

***Portofino Cove
Community Development District***

January 10, 2018

Portofino Cove

Community Development District

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Phone: 954-721-8681 - Fax: 954-721-9202

January 3, 2018

**Board of Supervisors
Portofino Cove
Community Development District**

Dear Board Members:

A *special* meeting of the Board of Supervisors of **Portofino Cove Community Development District** is scheduled for **January 10, 2018 at 10:00 a.m. the Portofino Cove Sales Office, 4135 Ambrosia Drive #2016, Fort Myers, Florida, 33908.** Following is the advance agenda for the meeting:

1. Roll Call
2. Organizational Matters
 - A. Consideration of Appointment of Supervisor to Unexpired Term of Office
 - B. Oath of Office for Newly Appointed Supervisor
 - C. Election of Officers
3. Approval of the Minutes of the March 7, 2014, April 10, 2015, July 10, 2015, June 10, 2016, January 31, 2017, May 3, 2017, and August 1, 2017 Meetings
4. Authorization of Corrections to the 2016 and 2017 Tax Bills to Remove the Operations and Maintenance Assessments
5. Consideration of Agreement with the Landowner for the Long Term Maintenance of All CDD Property
6. Consideration of Engagement Letter with Grau & Associates to perform the Audit for Fiscal Year Ending September 30, 2017
7. Staff Reports
 - A. Attorney
 - B. Engineer
 - C. Manager
8. Financial Reports
 - A. Approval of Check Run Summary
 - B. Balance Sheet and Income Statement
9. Supervisors Requests and Audience Comments
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.portofinocovecdd.com>

**MINUTES OF MEETING
PORTOFINO COVE
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Portofino Cove Community Development District was held on Friday, March 7, 2014 at 11:00 a.m. at the Portofino Cove Sales Office, 4180 Umbria Lane #712, Fort Myers, Florida.

Present and constituting a quorum were:

| | |
|----------------|---------------------|
| Nancy Iglesias | Vice Chairperson |
| John Nelson | Assistant Secretary |
| Jorge Cepero | Assistant Secretary |

Also present were:

| | |
|-----------------|---|
| Gerry Knight | District Counsel (by phone) |
| Paul Winkeljohn | District Manager |
| Rich Hans | Governmental Management Services (by phone) |

FIRST ORDER OF BUSINESS

Roll Call

Mr. Winkeljohn called the meeting to order, and called the roll.

SECOND ORDER OF BUSINESS

Organizational Matters

A. Oath of Office for Ms. Geovanna Fortier

Mr. Winkeljohn: Item No. 2 is Organizational Matters and since Geovanna is not here today we can just skip over this item until next time.

THIRD ORDER OF BUSINESS

**Approval of the Minutes of the
May 3, 2013 and August 2, 2013
Meetings**

Mr. Winkeljohn: The minutes from the May 3, 2013 and the August 2, 2013 meetings are you in your packets, and I believe our office and you have communicated satisfactorily.

Mr. Cepero: Yes, I want to make a motion to approve the May 3rd minutes, and table the August 2nd minutes.

On MOTION by Mr. Cepero seconded by Mr. Nelson with all in favor, the Minutes of the May 3, 2013 Meeting were approved.

Mr. Winkeljohn: Alright, and the August minutes you didn't get to those yet?

Mr. Cepero: No, not yet.

Mr. Winkeljohn: Ok.

FOURTH ORDER OF BUSINESS

**Discussion of Chapter 2013-227,
Laws of Florida Public
Participation Law and
Consideration of Resolution
#2014-01 Establishing a Public
Comment Policy**

Mr. Winkeljohn: Moving to the next item, Chapter 2013-227, participation law, and consideration of resolution #2014-01, and I think most of you guys have seen this on other Districts, but basically the public access and public comment can happen at any point in the meeting with certain rules and expectations. Obviously we don't run into a lot of that, but occasionally if we do it's good to have this in place so we can establish procedures that would allow the public to participate per the new law, but we'd still be able to manage it and that's the shortened version of it.

Mr. Cepero: Can we table this for the next meeting?

Mr. Winkeljohn: Why, it's the same?

Mr. Cepero: I haven't gone through it yet.

Mr. Winekljohn: You've seen it before.

Mr. Cepero: This is the first time it's come up for this District.

Mr. Winkeljohn: Ok, well if you need to that's your choice, ok.

FIFTH ORDER OF BUSINESS

Consideration of Resolution #2014-02 Approving the Proposed Fiscal Year 2015 Budget and Setting the Public Hearing

Mr. Winkeljohn: Moving on to item No. 5 which is resolution #2014-02 which is the proposed 2015 budget, and setting a public hearing. I was going to first state that there's a June meeting, the first week in June that looks really good for the calendar, and so if you approve resolution #2014-02 you would probably want to set the meeting for June 6th, that gives us plenty of time to meet the requirements, and it's a good time of year for budget adoption. The remainder of the topic for the budget of course is setting the ceiling amount, and there is no proposed change at this time.

On MOTION by Mr. Cepero seconded by Mr. Nelson with all in favor, Resolution #2014-02 approving the proposed Fiscal Year 2015 budget and setting the Public Hearing for June 6, 2014 at 4180 Umbria Lane, #712, Fort Myers, Florida was approved.

SIXTH ORDER OF BUSINESS

Ratification of Engagement Letter with Grau & Associates to perform the Audit for Fiscal Years Ending September 30, 2013, and September 30, 2014

Mr. Winkeljohn: Moving on to the engagement letter with Grau & Associates to perform the next two audits basically, so we can get those rolling.

Mr. Cepero: And we already did the bids for that?

Mr. Winkeljohn: Yes, each year you come back and you approve that year's engagement letter, and since we haven't met in a while you have two of them on your plate, but there is a competitive qualification process we did go through.

Mr. Cepero: They want it outright, or did we ask for negotiations?

Mr. Winkeljohn: That was part of the process that set the fee, and they are at their fee that was proposed.

Mr. Cepero: Ok.

On MOTION by Mr. Cepero seconded by Mr. Nelson with all in favor, ratifying the engagement letter with Grau & Associate to perform the audit for Fiscal Years ending September 30, 2013 and September 30, 2014 was approved.

**SEVENTH ORDER OF BUSINESS Acceptance of Audit for Fiscal Year
Ending September 30, 2012**

Mr. Winkeljohn: So now we are also accepting the audit for fiscal year ending September 30, 2012, and I believe it's in your packets if you would like to look at that, and Rich I don't remember how these audits look but do you recall anything unusual there?

Mr. Hans: Well the audits are going to show that the bonds were defaulted on, that we have a continuing assessment problem collecting to pay our fees, so it's clean as far as findings, as far as complying with the laws and accounting principles but, there are findings that we're in a financial distressed situation.

Mr. Winkeljohn: Correct, yes, so the audits are an accurate reflection of the true financial condition of the District, that's probably how I would describe that, and your job obviously, as the board, is to accept this as a record, so you're not making statements one way or the other about the validity of the report.

On MOTION by Mr. Cepero seconded by Mr. Nelson with all in favor, accepting the audit for Fiscal Year ending September 30, 2012 was approved.

**EIGHTH ORDER OF BUSINESS Acceptance of Audit for Fiscal Year
Ending September 30, 2013**

Mr. Winkeljohn: Then likewise the next year's audit was also included with the same situation, so just a motion to accept that would be in order.

On MOTION by Mr. Nelson seconded by Ms. Iglesias with all in favor, accepting the audit for Fiscal Year ending September 30, 2013 was approved.

NINTH ORDER OF BUSINESS

Discussion of Procedures for the Landowners Election - November 7, 2014

Mr. Winkeljohn: In your packet is the sample agenda, proxy and ballot for the November 7th landowners election, and I know everyone here has been through this a few times, and obviously the statutes asks us to put this information before you. If there are any questions I can take them, otherwise this is just a point that we need to bring up to the board for informational purposes that it is part of the normal procedures.

TENTH ORDER OF BUSINESS

Staff Reports

Mr. Winkeljohn: Moving on, to Staff Reports, Mr. Attorney anything for our friends at Portofino Cove today?

A. Attorney

Mr. Knight: Yes, I do have one item to report, there was a tax deed issued based on the property, and the tax deed grantee has filed a quiet title action which they named the District as a defendant, and we will respond as District counsel, and answer the complaint, and that's the situation and if you have any questions let me know.

Mr. Cepero: Well what's the complaint?

Mr. Knight: The complaint is a quiet title action under the Florida Statute having to do with quiet title actions, and they're bringing this action because they got title by virtue of a tax deed, and the only way to ensure title that you get by virtue of a tax deed is to bring a quiet title action, and name everybody who would have a possible interest in the property so that hopefully the complaintive is asking for a judgment from the court, that they have good title so that they can get it insured.

Mr. Cepero: And what's our position?

Mr. Knight: Our position is that the District's interest was not eliminated by the tax deed so the District still has an interest in the property, and namely the assessment lien.

Mr. Cepero: So what did their request do?

Mr. Knight: I don't know what the ultimate outcome will be but presumably they would eliminate anybody else who has an interest since they named everybody that might have an interest in the property, and their goal is to get a judgment that says that they have good title free, and clear of those things.

Mr. Cepero: Have we been in touch with them about the monies owned?

