELOPMENT DISTRICT
 BONITA SPRINGS, FLORIDA
 STATEMENT OF ACTIVITIES
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

<u>Functions/Programs</u>	Program Revenues			Net (Expense) Revenue and Changes in Net Position
Expenses	Charges for Service	Operating Grants and Contributions	Governmental Activities	
Primary government:				
Governmental activities:				
General government	\$ 108,065	\$ 108,065	\$ -	\$ -
Maintenance and operations	394,511	42,605	-	(351,906)
Interest on long-term debt	151,437	297,112	778	146,453
Total governmental activities	654,013	447,782	778	(205,453)
General revenues:				
Investment earnings				97
Total general revenues				97
Change in net position				(205,356)
Net position - beginning				8,186,222
Net position - ending				\$ 7,980,866

See notes to the financial statements

**PARKLANDS LEE COMMUNITY DEVELOPMENT DISTRICT
 BONITA SPRINGS, FLORIDA
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2017**

	Major Funds		Total Governmental Funds
	General	Debt Service	
ASSETS			
Cash	\$ 141,713	\$ -	\$ 141,713
Investments	-	253,868	253,868
Assessments receivable	240	83	323
Prepays	6,829	-	6,829
Total assets	<u>\$ 148,782</u>	<u>\$ 253,951</u>	<u>\$ 402,733</u>
LIABILITIES			
Liabilities:			
Accounts payable	\$ 12,492	\$ -	\$ 12,492
Total liabilities	<u>12,492</u>	<u>-</u>	<u>12,492</u>
FUND BALANCES			
Nonspendable:			
Prepaid items	6,829	-	6,829
Restricted for:			
Debt service	-	253,951	253,951
Assigned to:			
For subsequent year's expenditures	3,330	-	3,330
Unassigned	126,131	-	126,131
Total fund balances	<u>136,290</u>	<u>253,951</u>	<u>390,241</u>
Total liabilities and fund balances	<u>\$ 148,782</u>	<u>\$ 253,951</u>	<u>\$ 402,733</u>

See notes to the financial statements

**PARKLANDS LEE COMMUNITY DEVELOPMENT DISTRICT
 BONITA SPRINGS, FLORIDA
 RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET POSITION
 SEPTEMBER 30, 2017**

Fund balance - governmental funds \$ 390,241

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

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

Cost of capital assets	15,422,147	
Accumulated depreciation	(4,217,765)	11,204,382

Deferred outflows of resources resulting from current or advance refundings are reported in the government-wide financial statements but not on the fund financial statements.	117,115
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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	(59,422)	
Bond discounts	3,550	
Bonds payable	(3,675,000)	(3,730,872)

Net position of governmental activities	\$ 7,980,866
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See notes to the financial statements

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

	Major Funds		Total Governmental Funds
	General	Debt Service	
REVENUES			
Assessments	\$ 150,670	\$ 297,112	\$ 447,782
Interest and miscellaneous	97	778	875
Total revenues	150,767	297,890	448,657
EXPENDITURES			
Current:			
General government	108,065	-	108,065
Maintenance and operations	51,005	-	51,005
Debt service:			
Principal	-	145,000	145,000
Interest	-	145,975	145,975
Total expenditures	159,070	290,975	450,045
Excess (deficiency) of revenues over (under) expenditures	(8,303)	6,915	(1,388)
Fund balances - beginning	144,593	247,036	391,629
Fund balances - ending	\$ 136,290	\$ 253,951	\$ 390,241

See notes to the financial statements

**PARKLANDS LEE COMMUNITY DEVELOPMENT DISTRICT
 BONITA SPRINGS, 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	\$	(1,388)
Amounts reported for governmental activities in the statement of activities are different because:		
Depreciation of capital assets is not recognized in the governmental fund statements but is reported as an expense in the statement of activities.		(343,506)
Bond discounts and refunding costs are amortized over the lives of the bonds in the statement of activities, but are recorded as expenditures in the governmental funds.		(6,863)
Repayments of long-term liabilities are reported as expenditures in the governmental fund statement but such repayments reduce liabilities in the statement of net position and are eliminated in the statement of activities.		145,000
The change in accrued interest on long-term liabilities between the current and prior fiscal year is recorded in the statement of activities but not in the fund financial statements.		<u>1,401</u>
Change in net position of governmental activities	\$	<u>(205,356)</u>

See notes to the financial statements

**PARKLANDS LEE COMMUNITY DEVELOPMENT DISTRICT
BONITA SPRINGS, FLORIDA
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY

Parklands Lee Community Development District (the "District"), was created by City of Bonita Springs Ordinance 04-06 enacted on May 6, 2004 pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes. The Act provides among other things, the power to manage basic services for community development, power to borrow money and issue bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

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

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

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 all platted lots within the District. Assessments are levied each November 1 on property of record as of the previous January. The fiscal year for which annual assessments are levied begins on October 1 with discounts available for payments through February 28 and become delinquent on April 1. For debt service assessments, amounts collected as advance payments are used to prepay a portion of the Bonds outstanding. Otherwise, assessments are collected annually to provide funds for the debt service on the portion of the Bonds which are not paid with prepaid assessments. The District's annual assessments are billed and collected by the County Tax Assessor/Collector. The amounts remitted to the District are net of applicable discounts or fees and include interest on monies held from the day of collection to the day of distribution. In addition, any excess fees computed by the Tax Collector are remitted to the District.

