

***Waterstone
Community Development District***

April 5, 2018

Waterstone

Community Development District

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

March 26, 2018

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 5, 2018 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 Mr. John Blakley
2. Roll Call
3. Approval of the Minutes of the August 3, 2017 Meeting
4. Consideration of **Resolution #2018-01** Approving the Proposed Fiscal Year 2019 Budget and Setting the Public Hearing
5. Ratification of Engagement Letter with Grau & Associates to perform the Audit for Fiscal Year Ending September 30, 2017
6. Discussion of Procedures for the Landowners Election – November 1, 2018
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

Meetings are open to the public and may be continued to a time, date and place certain. For more information regarding this CDD please visit the website: <http://www.waterstonecdd.com> 9

**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 3, 2017 at 11:00 a.m. at 2160 NW Reserve Park Trace, Port St. Lucie, Florida.

Present and constituting a quorum were:

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

Also present were:

Dennis Lyles	District Counsel (by phone)
Rich Hans	District Manager

FIRST ORDER OF BUSINESS

Oath of Office for Mr. John Blakely

Mr. Hans: I have on here to take an oath of office of John Blakely, and John you still owe us an oath so at the next meeting when you come in person, or participate in person we can give you the oath, or you can have someone there do it.

Mr. Blakley: Ok.

Mr. Hans: I can send you an oath and you can have a notary administer it and then just send it to me and then you can vote by phone when you're on the phone.

Mr. Blakley: Well when is the next meeting, I'll just come to the next meeting.

Mr. Hans: Probably March of next year, unless something comes up because we're adopting the budget today, and let me see if there's a landowners meeting this year. No, we just had the landowners meeting in 2016 so unless something happens, it would be quite a while for the next meeting, and we won't need you to vote on anything either so either way, whatever you want to do John, that will work.

Mr. Blakley: I'll just do it at the next meeting.

Mr. Hans: Ok, perfect.

SECOND ORDER OF BUSINESS Roll Call

Mr. Hans called the meeting to order and called the roll.

**THIRD ORDER OF BUSINESS Approval of the Minutes of the
April 6, 2017 Meeting**

Mr. Hans: Moving on to item No. 3 we have the approval of the minutes of the April 6, 2017 meeting.

On MOTION by Mr. Dalfo seconded by Mr. Bishop with all in favor, the Minutes of April 6, 2017 Meeting were approved.

**FOURTH ORDER OF BUSINESS Public Hearing to Adopt the Fiscal
Year 2018 Budget**

A. Motion to Open the Public Hearing

Mr. Hans: Item No 4 is the public hearing to adopt the fiscal year 2018 budget. So the first thing we need is a motion to open up our public hearing.

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

B. Public Comment and Discussion

C. Consideration of Resolution #2017-04 Annual Appropriation Resolution

Mr. Hans: For the record we don't have any general public here for any comment or discussion so we can move on to resolution #2017-04 the annual appropriation resolution which will adopt the form of the budget that's in your packet. If anyone has any questions or discussion we can take those. I think it's pretty much the same as we've always done these past couple of years, and what was presented as the proposed budget, and we are in the developer funding, so it's actual costs.

On MOTION by Mr. Dalfo seconded by Mr. Lerner with all in favor, Resolution #2017-04 the Annual Appropriation Resolution was approved.

D. Motion to Close the Public Hearing

Mr. Hans: Then just a motion to close the public hearing would be in order.

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

FIFTH ORDER OF BUSINESS

Acceptance of Audit for Fiscal Year Ending September 30, 2016

Mr. Hans: Item No. 5 is the acceptance of the audit for the fiscal year ending September 30, 2016. It's a clean audit but it does have the comments about non-payment and being in a financial emergency situation because of the bonds and that's a result of as everyone knows.

Mr. Bishop: Same as always.

Mr. Hans: So a motion accepting that audit would be in order.

On MOTION by Mr. Dalfo seconded by Mr. Bishop with all in favor, accepting the audit for Fiscal Year ending September 30, 2016 was approved.

SIXTH ORDER OF BUSINESS

Staff Reports

Mr. Hans: Moving on to Staff Reports, Mr. Lyles?

A. Attorney

Mr. Lyles: After all that, I don't have anything in particular to bring before the Board at this time, but it's always nice to hear your voices.

B. Engineer

Mr. Hans: Ok, we have no engineer here today for any reports.

C. Manager

- 1) **Number of Registered Voters in the District - 9**
- 2) **Consideration of Proposed Fiscal Year 2018 Meeting Schedule**
- 3) **Discussion of Financial Disclosure Report from the Commission on Ethics - *everyone has filed***

Mr. Hans: Under manager's report, the number of registered voters, we have 9. Once we get to 250 registered voters and we're past the 6 years we would transition from a landowners to a general election, so we have a while to go. Then our proposed meeting schedule, it's in your packet and I think it's going to be the same monthly meeting schedule as we had. So if everyone is good with that, a motion approving that would be in order.