Mr. Winkeljohn: It's just getting started.

Mr. Cepero: Ok.

Mr. Knight: Well, I have not contacted them, and they have not contacted us.

Mr. Cepero: Ok, and I think we passed a resolution so that any new owners that got into compliance would stop foreclosure, and I guess in this case it's the whole property because it's just not a portion of the property, but maybe Paul you can reach out to them, and tell them what's owed, and see how fast they can pay up, and I'm assuming if we've gone through all of this that they were willing to get up-to-date, and stabilize the property.

Mr. Winkeljohn: Well, I don't know who, anyone that we could contact, obviously there is a lawsuit filed to the attorney who is the appropriate communicator.

Mr. Cepero: Ok.

Mr. Knight: Right, and I don't mind contacting them Jorge, we can do that, and find out what their interest is, and pursuing that approach, and then we can get back to you all and the bondholders, and find out whether there is something that can be done there. Of course the B Bonds have matured already so I don't know, but we can certainly make that contact, and see if there is any interest in doing that, working something out if that's the board's wishes.

Mr. Cepero: Alright.

Mr. Winkeljohn: Anything else?

Mr. Knight: Jorge, is that what the board would like us to do?

Mr. Cepero: To contact the new owner, absolutely. If they can stabilize the property, and settle this foreclosure we're all for it.

Mr. Knight: Ok.

Mr. Winkeljohn: Any other items Gerry?

Mr. Knight: No, on our side we have a pending motion to amend the foreclosure complaint to add this new owner as a defendant, so we'll see how all that plays out, and we're doing what I think we need to do to protect the interest of the District and the bondholders so we'll contact the other side and see whether they have any interest in working something out.

Mr. Winkeljohn: Very well, thank you.

B. Engineer

There not being any report, the next item followed.

C. Manager

Mr. Winkeljohn: Under Manager's report, any open items on your end Rich?

Mr. Hans: No.

Mr. Winkeljohn: Very good.

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

Mr. Winkeljohn: Moving on to Supervisors Requests? Hearing none, we have no audience here today.

TWELVTH ORDER OF BUSINESS Financial Reports

A. Approval of Check Run Summary

B. Balance sheet and Income Statement

Mr. Winkeljohn: The Financial Reports are in your packets for your review, and if there are no questions we would just need a motion approving those.

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

THIRTEENTH ORDER OF BUSINESS Adjournment

Mr. Winkeljohn: I have nothing else, so we just need a motion to adjourn.

On MOTION by Mr. Nelson seconded by Mr. Cepero with all in favor, the Meeting was adjourned.

Secretary / Assistant Secretary

Chairman / Vice Chairman

**MINUTES OF MEETING
PORTOFINO COVE
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Portofino Cove Community Development District was held on April 10, 2015 at 11:00 a.m. at the Portofino Cove Sales Office, 4180 Umbria Lane #712, Fort Myers, Florida.

Present and constituting a quorum were:

| | |
|----------------|---------------------|
| Nancy Iglesias | Chairperson |
| Jorge Cepero | Vice Chairman |
| John Nelson | Assistant Secretary |

Also present were:

| | |
|-----------------|-----------------------------|
| Paul Winkeljohn | District Manager |
| Gerry Knight | District Counsel (by phone) |

FIRST ORDER OF BUSINESS

Roll Call

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

SECOND ORDER OF BUSINESS

Organizational Matters

A. Consideration of Resolution #2015-01 Canvassing and Certifying the Results of the Landowners Election

Mr. Winkeljohn: Moving on to Organizational Matters, first thing is Resolution #2015-01 Canvassing and Certifying the Results of the Landowners Election. This resolution just documents what happened at the landowners election, and since there were no votes cast, it has no effect, but we still need to approve it for the district's records. Is there a motion to approve it?

| |
|--|
| On MOTION by Mr. Nelson seconded Mr. Cepero with all in favor Resolution #2015-01 Canvassing and Certifying the Results of the Landowners Election was approved. |
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B. Acceptance of Resignation Letter from Ms. Geovanna Fortier

Mr. Winkeljohn: Item B is a resignation letter from Geovanna Fortier. If there is a motion to accept her resignation, I would appreciate it.

On MOTION by Mr. Nelson seconded Ms. Iglesias with all in favor Ms. Fortier's resignation letter was accepted.

- C. Consideration of Appointment of Supervisor to Fill Unexpired Term of Office
 - D. Oath of Office for Newly Appointed Supervisor
 - E. Consideration of Resolution #2015-02 Electing Officers
- These items were tabled until a future meeting.

THIRD ORDER OF BUSINESS

**Approval of the Minutes of the
March 7, 2014 and June 6, 2014
Meetings**

Mr. Winkeljohn: That brings us to the minutes from the March 7, 2014 and June 6, 2014 meetings. If there are any corrections on those, I will take those now.

Mr. Cepero: Table both.

FOURTH ORDER OF BUSINESS

**Consideration of Resolution
#2015-03 Approving the Proposed
Fiscal Year 2016 Budget and
Setting the Public Hearing**

Mr. Winkeljohn: The main purpose of today's meeting is to start the budget process. You are all familiar with that. We have to set the date and time, and the maximum level. There is no proposed change. The next meeting that would line up nicely would be in June, but it would have to be after your usual date because it is too early. I know July might be an issue because of the holiday, and I know there are schedules that will probably conflict with. Since we have to advertise anyway, I would suggest we pick a new date in June maybe.

Mr. Cepero: Why do we have to advertise?

Mr. Winkeljohn: Because we have to advertise the public hearing. Is there another Friday that might work in June?

Mr. Cepero: The 12th? Or 19th or 26th?

Ms. Iglesias: I am fine with the 12th.

Mr. Winkeljohn: That works for me, too, so if everyone else is fine with that, is there a motion to approve Resolution #2015-03 to set the public hearing date for June 12th? Actually, I just realized I do have a conflict on that day at 11:00 a.m. in Punta Gorda, so could we move the meeting up or have it later than our usual start time?

Mr. Cepero: So are you thinking 2:00 p.m.? Or 1:00 p.m.?

Mr. Winkeljohn: 2:00 p.m. would be perfect, but I can probably do 1:00 p.m. Thanks for doing that. Is there a motion to approve Resolution #2015-03?

On MOTION by Mr. Nelson seconded Ms. Iglesias with all in favor Resolution #2015-03 Approving the Proposed Fiscal Year 2016 Budget and Setting the Public Hearing was approved; and the public hearing was scheduled to be held on June 12, 2015 at 1:00 p.m. at 4180 Umbria Lane, #712, Fort Myers, Florida.

FIFTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There not being any report, the next item followed.

B. Engineer

There not being any report, the next item followed.

C. Manager

There not being any report, the next item followed.

SIXTH ORDER OF BUSINESS

Supervisors Requests and Audience Comments

There not being any, the next item followed.

SEVENTH ORDER OF BUSINESS

Financial Reports

A. Approval of Check Run Summary

B. Balance Sheet and Income Statement

Mr. Winkeljohn: Moving on to the Financial Reports, which is Item #7 on the agenda, under tab A we have the check run summary, and under tab B we have the balance sheet and income statement. Those were included in your packets for your

review and approval. If there are any questions on those, we can take those now, and if not a motion to approve them.

Mr. Cepero: We have to advertise the landowners meeting, too? It is expensive.

Mr. Winkeljohn: Yes, it runs twice, and it is a big ad, so that is why.

On MOTION by Mr. Nelson seconded by Ms. Iglesias with all in favor the check run summary, and the balance sheet and income statement were approved.

EIGHTH ORDER OF BUSINESS Adjournment

Mr. Winkeljohn: If there is no other district business to discuss, we would just need a motion to adjourn the meeting.

On MOTION by Mr. Nelson seconded by Mr. Cepero with all in favor the meeting was adjourned.

Secretary / Assistant Secretary

Chairman / Vice Chairman

**MINUTES OF MEETING
PORTOFINO COVE
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Portofino Cove Community Development District was held on Friday, July 10, 2015 at 1:00 p.m. at the Portofino Cove Sales Office, 4180 Umbria Lane #712, Fort Myers, Florida.

Present and constituting a quorum were:

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|----------------|---------------------|
| Nancy Iglesias | Vice Chairperson |
| John Nelson | Assistant Secretary |
| Jorge Cepero | Assistant Secretary |

Also present were:

| | |
|-----------------|----------------------------------|
| Gerry Knight | District Counsel (by phone) |
| Rich Hans | District Manager |
| Lisa Derryberry | Governmental Management Services |

FIRST ORDER OF BUSINESS

Roll Call

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

SECOND ORDER OF BUSINESS

Organizational Matters

- A. Consideration of Appointment of Supervisor to Fill Unexpired Term of Office
- B. Oath of Office of Newly Appointed Supervisor
- C. Consideration of Resolution #2015-02 Electing Officers

Mr. Hans: Moving on to Organizational Matters, there was a vacancy on the board and if you have somebody you want to appoint to that vacancy we can do that.

Ms. Iglesias: Not yet.