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

The District reports the following major governmental funds:

General Fund

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

Debt Service Fund

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity

Restricted Assets

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

Deposits and Investments

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

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

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

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

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

Prepaid Items

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

Capital Assets

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

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

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

<u>Assets</u>	<u>Years</u>
Infrastructure	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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Refunding of Debt

For current refunding and advance refunding resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources/deferred inflow of resources and recognized ratably as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter. In connection with the refunding, \$6,661 was recognized as a component of interest expense in the current fiscal year.

Unearned Revenue

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

Long-Term Obligations

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

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

Deferred Outflows/Inflows of Resources

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

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

Fund Equity/Net Position

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

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Fund Equity/Net Position (Continued)

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

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

Other Disclosures

Use of Estimates

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

NOTE 3 – BUDGETARY INFORMATION

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

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

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

NOTE 4 – DEPOSITS AND INVESTMENTS

Deposits

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

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

Investments

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

	Amortized cost	Credit Risk	Maturities
Money Market Mutual Funds - First American Government Obligation Fund CL Y	\$ 253,868	S&P AAAM	Weighted average of the fund portfolio: 23 days
	<u>\$ 253,868</u>		

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

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

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

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

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

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

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

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

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

NOTE 5 – CAPITAL ASSETS

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

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Governmental activities</u>				
Capital assets, not being depreciated				
Land and land improvements	\$ 5,122,000	\$ -	\$ -	\$ 5,122,000
Total capital assets, not being depreciated	<u>5,122,000</u>	<u>-</u>	<u>-</u>	<u>5,122,000</u>
Capital assets, being depreciated				
Infrastructure - stormwater management system	8,439,281	-	-	8,439,281
Infrastructure - roadways	1,860,866	-	-	1,860,866
Total capital assets, being depreciated	<u>10,300,147</u>	<u>-</u>	<u>-</u>	<u>10,300,147</u>
Less accumulated depreciation for:				
Infrastructure - stormwater management system	3,176,688	281,309	-	3,457,997
Infrastructure - roadways	697,571	62,197	-	759,768
Total accumulated depreciation	<u>3,874,259</u>	<u>343,506</u>	<u>-</u>	<u>4,217,765</u>
Total capital assets, being depreciated, net	<u>6,425,888</u>	<u>(343,506)</u>	<u>-</u>	<u>6,082,382</u>
Governmental activities capital assets, net	<u>\$ 11,547,888</u>	<u>\$ (343,506)</u>	<u>\$ -</u>	<u>\$ 11,204,382</u>

Depreciation expense was charged to maintenance and operations.

NOTE 6 – LONG-TERM LIABILITIES

On April 29, 2013, the District issued \$3,865,000 of Special Assessment Refunding Bonds, Series 2013A-1 (Senior Lien), and \$395,000 of Special Assessment Refunding Bonds, Series 2013A-2 (Subordinate Lien) together (the “Series 2014 Bonds”). The Series 2013 Bonds were applied together with other legally available funds to currently refund the Series 2011A Bonds. The Senior Lien consists of \$1,895,000 Serial Bonds gradually mature from May 1, 2014 through May 1, 2026 with interest rates ranging from 1.250% to 3.875%, and \$1,970,000 Term Bond due on May 1, 2035 with the fixed interest rate of 4.125%. The Subordinate Lien consists of \$150,000 Term Bond due May 1, 2023 with a fixed interest rate of 4% and \$245,000 Term Bond due May 1, 2035 with a fixed interest rate of 5%. Interest is paid semiannually on each May 1 and November 1, commencing November 1, 2013. Principal on the Series 2014 Bonds is paid serially and commences on May 1, 2014. The Bonds mature at various dates through May 1, 2035.

The Bonds maturing on or prior to May 1, 2023 are not subject to redemption at the option of the District prior to their stated dates of maturity. The Bonds maturing on or after May 1, 2024 are subject to redemption at the option of the District prior to their maturity. The 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.

The Bond Indenture established a debt service reserve requirement as well as other restrictions. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirement. The District was in compliance with the requirements at September 30, 2017.

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
Bonds payable:					
Series 2013	\$ 3,820,000	\$ -	\$ 145,000	\$ 3,675,000	\$ 150,000
Less: bond discount	3,752	-	202	3,550	
Total	<u>\$ 3,816,248</u>	<u>\$ -</u>	<u>\$ 144,798</u>	<u>\$ 3,671,450</u>	<u>\$ 150,000</u>

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

Year ending September 30:	Governmental Activities		
	Principal	Interest	Total
2018	\$ 150,000	\$ 142,613	\$ 292,613
2019	155,000	138,975	293,975
2020	160,000	134,350	294,350
2021	160,000	129,219	289,219
2022	170,000	123,906	293,906
2023-2027	935,000	523,044	1,458,044
2028-2032	1,145,000	317,125	1,462,125
2033-2035	800,000	68,713	868,713
Total	<u>\$ 3,675,000</u>	<u>\$ 1,577,945</u>	<u>\$ 5,252,945</u>

NOTE 7 – SHARED MAINTENANCE COSTS WITH PARKLANDS WEST

The District has an agreement with Parklands West Community Development District (“Parklands West”) to share certain costs pursuant to the adopted budget. The allocation for these shared costs is based upon the number of assessable units within each District. During the fiscal year 2017, Parklands Lee CDD had 521 assessable units and Parklands West CDD had 498 assessable units. As such, these expenditures were allocated 51.13% and 48.87% between Parklands Lee CDD and Parklands West CDD, respectively. The District’s portion of these shared costs for the fiscal year ended September 30, 2017 was approximately \$51,005.

