

***Waterstone
Community Development District***

April 6, 2017

Waterstone

Community Development District

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

March 30, 2017

Board of Supervisors Waterstone Community Development District

Dear Board Members:

The regular meeting of the Board of Supervisors of **Waterstone Community Development District** is scheduled for **April 6, 2017 at 11:00 a.m. at 2160 NW Reserve Park Trace, Port St. Lucie, Florida.** Following is the advance agenda for the meeting:

1. Oath of Office for Newly Elected Supervisors Elected at the Landowners Meeting held on November 3, 2016 - Seat #1, Seat #2 & Seat #3
2. Roll Call
3. Organizational Matters
 - A. Consideration of **Resolution #2017-01** Canvassing and Certifying the Results of the Landowners Election
 - B. Consideration of **Resolution #2017-02** Electing Officers
4. Approval of the Minutes of the August 4, 2016 Meeting
5. Consideration of **Resolution #2017-03** Approving the Proposed Fiscal Year 2018 Budget and Setting the Public Hearing
6. Ratification of Engagement Letter and Addendum with Grau & Associates to perform the Audit for Fiscal Year Ending September 30, 2016
7. Staff Reports
 - A. Attorney
 - B. Engineer
 - C. Manager
8. Supervisors Requests and Audience Comments
9. Financial Reports
 - A. Approval of Check Run Summary
 - B. Balance Sheet and Income Statement
10. Adjournment

After each of the Board members who were elected at the landowners election are given the oath of office, we will have a quorum and be able to conduct the regular business meeting and we can consider **Resolution #2017-01** Canvassing and Certifying the Results of the Landowners Election and **Resolution #2017-02** Electing Officers. Copies of the resolutions are enclosed.

The fifth order of business is consideration of **Resolution #2017-03** Approving the Proposed Fiscal Year 2018 Budget and Setting the Public Hearing. Copies of the resolution and proposed budget are enclosed.

The sixth order of business is ratification of engagement letter and addendum with Grau & Associates to perform the audit for fiscal year ending September 30, 2016; copies of which are enclosed for your review.

The financials are also enclosed. The balance of the agenda is routine in nature and staff will present their reports at the meeting. Any additional documentation will be provided under separate cover as soon as it becomes available or presented at the meeting. I look forward to seeing you at the meeting and in the meantime if you have any questions, please contact me.

Sincerely,



Rich Hans
Manager

CC: Dennis Lyles John Kelly Danny Tyler Frank A. Ksiazek Julio Aponte
Sue Miranda Eddie Beis Harry Lerner Deborah Kharran-Misra

RESOLUTION 2017-01

**A RESOLUTION CANVASSING AND CERTIFYING THE RESULTS
OF THE LANDOWNERS ELECTION OF SUPERVISORS HELD
PURSUANT TO SECTION 190.006(2), FLORIDA STATUTES**

WHEREAS, pursuant to Section 190.006(2), Florida Statute, a landowners meeting is required to be held within 90 days of the District's creation and every two years following the creation of a Community Development District for the purpose of electing *three* Supervisors of the District; and

WHEREAS, following proper publication of notice thereof, such landowners meeting was held on *November 03, 2016*, at which the below recited persons were duly elected by virtue of the votes cast in their respective favor; and

WHEREAS, the Board of Supervisors by means of this Resolution desire to canvass the votes and declare and certify the results of said election;

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

1. The following persons are found, certified, and declared to have been duly elected as Supervisors of and for the District, having been elected by the votes cast in their favor as shown, to wit:

<u>David Jae</u>	<u>310</u> Votes
<u>John Blakley</u>	<u>310</u> Votes
<u>Adam Lerner</u>	<u>309</u> Votes

2. In accordance with said statute, and by virtue of the number of votes cast for the respective Supervisors, they are declared to have been elected for the following terms of office:

David Jae

four (4) year term

John Blakley

four (4) year term

Adam Lerner

two (2) year term

3. Said terms of office shall commence immediately upon the adoption of this Resolution.

PASSED AND ADOPTED THIS, _____ DAY OF _____.

Chairman / Vice Chairman

Secretary / Assistant Secretary

RESOLUTION 2017-02

**A RESOLUTION ELECTING OFFICERS OF THE
WATERSTONE COMMUNITY DEVELOPMENT
DISTRICT**

WHEREAS, the Board of Supervisors of the Waterstone Community Development District at a regular business meeting following the landowners meeting held on November 03, 2016 desires to elect the below recited persons to the offices specified.

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

1. The following persons were elected to the offices shown, to wit:

_____	Chairman
_____	Vice Chairman
_____	Treasurer
_____	Secretary
_____	Assistant Secretary
_____	Assistant Secretary
_____	Assistant Secretary

PASSED AND ADOPTED THIS _____ DAY OF _____.

Chairman / Vice Chairman

Secretary / Assistant Secretary

**MINUTES OF MEETING
WATERSTONE
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Waterstone Community Development District was held on Thursday, August 4, 2016 at 11:00 a.m. at 2160 NW Reserve Park Trace, Port St. Lucie, Florida.

Present and constituting a quorum were:

Chris Dalfo	Chairman
John Blakley	Assistant Secretary
Bob Bishop	Assistant Secretary (by phone)
Adam Lerner	Assistant Secretary

Also present were:

Ginger Wald	District Counsel
Lisa Derryberry	District Manager

FIRST ORDER OF BUSINESS

Roll Call

Ms. Derryberry called the meeting to order and called the roll.

SECOND ORDER OF BUSINESS

**Approval of the Minutes of the
April 7, 2016 Meeting**

Ms. Derryberry: Behind tab No. 2 in your agenda package are the minutes of the April 7, 2016 meeting. If you have any corrections I'll take those at this time, otherwise, a motion approving the minutes would be in order.

On MOTION by Mr. Dalfo seconded by Mr. Lerner with all in favor, the Minutes of April 7, 2016 Meeting were approved.

THIRD ORDER OF BUSINESS

Public Hearing to Adopt the Fiscal Year 2017 Budget

A. Motion to Open the Public Hearing

Ms. Derryberry: This meeting was advertised as a public hearing to adopt the fiscal year 2017 budget, at this time a motion to open the public hearing would be in order.

On MOTION by Mr. Blakley seconded by Mr. Bishop with all in favor, opening the Public Hearing was approved.

B. Public Comment and Discussion

C. Consideration of Resolution #2016-02 Annual Appropriation Resolution

Ms. Derryberry: There being no members of the general public here today for comment, we can move on to consideration of resolution #2016-02 which is the annual appropriation resolution. The budget in your package is the same as proposed from our last meeting in April. If there are any changes or questions, or corrections I'll take those at this time. It is a similar budget that has been adopted in prior years.