Mr. Hans: Ok then we can move on to the next item.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the March 7, 2014 (sent to Supervisor Cepero 10/01/14, 05/07/15 and 06/29/15 - still pending changes), June 6, 2014 (sent to Supervisor Cepero 10/01/14, 05/07/15 and 06/29/15 - still pending changes) and April 10, 2015 (sent to Supervisor Cepero 05/07/15 and 06/29/15 - still pending changes) Meetings

Mr. Hans: Moving on to item No. 3 we have approval of the minutes from our March 7, 2014 meeting, our June 6, 2014 meeting, and our April 10, 2015 meeting.

Mr. Cepero: Table.

Ms. Iglesias: Table all of them?

Mr. Cepero: Yes.

Mr. Hans: Ok so we'll table all those minutes for next time.

FOURTH ORDER OF BUSINESS

Consideration of Resolution #2015-04 Approving the Proposed Fiscal Year 2016 Budget and Re-Setting the Public Hearing

Mr. Hans: Next we have Consideration of Resolution #2015-04 Approving the Proposed Fiscal Year 2016 Budget and Re-Setting the Public Hearing date. Basically this is, we originally set the public hearing date for the June meeting which was canceled because we couldn't get a quorum, so this just re-sets that public hearing to today. We just need a motion approving resolution #2105-04.

Mr. Cepero: Re-setting the public hearing to today?

Mr. Hans: Yes, for the budget, we were supposed to have this budget hearing last month, and whatever happened we couldn't get a quorum.

Mr. Cepero: Ok alright.

On MOTION by Mr. Cepero seconded by Ms. Iglesias with all in favor, Resolution #2015-04 approving the proposed Fiscal Year 2016 Budget and re-setting the Public Hearing for July 10, 2015 at 4180 Umbria Lane, #712, Fort Myers, Florida was approved.

FIFTH ORDER OF BUSINESS

Public Hearing to Adopt Fiscal Year 2016 Budget

A. Motion to Open the Public Hearing

Mr. Hans: Now that we re-set our public hearing we will open up our public hearing, and this was advertised as a public hearing for the purpose of adopting the budget, so just a motion opening the public hearing would be in order.

Mr. Cepero: Did we advertise this meeting?

Mr. Hans: Yes we did.

Mr. Nelson: They anticipated us approving the first one and advertised it for today at this time, so we're good to go.

Mr. Cepero: Ok.

Mr. Hans: Correct.

On MOTION by Mr. Nelson seconded by Ms. Iglesias with all in favor, opening the Public Hearing was approved.

B. Public Comment and Discussion

C. Consideration of Resolution #2015-05 Annual Appropriation Resolution

Mr. Hans: So now that the public hearing is opened, and it was advertised, and there is no general public here today for any comment or discussion so we can just move on to our resolution, which is resolution #2015-05 under tab 5. That resolution is the annual appropriation resolution and what that does is it approves the budget and appropriates the funds between the general fund and the debt service fund. In front of that resolution is a copy of the budget which is the same exact budget that we've been

operating under for a couple of years now. So if there is no discussion or questions, a motion to approve resolution #2015-05 would be in order.

On MOTION by Mr. Cepero seconded by Mr. Nelson with all in favor, Resolution #2015-05 the Annual Appropriation Resolution was approved.

D. Consideration of Resolution #2015-06 Levy of Non Ad Valorem Assessments

E. Motion to Close the Public Hearing

Mr. Hans: Then the second resolution in the public hearing for the levy of the Non Ad Valorem Assessments, and what we're doing is levying an assessment to pay for the expenses that we discussed in our general fund and it will be on the tax roll, I think only our O&M assessment is on the tax roll and the debt service is still accelerated in the process of foreclosure, so just a motion approving resolution #2015-06 would be in order.

On MOTION by Mr. Nelson seconded by Ms. Iglesias with all in favor, Resolution #2015-06 the levy of Non Ad Valorem Assessments was approved.

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

On MOTION by Mr. Nelson seconded by Ms. Iglesias with all in favor, closing the Public Hearing was approved.

SIXTH ORDER OF BUSINESS

**Acceptance of Audit for Fiscal Year
Ending September 30, 2014**

Mr. Hans: Moving on to item No. 6 which is the acceptance of our audit from fiscal year ending September 30, 2014. In your packet is a copy of the audit that was prepared by Grau & Associates. Basically if you go to the end, report to management which basically provides us with a clean audit, no findings as far as inappropriate use of funds or any recommendations. This does not make any sense.

Mr. Nelson: There was a couple of sections in here, you probably need to go earlier because this is the new stuff for next year, they put all the bids in there for next time too.

Mr. Hans: Yes I went too far and I'm looking for the findings and I don't know why it's not showing any findings. Ok well just for clarity of the record, the audit is clean, there were no recommendations as far as I know, there are findings about the non-payment of the debt service that's showing in the report to management.

Mr. Nelson: Ok.

Mr. Hans: And I'm not sure why but we have extra stuff in here that does not belong in here, so just a motion to accept was already made by Jorge.

Ms. Iglesias: And a second by John.

On MOTION by Mr. Cepero seconded by Mr. Nelson with all in favor, accepting the audit for Fiscal Year ending September 30, 2014 was approved.

SEVENTH ORDER OF BUSINESS Appointment of Audit Selection Committee

Mr. Hans: Ok moving on to item No. 7, every 3 to 5 years we need to go through this audit selection procedure, selecting an auditor. Grau was selected 3 years ago and now we're at the point to go through that process again, so the first thing we need to do is appoint an audit selection committee. Typically our audit selection committee is our current board members so if that's what you want to have as your selection committee just a motion to that nature would be in order.

On MOTION by Ms. Iglesias seconded by Mr. Nelson with all in favor, appointing the entire Board of Supervisors to serve as the Audit Selection Committee was approved.

Audit Selection Committee Meeting

- A. Opening Audit Selection Committee Meeting
- B. Roll Call
- C. Ratification of Criteria for Evaluation
- D. Ratification of RFP
- E. Ranking of Respondents to RFPs
- F. Adjournment

Mr. Hans: So we're going to open up our audit selection committee meeting at this point, so our audit selection meeting is open and our roll is Nancy, Jorge and John as our selection committee. The next item is ratification of the criteria for evaluation and that's the page that's on the cover of your list. This is the criteria that we've used in the past for prior selections, so just a motion ratifying the use of that criteria would be in order.

On MOTION by Mr. Nelson seconded by Ms. Iglesias with all in favor, ratifying the criteria for evaluation was approved.

Mr. Hans: Then we did advertise for respondents, we put in our request for proposals out there and so we're just looking for a motion to ratify the action of the staff running that advertisement.

On MOTION by Mr. Cepero seconded by Mr. Nelson with all in favor, ratifying the RFP was approved.

Mr. Hans: Now as the audit selection committee you have your respondents to our request for proposals, and here is the criteria sheet that I just described, it shows who responded and what their prices were for each year for 5 years and the ranking is based on the items across the top of this sheet which are, the ability of personnel, the proposer's experience, understanding the scope of work, ability to furnish the required services and price is also included. So what we need the selection committee to do is come up with a ranking based on the criteria for who you rank #1, #2 and #3.

Mr. Cepero: Well Rich you know these guys better than we do, as far as their ability, experience, understanding the work, and ability to furnish the services, do you have any comments on anybody that's hasn't performed?

Mr. Hans: All 4 of these respondents do a lot of audits for CDDs, I think they're all equally qualified as far as their ability and experience. Grau is probably the most experienced, they probably do about 200 Districts. Carr, Riggs, Berger, Toombs and McDirmit Davis, each are way up there too as far as number of Districts that they do. I would almost say, as far as the four criteria, their ability, their experience, understanding the scope, and their ability to furnish services, I would almost rank them all equal, so now you're down to price.

Mr. Nelson: And the one with the most experience is Grau?

Mr. Hans: Yes, and they've done our last 3 years of audit.

Mr. Cepero: So maybe for experience we give Grau 20 points and the other ones 15 points because they have a little bit less, and then 20 points on everything else.

Ms. Iglesias: So it falls down to the price.

Mr. Cepero: So I would give the lowest one, who is Grau again.

Mr. Hans: No.

Ms. Iglesias: No that's not the lowest one, McDirmit Davis is.

Mr. Nelson: Will Grau meet the lowest ones?

Mr. Cepero: Ok, you're right, so Grau maybe 15 points and then Berger, Toombs, 10 points, and Carr, Riggs, 5 points. So yes, I could question that, because they even out then, but I really don't know.

Ms. Iglesias: We've often used Grau, right?

Mr. Nelson: Yes, and that's why I'm wondering if they will match McDirmit in order to get Grau.

Mr. Cepero: Well right now I have 2 companies with 95 points each.

Ms. Iglesias: Did you hear what John just said?

Mr. Cepero: What?

Ms. Iglesias: If these guys can match these guys.

Mr. Cepero: Sure.

Mr. Nelson: That's what I would ask them, you could even put it in a motion that if Grau will meet McDirmit's prices then award it to Grau.

Ms. Iglesias: Right.

Mr. Hans: Alright. So the audit selection committee, you're going to recommend as your first choice Grau if they come down to \$20,000.

Mr. Nelson: Yes.

Mr. Hans: Then if not, if you go to McDirmit that would be your #2 ranked?

Ms. Iglesias: If we have to choose, yes.

Ms. Nelson: Yes.