NOTE 8 – MANAGEMENT AGREEMENTS

The District has contracted with Wrathell, Hunt and Associates, LLC to perform management 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 and other administrative costs.

NOTE 9 – 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.

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

	Budgeted Amounts Original & Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Assessments	\$ 149,578	\$ 150,670	\$ 1,092
Interest and miscellaneous	500	97	(403)
Total revenues	150,078	150,767	689
EXPENDITURES			
Current:			
General government	111,732	108,065	3,667
Maintenance and operations	38,346	51,005	(12,659)
Total expenditures	150,078	159,070	(8,992)
Excess (deficiency) of revenues over (under) expenditures	\$ -	(8,303)	\$ (8,303)
Fund balance - beginning		144,593	
Fund balance - ending		\$ 136,290	

See notes to required supplementary information

**PARKLANDS LEE COMMUNITY DEVELOPMENT DISTRICT
BONITA SPRINGS, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

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

The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors.

Actual general fund expenditures for the fiscal year ended September 30, 2017 exceeded appropriations by \$8,992 the over expenditures were not considered significant. The over expenditures were funded by available fund balance.



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
Parklands Lee Community Development District
Bonita Springs, 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 Parklands Lee Community Development District, Bonita Springs, Florida (the "District") as of and for the fiscal year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated April 5, 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.

April 5, 2018



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

To the Board of Supervisors
Parklands Lee Community Development District
Bonita Springs, Florida

We have examined Parklands Lee Community Development District, Bonita Springs, 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 Parklands Lee Community Development District, Bonita Springs, Florida and is not intended to be and should not be used by anyone other than these specified parties.

April 5, 2018



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

To the Board of Supervisors
Parklands Lee Community Development District
Bonita Springs, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of Parklands Lee Community Development District ("District") as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated April 5, 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 April 5, 2018, should be considered in conjunction with this management letter.

Purpose of this Letter

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

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

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

We wish to thank Parklands Lee Community Development District, Bonita Springs, 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.

April 5, 2018

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None

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

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

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

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

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

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

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

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

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

**PARKLANDS LEE
COMMUNITY DEVELOPMENT DISTRICT**

4

RESOLUTION 2018-05

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

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

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

1. The Audited Financial Report for Fiscal Year 2017, heretofore submitted to the Board, is hereby accepted for Fiscal Year 2017, for the period ending September 30, 2017; and
2. A verified copy of said Audited Financial Report for Fiscal Year 2017 shall be attached hereto as an exhibit to this Resolution, in the District's "Official Record of Proceedings".

PASSED AND ADOPTED this ____ day of _____, 2018.

**PARKLANDS LEE COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Chair/Vice Chair

**PARKLANDS LEE
COMMUNITY DEVELOPMENT DISTRICT**

5

RESOLUTION 2018-06

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

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

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE PARKLANDS LEE COMMUNITY DEVELOPMENT DISTRICT:

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

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

DATE:	September 13, 2018
HOUR:	1:15 P.M.
LOCATION:	The Renaissance Center 28121 Palmira Blvd. Bonita Springs, Florida 34135

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

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

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

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

PASSED AND ADOPTED THIS ____ DAY OF _____, 2018.

ATTEST:

**PARKLANDS LEE COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

By: _____
Its: _____

Exhibit A

**PARKLANDS LEE
COMMUNITY DEVELOPMENT DISTRICT
PROPOSED BUDGET
FISCAL YEAR 2019
UPDATED MAY 1, 2018**

**PARKLANDS LEE
COMMUNITY DEVELOPMENT DISTRICT
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**PARKLANDS LEE
COMMUNITY DEVELOPMENT DISTRICT
GENERAL FUND BUDGET
FISCAL YEAR 2019**

	Fiscal Year 2018			Total Revenue & Expenditures	Proposed Budget FY 2019
	Adopted Budget FY 2018	Actual through 3/31/18	Projected through 9/30/18		
REVENUES					
Assessment levy: on-roll - gross	\$ 155,804				\$ 147,406
Allowable discounts (4%)	(6,232)				(5,896)
Assessment levy: on-roll - net	149,572	\$ 142,968	\$ 6,604	\$ 149,572	141,510
Interest and miscellaneous	500	43	457	500	500
Total revenues	150,072	143,011	7,061	150,072	142,010
EXPENDITURES					
Professional & admin					
Supervisors	4,306	1,938	2,368	4,306	4,306
Management/recording	60,687	30,344	30,343	60,687	60,687
Legal	950	-	950	950	500
Engineering fees	500	-	500	500	500
Audit	7,100	7,100	-	7,100	7,100
Accounting services	4,797	2,399	2,398	4,797	4,797
Assessment roll preparation	12,500	12,500	-	12,500	12,500
Arbitrage rebate calculation	1,200	-	1,200	1,200	1,200
Dissemination agent fees	1,000	500	500	1,000	1,000
Trustee fees	6,000	-	6,000	6,000	6,000
Telephone	500	250	250	500	500
Postage	324	145	179	324	324
Printing & binding	1,035	518	517	1,035	1,035
Legal advertising	750	231	519	750	750
Office supplies	105	-	105	105	105
Annual district filing fee	175	175	-	175	175
Insurance	7,000	6,829	-	6,829	7,000
Contingencies	1,500	453	750	1,203	1,000
Total professional & admin	110,429	63,382	46,579	109,961	109,479
Water management					
Contractual services	41,670	20,278	21,392	41,670	39,798
Total water management	41,670	20,278	21,392	41,670	39,798