On MOTION by Mr. Dalfo seconded by Mr. Lerner with all in favor, Resolution #2016-02 the Annual Appropriation Resolution was approved.

D. Motion to Close the Public Hearing

Ms. Derryberry: We just need a motion to close the public hearing.

On MOTION by Mr. Blakley seconded by Mr. Dalfo with all in favor, closing the Public Hearing was approved.

FOURTH ORDER OF BUSINESS

Acceptance of Audit for Fiscal Year Ending September 30, 2015

Ms. Derryberry: The next item on the agenda is the acceptance of the audit for fiscal year ending September 30, 2015. The audit is not in your package but I brought a copy and I believe they were distributed to the members of the board by email. The only findings were with regard to nonpayment of the bonds which has been a recurring finding and an additional finding regarding a disclosure of the nonpayment of debt service on Emma, which has been corrected. If there are any questions about the audit I'll take those at this time, otherwise a motion accepting the audit would be in order.

On MOTION by Mr. Blakley seconded by Mr. Lerner with all in favor, accepting the audit for Fiscal Year ending September 30, 2015 was approved.
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FIFTH ORDER OF BUSINESS

Notice of Fine Hearing from St. Lucie County Regarding Violation for Property Next to 8850 Indrio Road

Ms. Derryberry: The next item on the agenda behind tab No. 5 is a notice of a fine hearing from St. Lucie County regarding a violation for the property next to 8850 Indrio Road. This is for informational purposes only. The violation has been corrected.

Mr. Blakley: I'm not sure about the address, is this our property, or was this an adjoining property that we were just notified about? Is our property 8850?

Mr. Bishop: Is this a fence issue John?

Mr. Blakley: Yes, but is it on our property or is it on a neighboring property?

Mr. Bishop: No it's the fence that the CDD had to put up, part of the site plan, it's up in the back and we have trouble with it every now and then and they cite us, we send someone out there to fix it.

Mr. Dalfo: I think the weight of the fence is the problem.

Mr. Blakley: Has it been fixed yet?

Mr. Bishop: Yes.

Mr. Blakley: It has.

Ms. Derryberry: Yes it has been fixed, that's correct, so this was just for your information.

Ms. Wald: Did we get confirmation from the code inspector that they've re-inspected and closed the case because if not it will go to a hearing?

Ms. Derryberry: That I will check into, I know the hearing date I believe was June 3rd, so I believe that everything has been resolved but I will check.

Ms. Wald: August 3rd, which was yesterday.

Ms. Derryberry: I'm sorry, August 3rd.

Ms. Wald: So yesterday was the fine hearing, so it might be worthwhile to check.

Mr. Blakely: Did we have to make an appearance at the fine hearing?

Ms. Wald: You don't have to if it's in compliance and has been certified by the code inspector assigned to the case because that code inspector will go ahead and certify such and provide it to the clerk of the court as per their ordinance. The only other thing in reading this that I would mention is there was a hearing, the initial hearing as to whether a violation existed, according to the second attachment, which are the findings of facts back in May and the order was to have the fence repaired by June 3rd, but it also talked about the imposition of costs and I don't know what had occurred as to that, an imposition of \$200 is the cost. So if that can be checked on too because that would be something you'd want to dispute.

Mr. Blakley: Bob I'm assuming you just got verification from the vendor, is that right?

Mr. Bishop: Yes, they kind of all know each other over there, so I'll try to find that out.

Mr. Blakely: Ok. We'll have the District manager also follow up with the appropriate governmental authority to make sure that this thing has been resolved to their satisfaction.

Ms. Derryberry: Ok, we'll be happy to do that.

SIXTH ORDER OF BUSINESS Staff Reports

Ms. Derryberry: Moving on to Staff Reports, Ginger?

A. Attorney - Discussion of 2016 Legislative Memorandum and Supplement Memorandum

Ms. Wald: Yes, in your packet is a memorandum that was provided by our office as to the last legislative sessions and the new laws. Some are actually in effect, they went into effect on July 1st, and the others go into effect on October 1st that may directly relate to Community Development Districts. The first one, and let me see what you do have in your packet. The first one you have in your packet is in regards to public records law. This is a new section that has already went into effect on July 1st and we've added to each one of our standard agreements where the public records from a contractor or from a vendor that the District itself goes ahead and contracts with, those records now as opposed to the contractor maintaining them for public records requests, when they're contacted it has to go directly to the District manager, who is the official public records custodian for the District. So then the District manager would be providing those records, when those records requests are made, and then maintaining those records. So that hopefully will avoid any problems potentially in the future regarding public records requests and contractors and vendors. The second one you have is the official website of all Community Development Districts including this one, now has to include additional information. This actually goes into effect on October 1st, it talks about similar things in regards to the budget. It does provide certain time periods which it didn't have before and additional now the agendas and all backup documentation has to be on the website and has to be on pretty quickly, so obviously that's something that your District manager is working on with adding those things to the website if they haven't been done so already.

Ms. Derryberry: Yes, it's being done.

Ms. Wald: And the last one is dealing with small communities and sewer system and I don't think it's going to affect this CDD at all. Is the second back up in here? I

didn't see it in here, oh yes it's in here. We did an addendum to that memo, it's the second part on here, and it's additional legislative matters that were adopted. The first one is for brand new Districts, it has expanded from 1,000 acres to 2,500 acres as opposed to going through the state and you could go through the county if you wanted to open a new one. The other one is also dealing with contracts for larger construction projects, it now allows a Community Development District and other Special Districts to actually interview, and have discussions with those potential bidders of large construction contracts outside of the Sunshine and it can be in a sunset meeting. Minutes would have to be taken and then thereafter they would be provided. It just helps as to the potential bidders in regards to trade secrets, not knowing what other people are doing and hopefully getting additional bidders than you normally would have on construction projects with public entities, and that's basically it.

Ms. Derryberry: Great.

Mr. Blakley: Just a matter of curiosity, with the recordkeeping, is there a requirement to keep any or all of them in paper as opposed to electronic?

Ms. Wald: No.

Mr. Blakley: So conceivably everything could be converted to electronic and then if somebody wanted it would be provided that way?

Ms. Wald: Yes. The general law, now there's always specifics as to each item. The general law is that whatever method or medium that is kept, however it's done, so email because that's the easiest way I describe to people, for emails, you do not have to print out every single one of your emails and keep it in a print form. If somebody makes a public records request for let's say, for instance, emails of the District manager in the last 6 months dealing with Waterstone, if those are kept only in that electronic format, that is the only format that the District manager has to provide. That being said, if an individual who makes that public records request is unable to actually review them, they could then make that demand that you have to provide it in some type of medium.