On MOTION by Mr. Lerner seconded by Mr. Dalfo with all in favor, accepting the proposed Fiscal Year 2018 Meeting Schedule and authorizing staff to advertise was approved.

Mr. Hans: Then for your financial disclosures, we put these on here, and everyone has filed so we're all good, no one will be fined this year so that's a good thing.

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

Mr. Hans: Supervisors requests, anything from our Supervisors today? Not hearing any we can just let the record reflect there is no audience here for any comments.

EIGHTH ORDER OF BUSINESS Financial Reports

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

Mr. Hans: Moving on to our financials reports. We have a check run summary and a balance sheet and income statement. If there are any questions or discussion we can take those, and I don't think there's anything unusual to report. So if there are no comments or questions, a motion approving the check run summary and the balance sheet and income statement would be in order.

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

NINTH ORDER OF BUSINESS

Adjournment

Mr. Hans: So then if there is no other District business to discuss, a motion to adjourn would be in order.

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

Secretary / Assistant Secretary

Chairman / Vice Chairman

RESOLUTION 2018-01

A RESOLUTION OF THE WATERSTONE COMMUNITY DEVELOPMENT DISTRICT APPROVING THE DISTRICT'S PROPOSED BUDGET FOR FISCAL YEAR 2019 AND SETTING A PUBLIC HEARING THEREON PURSUANT TO FLORIDA LAW

WHEREAS, the District Manager has prepared the proposed budget for the **Fiscal Year 2019**; 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 2019** 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 _____, 2018

Chairman/Vice Chairman

Secretary/Assistant Secretary

*Proposed Budget
Fiscal Year 2019*

*Waterstone Community
Development District*

April 5, 2018



**Waterstone
Community Development District**

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Community Development District

General Fund

Description	Adopted Budget FY 2018	Actual Thru 2/28/2018	Projected Next 7 Months	Total Projected FY 2018	Proposed Budget FY 2019
Revenues					
Undesignated Fund Balance	\$23,784	\$0	\$0	\$0	\$1,037
Maintenance Assessments-Direct	\$112,153	\$33,716	\$78,437	\$112,153	\$135,150
Total Revenues	\$135,937	\$33,716	\$78,437	\$112,153	\$136,187
Expenditures					
Administrative					
Supervisors	\$4,000	\$0	\$3,000	\$3,000	\$4,000
Fica	\$306	\$0	\$230	\$230	\$306
Engineering	\$3,000	\$0	\$2,700	\$2,700	\$3,000
Arbitrage	\$1,200	\$0	\$1,200	\$1,200	\$1,200
Dissemination	\$4,000	\$4,000	\$0	\$4,000	\$4,000
Attorney	\$20,000	\$2,000	\$4,000	\$6,000	\$20,000
Annual Audit	\$5,400	\$0	\$5,400	\$5,400	\$5,500
Trustee Fees	\$11,000	\$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	\$208	\$292	\$500	\$500
Telephone	\$25	\$0	\$25	\$25	\$25
Postage	\$100	\$22	\$75	\$97	\$100
Insurance	\$6,356	\$5,778	\$0	\$5,778	\$6,356
Printing & Binding	\$200	\$24	\$175	\$199	\$200
Legal Advertising	\$1,000	\$0	\$850	\$850	\$1,000
Other Current Charges	\$400	\$229	\$280	\$509	\$550
Office Supplies	\$25	\$1	\$20	\$21	\$25
Dues, Licenses & Subscriptions	\$175	\$175	\$0	\$175	\$175
Capital Outlay	\$250	\$0	\$250	\$250	\$250
Total Administrative Expenditures	\$88,937	\$25,354	\$47,580	\$72,933	\$89,187
Field					
Landscape Maintenance	\$6,180	\$3,090	\$3,605	\$6,695	\$6,180
Lake Maintenance	\$10,300	\$0	\$6,500	\$6,500	\$10,300
Electric	\$14,000	\$5,921	\$8,281	\$14,202	\$14,000
Water/Sewer	\$1,000	\$338	\$473	\$811	\$1,000
Repairs and Maintenance	\$10,000	\$0	\$6,500	\$6,500	\$10,000
Cable/Internet Services	\$5,520	\$975	\$2,500	\$3,475	\$5,520
Total Field Expenditures	\$47,000	\$10,324	\$27,859	\$38,183	\$47,000
Total Expenditures	\$135,937	\$35,678	\$75,438	\$111,116	\$136,187
Unassigned Fund Balance	\$0	(\$1,962)	\$2,999	\$1,037	\$0

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.