**PARKLANDS LEE
COMMUNITY DEVELOPMENT DISTRICT
GENERAL FUND BUDGET
FISCAL YEAR 2019**

	Fiscal Year 2018			Proposed Budget FY 2019
	Adopted Budget FY 2018	Actual through 3/31/18	Projected through 9/30/18	
EXPENDITURES (continued)				
Other fees and charges				
Property appraiser	521	-	521	493
Tax collector	782	701	81	740
Total other fees and charges	<u>1,303</u>	<u>701</u>	<u>602</u>	<u>1,233</u>
Total expenditures	<u>153,402</u>	<u>84,361</u>	<u>68,573</u>	<u>150,510</u>
 Excess/(deficiency) of revenues over/(under) expenditures	 (3,330)	 58,650	 (61,512)	 (2,862) (8,500)
 Fund balance - beginning (unaudited)	 <u>144,871</u>	 <u>136,290</u>	 <u>194,940</u>	 <u>136,290</u> <u>133,428</u>
Fund balance - ending (projected)	<u>\$ 141,541</u>	<u>\$ 194,940</u>	<u>\$ 133,428</u>	<u>\$ 133,428</u> <u>\$ 124,928</u>

ASSESSMENT SUMMARY

Description	Number of Units	FY 2018 Assessment	FY 2019 Assessment	Total Revenue
Resident	493	\$ 299.05	\$ 299.00	\$ 147,407
Total	<u>493</u>			<u>\$ 147,407</u>

**PARKLANDS LEE
COMMUNITY DEVELOPMENT DISTRICT
DEFINITIONS OF GENERAL FUND EXPENDITURES**

EXPENDITURES

Professional & admin

Supervisors	\$ 4,306
<p>Statutorily set at \$200 (plus applicable taxes) for each meeting of the Board of Supervisors, not to exceed \$4,800 for each fiscal year. The District anticipates four meetings during the fiscal year.</p>	
Management/recording	60,687
<p>Wrathell, Hunt and Associates, LLC, specializes in managing community development districts in the State of Florida by combining the knowledge, skills and experience of a team of professionals to ensure compliance with all governmental requirements of the District, develop financing programs, administer the issuance of tax exempt bond financings, and finally operate and maintain the assets of the community.</p>	
Legal	500
<p>Donald A. Pickworth, Esquire, provides on-going general counsel and legal representation. As such, he is confronted with issues relating to public finance, public bidding, rulemaking, open meetings, public records, real property dedications, conveyances and contracts. He provides service as a "local government lawyer," realizing that this type of local government is very limited in its scope – providing infrastructure and services to development.</p>	
Engineering fees	500
<p>Banks Engineering, Inc., provides a broad array of engineering, consulting and construction services to the District, which assist in crafting solutions with sustainability for the long-term interests of the community - recognizing the needs of government, the environment and maintenance of the District's facilities.</p>	
Audit	7,100
<p>Statutorily required for the District to undertake an independent examination of its books, records and accounting procedures.</p>	
Accounting services	4,797
<p>Preparation of all financial work related to the District's governmental funds (including preparation of monthly financials statements and annual budgets).</p>	
Assessment roll preparation	12,500
<p>The District has a contract with AJC Associates, Inc., to prepare the annual assessment roll.</p>	
Arbitrage rebate calculation	1,200
<p>To ensure the District's compliance with all tax regulations, annual computations are necessary to calculate the arbitrage rebate liability.</p>	
Dissemination agent fees	1,000
<p>The District must annually disseminate financial information in order to comply with the requirements of Rule 15c2-12 under the Securities & Exchange Act of 1934. Wrathell, Hunt & Associates, LLC is the dissemination agent.</p>	
Trustee fees	6,000
<p>Annual fees paid to U.S. Bank for services provided as trustee, paying agent and registrar.</p>	

**PARKLANDS LEE
COMMUNITY DEVELOPMENT DISTRICT
DEFINITIONS OF GENERAL FUND EXPENDITURES**

EXPENDITURES (continued)

Telephone	500
Telephone and fax machine.	
Postage	324
Mailing of agenda packages, overnight deliveries, correspondence, etc.	
Printing & binding	1,035
Letterhead, envelopes, copies, etc.	
Legal advertising	750
The District advertises for monthly meetings, special meetings, public hearings,	
Office supplies	105
Accounting and administrative supplies.	
Annual district filing fee	175
Annual fee paid to the Department of Economic Opportunity.	
Insurance	7,000
The District carries public officials and general liability insurance with policies written by Preferred Governmental Insurance Trust. The limit of liability is set at \$1,000,000 (general aggregate \$2,000,000) and \$1,000,000 for public officials liability.	

Contingencies	1,000
Bank charges and other miscellaneous expenses incurred during the year.	

Water management

Contractual services	39,798
The District hires a qualified/licensed contractor for the routine maintenance of the lake system to insure compliance with the SFWMD issued permit. The lake maintenance expense has been increased over previous years and includes exposed lake bank mowing which is provided by agreement by the golf course. The District also operates and maintains the aeration systems, lake banks and aquascaping. These costs are shared with Parklands West CDD (based upon the number of units).	