Mr. Blakley: Yes what if they say they don't have a computer, that's what I'm thinking of. If your employer requests from somebody that doesn't have a computer because that's what a lot of the voting rights issue is about is that they don't have access.

Ms. Wald: That is correct. I haven't seen any cases as to that, but I would say in that regard, that's fine, we'll print them out for you, but this is what it's going to cost.

Mr. Blakley: Right, that's right.

Ms. Wald: And we would follow the statute, and advise obviously the District manager of following the statute as to that. The other thing too is, remember, you don't actually have to put it on a disk, put it on a jump drive, put it in that format, you can see come on in, set up a dummy system, laptop or something and review them all day long.

Mr. Blakley: Right.

Ms. Wald: So I don't really get concerned specifically as to format, I think in the old days it used to be difficult, in sending like CADD drawings and those type of things, but nowadays anybody can get to a computer, or you can go to a library, almost everybody has a computer, we all have them in our phones now, so it's not too much of a problem.

Mr. Blakley: That's true.

Ms. Derryberry: Ok, thank you Ginger.

Ms. Wald: You're welcome.

B. Engineer

Ms. Derryberry: There is no engineer present today.

C. Manager

- 1) **Number of Registered Voters in the District - 8**
- 2) **Consideration of Proposed Fiscal Year 2017 Meeting Schedule**
- 3) **Discussion of Financial Disclosure Report from the Commission on Ethics - *everyone has filed***

Ms. Derryberry: Moving on the manager's report. I am required to report to you the number of registered voters in the District, there are 8. When the District has been in existence for 6 years and there are 250 registered voters in the District we begin

transitioning to the general election, but for right now we're still in the landowners election with the number of registered voters in the District. The next item behind tab 6C-2 in your agenda package is consideration of the proposed fiscal year 2017 meeting schedule. The dates are listed there, the meetings are proposed to be held at 11:00 a.m. at this location on the first Thursday of each month. As you know this District meets two times at the most, maybe three times per year. The exception this year being that there will be a landowners meeting on November 3rd, and it is not a formal board meeting but one board member would have to be here with the proxy to vote. If there are no questions or concerns about this schedule, a motion accepting this proposed meeting schedule and authorizing staff to publish it would be in order.

On MOTION by Mr. Blakley seconded by Mr. Dalfo with all in favor, accepting the proposed Fiscal Year 2017 Meeting Schedule and authorizing staff to advertise was approved.

Ms. Derryberry: Then the last item under manager is just to reflect that all the filings for the board members have been done on time and have been received so we're good for another year on your F1 Forms with the state.

**SEVENTH ORDER OF BUSINESS Supervisors Requests and
Audience Comments**

Ms. Derryberry: Moving on, are there any supervisors requests at this time? Not hearing any we can just let the record reflect there is no audience present here today.

EIGHTH ORDER OF BUSINESS Financial Reports

- A. Approval of the Check Run Summary**
- B. Balance Sheet and Income Statement**

Ms. Derryberry: Moving on to the financial reports. Behind tabs 8A and 8B you'll find a check run summary and the balance sheet and income statement. If there are any questions we'll take those at this time, otherwise a motion approving those would be in order.

On MOTION by Mr. Dalfo seconded by Mr. Blakley with all in favor accepting the Check Run Summary, Balance Sheet and Income Statement were approved.

NINTH ORDER OF BUSINESS Adjournment

Ms. Derryberry: Then the final motion would be to adjourn the meeting if there is no other further business.

On MOTION by Mr. Dalfo seconded by Mr. Lerner with all in favor, the Meeting was adjourned.

Secretary / Assistant Secretary

Chairman / Vice Chairman

RESOLUTION 2017-03

A RESOLUTION OF THE WATERSTONE COMMUNITY DEVELOPMENT DISTRICT APPROVING THE DISTRICT'S PROPOSED BUDGET FOR FISCAL YEAR 2018 AND SETTING A PUBLIC HEARING THEREON PURSUANT TO FLORIDA LAW

WHEREAS, the District Manager has prepared the proposed budget for the **Fiscal Year 2018**; and

WHEREAS, the Board of Supervisors approves the proposed budget for purpose of submitting said budget to the local governing authorities not less than 60 days prior to the public hearing date in accordance with Chapter 190.008(b), Florida Statutes: and

WHEREAS, the Board of Supervisors desires to set the public hearing date;

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

1. The proposed budget for **Fiscal Year 2018** is hereby approved for the purpose of conducting a public hearing to adopt said budget.
2. A public hearing on said approved budget is hereby declared and set for the following date, hour and place:

Date: _____

Hour: _____

Place: _____

Notice of public hearing shall be published in accordance with Florida Law.

Adopted this _____ of day of _____, 2017

Chairman/Vice Chairman

Secretary/Assistant Secretary

*Proposed Budget
Fiscal Year 2018*

*Waterstone Community
Development District*

April 6, 2017



Waterstone
Community Development District

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Waterstone

Community Development District

General Fund

Description	Adopted Budget FY 2017	Actuals Thru 2/28/2017	Projected Next 7 Months	Total Projected FY 2017	Proposed Budget FY 2018
Revenues					
Undesignated Fund Balance	\$9,519	\$133,213	\$0	\$133,213	\$161,032
Maintenance Assessments-Direct	\$125,344	\$33,716	\$91,628	\$125,344	\$0
Interest Earned	\$0	\$0	\$0	\$0	\$0
Total Revenues	\$134,863	\$166,929	\$91,628	\$258,557	\$161,032
Expenditures					
Administrative					
Supervisors	\$4,000	\$0	\$2,000	\$2,000	\$4,000
Fica	\$306	\$0	\$153	\$153	\$306
Engineering	\$3,000	\$0	\$3,000	\$3,000	\$3,000
Arbitrage	\$1,250	\$0	\$1,200	\$1,200	\$1,200
Dissemination	\$4,000	\$0	\$4,000	\$4,000	\$4,000
Attorney	\$20,000	\$2,601	\$4,399	\$7,000	\$20,000
Annual Audit	\$5,300	\$0	\$5,200	\$5,200	\$5,400
Trustee Fees	\$11,500	\$0	\$11,000	\$11,000	\$11,000
Management Fees	\$30,000	\$12,500	\$17,500	\$30,000	\$30,000
Computer Time	\$1,000	\$417	\$583	\$1,000	\$1,000
Website Compliance	\$500	\$42	\$458	\$500	\$500
Telephone	\$50	\$0	\$20	\$20	\$25
Postage	\$200	\$11	\$89	\$100	\$100
Insurance	\$6,232	\$5,778	\$0	\$5,778	\$6,356
Printing & Binding	\$250	\$18	\$182	\$200	\$200
Legal Advertising	\$1,000	\$353	\$447	\$800	\$1,000
Other Current Charges	\$300	\$152	\$212.32	\$364	\$400
Office Supplies	\$50	\$0	\$25	\$25	\$25
Dues, Licenses & Subscriptions	\$175	\$175	\$0	\$175	\$175
Capital Outlay	\$250	\$0	\$250	\$250	\$250
Total Administrative Expenditures	\$89,363	\$22,046	\$50,719	\$72,765	\$88,937
Field					
Landscape Maintenance	\$15,000	\$1,545	\$2,490	\$4,035	\$6,180
Lake Maintenance	\$10,300	\$0	\$0	\$0	\$10,300
Electric	\$13,200	\$5,659	\$7,922.03	\$13,581	\$14,000
Water/Sewer	\$1,000	\$356	\$498.05	\$854	\$1,000
Repairs and Maintenance	\$6,000	\$6,290	\$0	\$6,290	\$10,000
Total Field Expenditures	\$45,500	\$13,849	\$10,910	\$24,759	\$41,480
Total Expenditures	\$134,863	\$35,895	\$61,629	\$97,524	\$130,417
Unassigned Fund Balance	\$0	\$131,033	\$29,999	\$161,032	\$30,615