Waterstone
Community Development District
General Fund Budget

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.

Trustee Fees

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

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.

Waterstone
Community Development District
General Fund Budget

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.

Waterstone
Community Development District
General Fund Budget

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.

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.

Cable/Internet

Services for the guardhouses.

Waterstone

Community Development District

Debt Service

<u>Description</u>	<u>Adopted Budget FY 2018</u>	<u>Proposed Budget FY 2019</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

<u>DATE</u>	<u>PRINCIPAL BALANCE</u>	<u>RATE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
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	\$ 16,585,000.00	\$ 17,041,087.50
		<u>Total</u>	<u>\$ 10,077,665.28</u>	<u>\$ 17,000,000.00</u>	<u>\$ 27,077,665.28</u>



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

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September 1, 2017

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, 2017. We will audit the financial statements of the governmental activities and each major fund, 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, 2017. 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 2017 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.

Other Services

We will assist in preparing the financial statements and related notes of the District 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*. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

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. 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 designing, implementing 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 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.

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 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 \$5,400 for the September 30, 2017 audit, respectively, unless there is a change in activity by the District which results in additional audit work or if 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 2016 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,

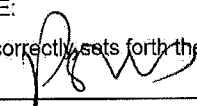
Grau & Associates



Antonio J. Grau

RESPONSE:

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

By:  _____

Title: treasurer _____

Date: 9/19/12 _____



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, 2016 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 "Anita Ford", written over a horizontal line.

Anita Ford, Chair
AICPA Peer Review Board
2016

Sample
Waterstone
Community Development District
Agenda
Landowners Meeting

Thursday
November 1, 2018
11:00 a.m.

2160 N.W. Reserve Park Trace
Port St. Lucie, Florida

1. Call to Order
2. Election of a Chairman for the Purpose of Conducting the Landowners Meeting
3. Determination of Number of Voting Units Represented
4. Nominations for the Position of Supervisors
5. Casting of Ballots
6. Tabulation of Ballots and Announcement of Results
7. Adjournment

Sample

**LANDOWNER PROXY
LANDOWNERS MEETING -November 1, 2018
WATERSTONE COMMUNITY DEVELOPMENT DISTRICT
ST. LUCIE COUNTY, FLORIDA**

NOW ALL MEN BY THESE PRESENTS, that the undersigned, the fee simple owner of the lands described herein, hereby constitutes and appoints:

Proxy Holder

for and on behalf of the undersigned, to vote as proxy at the meeting of the landowners of the Waterstone Community Development District to be held at **2160 NW Reserve Park Trace, Port St. Lucie, Florida. Port St. Lucie, Florida on November 1, 2018 at 11:00 a.m.** and at any continuances or adjournments thereof, according to the number of acres of unplatted land and/or platted lots owned by the undersigned landowner which the undersigned would be entitled to vote if then personally present, upon any question, proposition, or resolution or any other matter or thing which may be considered at said meeting including, but not limited to, the election of members of the Board of Supervisors. Said Proxy Holder may vote in accordance with their discretion on all matters not known or determined at the time of solicitation of this proxy, which may legally be considered at said meeting.

Any proxy heretofore given by the undersigned for said meeting is hereby revoked. This proxy is to continue in full force and effect from the date hereof until the conclusion of the annual meeting and any adjournment or adjournments thereof, but may be revoked at any time by written notice of such revocation presented at the annual meeting prior to the Proxy Holder exercising the voting rights conferred herein.

Printed Name of Fee Simple Landowner

Signature of Fee Simple Landowner

Date

<u>Parcel Description</u>	<u>Acreage</u>	<u>Authorized Votes*</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

[Insert above the street address of each parcel, the legal description of each parcel, or the tax identification number of each parcel. If more space is needed, identification of Parcels owned may be incorporated by reference to an attachment hereto.]

Total Number of Authorized Votes: _____

*Pursuant to section 190.006(2)(b), Florida Statutes (2004), a fraction of an acre is treated as one (1) acre entitling the landowner to one vote with respect thereto.

If the fee simple landowner is not an individual, and is instead a corporation, limited liability company, limited partnership or other entity, evidence that the individual signing on behalf of the entity has the authority to do so should be attached hereto. (e.g., bylaws, corporate resolution, etc.)

Sample

OFFICIAL BALLOT

WATERSTONE

COMMUNITY DEVELOPMENT DISTRICT

ST. LUCIE, FLORIDA

LANDOWNERS MEETING TUESDAY NOVEMBER 1, 2018

For Interval Elections (3 Supervisors): The two candidates receiving the most votes will each receive a four (4) year term; the recipient of the next highest vote count will receive a two (2) year term.