	Total	Parklands Lee (493 Units)	Parklands West (498 Units)
Lake maintenance	42,500	21,143	20,770
Aeration	7,500	3,731	3,665
Aquascaping	5,000	2,487	2,444
Lake banks (mowing)	25,000	12,437	12,218
Total	80,000	39,798	39,097

Other fees and charges

Property appraiser	493
The property appraiser's fees are \$1.00 per parcel.	
Tax collector	740
The tax collector's fees are \$1.50 per parcel.	
Total expenditures	\$150,510

**PARKLANDS LEE
COMMUNITY DEVELOPMENT DISTRICT
DEBT SERVICE FUND BUDGET - SERIES 2013 BONDS
FISCAL YEAR 2019**

	Fiscal Year 2018			Total Revenue & Expenditures	Proposed Budget FY 2019
	Adopted Budget FY 2018	Actual through 3/31/18	Projected through 9/30/18		
REVENUES					
Assessment levy: on-roll - gross*	\$ 308,322				\$ 308,322
Allowable discounts (4%)	(12,333)				(12,333)
Assessment levy: on-roll - net	295,989	\$ 281,523	\$ 14,466	\$ 295,989	295,989
Interest	-	1,169	-	1,169	-
Total revenues	295,989	282,692	14,466	297,158	295,989
EXPENDITURES					
Debt service					
Principal Series A-1	135,000	-	135,000	135,000	140,000
Principal Series A-2	15,000	-	15,000	15,000	15,000
Interest Series A-1	126,563	63,281	63,282	126,563	123,525
Interest Series A-2	16,450	8,025	8,025	16,050	15,450
Total debt service	293,013	71,306	221,307	292,613	293,975
Excess/(deficiency) of revenues over/(under) expenditures	2,976	211,386	(206,841)	4,545	2,014
Beginning fund balance (unaudited)	246,017	253,951	465,337	253,951	258,496
Ending fund balance (projected)	\$248,993	\$465,337	\$258,496	\$ 258,496	260,510
Use of fund balance					
Debt service reserve account balance Series A-1 (required)					(8,338)
Debt service reserve account balance Series A-2 (required)					(133,084)
Series A-1 interest expense - November 1, 2019					(59,750)
Series A-2 interest expense - November 1, 2019					(7,425)
Projected fund balance surplus/(deficit) as of September 30, 2019					<u>\$ 51,913</u>

Parklands Lee
Community Development District
Series 2013 A-1
\$3,865,000

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+
11/01/2018	-	-	61,762.50	61,762.50
05/01/2019	140,000.00	2.875%	61,762.50	201,762.50
11/01/2019	-	-	59,750.00	59,750.00
05/01/2020	145,000.00	3.125%	59,750.00	204,750.00
11/01/2020	-	-	57,484.38	57,484.38
05/01/2021	145,000.00	3.250%	57,484.38	202,484.38
11/01/2021	-	-	55,128.13	55,128.13
05/01/2022	155,000.00	3.375%	55,128.13	210,128.13
11/01/2022	-	-	52,512.50	52,512.50
05/01/2023	155,000.00	3.500%	52,512.50	207,512.50
11/01/2023	-	-	49,800.00	49,800.00
05/01/2024	160,000.00	3.625%	49,800.00	209,800.00
11/01/2024	-	-	46,900.00	46,900.00
05/01/2025	170,000.00	3.750%	46,900.00	216,900.00
11/01/2025	-	-	43,712.50	43,712.50
05/01/2026	175,000.00	3.875%	43,712.50	218,712.50
11/01/2026	-	-	40,321.88	40,321.88
05/01/2027	180,000.00	4.125%	40,321.88	220,321.88
11/01/2027	-	-	36,609.38	36,609.38
05/01/2028	190,000.00	4.125%	36,609.38	226,609.38
11/01/2028	-	-	32,690.63	32,690.63
05/01/2029	200,000.00	4.125%	32,690.63	232,690.63
11/01/2029	-	-	28,565.63	28,565.63
05/01/2030	210,000.00	4.125%	28,565.63	238,565.63
11/01/2030	-	-	24,234.38	24,234.38
05/01/2031	220,000.00	4.125%	24,234.38	244,234.38
11/01/2031	-	-	19,696.88	19,696.88
05/01/2032	225,000.00	4.125%	19,696.88	244,696.88
11/01/2032	-	-	15,056.25	15,056.25
05/01/2033	235,000.00	4.125%	15,056.25	250,056.25
11/01/2033	-	-	10,209.38	10,209.38
05/01/2034	245,000.00	4.125%	10,209.38	255,209.38
11/01/2034	-	-	5,156.25	5,156.25
05/01/2035	250,000.00	4.125%	5,156.25	255,156.25
Total	\$3,200,000.00	-	\$1,279,181.34	\$4,479,181.34