Waterstone
Community Development District
General Fund Budget

REVENUES:

Excess Funds/Direct Assessments-SPE

The District will use all excess funds and will bill the remainder balance to the SPE.

EXPENDITURES:

Administrative:

Supervisor Fees

The Florida Statutes allows each board member to receive \$200 per meeting not to exceed \$4,800 in one year. The amount for the fiscal year is based upon all four supervisors attending the estimated 12 annual meetings.

FICA Expense

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

Engineering Fees

The District's engineer will be providing general engineering services to the District, i.e. attendance and preparation for monthly board meetings, review invoices, etc.

Arbitrage

The District is required to annually have an arbitrage rebate calculation on the District's Bonds.

Dissemination

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

Trustee Fees

The amount of the trustee fees is based on the agreement between U.S. Bank and the District.

Attorney

The District's legal counsel will be providing general legal services to the District, i.e. attendance and preparation for monthly meetings, review operating & maintenance contracts, etc. The District has contracted with Hopping, Green & Sams for these services.

Annual Audit

The District is required to annually conduct an audit of its financial records by an Independent Certified Public Accounting Firm. The fee is based on similar Community Development Districts and includes the GASB 34 pronouncement.

Waterstone
Community Development District
General Fund Budget

Management Fees

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

Computer Time

The District processes all of its financial activities, i.e. accounts payable, financial statements, etc. on a main frame computer leased by Governmental Management Services – South Florida, LLC.

Website Compliance

Per Chapter 2014-22, Laws of Florida, all Districts must have a website by October 1, 2015 to provide detailed information on the CDD as well as links to useful websites regarding Compliance issues. This website will be maintained by GMS-SF, LLC and updated monthly.

Telephone

Telephone and fax machine

Postage

Mailing of agenda packages, overnight deliveries, correspondence, etc.

Insurance

The District will bind General Liability & Public Officials Liability Insurance with a firm that specializes in providing insurance coverage to governmental agencies. The amount is based upon similar Community Development Districts.

Printing & Binding

Printing and Binding agenda packages for board meetings, printing of computerized checks, stationary, envelopes etc.

Legal Advertising

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

Other Current Charges

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

Office Supplies

Miscellaneous office supplies.

Dues, Licenses & Subscriptions

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

Waterstone
Community Development District
General Fund Budget

Capital Outlay

Represents any minor capital expenditures the District may need to make during the Fiscal Year such as a file cabinet for District files.

FIELD:

Landscape Maintenance

Represents mowing of grounds within the District.

Lake Maintenance

Represents the maintenance of the (7) seven lakes within the District.

Electric

Represents Electric services provided by FPL.

Water/Sewer

Represents Water and Sewer services provided by St. Lucie County Utilities.

Repairs & Maintenance

Represents any expenditures such as repairs and maintenance the District may need to make during the Fiscal Year.

Waterstone

Community Development District

Debt Service

<u>Description</u>	<u>Adopted Budget FY 2017</u>	<u>Proposed Budget FY 2018</u>
Revenues		
<i>Special Assessments - Direct ⁽¹⁾</i>	\$912,175	\$912,175
Total Revenues	\$912,175	\$912,175
Expenditures		
<i>Interest Expense 11/1</i>	\$456,088	\$456,088
<i>Interest Expense 5/1</i>	\$456,088	\$456,088
Total Expenditures	\$912,175	\$912,175
Excess Revenues (Expenditures)	\$0	\$0

⁽¹⁾ Held in abeyance per settlement agreement dated September 7th, 2013.

Waterstone
COMMUNITY DEVELOPMENT DISTRICT

Series 2007B, Special Assessment Revenue Bonds
Amortization Schedule

DATE	PRINCIPAL BALANCE	RATE	INTEREST	PRINCIPAL	TOTAL
1-Nov-07	\$ 17,000,000	5.5%	\$ 488,277.78	\$ 135,000.00	\$ 623,277.78
1-May-08	\$ 16,865,000	5.5%	\$ 463,787.50	\$ -	
1-Aug-08	\$ 16,865,000	5.5%	\$ 3,850.00	\$ 280,000.00	
1-Nov-08	\$ 16,585,000	5.5%	\$ 456,087.50	\$ -	\$ 1,203,725.00
1-May-09	\$ 16,585,000	5.5%	\$ 456,087.50	\$ -	
1-Nov-09	\$ 16,585,000	5.5%	\$ 456,087.50	\$ -	\$ 912,175.00
1-May-10	\$ 16,585,000	5.5%	\$ 456,087.50	\$ -	
1-Nov-10	\$ 16,585,000	5.5%	\$ 456,087.50	\$ -	\$ 912,175.00
1-May-11	\$ 16,585,000	5.5%	\$ 456,087.50	\$ -	
1-Nov-11	\$ 16,585,000	5.5%	\$ 456,087.50	\$ -	\$ 912,175.00
1-May-12	\$ 16,585,000	5.5%	\$ 456,087.50	\$ -	
1-Nov-12	\$ 16,585,000	5.5%	\$ 456,087.50	\$ -	\$ 912,175.00
1-May-13	\$ 16,585,000	5.5%	\$ 456,087.50	\$ -	
1-Nov-13	\$ 16,585,000	5.5%	\$ 456,087.50	\$ -	\$ 912,175.00
1-May-14	\$ 16,585,000	5.5%	\$ 456,087.50	\$ -	
1-Nov-14	\$ 16,585,000	5.5%	\$ 456,087.50	\$ -	\$ 912,175.00
1-May-15	\$ 16,585,000	5.5%	\$ 456,087.50	\$ -	
1-Nov-15	\$ 16,585,000	5.5%	\$ 456,087.50	\$ -	\$ 912,175.00
1-May-16	\$ 16,585,000	5.5%	\$ 456,087.50	\$ -	
1-Nov-16	\$ 16,585,000	5.5%	\$ 456,087.50	\$ -	\$ 912,175.00
1-May-17	\$ 16,585,000	5.5%	\$ 456,087.50	\$ -	
1-Nov-17	\$ 16,585,000	5.5%	\$ 456,087.50	\$ -	\$ 912,175.00
1-May-18	\$ 16,585,000	5.5%	\$ 456,087.50	\$ 16,585,000	\$ 17,041,087.50
Total			\$ 10,077,665.28	\$ 17,000,000.00	\$ 27,077,665.28