Mr. Hans: Ok so we're going to say, #1, #2 and Carr Riggs would be #3?

Mr. Cepero: Yes.

Mr. Hans: And this is with a star, if they reduce their price to \$20,000. Alright so then just a motion to that nature would be in order, a "so moved" I guess would be good. So for your ranking it's going to be Grau & Associates #1, if they reduce to \$20,000.

Ms. Iglesias: If they don't do you want to still go with Grau, or you want to go with the other one?

Mr. Cepero: Yes.

Ms. Iglesias: Because we've always used Grau, so we want to know.

Mr. Cepero: Oh you're saying if they don't lower it.

Mr. Hans: Right.

Mr. Cepero: Well what do you guys think?

Mr. Nelson: I think that our financial state of the District we need to go with the low price company, because they're all pretty much all even, the only advantage Grau has is that they've done ours before, other than that, experience wise, he's saying they're all about the same.

Ms. Igelsias: Right they're all about the same.

Mr. Cepero: But their ranking ends up being the same, which that becomes a determining factor, price or experience.

Mr. Nelson: Right, and we can always try a new company and see how they do.

Ms. Iglesias: Ok.

Mr. Hans: Ok so Grau & Associates as #1 if they come down to \$20,000 and McDirmit #2, ok so just a motion to that nature would be in order.

On MOTION by Ms. Iglesias seconded by Mr. Nelson with all in favor, ranking the respondents to the RFPs as Grau & Associates #1, if they come down to \$20,000 on their pricing, and McDirmit Davis as #2 as stated on the record was approved.

Mr. Hans: Alright so we will close our audit selection committee meeting and move back into our regular CDD meeting and now you are board members again.

EIGHTH ORDER OF BUSINESS Selection of Audit Firms

Mr. Hans: Now we have selection of the audit firms and based on the recommendation of the audit selection committee which was to select Grau & Associates if they would reduce their price to \$20,000 for the 5 years, so just an authorization of District staff to bring back an agreement with Grau & Associates at \$20,000, and if not McDirmit Davis at \$20,000, so just a motion to that nature would be in order.

On MOTION by Mr. Nelson seconded by Ms. Iglesias with all in favor, selecting Grau & Associates as the #1 ranked firm, if they reduce their price to \$20,000, and if not then McDirmit, Davis, and authorizing staff to bring back an engagement letter was approved.

NINTH ORDER OF BUSINESS Staff Reports

Mr. Hans: Moving on, to Staff Reports. Gerry do you have anything for us today?

A. Attorney

Mr. Knight: No report today.

Mr. Hans: Alright, thank you.

B. Engineer

There not being any report, the next item followed.

C. Manager

1) Number of Registered Voters in the District - 35

2) Consideration of Proposed Fiscal Year 2016 Meeting Schedule

3) Discussion of Financial Disclosure Report from the Commission on Ethics

Mr. Hans: Under Manager's report, we have number of registered voters in the District, there's actually 35 registered voters within the District. As you know once we get to 250 registered voters and 6 years have gone by you switch from a landowners elections to the general election for your seats, so you still have a while before you get there. The meeting schedule, consideration of our meeting schedule, ok this meeting schedule has the 11 dates, the first Friday of each month at 11:00 a.m. that's the schedule.

Mr. Nelson: With the exception of January.

Mr. Cepero: So that's already set?

Mr. Hans: This is for you to actually discuss and approve.

Mr. Cepero: To discuss and approve now or it was approved last time?

Mr. Hans: This is for this upcoming fiscal year starting in October.

Mr. Cepero: Ok, so it's for us to approve now.

Ms. Iglesias: Right.

Mr. Hans: That is correct.

Mr. Cepero: So 11:00?

Mr. Hans: Yes 11:00 a.m. on the first Friday of each month.

Mr. Cepero: So you said you have an 11:00 o'clock meeting, so it has to be 11:30.

Mr. Hans: Let me just check that, I don't think yours is the first Friday.

Mr. Cepero: No we are the first Friday, today it's just because the 4th of July holiday was last Saturday.

Mr. Hans: Ok well I just want to check on something so just give me a minute. Ok so they're the second Friday of each month, my other meeting is at 11:00.

Ms. Iglesias: So the second Friday?

Mr. Nelson: Is what they are, so we can do the first Friday.

Ms. Iglesias: Right.

Mr. Hans: Well can you do earlier?

Mr. Cepero: No.

Mr. Hans: Ok because ideally to have them at the same time on the same Friday would be good because the other District is only 5 minutes away, their meeting.

Mr. Nelson: So he's asking if it would hurt us to move to the second Friday of every month, instead of the first.

Mr. Cepero: Oh I don't care. So we move to the second Friday, so you can have both CDDs together.

Ms. Iglesias: Right at the same time.

Mr. Cepero: I don't care, the second Friday, let me see, is that an issue for you? It's only a couple trips a year.

Mr. Hans: Well we can just leave it at the first Friday, just leave it how it was because we're only going to meet 3 or 4 times a year, right, so it's just going to be for the budget?

Mr. Cepero: Right more like 2 meetings.

Mr. Hans: So it's not going to be an issue.

Mr. Cepero: Are you sure?

Ms. Iglesias: I mean we want to accommodate you too, it's not a big deal.

Mr. Nelson: It makes it less of a big deal if we're only going to do two meetings or whenever it is, the second Friday works for me.

Ms. Iglesias: I don't care, we just have one meeting and we don't have that meeting all the time anyway.

Mr. Cepero: Right it's so infrequent.

Mr. Hans: Ok so if we do the second Friday, and just make that at 11:30?

Ms. Iglesias: Yes.

Mr. Cepero: Yes.

Mr. Hans: Ok that would be great. Ok so the second Friday at 11:30 a.m. at this location, ok so the dates are here except for, well no the dates are actually wrong because you need to add 7 days to each one of those dates.

Mr. Cepero: Right.

Ms. Iglesias: Right.

Mr. Hans: But we'll advertise the correct dates.

Mr. Nelson: Except for January, January stays the same.

Mr. Hans: Perfect, so then just a motion to approve that meeting schedule would be in order.

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| <p>On MOTION by Mr. Nelson seconded by Ms. Iglesias with all in favor, accepting the proposed Fiscal Year 2016 Meeting Schedule as amended for the second Friday of each month at 11:30 a.m. at 4180 Umbria Lane #712, Fort Myers, Florida was approved.</p> |
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Mr. Hans: Then our discussion on our financial disclosure report. When they printed this last week, Jorge still hadn't filed, John has filed, Nancy has filed, so it was just Jim and Jorge who needed to file. Alright so just make sure you file, as you know they'll start fining starting September 1st usually.

TENTH ORDER OF BUSINESS

Supervisors Requests and Audience Comments

Mr. Hans: Moving on to Supervisors Requests, anything from our supervisors?

Mr. Nelson: Nothing.

ELEVENTH ORDER OF BUSINESS Financial Reports

A. Approval of Check Run Summary

B. Balance sheet and Income Statement

Mr. Hans: Moving on to Financial Reports. We have our check run summary and our balance sheet and income statement. If there are any comments, questions or discussions we can take those, and if not, a motion to approve those would be in order.

Mr. Cepero: No.

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

TWELVTH ORDER OF BUSINESS Adjournment

Mr. Hans: If there is no other District business, a motion to adjourn would be in order.

On MOTION by Ms. Iglesias seconded by Mr. Nelson with all in favor, the Meeting was adjourned.

Secretary / Assistant Secretary

Chairman / Vice Chairman

**MINUTES OF MEETING
PORTOFINO COVE
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Portofino Cove Community Development District was held on June 10, 2016 at 12:30 p.m. at the Portofino Cove Sales Office, 4180 Umbria Lane #712, Fort Myers, Florida.

Present and constituting a quorum were:

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|----------------|---------------------|
| Nancy Iglesias | Chairperson |
| Jorge Cepero | Vice Chairman |
| John Nelson | Assistant Secretary |

Also present were:

| | |
|-----------------|-----------------------------|
| Paul Winkeljohn | District Manager |
| Gerry Knight | District Counsel (by phone) |

FIRST ORDER OF BUSINESS Roll Call

Mr. Winkeljohn called the meeting to order, and called the roll.

SECOND ORDER OF BUSINESS Organizational Matters

- A. Consideration of Appointment of Supervisor to Fill Unexpired Term of Office
- B. Oath of Office of Newly Appointed Supervisor
- C. Election of Officers

These items were tabled until a future meeting.

**THIRD ORDER OF BUSINESS Approval of the Minutes of the
March 7, 2014, June 6, 2014, April
10, 2015, July 10, 2015, and
February 12, 2016 Meetings**

Mr. Winkeljohn: Moving on to Item #3 we have approval of the minutes from our March 7, 2014, June 6, 2014, April 10, 2015, July 10, 2015, and February 12, 2016 meetings. Do we want to approve any of those?

Mr. Cepero: I would move to approve the June 6, 2014 and February 12, 2016, and table the rest.

Mr. Winkeljohn: Okay.

On MOTION by Mr. Cepero seconded by Mr. Nelson with all in favor the Minutes of the June 6, 2014 and February 12, 2016 Meetings were approved; and the rest of the minutes were tabled.