The undersigned certifies that they are the fee simple owner or proxy holder of the landowner (proxy form attached) of the land described in the attachment hereto, which land lies within the boundaries of the Waterstone Community Development District;

*****LEGAL DESCRIPTION OF PROPERTY ATTACHED*****

and cast their vote(s) for the following:

NAME OF CANDIDATE	NUMBER OF VOTES
1. _____ (Seat 1)	_____
2. _____ (Seat 4)	_____
3. _____ (Seat 5)	_____

Dated: _____

Signed: _____

Name: _____

**INSTRUCTIONS RELATING TO
LANDOWNERS MEETING OF THE
WATERSTONE COMMUNITY DEVELOPMENT DISTRICT
FOR THE ELECTION OF SUPERVISORS**

DATE OF LANDOWNERS MEETING: NOVEMBER 1, 2018

TIME: 11:00 A.M.

LOCATION: 2160 NW RESERVE PARK TRACE, PORT ST. LUCIE, FLORIDA

Pursuant to Chapter 190, Florida Statutes, after a Community Development District ("District") has been established and the landowners have held their initial election, there shall be a subsequent landowners' meeting for the purpose of electing members of the Board of Supervisors every two years until the District qualifies to have its board members elected by the qualified electors of the district. The following instructions on how all landowners may participate in the election is intended to comply with Section 190.006(2)(b), Florida Statutes, as amended by Chapter 2004-353, Laws of Florida.

A landowner may vote in person at the Landowner's Meeting, or the landowner may nominate a proxy holder to vote at the meeting in place of the landowner. Whether in person or by proxy, each landowner shall be entitled to cast one vote per acre of land owned by him or her and located within the District, for each person that the landowner desires to elect to a position on the Board of Supervisors that is open for election for the upcoming term (three (3) seats on the Board will be up for election). A fraction of an acre shall be treated as one (1) acre, entitling the landowner to one vote with respect thereto. **Please note that a particular real property is entitled to only one vote for each eligible acre of land or fraction thereof; therefore, two or more people who own real property in common, that is one acre or less, are together entitled to only one vote for that real property.**

At the Landowners Meeting, the first step is to elect a chair for the meeting, who may be any person present at the meeting. The landowners' shall also elect a secretary for the meeting who may be any person present at the meeting. The secretary shall be responsible for the minutes of the meeting. The chair shall conduct the nominations and the voting. If the chair is a landowner or proxy holder of a landowner, he or she may nominate candidates and make and second motions. Candidates must be nominated and then shall be elected by a vote of the landowners. Nominees may be elected only to a position on the Board of Supervisors that is open for election for the upcoming term. The two candidates receiving the highest number of votes shall be elected for a term of four (4) years, and the remaining candidate elected shall serve for a two (2) year term. The term of office for each successful candidate shall commence upon election. Thereafter, there shall be an election of supervisors for the District every two (2) years in November on a date established by the Board of Supervisors upon proper notice until the District qualifies to have its board members elected by the qualified electors of the District.

A proxy is available upon request. To be valid, each proxy must be signed by one of the legal owners of the property for which the vote is cast and must contain the typed or printed name of the individual who signed the proxy; the street address, legal description of the property or tax parcel identification number; and the number of authorized votes. If the proxy authorizes more than one vote, each property must be listed and the number of acres of each property must be included. The signature on a proxy does not need to be notarized.

Waterstone

Community Development District

Check Register Summary

07/26/2017 - 03/15/2018

<i>Check Date</i>	<i>Check #'s</i>	<i>Total Amount</i>
7/26/2017	548-549	\$ 4,067.55
8/3/2017	550-552	\$ 4,079.97
8/24/2017	553-555	\$ 1,254.16
8/30/2017	556-558	\$ 1,490.01
9/18/2017	559-562	\$ 10,235.03
10/6/2017	563-565	\$ 3,898.74
10/24/2017	566-569	\$ 5,020.40
10/31/2017	570-573	\$ 2,143.35
11/9/2017	574-575	\$ 2,807.49
11/27/2017	576-578	\$ 858.45
12/1/2017	579-580	\$ 3,815.21
12/18/2017	581	\$ 1,545.00
1/4/2018	582-584	\$ 1,749.79
1/25/2018	585-586	\$ 567.55
2/1/2018	587-588	\$ 3,816.79
2/27/2018	589-592	\$ 3,231.85
2/28/2018	593	\$ 67.55
Total		\$ 50,648.89