Parklands Lee

Community Development District

Series 2013 Refunding Bonds (Series A-2) - Subordinate Series

\$395,000

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
11/01/2018	-	-	7,725.00	7,725.00
05/01/2019	15,000.00	4.000%	7,725.00	22,725.00
11/01/2019	-	-	7,425.00	7,425.00
05/01/2020	15,000.00	4.000%	7,425.00	22,425.00
11/01/2020	-	-	7,125.00	7,125.00
05/01/2021	15,000.00	4.000%	7,125.00	22,125.00
11/01/2021	-	-	6,825.00	6,825.00
05/01/2022	15,000.00	4.000%	6,825.00	21,825.00
11/01/2022	-	-	6,525.00	6,525.00
05/01/2023	20,000.00	4.000%	6,525.00	26,525.00
11/01/2023	-	-	6,125.00	6,125.00
05/01/2024	20,000.00	5.000%	6,125.00	26,125.00
11/01/2024	-	-	5,625.00	5,625.00
05/01/2025	15,000.00	5.000%	5,625.00	20,625.00
11/01/2025	-	-	5,250.00	5,250.00
05/01/2026	20,000.00	5.000%	5,250.00	25,250.00
11/01/2026	-	-	4,750.00	4,750.00
05/01/2027	20,000.00	5.000%	4,750.00	24,750.00
11/01/2027	-	-	4,250.00	4,250.00
05/01/2028	20,000.00	5.000%	4,250.00	24,250.00
11/01/2028	-	-	3,750.00	3,750.00
05/01/2029	20,000.00	5.000%	3,750.00	23,750.00
11/01/2029	-	-	3,250.00	3,250.00
05/01/2030	20,000.00	5.000%	3,250.00	23,250.00
11/01/2030	-	-	2,750.00	2,750.00
05/01/2031	20,000.00	5.000%	2,750.00	22,750.00
11/01/2031	-	-	2,250.00	2,250.00
05/01/2032	20,000.00	5.000%	2,250.00	22,250.00
11/01/2032	-	-	1,750.00	1,750.00
05/01/2033	20,000.00	5.000%	1,750.00	21,750.00
11/01/2033	-	-	1,250.00	1,250.00
05/01/2034	25,000.00	5.000%	1,250.00	26,250.00
11/01/2034	-	-	625.00	625.00
05/01/2035	25,000.00	5.000%	625.00	25,625.00
Total	\$325,000.00	-	\$154,500.00	\$479,500.00

**PARKLANDS LEE
COMMUNITY DEVELOPMENT DISTRICT
Projected Fiscal Year 2019 Assessments**

*****PRELIMINARY*****

2013 Series Bond Issue **Lee County
16 years remaining**

Neighborhood	Block	Product Type	Debt Service Assessment	O & M Assessment	Total Assessment	Outstanding Principal after 2018-2019 tax payment
Siena	15	Estate SF	\$ 2,467.11	\$ 282.93	\$ 2,750.04	\$ 26,965.89
Avallone	11	SF 75'	\$ 1,163.09	\$ 282.93	\$ 1,446.02	\$ 12,712.78
Bellezza	12	SF 60'	\$ 946.37	\$ 282.93	\$ 1,229.30	\$ 10,347.35
Bella Vita	9	SF 55'	\$ 930.90	\$ 282.93	\$ 1,213.83	\$ 10,174.92
Novela	10A-C	SF 53'	\$ 851.13	\$ 282.93	\$ 1,134.06	\$ 9,302.96
Paloma	Parcel 13	Coach	\$ 697.79	\$ 282.93	\$ 980.72	\$ 7,626.91

Fiscal Year 2017-2018

Siena	\$ 2,467.11	\$ 299.06	\$ 2,766.17	\$ 28,206.16
Avallone	\$ 1,163.09	\$ 299.06	\$ 1,462.15	\$ 13,297.50
Bellezza	\$ 946.37	\$ 299.06	\$ 1,245.43	\$ 10,823.27
Bella Vita	\$ 930.90	\$ 299.06	\$ 1,229.96	\$ 10,642.90
Novela	\$ 851.13	\$ 299.06	\$ 1,150.19	\$ 9,730.84
Paloma	\$ 697.79	\$ 299.06	\$ 996.85	\$ 7,977.70

**PARKLANDS LEE
COMMUNITY DEVELOPMENT DISTRICT**

6

RESOLUTION 2018-07

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

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

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE PARKLANDS LEE COMMUNITY DEVELOPMENT DISTRICT:

Section 1. The Board is currently comprised of the following individuals: Robert I. Schwartz, Elliott Erickson, Harvey L. Fontaine, Dwayne Radel and Russell T. Rupp.

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

<u>Seat</u>	<u>Supervisor</u>	<u>Term (Including Expiration Date)</u>
Seat 1	Robert I. Schwartz	11/08/2016 - 11/2020
Seat 2	Elliott Erickson	01/14/2016 - 11/2018
Seat 3	Harvey L. Fontaine	11/08/2016 - 11/2020
Seat 4	Dwayne Radel	01/12/2017 - 11/2020
Seat 5	Russell T. Rupp	11/04/2014 - 11/2018

Section 3. Seat 2, currently held by Elliott Erickson and Seat 5, currently held by Russell T. Rupp are scheduled for the General Election in November 2018.

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

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

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

Section 7. The District hereby instructs the Supervisor of Elections to conduct the District’s General Elections on the ballot of the 2018 General Election. The District understands

that it will be responsible to pay for its proportionate share of the general election cost and agrees to pay same within a reasonable time after receipt of an invoice from the Supervisor of Elections.

PASSED AND ADOPTED THIS ____ DAY OF _____, 2018.