FOURTH ORDER OF BUSINESS Public Hearing to Adopt Fiscal Year 2017 Budget

A. Motion to Open the Public Hearing

Mr. Winkeljohn: Next we need a motion to open the public hearing.

On MOTION by Mr. Nelson seconded by Ms. Iglesias with all in favor the public hearing was opened.

B. Public Comment and Discussion

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

Mr. Winkeljohn: At this time we would take public comment, but no members of the public have joined us today so we can conclude that portion, and move on to Resolution #2016-02 Annual Appropriation Resolution. We have no reason to increase or decrease the assessments, so we are adopting today the same budget as last year. Unless there are any changes to that, and Resolution #2016-02 is in place to approve.

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

D. Consideration of Resolution #2016-03 Levy of Non Ad Valorem Assessments

Mr. Winkeljohn: Now that we know our assessment level Resolution #2016-03 is the collection method that we will need to approve by motion.

On MOTION by Mr. Nelson seconded by Mr. Cepero with all in favor Resolution #2016-03 the levy of Non Ad Valorem Assessments was approved.

E. Motion to Close the Public Hearing

Mr. Winkeljohn: Then just a motion to close our public hearing.

On MOTION by Mr. Nelson seconded by Ms. Iglesias with all in favor the public hearing was closed.

FIFTH ORDER OF BUSINESS

Staff Reports

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

Mr. Winkeljohn: Staff Reports. Gerry, do you have anything for us today? I know you have your memos in the agenda books on the various legislative changes.

Mr. Knight: Just to hit a couple highlights, and we will be glad to answer any questions you may have about any of this later if you want to read through it. There are a couple things worth mentioning. One is that any contract that the district enters into, any documents that relate to that contract are public records and have to be produced by the vendor or contractor as public records if there is a request for them. And then there is also a written requirement that the proposed budget of the district be on the website for at least 45 days, and the adopted budget be on there for two years, and also that the agenda be prepared and available on the website at least seven days before the meeting, which is going to be an extra burden for the District Manager to get it prepared in advance like that, but that is what the legislature is requiring. There is also some new legislation that was passed by the 2016 legislature that allows districts to enter into contracts with towing companies to tow vehicles off the district property, and there is a new extension to the public records law into the Sunshine law in competitive bidding situations so that the documents submitted in a competitive bidding process are exempt from public records, and that the board can have negotiating sessions and presentations from vendors who are bidding or submitting proposals out of the Sunshine, but a record of all of that has to be kept and produced later after the contract is awarded. Those are the highlights of the legislation. If you have any questions let me know.

B. Engineer

There not being any report, the next item followed.

C. Manager

1) Number of Registered Voters in the District - 34

2) Consideration of Proposed Fiscal Year 2017 Meeting Schedule

Mr. Winkeljohn: Under Manager's report, we have 34 registered voters, and the action I would need from you is to approve next fiscal year's meeting schedule. Unless

you have a reason to change it, we can keep it as it has been on Fridays and I would just need a motion to approve it.

On MOTION by Mr. Nelson seconded by Mr. Cepero with all in favor the proposed fiscal year 2017 meeting schedule was approved.

3) Discussion of Financial Disclosure Report from the Commission on Ethics

Mr. Winkeljohn: Then our discussion on our financial disclosure report. You should be receiving those soon if you haven't already.

Ms. Iglesias: Yes, I got mine.

Mr. Winkeljohn: Great. The rest of you should, too. Please make sure to take care of that since they are due soon.

4) Discussion of Public Records Request

Mr. Winkeljohn: Gerry mentioned some of the public records and website information, sharing. I have said this to you before, but just want to repeat it for the record because there were groups sending out requests for information under public information laws basically. If you receive any, always send those to me. There is a firm that has gone to another level of asking for completely obscure accommodations of agendas, minutes, budgets, etc. Really what it looks like is with the intent to make a district not do it right so they can sue them and collect fees. Just to let you know I have gotten a bunch of those and have been handling them for you, and we think we have satisfied them, but just in the background you should know how much is going on out there. Every district in the state is getting solicited by this blanket e-mail strategy, and they set up their e-mail to go to a spam folder almost every time so we have to really watch that. In fact we had to change our outlook so everything goes through. And it looks like something you are going to get a virus from if you open it, but it is a real request. I put it in the agenda books for you to look at.

SIXTH ORDER OF BUSINESS

Supervisors Requests and Audience Comments

There not being any, the next item followed.

SEVENTH ORDER OF BUSINESS Financial Reports

A. Approval of Check Run Summary

B. Balance sheet and Income Statement

Mr. Winkeljohn: Moving on to Financial Reports. We have our check run summary, and our balance sheet and income statement. If there are any comments, questions or discussions we can take those, and if not, a motion to approve those would be in order.

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

EIGHTH ORDER OF BUSINESS Adjournment

Mr. Winkeljohn: If there is no other business to discuss, a motion to adjourn would be in order.

On MOTION by Mr. Nelson seconded by Ms. Iglesias with all in favor the meeting was adjourned.

Secretary / Assistant Secretary

Chairman / Vice Chairman

**MINUTES OF MEETING
PORTOFINO COVE
COMMUNITY DEVELOPMENT DISTRICT**

The special meeting of the Board of Supervisors of the Portofino Cove Community Development District was held on Tuesday, January 31, 2017 at 11:30 a.m. at the Portofino Cove Sales Office, 4135 Ambrosia Drive #2016, Fort Myers, Florida.

Present and constituting a quorum were:

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|--------------|---------------------|
| Jorge Cepero | Vice Chairperson |
| Jim Dupre | Assistant Secretary |
| John Nelson | Assistant Secretary |

Also present were:

| | |
|---------------|-------------------------|
| Rich Hans | District Manager |
| Gerry Knight | District Counsel |
| Susan Baker | Regions Bank (by phone) |
| Irv Weinstein | Regions Bank (by phone) |

FIRST ORDER OF BUSINESS

**Oath of Office for Newly Elected
Supervisors Elected at the
Landowners Meeting held on
November 4, 2016 for Seat #2,
Seat #3 and Seat #4**

Mr. Hans: The first thing we need to do is administer the oath of office of our newly elected Supervisors and that was Jorge, John and Nancy, and Nancy is not here today but Jorge and John are so we can do those. So if you would just raise your right hands, and state your name after I say the word "I", and swear or affirm at the end, so "I".

Mr. Nelson: "John Nelson."

Mr. Cepero: "Jorge Cepero."

Mr. Hans: A resident of the State of Florida and citizen of the United States of America, being a Supervisor of the Portofino Cove Community Development District

and recipient of public funds on behalf of the District, do hereby solemnly swear or affirm that I will support the Constitution of the United States and of the State of Florida, and will faithfully, honestly, and impartially discharge the duties devolving upon me in the office of Supervisor of the Portofino Cove Community Development District, Lee County, Florida.

Mr. Nelson: "I do."

Mr. Cepero: "I do."

Mr. Hans: Ok so if you would sign those and fill them out and I will notarize those. Welcome aboard.

SECOND ORDER OF BUSINESS Roll Call

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

THIRD ORDER OF BUSINESS Organizational Matters

A. Consideration of Resolution #2017-01 Canvassing and Certifying the Results of the Landowners Election

Mr. Hans: Moving on to organizational matters, we have consideration of resolution #2017-01 canvassing and certifying the results of the landowners election, and that resolution is in your packet and it shows that Nancy Iglesias received 20 votes, Jorge Cepero received 20 votes and John Nelson 19 votes, and therefore Nancy and Jorge will sever 4 year terms and John will serve a 2 year term.

On MOTION by Mr. Nelson seconded by Mr. Dupre with all in favor, Resolution #2017-01 canvassing and certifying the results of the Landowners Election was approved.

B. Consideration of Appointment of Supervisor to Unexpired Term of Office

C. Oath of Office for Newly Appointed Supervisor

D. Consideration of Resolution #2017-02 Election of Officers

Mr. Hans: So there is one vacancy left on the Board, and if you have anybody to fill that we can take care of that today, and if not, we'll just carry that over.

Mr. Cepero: None.

Mr. Knight: Irv, are you on the phone?

Mr. Weinstein: Yes, I just joined.

Mr. Knight: Ok, are you a little pressed for time, right?

Mr. Weinstein: I am.

Mr. Knight: Ok so as soon as we finish this item we'll move on to the item for you.

Mr. Hans: Yes.

Mr. Weinstein: If you could consider that I would appreciate it.

Mr. Knight: Sure.

Mr. Hans: We just have one item to take care of, then we can move on since we have our Board in place. The next item is consideration of resolution #2017-02 which is the election of officers, and whenever we do have an election of our Supervisors we have to take care of this by statute. Currently the officers are Nancy Iglesias as chairman, Jorge Cepero as vice chairman, Jim Dupre as an assistant secretary, John Nelson, assistant secretary, Patti Powers, treasurer, myself, Rich Hans as secretary and Paul Winkeljohn as an assistant secretary. So if the Board is good with that slate of officers we can fill in that resolution with that slate.

On MOTION by Mr. Nelson seconded by Mr. Dupre with all in favor, Resolution #2017-02 Election of Officers, keeping the same slate of officers as read into the record by Rich Hans was approved.