*** CHECK DATES 07/25/2017 - 03/15/2018 *** 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 #
7/26/17	00031	12/12/16	69	201612 310-51300-31300		ANNUAL DISCLOSURE 2016/17 LERNER REPORTING SERVICES, INC.	*	4,000.00	4,000.00	000548
7/26/17	00028	7/20/17	11921-34	201707 320-54100-43100		8851 WATERSTONE BLVD ST LUCIE COUNTY UTILITIES	*	67.55	67.55	000549
8/03/17	00032	7/21/17	0595880	201708 320-54100-41000		4150 WATRSTNE WAY DUPTEST	*	239.66		
		7/24/17	0595617	201708 320-54100-41000		4150 WATERSTONE WAY COMCAST	*	153.73	393.39	000550
8/03/17	00030	7/24/17	45272-79	201707 320-54100-43000		8800 WTRSTONE BLVD#ST LTS FPL	*	1,182.80	1,182.80	000551
8/03/17	00004	8/01/17	147	201708 310-51300-34000		AUG 17-MGMT FEES	*	2,500.00		
		8/01/17	147	201708 310-51300-35100		AUG 17-COMPUTER TIME	*	83.33		
		8/01/17	147	201708 310-51300-35110		AUG 17-WEBSITE ADMIN	*	41.67		
		8/01/17	147	201708 310-51300-35110		AUG 17-WEBSITE ADMIN CR	*	125.01		
		8/01/17	147	201708 310-51300-42000		AUG 17-POSTAGE	*	1.84		
		8/01/17	147	201708 310-51300-42500		AUG 17-COPIES	*	1.95		
						GMS - SO FLORIDA, LLC			2,503.78	000552
8/24/17	00022	7/31/17	143451	201707 310-51300-31500		JUL 17 - LEGAL SERVICES BILLING, COCHRAN, LYLES, MAURO &	*	500.00	500.00	000553
8/24/17	00032	8/15/17	0595591	201709 320-54100-41000		1355 WATERSTONE WAY	*	290.90		
		8/15/17	0595625	201709 320-54100-41000		1000 WATERSTONE WAY COMCAST	*	159.66	450.56	000554
8/24/17	00005	7/18/17	1652071	201708 310-51300-48000		NOTICE OF MTG 08/03/2017 TREASURE COAST NEWSPAPERS	*	303.60	303.60	000555

*** CHECK DATES 07/25/2017 - 03/15/2018 ***

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 #
8/30/17	00032	8/21/17	0595880	201709	320-54100-41000			4150 WATRSTNE WAY DUPTST COMCAST	*	239.66	239.66	000556
8/30/17	00030	8/23/17	45272-79	201708	320-54100-43000			8800 WTRSTONE BLVD#ST LTS FPL	*	1,182.80	1,182.80	000557
8/30/17	00028	8/24/17	11921-34	201708	320-54100-43100			8851 WATERSTONE BLVD ST LUCIE COUNTY UTILITIES	*	67.55	67.55	000558
9/18/17	00029	6/30/17	1445	201706	320-54100-46200			JUN 17-MOWING SVCS	*	515.00		
		7/31/17	1445	201707	320-54100-46200			JUL 17-MOWING SVCS	*	515.00		
		8/31/17	1445	201708	320-54100-46200			AUG 17-MOWING SVCS B & D GRADING AND LAND CLEARING LLC	*	515.00	1,545.00	000559
9/18/17	00032	8/24/17	0595617	201709	320-54100-41000			4150 WATERSTONE WAY COMCAST	*	153.73	153.73	000560
9/18/17	00023	8/30/17	6078	201709	300-15500-10000			FY 2018 - INSURANCE EGIS INSURANCE ADVISORS, LLC	*	5,778.00	5,778.00	000561
9/18/17	00004	9/01/17	148	201709	310-51300-34000			SEP 17-MGMT FEES	*	2,500.00		
		9/01/17	148	201709	310-51300-35100			SEP 17-COMPUTER TIME	*	83.33		
		9/01/17	148	201709	310-51300-35110			SEP 17-WEBSITE ADMIN	*	41.67		
		9/01/17	148	201709	310-51300-51000			SEP 17-OFFICE SUPPLIES	*	35.00		
		9/01/17	148	201709	310-51300-42000			SEP 17-POSTAGE	*	37.39		
		9/01/17	148	201709	310-51300-42500			SEP 17-COPIES	*	55.65		
		9/01/17	148	201709	310-51300-41000			SEP 17-TELEPHONE GMS - SO FLORIDA, LLC	*	5.26	2,758.30	000562
10/06/17	00030	9/22/17	45272-79	201709	320-54100-43000			8800 WTRSTONE BLVD#ST LTS FPL	*	1,182.24	1,182.24	000563