Original Issue	\$17,000,000
Call 11/1/07	(\$135,000)
Call 8/1/08	(\$280,000)
Bonds Outstanding	\$16,585,000



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

2700 North Military Trail - Suite 350
Boca Raton, Florida 33431
(561) 994-9299 - (800) 299-4728
Fax (561) 994-5823
www.graucpa.com

August 1, 2016

Board of Supervisors
Attn: Patti Powers
Waterstone Community Development District
5385 N. Nob Hill Road
Sunrise, FL 33351

We are pleased to confirm our understanding of the services we are to provide Waterstone Community Development District, St. Lucie County, Florida ("the District") for the fiscal year ended September 30, 2016. We will audit the financial statements of the governmental activities, including the related notes to the financial statements, which collectively comprise the basic financial statements of Waterstone Community Development District as of and for the fiscal year ended September 30, 2016. In addition, we will examine the District's compliance with the requirements of Section 218.415 Florida Statutes. This letter serves to renew our agreement and establish the terms and fee for the 2016 audit.

Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's 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. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding 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 will 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.

The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Budgetary comparison schedule

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the District and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the District's financial statements. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add emphasis-of-matter or other-matter paragraphs. If our opinion on the financial statements is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or issue a report, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the District is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Examination Objective

The objective of our examination is the expression of an opinion as to whether the District is in compliance with Florida Statute 218.415 in accordance with Rule 10.556(10) of the Auditor General of the State of Florida. Our examination will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and will include tests of your records and other procedures we consider necessary to enable us to express such an opinion. We will issue a written report upon completion of our examination of the District's compliance. The report will include a statement that the report is intended solely for the information and use of management, those charged with governance, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add emphasis-of-matter or other-matter paragraphs. If our opinion on the District's compliance is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the examination or are unable to form or have not formed an opinion, we may decline to express an opinion or issue a report, or may withdraw from this engagement.

Management Responsibilities

Management is responsible for the financial statements and all accompanying information as well as all representations contained therein. Further, management is responsible for compliance with Florida Statute 218.415 and will provide us with the information required for the examination. The accuracy and completeness of such information is also management's responsibility. As part of the audit, we will assist with preparation of your financial statements and related notes in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. In addition, you will be required to make certain representations regarding compliance with Florida Statute 218.415 in the management representation letter. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. As part of our engagement, we may propose standard adjusting, or correcting journal entries to your financial statements. You are responsible for reviewing the entries and understanding the nature of the proposed entries and the impact they have on the financial statements.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

With regard to using the audit's report, you understand that you must obtain our prior written consent to reproduce or use our report in bond offering official statements or other documents.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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 will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Grau & Associates and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a cognizant or oversight agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Grau & Associates personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies. Notwithstanding the foregoing, the parties acknowledge that various documents reviewed or produced during the conduct of the audit may be public records under Florida law. The District agrees to notify Grau & Associates of any public record request it receives that involves audit documentation.

Our fee for these services will not exceed \$5,200 for the September 30, 2016 audit, unless there is a change in activity by the District which results in additional audit work or if additional Bonds are issued.

We will complete the audit within prescribed statutory deadlines, with the understanding that your employees will provide information needed to perform the audit on a timely basis.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. Invoices will be submitted in sufficient detail to demonstrate compliance with the terms of this agreement. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate.

This agreement may be renewed each year thereafter subject to the mutual agreement by both parties to all terms and fees. The fee for each annual renewal will be agreed upon separately.

We will provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2013 peer review report accompanies this letter.

We appreciate the opportunity to be of service to Waterstone Community Development District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Grau & Associates

Antonio J. Grau

RESPONSE:

This letter correctly sets forth the understanding of Waterstone Community Development District.

By:

Title: Treasurer

Date: 2/8/12



PEER REVIEW PROGRAM

is proud to present this

Certificate of Recognition

to

GRAU & ASSOCIATES

For having a system of quality control for its accounting and auditing practice in effect for the year ended June 30, 2013 which has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA, and which was complied with during the year then ended to provide the firm with reasonable assurance of conforming with professional standards.

A handwritten signature in cursive script, reading "Rick Reeder", written over a horizontal line.

**Rick Reeder, Chair
AICPA Peer Review Board
2013**

**ADDENDUM TO ENGAGEMENT LETTER BETWEEN
GRAU AND ASSOCIATES AND Waterstone Community Development
District _____ (CDD) _____
(DATED _____, 201__)**


Public Records. Auditor shall, pursuant to and in accordance with Section 119.0701, Florida Statutes, comply with the public records laws of the State of Florida, and specifically shall:

- a. Keep and maintain public records required by the District to perform the services or work set forth in this Agreement; and
- b. Upon the request of the District's custodian of public records, provide the District with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law; and
- c. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the Agreement if the Auditor does not transfer the records to the District; and
- d. Upon completion of the Agreement, transfer, at no cost to the District, all public records in possession of the Auditor or keep and maintain public records required by the District to perform the service or work provided for in this Agreement. If the Auditor transfers all public records to the District upon completion of the Agreement, the Auditor shall destroy any duplicate public records that are exempt or confidential and exempt from public disclosure requirements. If the Auditor keeps and maintains public records upon completion of the Agreement, the Auditor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the District, upon request from the District's custodian of public records, in a format that is compatible with the information technology systems of the District.

Auditor acknowledges that any requests to inspect or copy public records relating to this Agreement must be made directly to the District pursuant to Section 119.0701(3), Florida Statutes. If notified by the District of a public records request for records not in the possession of the District but in possession of the Auditor, the Auditor shall provide such records to the District or allow the records to be inspected or copied within a reasonable time. Auditor acknowledges that should Auditor fail to provide the public records to the District within a reasonable time, Auditor may be subject to penalties pursuant to Section 119.10, Florida Statutes.