FIFTH ORDER OF BUSINESS

Consideration of Settlement Agreement

Mr. Hans: Then moving on, we're just going to skip over the minutes for now and go to consideration of the settlement agreement, and for the record Irv Weinstein is on our phone as well from Regions Bank. So Gerry you want to give us an update on that?

Mr. Knight: Yes. Before you today is the proposed settlement agreement to settle the foreclosure action which the District brought against the landowner for failure to pay the assessments when due. This settlement agreement has been negotiated and it has been signed by the current landowner, as well as the previous landowner who were defendants in the foreclosure action and has been reviewed and approved in concept by the attorney, not just in concept but the terms of the settlement agreement have been reviewed and approved by the attorney for the bond trustee as well through the bondholders. So it's all been vetted and negotiated by the parties to the foreclosure action and by the bond trustee. Basically it provides that the landowner will make a payment which will be applied to A & B Bonds, the B Bonds will be cancelled, or whatever term we want to use as far as that, so the B Bonds will go away, and they will be considered discharged and cancelled. The A Bonds will be paid up through today currently, and then going forward the A Assessments will go back on the tax roll and be collected in accordance with the amortization schedule that was originally in place when the bonds were issued. There will also be a distribution from the construction account under the bond issue to the bondholders as an additional payment towards the settlement. So that is the essence of the agreement.

Mr. Cepero: Can you say that last part again, I'm sorry.

Mr. Knight: There's currently about \$1.1 million in the construction account left, we received a letter from the District engineer saying what remained to be completed and we don't need that entire amount anymore, in fact we don't need very much of it.

Mr. Cepero: Oh so they're using that to pay off some of that.

Mr. Knight: Correct. There's \$900,000 being distributed from the construction account to the bondholders so that they can apply that towards satisfying the settlement agreement.

Mr. Cepero: Ok.

Mr. Knight: What you have in your backup is a copy of the proposed settlement agreement, and a resolution. Irv I think I previously sent you that but I sent it to you

again this morning just so you can take a look at it. I don't know if you've had a chance to look at it at this point.

Mr. Weinstein: I didn't look at it carefully, I read it very hurriedly, but it seems to be what we needed to do based on that hurried review.

Mr. Knight: Right, ok. This resolution authorizes the Board to, it approves the settlement agreement and authorizes the Board officials to go ahead and execute the settlement agreement. It deaccelerates the A Assessments so that they're paid up through today, and then they're again going back on the tax roll and we'll collect them in accordance with the original amortization schedule, so they're being deaccelerated, and the B Bonds will be deemed no longer outstanding, and they'll be discharged. So that will be the affect and we'll attach a copy of the settlement agreement to this resolution and the engineer's letter saying how much is left to spend on the project in his estimate. With that, there's another side letter which I'll talk about after the Board approves the resolution, it doesn't really affect the settlement agreement.

Mr. Nelson: I have a question, on the original lawsuit, was it listed on there it was Pro-Build?

Mr. Knight: Involved in, either defaulted or withdrawn from the litigation.

Mr. Nelson: Ok.

Mr. Knight: Including the bank.

Mr. Nelson: Yes because I noticed they weren't in the settlement agreement, ok.

Mr. Knight: They're not part of it anymore.

Mr. Nelson: Ok.

Mr. Hans: And the resolution number will be #2017-03, just for the record.

Mr. Knight: So if the Board is ok with the settlement agreement, we'd ask the Board to go ahead and adopt the resolution.

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| <p>On MOTION by Mr. Cepero seconded by Mr. Dupre with all in favor, Resolution #2017-03 the Settlement Agreement was approved.</p> |
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January 31, 2017

Portofino Cove CDD

Mr. Knight: There's one blank in there that will be filled as the date of the engineers letter that Dave Underhill sent some time ago, and he just recently said that it was still in affect, sent over by email, saying that was still his estimate.

Mr. Nelson: Ok.

Mr. Weinstein: Gerry, has the resolution been adopted yet?

Mr. Knight: Yes it has been adopted.

Mr. Weinstein: Ok. If you would, after it's signed and initialed and everything, if you could just scan a copy to me, then I'll arrange to have Regions sign it.

Mr. Knight: Ok.

Mr. Weinstein: Thanks all.

Mr. Knight: The settlement agreement itself, yes, we'll scan and email it to you as soon as it's signed by the Board.

Mr. Weinstein: Right, yes that's what I was talking about.

Mr. Knight: And the resolution itself takes effect when the settlement agreement takes effect, the resolution will in essence take effect as well.

Mr. Hans: Perfect.

Mr. Knight: Depending on the settlement agreement being fully executed and in effect.

Mr. Weinstein: But then of course authorizes the Board to execute the settlement agreement.

Mr. Knight: Correct.

Mr. Weinstein: Ok. Alright well I'm going to drop off the phone, thanks for taking this matter out of order.

Mr. Knight: Ok.

Mr. Hans: Alright, thanks Irv.

Mr. Weinstein: Bye.

Mr. Knight: And I wanted to talk about the side letter before we move back to the agenda.

Mr. Hans: Ok.

Mr. Knight: This side letter, or what we call the side letter, it doesn't have anything to do with the settlement agreement, but the landowner wanted some side agreement on the O&M assessments for 2016, that are on the 2016 tax roll. So this letter says that nothing that we've agreed to in the settlement agreement would affect the right of the landowner to negotiate with the District a resolution of the O&M assessments for 2016. In other words, there's on the tax bill, there was an assessment put on there for O&M for this year, for 2016 and it shows up on the tax bill.

Mr. Cepero: That hasn't been paid yet.

Mr. Knight: It has not been paid, the tax bill has not been paid yet to our knowledge and I think that's been verified and we'll talk about this. The tax bill will become delinquent April 1st, I believe, or March 31st if it's not paid, so we will have a short period of time essentially to remove, what we were going to do was process a correction certificate, and correct me if I'm wrong.

Mr. Hans: Well actually there was nothing discussed, this letter just leaves it open.

Mr. Knight: Yes I know. The idea was, we would negotiate with the landowner and if we came to an agreement we would process a correction certificate to remove the 2016 O&M assessments from the tax roll and pay it from funds available that the District has on hand, but again we need to negotiate that with the landowner. I don't know when the Board would meet again to authorize this but, I would say if they wanted to authorize it today they could do so, subject to successful negotiation with the landowner, or bring it back. My question is, if we process a correction certificate how much time would we have, if we agreed like in the next week or so on how to do this with the landowner?

Mr. Hans: To do the correction?

Mr. Knight: Yes.

Mr. Hans: That's quick.

Mr. Knight: But this would be contingent on the settlement agreement getting filed as well, even though it's not part of the settlement, it's related to it and the Board is, or we're agreeing as part of the overall understanding with the landowner.

Mr. Cepero: Well has the landowner requested that the tax certificate be corrected?

Mr. Knight: It would be the tax bill, that would be part of it.

Mr. Hans: They did not request it.

Mr. Knight: Right, they have not, but there are partial discussions.

Mr. Hans: There's basically a push to get the debt service portion done, and they didn't want to cloud any issues, just let's get this debt down, it's \$84,000 that's on the tax bill which is kind of insignificant compared to what was going on with the debt, so they said let's get that done, let's make sure that nothing in this settlement agreement is going to affect the O&M, so that's a whole different negotiation. We could, if the Board wants to, and they're comfortable, if you direct me to take those off the roll right now at this meeting, and then direct bill and negotiate from that standpoint.

Mr. Cepero: But my question is, is that what the landowner had requested, or that hasn't been discussed at all we're guessing?

Mr. Knight: We've only had discussions with the attorney for the landowner, Richard Sarafan.

Mr. Hans: Right, and we can come back in a month if we have to.

Mr. Knight: Yes, we can come back.

Mr. Cepero: I'd rather get direction from the landowner, even if it's, if we agree this is what we would want, then at least we know that's what they want but I don't want to do something that we can't undo.

Mr. Knight: Right and we would take any action until we got an approval with the landowner as to what we would do but, I was just trying to avoid possibly having to come back to another meeting, but we could certainly do that.

Mr. Cepero: When is our regular meeting?

Mr. Hans: It would be early March.

Mr. Cepero: But for the budget, are we going to look at the budget?

Mr. Hans: We could start the budget process because we're going to come back next month and we would start the budget so we can make it an efficient meeting, so doing more than just that.

Mr. Knight: My concern is Rich that if part of the deal that the O&M assessments are coming off the 2016 tax bill, would there be enough time between the next meeting and March 31st before they become delinquent to process a correction certificate to take them off?

Mr. Hans: Yes.

Mr. Knight: You think so, ok.

Mr. Cepero: Why don't we do this, why don't we, and I don't know what the hurry is to resolve this, it's going to be once this issue gets done, but can we just say for the next month, until the next meeting, if this gets resolved so once this gets addressed and if there's a settlement as being the O&M issue, there's a settlement with the landowner and the landowner says that they want to specifically do this, remove the O&M from the tax bill that we authorize that action, or that settlement to be done and then if it doesn't happen then we can revisit at the next meeting.

Mr. Hans: That makes sense.

Mr. Knight: That's fine.

Mr. Cepero: That way, if that's what they want they can say it and then if they say that's what they want then we can do it but I want them to say that's the action to take.

Mr. Knight: Ok, alright.