WATS WATERSTONE

MDELGADO

*** CHECK DATES 07/25/2017 - 03/15/2018 ***

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 #
10/06/17	00004	10/02/17	149	201710	310	51300	34000			*	2,500.00		
			OCT 17-MGMT FEES										
10/02/17		10/02/17	149	201710	310	51300	35100			*	83.33		
			OCT 17-COMPUTER TIME										
10/02/17		10/02/17	149	201710	310	51300	35110			*	41.67		
			OCT 17-WEBSITE ADMIN										
10/02/17		10/02/17	149	201710	310	51300	42000			*	4.60		
			OCT 17-POSTAGE										
10/02/17		10/02/17	149	201710	310	51300	42500			*	19.35		
			OCT 17-COPIES										
GMS - SO FLORIDA, LLC											2,648.95	000564	
10/06/17	00028	9/19/17	11921-34	201709	320	54100	43100			*	67.55		
			8851 WATERSTONE BLVD										
ST LUCIE COUNTY UTILITIES											67.55	000565	
10/24/17	00022	8/31/17	144287	201708	310	51300	31500			*	614.00		
			AUG 17-LEGAL SERVICES										
BILLING, COCHRAN, LYLES, MAURO &											614.00	000566	
10/24/17	00032	10/15/17	0595591	201710	320	54100	41000			*	290.90		
			1355 WATERSTONE WAY										
COMCAST											290.90	000567	
10/24/17	00031	10/04/17	120	201710	310	51300	31300			*	4,000.00		
			FY 18-ANNUAL DISCLOSURE										
LERNER REPORTING SERVICES, INC.											4,000.00	000568	
10/24/17	00005	9/05/17	1714069	201709	310	51300	48000			*	115.50		
			NOTICE OF MTG DATES-09/05										
TREASURE COAST NEWSPAPERS											115.50	000569	
10/31/17	00022	9/30/17	144854	201709	310	51300	31500			*	500.00		
			SEP 17-LEGAL SERVICES										
BILLING, COCHRAN, LYLES, MAURO &											500.00	000570	
10/31/17	00032	10/21/17	0595880	201710	320	54100	41000			*	239.75		
			4150 WATRSTNE WAY DUPTST										
10/24/17		10/24/17	0595617	201710	320	54100	41000			*	153.81		
			4150 WATERSTONE WAY										
COMCAST											393.56	000571	
10/31/17	00030	10/24/17	45272-79	201710	320	54100	43000			*	1,182.24		
			8800 WTRSTONE BLVD#ST LTS										
FPL											1,182.24	000572	

WATS WATERSTONE MDELGADO

*** CHECK DATES 07/25/2017 - 03/15/2018 *** 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 #
10/31/17	00028	10/18/17	11921-34	201710	320	54100	43100		8851 WATERSTONE BLVD ST LUCIE COUNTY UTILITIES	*	67.55	67.55	000573
11/09/17	00002	10/02/17	70831	201710	310	51300	54000		FY18-SPECIAL DISTRICT FEE DEPARTMENT OF ECONOMIC OPPORTUNITY	*	175.00	175.00	000574
11/09/17	00004	11/01/17	150	201711	310	51300	34000		NOV 17-MGMT FEES	*	2,500.00		
		11/01/17	150	201711	310	51300	35100		NOV 17-COMPUTER TIME	*	83.33		
		11/01/17	150	201711	310	51300	35110		NOV 17-WEBSITE ADMIN	*	41.67		
		11/01/17	150	201711	310	51300	42000		NOV 17-POSTAGE	*	3.29		
		11/01/17	150	201711	310	51300	42500		NOV 17-COPIES	*	4.20		
									GMS - SO FLORIDA, LLC			2,632.49	000575
11/27/17	00022	10/31/17	145112	201710	310	51300	31500		OCT 17-LEGAL SERVICES BILLING, COCHRAN, LYLES, MAURO &	*	500.00	500.00	000576
11/27/17	00032	11/15/17	0595591	201711	320	54100	41000		1355 WATERSTONE WAY COMCAST	*	290.90	290.90	000577
11/27/17	00028	11/15/17	11921-34	201711	320	54100	43100		8851 WATERSTONE BLVD ST LUCIE COUNTY UTILITIES	*	67.55	67.55	000578
12/01/17	00030	11/21/17	45272-79	201711	320	54100	43000		8800 WTRSTONE BLVD#ST LTS FPL	*	1,182.24	1,182.24	000579
12/01/17	00004	12/01/17	151	201712	310	51300	34000		DEC 17 - MGMT FEES	*	2,500.00		
		12/01/17	151	201712	310	51300	35100		DEC 17 - COMPUTER TIME	*	83.33		
		12/01/17	151	201712	310	51300	35110		DEC 17 - WEBSITE ADMIN	*	41.67		
		12/01/17	151	201712	310	51300	42000		DEC 17 - POSTAGE	*	7.82		
		12/01/17	151	201712	310	51300	42500		DEC 17 - COPIES	*	.15		
									GMS - SO FLORIDA, LLC			2,632.97	000580