**PARKLANDS LEE COMMUNITY
DEVELOPMENT DISTRICT**

CHAIR/VICE CHAIR

ATTEST:

SECRETARY/ASSISTANT SECRETARY

**PARKLANDS LEE
COMMUNITY DEVELOPMENT DISTRICT**

7

**PARKLANDS LEE
COMMUNITY DEVELOPMENT DISTRICT
FINANCIAL STATEMENTS
UNAUDITED
MARCH 31, 2018**

**PARKLANDS LEE
COMMUNITY DEVELOPMENT DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2018**

	<u>General</u>	<u>Debt Service Series 2013</u>	<u>Total Governmental Funds</u>
ASSETS			
SunTrust - operating account	\$216,125	\$ -	\$ 216,125
SunTrust - Palmira easement	16	-	16
Revenue	-	303,714	303,714
Reserve A1	-	133,084	133,084
Reserve A2	-	8,338	8,338
Due from other funds			
General fund	-	20,201	20,201
Total assets	<u>\$ 216,141</u>	<u>\$ 465,337</u>	<u>\$ 681,478</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 1,000	\$ -	\$ 1,000
Due to other funds			
Debt service	20,201	-	20,201
Total liabilities	<u>21,201</u>	<u>-</u>	<u>21,201</u>
Fund Balances:			
Restricted for			
Debt service	-	465,337	465,337
Unassigned	194,940	-	194,940
Total fund balances	<u>194,940</u>	<u>465,337</u>	<u>660,277</u>
Total Liabilities and Fund Balances	<u>\$ 216,141</u>	<u>\$ 465,337</u>	<u>\$ 681,478</u>

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

	Current Month	Year to Date	Budget	% of Budget
REVENUES				
Assessment levy	\$ 1,708	\$ 142,968	\$ 149,572	96%
Interest & miscellaneous	8	43	500	9%
Total revenues	<u>1,716</u>	<u>143,011</u>	<u>150,072</u>	95%
EXPENDITURES				
Administrative				
Supervisors	-	1,938	4,306	45%
Management	5,057	30,344	60,687	50%
Legal	-	-	950	0%
Engineering	-	-	500	0%
Audit	-	7,100	7,100	100%
Accounting services	400	2,399	4,797	50%
Assessment roll preparation	10,000	12,500	12,500	100%
Arbitrage rebate calculation	-	-	1,200	0%
Dissemination agent	83	500	1,000	50%
Trustee	-	-	6,000	0%
Telephone	42	250	500	50%
Postage	6	145	324	45%
Printing & binding	86	518	1,035	50%
Legal advertising	-	231	750	31%
Office supplies	-	-	105	0%
Annual district filing fee	-	175	175	100%
Insurance	-	6,829	7,000	98%
Contingencies	77	453	1,500	30%
Total administrative	<u>15,751</u>	<u>63,382</u>	<u>110,429</u>	57%
Water management				
Contractual services	3,076	20,278	41,670	49%
Total water management	<u>3,076</u>	<u>20,278</u>	<u>41,670</u>	49%
Other fees and charges				
Property appraiser	-	-	521	0%
Tax collector	-	701	782	90%
Total other fees and charges	<u>-</u>	<u>701</u>	<u>1,303</u>	54%
Total expenditures	<u>18,827</u>	<u>84,361</u>	<u>153,402</u>	55%
Excess/(deficiency) of revenues over/(under) expenditures	(17,111)	58,650	(3,330)	
Fund balance - beginning	212,051	136,290	144,871	
Fund balance - ending	<u>\$ 194,940</u>	<u>\$ 194,940</u>	<u>\$ 141,541</u>	

**PARKLANDS LEE
COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
DEBT SERVICE FUND SERIES 2013 REFUNDING BONDS
FOR THE PERIOD ENDED MARCH 31, 2018**

	Current Month	Year To Date	Budget	% of Budget
REVENUES				
Assessment levy	\$ 3,381	\$ 281,523	\$ 295,989	95%
Interest	323	1,169	-	N/A
Total revenues	<u>3,704</u>	<u>282,692</u>	<u>295,989</u>	96%
EXPENDITURES				
Debt service				
Principal Series A-1	-	-	135,000	0%
Principal Series A-2	-	-	15,000	0%
Interest Series A-1	-	63,281	126,563	50%
Interest Series A-2	-	8,025	16,450	49%
Total debt service	<u>-</u>	<u>71,306</u>	<u>293,013</u>	24%
Excess/(deficiency) of revenues over/(under) expenditures	3,704	211,386	2,976	
Fund balances - beginning	<u>461,633</u>	<u>253,951</u>	<u>250,417</u>	
Fund balances - ending	<u><u>\$ 465,337</u></u>	<u><u>\$ 465,337</u></u>	<u><u>\$ 253,393</u></u>	

**PARKLANDS LEE
COMMUNITY DEVELOPMENT DISTRICT**

8

1 **MINUTES OF MEETING**
2 **PARKLANDS LEE**
3 **COMMUNITY DEVELOPMENT DISTRICT**
4

5 A Regular Meeting of the Parklands Lee Community Development District's Board of
6 Supervisors was held on Thursday, January 11, 2018 at 1:15 p.m., at The Renaissance Center,
7 28121 Palmira Blvd., Bonita Springs, Florida 34135.
8

9 **Present and constituting a quorum were:**

10 Russell Rupp	Chair
11 Robert Schwartz	Vice Chair
12 Dwayne Radel (<i>via telephone</i>)	Assistant Secretary
13 Elliott Erickson	Assistant Secretary
14 Harvey Fontaine	Assistant Secretary

15 **Also present were:**

16
17
18
19 Chuck Adams District Manager

20
21
22 **FIRST ORDER OF BUSINESS**

Call to Order/Roll Call

23
24 Mr. Adams called the meeting to order at 1:25 p.m. Supervisors Rupp, Schwartz,
25 Erickson and Fontaine were present, in person. Supervisor Radel was attending via telephone.