Mr. Cepero: Alright.

Mr. Knight: Alright, so I guess we would need, I think we need that in a form of a motion.

Mr. Hans: Right.

Mr. Knight: So what do you think in the form of a motion?

Mr. Cepero: Motion to authorize the District manager to negotiate the settlement of the O&M assessments and if part of that settlement is to remove the O&M from the tax bill to do so, if that's part of the settlement.

Mr. Hans: If requested by the landowner.

Mr. Cepero: Yes, if requested by the landowner.

Mr. Hans: Ok.

Mr. Nelson: So basically we're giving you guys the permission to go negotiate this with them and if there is a settlement that you feel is in the best interest of the District is to take it off the tax roll, then that can be done.

Mr. Knight: Well we'll probably come back to the Board, at least verbally to the chairman or to the vice chairman and tell them what the agreement is.

Mr. Cepero: Right we should approve the settlement once it's ready but if for timing reasons if this particular action of removing it from the tax roll needs to happen in the next month, then you're authorized to do that.

Mr. Hans: Got it.

Mr. Cepero: Then at the next meeting we can look at the settlement, but if it doesn't need to happen at this point then again we can look at it at the next meeting.

Mr. Knight: Right, ok.

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| <p>On MOTION by Mr. Cepero seconded by Mr. Nelson with all in favor, authorizing the District Manager to negotiate the settlement of the O&M assessments to remove them from the tax roll if requested by the landowner as stated on the record was approved.</p> |
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FOURTH ORDER OF BUSINESS

**Approval of the Minutes of the
March 7, 2014, April 10, 2015, July
10, 2015 and June 10, 2016
Meetings**

Mr. Hans: Ok so that takes care of everything related to the settlement agreement and the side letter so we can go back up to item No. 4 which is minutes from March 7, 2014, April 10, 2015, July 10, 2015 and June 10, 2016.

Mr. Cepero: Just table everything.

Mr. Nelson: While we're on this, the June, 2016 minutes, in there says that we're meeting on Friday like we were, but then there's a letter that says it's going to be Wednesdays, the first Wednesday and the website says Wednesday, so I just want to clarify when our proposed meetings are and get that clarified in those minutes once we go back and get to them. Here's the page out of the minutes that I'm talking about, if you look at the highlighted part, it says that we're leaving them on Fridays, and I think there was a letter from Paul putting it on Wednesdays and the website for the District says Wednesday, which I don't remember discussing moving it to a Wednesday.

Mr. Cepero: I know we discussed it because the problem with Fridays is that it doesn't give me the opportunity to go visit sites, I can return rental cars on Saturdays so I have to be back by 5:30, so that doesn't give me time to travel around. Wednesday, I don't remember if we picked Wednesday is not great either, Tuesdays would probably be the best time if it's still possible to pick a day.

Mr. Nelson: Well didn't we already advertise, or what did we advertise, or did we have to advertise it?

Mr. Hans: Yes.

Mr. Nelson: And did we advertise this, or did we advertise Friday like the minutes stated?

Mr. Hans: I think we advertised a Wednesday, let's see if we have the Wednesday notice.

Mr. Nelson: Is this the actual notice that he posted?

Mr. Hans: Yes, that's the notice that would get advertised. We could advertise again if we need to, to change it. I'm not sure who Paul was in conversation with, whether it was you Jorge or how that happened for Wednesday.

Mr. Cepero: Well we don't like to re-advertise so we'll live with whatever is there, and then we'll see maybe about switching it to a Tuesday, does that work for you?

Mr. Nelson: Any day will work for me because I can arrange my schedule to work because I'm here.

Mr. Hans: And remember, we have very limited meetings, so we'll probably have 2 more meetings, of course the proposal of the budget and to adopt the budget.

Mr. Nelson: Ok.

Mr. Hans: And if we want to move it, if it's inconvenient and you can't do it, we can just re-schedule. So for now it's been advertised as that Wednesday.

Mr. Nelson: As a Wednesday, ok, thanks, that's what I needed was a clarification.

Mr. Hans: So the minutes were tabled.

FIFTH ORDER OF BUSINESS

Consideration of Settlement Agreement (Cont.)

This item was presented and approved earlier at this meeting.

SIXTH ORDER OF BUSINESS

Acceptance of Audit for Fiscal Year Ending September 30, 2015

Mr. Hans: Item No. 6 we have an audit from fiscal year ending September 30, 2015. It's in your packets.

Mr. Cepero: I'm sorry, so the next meeting is the first Wednesday of the month?

Mr. Hans: That is correct.

Mr. Nelson: There's one for February 1st, which we're cancelling and the March 1st.

Mr. Cepero: Oh we're cancelling February, ok.

Mr. Nelson: That's tomorrow.

Mr. Hans: Right.

Mr. Nelson: Then the next one would be March 1st.

Mr. Cepero: So why didn't we just do it on Wednesday then, instead of advertising for a special meeting?

Mr. Nelson: I don't know, that's what I don't understand why we did this today instead of just tomorrow.

Mr. Hans: Because when we tried to give you the dates that you could make, this was the date.

Mr. Cepero: Oh, ok.

Mr. Hans: Tomorrow was a date that you had something else.

Mr. Cepero: Alright so March 1st, and what time is it at 11:30 still?

Mr. Hans: Is that what time it is?

Mr. Nelson: Yes, it says 11:30 here and it has the correct address in here.

Mr. Hans: So that's the next scheduled meeting, if needed. Ok so on the agenda under section 6 was the audit, and in your packet is a copy of the audit. It's a clean audit other than it's going to have all the findings about the non-payment and the default and stuff.

Mr. Nelson: Right.

Mr. Hans: So hopefully next year's audit will show that everything has been cleaned up and things are in good shape, so we're just looking for a motion to accept the audit at this point.

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| <p>On MOTION by Mr. Nelson seconded by Mr. Dupre with all in favor, accepting the audit for Fiscal Year ending September 30, 2015 was approved.</p> |
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SEVENTH ORDER OF BUSINESS

Consideration of Engagement Letter and Addendum to Engagement Letter with Grau & Associates to perform the Audit for Fiscal Year Ending September 30, 2016

Mr. Hans: Then there's an engagement letter and it says an addendum with Grau & Associates to perform the audit for fiscal year ending September 30, 2016. So it's under their scope that we hired them for the 5 years.

Mr. Nelson: And it's in line with that addendum?

Mr. Hans: That's correct, and the addendum is just some wording about the public records. There's a new law that passed, any agreements that we enter into there has to be this wording about making the vendor aware of the public records requirement and so that's just in there to add that statutory requirement of our agreements.

On MOTION by Mr. Nelson seconded by Mr. Dupre with all in favor, accepting the engagement letter and addendum to engagement letter with Grau & Associates to perform the audit for Fiscal Year ending September 30, 2016 was approved.

EIGHTH ORDER OF BUSINESS

Staff Reports

Mr. Hans: And then our staff reports, anything for us Mr. Knight?

A. Attorney

Mr. Knight: No, none for now.

B. Engineer

There not being any report, the next item followed.

C. Manager - Ratification of Revised Fiscal Year 2017 Meeting Schedule

Mr. Hans: And actually under the manager's report, it does say ratification of the revised meeting schedule, that's the Wednesday, so just a motion ratifying that would be in order.

On MOTION by Mr. Nelson seconded by Mr. Dupre with all in favor, ratifying the revised Fiscal Year 2017 Meeting Schedule was approved.

NINTH ORDER OF BUSINESS Financial Reports

A. Approval of Check Run Summary

B. Balance sheet and Income Statement

Mr. Hans: Then approval of our check run summary.

Mr. Nelson: I have a question for you. On here are payments to the city, and I don't ever remember seeing this before for 4020 Umbria Lane which I'm assuming is the lift station, which they own, so why would we be paying on that?

Mr. Dupre: How much?

Mr. Nelson: One month it's \$56, another month it's \$12, there's another one for \$30, and it's not a lot, another one for \$10, another \$18, another one for \$20.

Mr. Hans: I'll find out why.

Mr. Nelson: I just don't know why we would be paying for their water bill, and I'm assuming that's what it's for.

Mr. Hans: I will follow up and check with the accountant.

Mr. Nelson: Alright.

Mr. Hans: Ok so I'll find out for you.

Mr. Nelson: Ok.

Mr. Hans: Ok with that comment, are there any other comments on the check run summary or the balance sheet and income statement? And 4020, is that anything particular that you know of?

Mr. Nelson: No, I looked, that's not one of our assigned addresses and the closest building to there is 4030.

Mr. Hans: Ok.

On MOTION by Mr. Cepero seconded by Mr. Nelson with all in favor, accepting the Check Run Summary subject to the outcome of the indicated items stated on the record, and the Balance Sheet and Income Statement were approved.

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

There not being any report, the next item followed.

ELEVENTH ORDER OF BUSINESS Adjournment

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

Mr. Knight: Hold on one second, since Nancy isn't here, who is the vice chairman?

Mr. Cepero: Me.

Mr. Knight: So we'll want you to sign the documents today, and then we're going to scan them to Irv. Ok so that was it.

Mr. Hans: So a motion to adjourn would be in order.

On MOTION by Mr. Nelson seconded by Mr. Dupre with all in favor, the Meeting was adjourned.