WATS WATERSTONE MDELGADO

*** CHECK DATES 07/25/2017 - 03/15/2018 ***

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 #
12/18/17	00029	12/05/17	1505	201711	320	54100	46200		MOWING SERVICES	*	1,545.00		
									B & D GRADING AND LAND CLEARING LLC			1,545.00	000581
1/04/18	00022	11/30/17	965-0901	201711	310	51300	31500		NOV 17-LEGAL SERVICES	*	500.00		
									BILLING, COCHRAN, LYLES, MAURO &			500.00	000582
1/04/18	00030	12/21/17	45272-79	201712	320	54100	43000		8800 WTRSTONE BLVD#ST LTS	*	1,182.24		
									FPL			1,182.24	000583
1/04/18	00028	12/20/17	11921-34	201712	320	54100	43100		8851 WATERSTONE BLVD	*	67.55		
									ST LUCIE COUNTY UTILITIES			67.55	000584
1/25/18	00022	12/31/17	146686	201712	310	51300	31500		DEC 17-LEGAL SERVICES	*	500.00		
									BILLING, COCHRAN, LYLES, MAURO &			500.00	000585
1/25/18	00028	1/17/18	11921-34	201712	320	54100	43100		8851 WATERSTONE BLVD	*	67.55		
									ST LUCIE COUNTY UTILITIES			67.55	000586
2/01/18	00030	1/24/18	45272-79	201801	320	54100	43000		8800 WTRSTONE BLVD#ST LTS	*	1,187.47		
									FPL			1,187.47	000587
2/01/18	00004	2/01/18	153	201802	310	51300	34000		FEB 18-MGMT FEES	*	2,500.00		
		2/01/18	153	201802	310	51300	35100		FEB 18-COMPUTER TIME	*	83.33		
		2/01/18	153	201802	310	51300	35110		FEB 18-WEBSITE ADMIN	*	41.67		
		2/01/18	153	201802	310	51300	51000		FEB 18-OFFICE SUPPLIES	*	.64		
		2/01/18	153	201802	310	51300	42000		FEB 18-POSTAGE	*	3.68		
									GMS - SO FLORIDA, LLC			2,629.32	000588
2/27/18	00029	12/01/17	1585	201712	320	54100	46200		DEC 17-MOWING	*	515.00		
		1/05/18	1585	201801	320	54100	46200		JAN 18-MOWING	*	515.00		
		2/09/18	1585	201802	320	54100	46200		FEB 18-MOWING	*	515.00		
									B & D GRADING AND LAND CLEARING LLC			1,545.00	000589

WATS WATERSTONE MDELGADO

*** CHECK DATES 07/25/2017 - 03/15/2018 ***

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 #
2/27/18	00022	1/31/18	147319	201801	310	51300	31500		JAN 18-LEGAL SERVICES	*	500.00		
									BILLING, COCHRAN, LYLES, MAURO &			500.00	000590
2/27/18	00030	2/22/18	45272-79	201802	320	54100	43000		8800 WTRSTONE BLVD#ST LTS	*	1,186.85		
									FPL			1,186.85	000591
2/27/18	00016	2/21/18	11921-34	201802	320	54100	43100		8851 WATERSTONE BLVD	*	67.55		
		2/21/18	11921-34	201802	320	54100	43100		8851 WATERSTONE BLVD	V	67.55-		
									ST LUCIE COUNTY TAX COLLECTOR			.00	000592
2/28/18	00028	2/21/18	11921-34	201802	320	54100	43100		8851 WATERSTONE BLVD	*	67.55		
									ST LUCIE COUNTY UTILITIES			67.55	000593
TOTAL FOR BANK A											50,648.89		
TOTAL FOR REGISTER											50,648.89		

WATS WATERSTONE

MDELGADO

Waterstone
COMMUNITY DEVELOPMENT DISTRICT
COMBINED BALANCE SHEET
February 28, 2018

	Major Funds		Non-Major Fund	Total Governmental Funds
	General	Debt Service	Capital Projects	
ASSETS:				
Cash	\$147,568	---	---	\$147,568
Investments:				
Reserve	---	\$55,243	---	\$55,243
Interest	---	\$920	---	\$920
Revenue	---	\$86	---	\$86
Construction	---	---	\$668	\$668
Remedial Expenditure Account	---	\$4,292	---	\$4,292
TOTAL ASSETS	\$147,568	\$60,540	\$668	\$208,776
LIABILITIES:				
Accounts Payable	\$2,651	---	---	\$2,651
Due to Bondholders	---	\$8,209,575	---	\$8,209,575
FUND BALANCES:				
Unassigned for Debt Service	---	(\$8,149,035)	---	(\$8,149,035)
Restricted for Capital Projects	---	---	\$668	\$668
Assigned	\$144,917	---	---	\$144,917
TOTAL LIABILITIES & FUND EQUITY & OTHER CREDITS	\$147,568	\$60,540	\$668	\$208,776