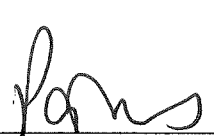
IF THE AUDITOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE AUDITOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT/CONTRACT, THE AUDITOR MAY CONTACT THE CUSTODIAN OF PUBLIC RECORDS FOR THE DISTRICT AT:

GMS-SF, LLC
5385 N NOB HILL ROAD
SUNRISE, FL 33351
TELEPHONE: 954-721-8681
EMAIL: RHANS@GMSSF.COM


Auditor: _____

Title: President

Date: 10/12/2016


District: _____

Title: Treasurer

Date: 2/8/17

Waterstone
Community Development District

Check Register Summary

7/27/2016 - 3/28/2017

<i>Check Date</i>	<i>Check #'s</i>	<i>Total Amount</i>
8/24/2016	490-496	\$ 10,463.92
9/23/2016	497-500	\$ 6,602.48
10/26/2016	501-506	\$ 3,171.12
12/2/2016	507-512	\$ 14,659.27
1/20/2017	513-517	\$ 4,472.37
2/14/2017	518-521	\$ 4,310.85
2/22/2017	522-523	\$ 3,436.76
3/22/2017	524-528	\$ 5,900.18
Total		\$ 53,016.95

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED YRMO	TO DPT	ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
8/24/16	00022	7/31/16	135544	201607	310	51300	31500		BILLING, COCHRAN, LYLES, MAURO &	*	500.00	500.00	000490
8/24/16	00023	8/10/16	4587	201608	300	15500	10000		EGIS INSURANCE ADVISORS, LLC	*	5,778.00	5,778.00	000491
8/24/16	00030	7/23/16	79287-07	201607	320	54100	43000		FPL	*	1,121.07	1,121.07	000492
8/24/16	00004	8/01/16	133	201608	310	51300	34000		GMS - SO FLORIDA, LLC	*	2,500.00	2,629.45	000493
		8/01/16	133	201608	310	51300	35100			*	83.33		
		8/01/16	133	201608	310	51300	35110			*	41.67		
		8/01/16	133	201608	310	51300	42000			*	3.85		
		8/01/16	133	201608	310	51300	42500			*	.60		
8/24/16	00028	7/21/16	11921-34	201607	320	54100	43100		ST LUCIE COUNTY UTILITIES	*	135.10	.00	000494
		8/18/16	11921-34	201608	320	54100	43100			*	135.10		
		7/21/16	11921-34	201607	320	54100	43100			V	135.10-		
		8/18/16	11921-34	201607	320	54100	43100			V	135.10-		
8/24/16	00005	7/19/16	1148341	201607	310	51300	48000		TREASURE COAST NEWSPAPERS	*	300.30	300.30	000495
8/24/16	00028	7/21/16	11921-34	201607	320	54100	43100		ST LUCIE COUNTY UTILITIES	*	67.55	135.10	000496
		8/18/16	11921-34	201608	320	54100	43100			*	67.55		
9/23/16	00029	7/01/16	1200-070	201607	320	54100	46200		WATS WATERSTONE MPHILLIPS	*	515.00		

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
		8/01/16	1200-080	201608 320-54100-46200		*	515.00		
			AUG 16	- MOWING SERVICES					
		9/01/16	1200-090	201609 320-54100-46200		*	515.00		
			SEPT 16	- MOWING SERVICES					
					B & D GRADING AND LAND CLEARING LLC			1,545.00	000497
9/23/16	00022	8/31/16	136378	201608 310-51300-31500		*	1,155.60		
			AUG 2016	- LEGAL SERVICES					
					BILLING, COCHRAN, LYLES, MAURO &			1,155.60	000498
9/23/16	00030	8/24/16	79287-08	201608 320-54100-43000		*	1,121.07		
				SERVICE THRU 08/24/2016					
					FPL			1,121.07	000499
9/23/16	00004	9/01/16	134	201609 310-51300-34000		*	2,500.00		
			SEPT 16	- MGMT FEES					
		9/01/16	134	201609 310-51300-35100		*	83.33		
			SEPT 16	- COMPUTER TIME					
		9/01/16	134	201609 310-51300-35110		*	41.67		
			SEPT 16	- WEBSITE ADMIN					
		9/01/16	134	201609 310-51300-42000		*	40.56		
			SEPT 16	- POSTAGE/DEL					
		9/01/16	134	201609 310-51300-42500		*	111.30		
			SEPT 16	- COPIES					
		9/01/16	134	201609 310-51300-41000		*	3.95		
			SEPT 16	- TELEPHONE					
					GMS - SO FLORIDA, LLC			2,780.81	000500
10/26/16	00022	9/30/16	137030	201609 310-51300-31500		*	500.00		
				SERVICE THRU-9/30/16					
					BILLING, COCHRAN, LYLES, MAURO &			500.00	000501
10/26/16	00002	10/03/16	39257	201610 310-51300-54000		*	175.00		
				ANNUAL FEES					
					DEPARTMENT OF ECONOMIC OPPORTUNITY			175.00	000502
10/26/16	00030	9/23/16	45272-79	201609 320-54100-43000		*	1,118.11		
				SERVICE THRU 8/24-9/23/16					
		10/24/16	45272-79	201610 320-54100-43000		*	1,118.11		
				SERVICE THRU 9/23-10/24					
					FPL			2,236.22	000503
10/26/16	00004	10/03/16	135	201610 310-51300-34000		*	2,500.00		
				MANAGEMENT FEES					
		10/03/16	135	201610 310-51300-35100		*	83.33		
				COMPUTER TIME					