26
27 **SECOND ORDER OF BUSINESS**

Public Comments

28
29 There being no public comments, the next item followed.
30

31 **THIRD ORDER OF BUSINESS**

**Discussion/Update: Lake and Aeration
Maintenance Status/Performance by
LakeMasters**

32
33
34
35 Mr. Adams stated he was pleased with the performance of LakeMasters Aquatic Weed
36 Control, Inc. (LakeMasters). LakeMasters had a lot of work to complete to bring the community
37 up to the desired standards, in addition to recovery work related to Hurricane Irma and recent
38 storms. Through special work orders, LakeMasters removed trees and vegetation from the ponds
39 and flow ways. Some compressors had water damage; delays were due to supply and demand
40 issues, since many communities experienced the same damages. A Board Member asked where
41 the compressors were located. Mr. Adams stated he distributed a map that identifies the

42 locations of the lakes, aerators and each of the heads; it is also on the CDD and HOA websites.
43 Mr. Adams should be notified by email of any aerators that are not working properly.

44 Mr. Adams stated that, at the Parklands West CDD meeting, Mr. Erickson, on behalf of
45 the Golf Course, stated that he was pleased with LakeMasters’ performance. Mr. Rupp stated he
46 contacted Mr. Wyant and was told everything was performing well and that the reset of those
47 questionable areas was going well. In response to a question about the cost, Mr. Adams stated
48 about \$7,500, for vegetation removal and aerator compressor replacements related to storm
49 damage. Funding would come from the repair and maintenance budget and, if necessary,
50 reserves, since the District would not be able to file an insurance claim because of the deductible.

51 Mr. Adams responded to several questions, stating that reserve funds were sufficient,
52 LakeMasters has a one-year contract with a one-year option, LakeMasters’ fees would remain
53 the same for both years, the contract included a 30–day with or without cause termination clause,
54 LakeMasters was the District’s vendor in the past but the Management issues were subsequently
55 resolved and he preferred LakeMasters’ aeration preventative maintenance and reporting
56 programs by having a department specifically assigned to this task.

57
58 **FOURTH ORDER OF BUSINESS**

**Approval of Unaudited Financial
Statements as of November 30, 2017**

59 Mr. Adams presented the Unaudited Financial Statements as of November 30, 2017.
60
61 Assessment revenue collections were at 30% and expenditures were at 15%.
62

63
64 **FIFTH ORDER OF BUSINESS**

**Approval of October 5, 2017 Rescheduled
Public Hearing and Special Meeting
Minutes**

65
66
67
68 Mr. Adams presented the October 5, 2017 Rescheduled Public Hearing and Special
69 Meeting Minutes and asked for any additions, deletions or corrections.
70

**On MOTION by Mr. Fontaine and seconded by Mr. Rupp,
with all in favor, the October 5, 2017 Rescheduled Public
Hearing and Special Meeting Minutes, as presented, were
approved.**

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77 **SIXTH ORDER OF BUSINESS**

Other Business

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79 There being no report, the next item followed.
80

81 SEVENTH ORDER OF BUSINESS Staff Reports

82
83 A. District Counsel

84 There being no report, the next item followed.

85 B. District Engineer

86 There being no report, the next item followed.

87 C. District Manager

88 i. NEXT MEETING DATE: May 10, 2018 at 1:15 p.m.

- 89 • Approve Proposed Budget for Fiscal Year 2018/2019
- 90 • Accept Audited Financial Report for Fiscal Year 2017

91 The next meeting will be held on May 10, 2018 at 1:15 p.m., at this location. The two
92 items noted above will be discussed.

93

94 EIGHTH ORDER OF BUSINESS Audience Comments/Supervisors'
95 Requests

96
97 Mr. Schwartz asked for an update on the area, Mr. Adams stated that the City, South
98 Florida Water Management District (SFWMD) and the County had a specialist examine the
99 system and, per the Preliminary Report, little had changed over the past 20 years. He hoped some
100 of the suggested changes would be implemented, such as maintenance, hydraulic improvements,
101 changing flow directions, etc. If any of the improvements are approved, funding would come
102 from SFWMD, since it permitted the current design and operation. Maintenance costs are paid to
103 the SFWMD, County and City, through the property tax bills, as those entities are responsible for
104 all the natural resources, including maintenance natural water bodies. Funding for capital
105 improvements would likely come from the State, potentially through the Federal Emergency
106 Management Agency (FEMA). A Town Hall Meeting would be held at Worthington to further
107 discuss updates to the Report and the findings. He expected that, with Representative Rooney in
108 attendance, capital improvements and funding would be discussed; however, with FEMA being
109 overburdened by the various natural disasters, FEMA funding is quickly being depleted.

110

111 NINTH ORDER OF BUSINESS Adjournment

112
113 There being nothing further to discuss, the meeting adjourned.

114

<p>115 On MOTION by Mr. Schwartz and seconded by Mr. Rupp, 116 with all in favor, the meeting adjourned at 1:40 p.m.</p>

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Secretary/Assistant Secretary

Chair/Vice Chair

DRAFT

**PARKLANDS LEE
COMMUNITY DEVELOPMENT DISTRICT**

10Ci

WRATHELL, HUNT & ASSOCIATES LLC.

2300 GLADES RD, #410W
BOCA RATON FL 33431

Lee County FL – Community Development Districts

04/15/2018

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

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