Waterstone
COMMUNITY DEVELOPMENT DISTRICT

GENERAL FUND

Statement of Revenues, Expenditures and Changes in Fund Balance
For The Period Ending February 28, 2018

	ADOPTED BUDGET	PRORATED BUDGET THRU 02/28/2018	ACTUAL THRU 02/28/2018	VARIANCE
REVENUES:				
Maintenance Assessments-Direct	\$112,153	\$33,716	\$33,716	\$0
TOTAL REVENUES	\$112,153	\$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	\$1,200	\$0	\$0	\$0
Dissemination	\$4,000	\$4,000	\$4,000	\$0
Attorney	\$20,000	\$6,667	\$2,000	\$4,667
Auditing	\$5,400	\$0	\$0	\$0
Trustee Fees	\$11,000	\$0	\$0	\$0
Management Fees	\$30,000	\$12,500	\$12,500	\$0
Computer Time	\$1,000	\$417	\$417	\$0
Website Compliance	\$500	\$208	\$208	\$0
Telephone	\$25	\$10	\$0	\$10
Postage	\$100	\$42	\$22	\$20
Insurance	\$6,356	\$6,356	\$5,778	\$578
Printing & Binding	\$200	\$83	\$24	\$60
Legal Advertising	\$1,000	\$417	\$0	\$417
Other Current Charges	\$400	\$167	\$229	(\$63)
Office Supplies	\$25	\$10	\$1	\$10
Dues, Licenses & Subscriptions	\$175	\$175	\$175	\$0
Capital Outlay	\$250	\$104	\$0	\$104
TOTAL ADMINISTRATIVE EXPENDITURES	\$88,937	\$34,200	\$25,354	\$8,846
Field				
Landscape Maintenance	\$6,180	\$2,575	\$3,090	(\$515)
Lake Maintenance	\$10,300	\$4,292	\$0	\$4,292
Electric	\$14,000	\$5,833	\$5,921	(\$88)
Water/Sewer	\$1,000	\$417	\$338	\$79
Contingency/R&M	\$10,000	\$4,167	\$0	\$4,167
Cable/Internet Services	\$5,520	\$2,300	\$975	\$1,325
TOTAL FIELD EXPENDITURES	\$47,000	\$19,583	\$10,324	\$9,259
EXCESS REVENUES/(EXPENDITURES)	(\$23,784)		(\$1,962)	
FUND BALANCE - Beginning	\$23,784		\$146,879	
FUND BALANCE - Ending	<u>\$0</u>		<u>\$144,917</u>	

Waterstone
COMMUNITY DEVELOPMENT DISTRICT

DEBT SERVICE FUND
Statement of Revenues, Expenditures and Changes in Fund Balance
For The Period Ending February 28, 2018

	ADOPTED BUDGET	PRORATED THRU 02/28/2018	ACTUAL THRU 02/28/2018	VARIANCE
REVENUES:				
Interest Earned	\$0	\$0	\$261	\$261
SPE Funding	\$0	\$0	\$158,654	\$158,654
Assessments - Direct	\$912,175	\$0	\$0	\$0
TOTAL REVENUES	\$912,175	\$0	\$158,915	\$158,915
EXPENDITURES:				
Series 2007B				
Interest - 11/1	\$456,088	\$456,088	\$456,088	\$0
Interest - 5/1	\$456,088	\$0	\$0	\$0
TOTAL EXPENDITURES	\$912,175	\$456,088	\$456,088	\$0
OTHER SOURCES/(USES)				
Default Expenditures	\$0	\$0	\$165,996	(\$165,996)
TOTAL OTHER SOURCES/(USES)	\$0	\$0	\$165,996	(\$165,996)
EXCESS REVENUES/(EXPENDITURES)	\$0		(\$463,168)	
FUND BALANCE - Beginning	\$0		(\$7,685,866)	
FUND BALANCE - Ending	\$0		(\$8,149,035)	

Waterstone

COMMUNITY DEVELOPMENT DISTRICT CAPITAL PROJECTS FUND

Statement of Revenues, Expenditures and Changes in Fund Balance
For The Period Ending February 28, 2018

	ADOPTED BUDGET	PRORATED THRU 02/28/2018	ACTUAL THRU 02/28/2018	VARIANCE
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REVENUES:

Interest Earned	\$0	\$0	\$2	\$2
TOTAL REVENUES	\$0	\$0	\$2	\$2

EXPENDITURES:

Capital Outlay	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$0	\$0	\$0	\$0

EXCESS REVENUES (EXPENDITURES)	\$0		\$2	
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FUND BALANCE - Beginning			\$666	
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FUND BALANCE - Ending			\$668	
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