WATS WATERSTONE MPHILLIPS

*** CHECK DATES 07/27/2016 - 03/28/2017 ***

WATERSTONE - GENERAL FUND
BANK A WATERSTONE - GENERAL

CHECK DATE	VEND#	INVOICE DATE	INVOICE	YRMO	DPT ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
10/03/16		135	201610	310	51300	31300			*	333.33		
			DISSEMINATION									
10/03/16		135	201610	310	51300	42000			*	4.65		
			POSTAGE									
10/03/16		135	201610	310	51300	42500			*	15.45		
			COPIES									
10/03/16		135	201610	310	51300	34000			V	2,500.00-		
			MANAGEMENT FEES									
10/03/16		135	201610	310	51300	35100			V	83.33-		
			COMPUTER TIME									
10/03/16		135	201610	310	51300	31300			V	333.33-		
			DISSEMINATION									
10/03/16		135	201610	310	51300	42000			V	4.65-		
			POSTAGE									
10/03/16		135	201610	310	51300	42500			V	15.45-		
			COPIES									
GMS - SO FLORIDA, LLC											.00	000504
10/26/16	00028	9/22/16	11921-34	201609	320	54100	43100	SERVICE THRU 8/21-9/21/16	*	73.55		
		10/20/16	11921-34	201610	320	54100	43100	SERVICE THRU 9/21-10/19	*	67.55		
ST LUCIE COUNTY UTILITIES											141.10	000505
10/26/16	00005	9/30/16	1221045	201609	310	51300	48000	NOTICE OF MEETING	*	118.80		
TREASURE COAST NEWSPAPERS											118.80	000506
12/02/16	00029	11/16/16	1245	201611	320	54100	46200	CLEAND AND MOVED DEBRIS	*	6,090.00		
		12/02/16	1252	201612	320	54100	46200	MOWING	*	1,545.00		
B & D GRADING AND LAND CLEARING LLC											7,635.00	000507
12/02/16	00022	10/31/16	137799	201610	310	51300	31500	SERVICE THRU-10/31/16	*	600.10		
BILLING, COCHRAN, LYLES, MAURO &											600.10	000508
12/02/16	00030	11/21/16	45272-79	201611	320	54100	43000	SERVICE THRU-11/21/16	*	1,118.11		
FPL											1,118.11	000509
12/02/16	00004	11/01/16	136	201611	310	51300	34000	MANAGEMENT FEES	*	2,500.00		
		11/01/16	136	201611	310	51300	35100	COMPUTER TIME	*	83.33		

WATS WATERSTONE MPHILLIPS

WATERSTONE - GENERAL FUND
BANK A WATERSTONE - GENERAL

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED YRMO	TO DPT	ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
		11/01/16	136	201611	310	51300	31300			*	41.67		
			WEBSITE ADMIN										
		11/01/16	136	201611	310	51300	42000			*	1.86		
			POSTAGE										
		11/01/16	136	201611	310	51300	42500			*	.90		
			COPIES										
		12/01/16	137	201612	310	51300	34000			*	2,500.00		
			MANAGEMENT FEES										
		12/01/16	137	201612	310	51300	35100			*	83.33		
			COMPUTER TIME										
		12/01/16	137	201612	310	51300	31300			*	333.33		
			CREDIT DISSEMINATION										
		12/01/16	137	201612	310	51300	42500			*	1.65		
			COPIES										
									GMS - SO FLORIDA, LLC			4,879.41	000510
12/02/16	00028	11/17/16	2163	201611	320	54100	43100			*	73.55		
			SERVICE THRU-11/16/16										
									ST LUCIE COUNTY UTILITIES			73.55	000511
12/02/16	00005	10/18/16	1284337	201610	310	51300	48000			*	353.10		
			NOTICE OF MEETING										
									TREASURE COAST NEWSPAPERS			353.10	000512
1/20/17	00022	11/30/16	138307	201611	310	51300	31500			*	500.60		
			SERVICE THRU-11/21/16										
									BILLING, COCHRAN, LYLES, MAURO &			500.60	000513
1/20/17	00030	12/21/16	45272-79	201612	320	54100	43000			*	1,118.11		
			SERVICE THRU-12/21/16										
									FPL			1,118.11	000514
1/20/17	00004	1/02/17	138	201701	310	51300	34000			*	2,500.00		
			MANAGEMENT FEES										
		1/02/17	138	201701	310	51300	35100			*	83.33		
			COMPUTER TIME										
		1/02/17	138	201701	310	51300	42000			*	2.33		
			POSTAGE										
		1/02/17	138	201701	310	51300	42500			*	.45		
			COPIES										
									GMS - SO FLORIDA, LLC			2,586.11	000515
1/20/17	00025	12/14/16	86887	201612	320	54100	46000			*	200.00		
			PROSECUTION COSTS										
									ST. LUCIE COUNTY			200.00	000516

WATS WATERSTONE MPHILLIPS

*** CHECK DATES 07/27/2016 - 03/28/2017 ***

WATERSTONE - GENERAL FUND
BANK A WATERSTONE - GENERAL

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED TO YRMO DPT ACCT# SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
1/20/17	00028	12/15/16	11921-34	201612 320-54100-43100		SERVICE THRU-12/14/16	*	67.55		
						ST LUCIE COUNTY UTILITIES			67.55	000517
2/14/17	00022	12/31/16	138885	201612 310-51300-31500		DEC 16-GENERAL COUNSEL	*	500.00		
						BILLING, COCHRAN, LYLES, MAURO &			500.00	000518
2/14/17	00030	1/24/17	45272-79	201701 320-54100-43000		8800 WTRSTONE BLVD#ST LTS	*	1,152.13		
						FPL			1,152.13	000519
2/14/17	00004	2/01/17	139	201702 310-51300-34000		FEB 17-MGMT FEES	*	2,500.00		
		2/01/17	139	201702 310-51300-35100		FEB 17-COMPUTER TIME	*	83.33		
		2/01/17	139	201702 310-51300-42000		FEB 17-POSTAGE	*	1.84		
						GMS - SO FLORIDA, LLC			2,585.17	000520
2/14/17	00028	1/20/17	11921-34	201701 320-54100-43100		SERVICE THRU 01/19/2017	*	73.55		
						ST LUCIE COUNTY UTILITIES			73.55	000521
2/22/17	00022	1/31/17	139330	201701 310-51300-31500		SERVICE THRU 01/31/2017	*	500.00		
						BILLING, COCHRAN, LYLES, MAURO &			500.00	000522
2/22/17	00004	10/03/16	135	201610 310-51300-34000		OCT 16 - MGMT FEES	*	2,500.00		
		10/03/16	135	201610 310-51300-35100		OCT 16 - COMPUTER TIME	*	83.33		
		10/03/16	135	201610 310-51300-31300		OCT 16 - DISSEMINATION	*	333.33		
		10/03/16	135	201610 310-51300-42000		OCT 16 - POSTAGE/DELIVERY	*	4.65		
		10/03/16	135	201610 310-51300-42500		OCT 16 - COPIES	*	15.45		
						GMS - SO FLORIDA, LLC			2,936.76	000523
3/22/17	00029	3/22/17	1319	201703 320-54100-46200		MOWING	*	1,545.00		
						B & D GRADING AND LAND CLEARING LLC			1,545.00	000524
3/22/17	00022	2/28/17	140060	201702 310-51300-31500		SERVICE THRU-2/28/17	*	500.00		
						BILLING, COCHRAN, LYLES, MAURO &			500.00	000525

WATS WATERSTONE MPHILLIPS

WATERSTONE - GENERAL FUND
BANK A WATERSTONE - GENERAL

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
3/22/17	00030	2/21/17	45272-79	201702 320-54100-43000	8800 WATERSTONE BLVD	*	1,152.13		
									FPL
								1,152.13	000526
3/22/17	00004	3/01/17	141	201703 310-51300-34000	MANAGEMENT FEES	*	2,500.00		
		3/01/17	141	201703 310-51300-35100	COMPUTER TIME	*	83.33		
		3/01/17	141	201703 310-51300-35110	WEBSITE ADMIN	*	41.67		
		3/01/17	141	201703 310-51300-42000	POSTAGE	*	4.35		
		3/01/17	141	201703 310-51300-42500	COPIES	*	.15		
									GMS - SO FLORIDA, LLC
								2,629.50	000527
3/22/17	00028	2/23/17	11921-34	201702 320-54100-43100	SERVICE THRU-2/22/17	*	73.55		
									ST LUCIE COUNTY UTILITIES
								73.55	000528
							TOTAL FOR BANK A	53,016.95	
							TOTAL FOR REGISTER	53,016.95	

Waterstone
COMMUNITY DEVELOPMENT DISTRICT
COMBINED BALANCE SHEET
February 28, 2017

	<u>Major Funds</u>		<u>Non-Major Fund</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
ASSETS:				
Cash	\$132,759	---	---	\$132,759
Investments:				
Reserve	---	\$62,226	---	\$62,226
Interest	---	\$914	---	\$914
Revenue	---	\$7	---	\$7
Construction	---	---	\$664	\$664
Remedial Expenditure Account	---	\$4,266	---	\$4,266
TOTAL ASSETS	<u>\$132,759</u>	<u>\$67,414</u>	<u>\$664</u>	<u>\$200,836</u>
LIABILITIES:				
Accounts Payable	\$1,726	---	---	\$1,726
Due to Bondholders	---	\$7,297,400	---	\$7,297,400
FUND BALANCES:				
Unassigned for Debt Service	---	(\$7,229,986)	---	(\$7,229,986)
Restricted for Capital Projects	---	---	\$664	\$664
Assigned	\$131,033	---	---	\$131,033
TOTAL LIABILITIES & FUND EQUITY & OTHER CREDITS	<u>\$132,759</u>	<u>\$67,414</u>	<u>\$664</u>	<u>\$200,836</u>

Waterstone
COMMUNITY DEVELOPMENT DISTRICT

GENERAL FUND
Statement of Revenues, Expenditures and Changes in Fund Balance
For The Period Ending February 28, 2017

	ADOPTED BUDGET	PRORATED BUDGET THRU 2/28/2017	ACTUAL THRU 2/28/2017	VARIANCE
REVENUES:				
Maintenance Assessments-Direct	\$125,344	\$33,716	\$33,716	\$0
TOTAL REVENUES	\$125,344	\$33,716	\$33,716	\$0
EXPENDITURES:				
Administrative				
Supervisor Fees	\$4,000	\$1,667	\$0	\$1,667
Fica	\$306	\$128	\$0	\$128
Engineering	\$3,000	\$1,250	\$0	\$1,250
Arbitrage	\$1,250	\$0	\$0	\$0
Dissemination	\$4,000	\$0	\$0	\$0
Attorney	\$20,000	\$8,333	\$2,601	\$5,733
Auditing	\$5,300	\$0	\$0	\$0
Trustee Fees	\$11,500	\$0	\$0	\$0
Management Fees	\$30,000	\$12,500	\$12,500	\$0
Computer Time	\$1,000	\$417	\$417	\$0
Website Compliance	\$500	\$208	\$42	\$167
Telephone	\$50	\$21	\$0	\$21
Postage	\$200	\$83	\$11	\$73
Insurance	\$6,232	\$6,232	\$5,778	\$454
Printing & Binding	\$250	\$104	\$18	\$86
Legal Advertising	\$1,000	\$417	\$353	\$64
Other Current Charges	\$300	\$125	\$152	(\$27)
Office Supplies	\$50	\$21	\$0	\$21
Dues, Licenses & Subscriptions	\$175	\$175	\$175	\$0
Capital Outlay	\$250	\$104	\$0	\$104
First Quarter Operating Reserves	\$0	\$0	\$0	\$0
TOTAL ADMINISTRATIVE EXPENDITURES	\$89,363	\$31,784	\$22,046	\$9,739
Field				
Landscape Maintenance	\$15,000	\$6,250	\$1,545	\$4,705
Lake Maintenance	\$10,300	\$4,292	\$0	\$4,292
Electric	\$13,200	\$5,500	\$5,659	(\$159)
Water/Sewer	\$1,000	\$417	\$356	\$61
Contingency/R&M	\$6,000	\$2,500	\$6,290	(\$3,790)
TOTAL FIELD EXPENDITURES	\$45,500	\$18,958	\$13,849	\$5,109
EXCESS REVENUES (EXPENDITURES)	(\$9,519)		(\$2,179)	
FUND BALANCE - Beginning	\$9,519		\$133,213	
FUND BALANCE - Ending	<u>\$0</u>		<u>\$131,033</u>	

Waterstone
COMMUNITY DEVELOPMENT DISTRICT

DEBT SERVICE FUND
Statement of Revenues, Expenditures and Changes in Fund Balance
For The Period Ending February 28, 2017

	ADOPTED BUDGET	PRORATED THRU 2/28/2017	ACTUAL THRU 2/28/2017	VARIANCE
REVENUES:				
Interest Earned	\$0	\$0	\$73	\$73
SPE Funding	\$0	\$0	\$191,728	\$191,728
Assessments - Direct	\$912,175	\$0	\$0	\$0
TOTAL REVENUES	\$912,175	\$0	\$191,801	\$191,801
EXPENDITURES:				
Series 2007B				
Interest - 11/1	\$456,088	\$456,088	\$456,088	\$0
Interest - 5/1	\$456,088	\$0	\$0	\$0
Default Expenditures	\$0	\$0	\$191,728	(\$191,728)
TOTAL EXPENDITURES	\$912,175	\$456,088	\$647,815	(\$191,728)
EXCESS REVENUES (EXPENDITURES)	\$0		(\$456,015)	
FUND BALANCE - Beginning	\$0		(\$6,773,972)	
FUND BALANCE - Ending	\$0		(\$7,229,986)	

Waterstone

COMMUNITY DEVELOPMENT DISTRICT CAPITAL PROJECTS FUND

Statement of Revenues, Expenditures and Changes in Fund Balance
For The Period Ending February 28, 2017

	ADOPTED BUDGET	PRORATED THRU 2/28/2017	ACTUAL THRU 2/28/2017	VARIANCE
REVENUES:				
Interest Earned	\$0	\$0	\$1	\$1
TOTAL REVENUES	\$0	\$0	\$1	\$1
EXPENDITURES:				
Capital Outlay	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$0	\$0	\$0	\$0
EXCESS REVENUES (EXPENDITURES)	\$0		\$1	
FUND BALANCE - Beginning			\$663	
FUND BALANCE - Ending			\$664	