Secretary / Assistant Secretary

Chairman / Vice Chairman

**MINUTES OF MEETING
PORTOFINO COVE
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Portofino Cove Community Development District was held on May 3, 2017 at 11:30 a.m. at the Portofino Cove Sales Office, 4135 Ambrosia Drive #2016, Fort Myers, Florida.

Present and constituting a quorum were:

| | |
|----------------|---------------------|
| Nancy Iglesias | Chairperson |
| Jorge Cepero | Vice Chairman |
| John Nelson | Assistant Secretary |

Also present were:

| | |
|-----------------|-----------------------------|
| Paul Winkeljohn | District Manager |
| Ginger Wald | District Counsel (by phone) |

Due to a failure in recording equipment, the meeting was not able to be transcribed verbatim. The following is a summary of actions that took place at the meeting.

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| FIRST ORDER OF BUSINESS | Oath of Office for Nancy Iglesias |
| SECOND ORDER OF BUSINESS | Roll Call |

Mr. Winkeljohn, being a notary of the State of Florida, imposed the oath of office to Ms. Iglesias in order to have a quorum, then called the meeting to order and called the roll. The signed oath will be made part of the District's public records.

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| THIRD ORDER OF BUSINESS | Organizational Matters |
| A. Consideration of Appointment of Supervisor to Unexpired Term of Office | |
| B. Oath of Office of Newly Appointed Supervisor | |
| C. Election of Officers | |

These items were tabled until a future meeting.

| | |
|---------------------------------|--|
| FOURTH ORDER OF BUSINESS | Approval of the Minutes of the March 7, 2014, April 10, 2015, July 10, 2015, and June 10, 2016 Meetings |
|---------------------------------|--|

These items were tabled until a future meeting.

FIFTH ORDER OF BUSINESS

Update on Negotiations with Landowner Regarding O&M Assessment

Mr. Winkeljohn gave a brief update on the negotiations with the landowner regarding the O&M assessment.

SIXTH ORDER OF BUSINESS

Consideration of Resolution #2017-03 Approving the Proposed Fiscal Year 2018 Budget and Setting the Public Hearing

Mr. Winkeljohn presented Resolution #2017-03 Approving the Proposed Fiscal Year 2018 Budget and Setting the Public Hearing and asked the Board to choose a date for the public hearing.

After a brief discussion the public hearing was scheduled to be held on August 1, 2017 at 11:30 a.m. at the Portofino Cove Sales Office, 4135 Ambrosia Drive #2016, Fort Myers, Florida.

On MOTION by Mr. Nelson seconded by Ms. Iglesias with all in favor Resolution #2017-03 Approving the Proposed Fiscal Year 2018 Budget and Setting the Public Hearing was approved; and the public hearing was scheduled to be held on August 1, 2017 at 11:30 a.m. at 4135 Ambrosia Drive #2016, Fort Myers, Florida.

SEVENTH ORDER OF BUSINESS

Acceptance of Audit for Fiscal Year Ending September 30, 2016

Mr. Winkeljohn presented the audit for fiscal year ending September 30, 2016 and asked for a motion to accept it.

On MOTION by Mr. Cepero seconded by Ms. Iglesias with all in favor the audit for fiscal year ending September 30, 2016 was accepted.

EIGHTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There not being any report, the next item followed.

B. Engineer

There not being any report, the next item followed.

C. Manager - Number of Registered Voters in the District - 57

Mr. Winkeljohn indicated there were 57 registered voters in the District.

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

There not being any, the next item followed.

TENTH ORDER OF BUSINESS Financial Reports

A. Approval of Check Run Summary

B. Balance sheet and Income Statement

Mr. Winkeljohn presented the financial reports, asked for any comments or questions, and upon not hearing any, asked for a motion to approve them.

On MOTION by Mr. Cepero seconded by Mr. Nelson with all in favor the Check Run Summary and the Balance Sheet and Income Statement were approved.

ELEVENTH ORDER OF BUSINESS Adjournment

There not being any other business to discuss,

On MOTION by Mr. Cepero seconded by Ms. Iglesias with all in favor the meeting was adjourned.

Secretary / Assistant Secretary

Chairman / Vice Chairman

**MINUTES OF MEETING
PORTOFINO COVE
COMMUNITY DEVELOPMENT DISTRICT**

A special meeting of the Board of Supervisors of the Portofino Cove Community Development District was held on August 1, 2017 at 11:30 a.m. at the Portofino Cove Sales Office, 4135 Ambrosia Lane #2016, Fort Myers, Florida.

Present and constituting a quorum were:

| | |
|----------------|---------------------|
| Nancy Iglesias | Chairperson |
| Jorge Cepero | Vice Chairman |
| John Nelson | Assistant Secretary |

Also present were:

| | |
|-------------------|-----------------------------|
| Paul Winkeljohn | District Manager |
| Ginger Wald | District Counsel (by phone) |
| Gloria Morenstein | Prime Homes |

FIRST ORDER OF BUSINESS

Roll Call

Mr. Winkeljohn called the meeting to order, and called the roll.

SECOND ORDER OF BUSINESS

Organizational Matters

- A. Consideration of Appointment of Supervisor to Fill Unexpired Term of Office
- B. Oath of Office of Newly Appointed Supervisor
- C. Election of Officers

These items were tabled until a future meeting.

THIRD ORDER OF BUSINESS

**Approval of the Minutes of the
March 7, 2014, April 10, 2015, July
10, 2015, June 10, 2016, January 31,
2017, and May 3, 2017 Meetings**

Mr. Winkeljohn: Minutes from our March 7, 2014, April 10, 2015, July 10, 2015, June 10, 2016, January 31, 2017, and May 3, 2017 meetings. Do we want to approve any of those today?

Mr. Cepero: Next time.

Mr. Winkeljohn: Nothing? You don't have any you want to approve?

Mr. Cepero: No, sorry.

Mr. Winkeljohn: Okay.

FOURTH ORDER OF BUSINESS

**Public Hearing to Adopt the
Fiscal Year 2018 Budget**

A. Motion to Open the Public Hearing

Mr. Winkeljohn: Today's public hearing is for the fiscal year 2018 budget. We need a motion to open the public hearing.

On MOTION by Mr. Nelson seconded by Ms. Iglesias with all in favor the public hearing was opened.

B. Public Comment and Discussion

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

Mr. Winkeljohn: At this point we would take public comment and discussion on the budget, but no members of the public have joined us today, so we can conclude that portion of today's meeting, and move on to Resolution #2017-04 Annual Appropriation Resolution. It is the same as previously presented, no changes. There was a question about the lake maintenance. That is being maintained by other parties, and it is obviously owned by the District, but we have a maintenance agreement, which delegates that back to the property association.

Mr. Cepero: That was a question. I thought you said the opposite in your e-mail.

Mr. Winkeljohn: We have some funds. We have \$1,000 for mitigation. That is usually to bring in an environmental report when the permit requires it during construction, and after construction for five years is usually what S.F.W.M.D. requires. I think we are past that, so the money is just there, and doesn't really change anything.

Mr. Cepero: Well it has been there for a few years, right? It is something we started three years ago or something like that?

Mr. Winkeljohn: Right.

Mr. Cepero: So does that mean that those funds have been piling up there, and we can use those for something else?

Mr. Winkeljohn: Well in theory, yes. You have had no expenses against it lately. But should you need a report or need some mitigation work, since some counties will still inspect them.

Mr. Cepero: We are going to need a report on some of the issues. That is why I am trying to determine how much we need.

Mr. Winkeljohn: You have plenty of cash should you need to spend it without changing your assessment level. If you have some expenses, you should be able to take care of them.

Mr. Cepero: In order to take care of some of these things, do we need to put it in the budget now, or as they take place?

Mr. Winkeljohn: Today's budget is setting the assessment level. I would not advise changing your assessment level. In a later point of the meeting we can discuss these other expenses.

Mr. Nelson: And we can change categories later on if we need to? Move things from one to another?

Mr. Winkeljohn: Yes. If the Board chooses to alter its operational plan to reflect the needs of the District, what we are here to do is to decide what the assessment level is in the budget we know as of today. Now later we can change that and talk about authorizing expenses, authorizing contracts for services, we can do all of that, but not right now because it is not part of the public hearing portion.

Mr. Cepero: Okay.

Mr. Winkeljohn: Resolution #2017-04, everything is the same from the last time it was presented, and I would advise a motion to approve it.

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

D. Consideration of Resolution #2017-05 Levy of Non Ad Valorem Assessments

Mr. Winkeljohn: And the collection method for that money is Resolution #2017-05 so I would recommend a motion to approve that.

On MOTION by Mr. Cepero seconded by Mr. Nelson with all in favor Resolution #2017-05, levy of Non Ad Valorem Assessments was approved.

E. Motion to Close the Public Hearing

Mr. Winkeljohn: With that, we can close our public hearing portion by motion.

On MOTION by Mr. Nelson seconded by Ms. Iglesias with all in favor the public hearing was closed.

FIFTH ORDER OF BUSINESS

Authorization to Open a State Board Account

Mr. Winkeljohn: Item #5 is slightly related to your earlier comments about the cash that is in the District. What we usually do when it exceeds a certain amount is shift funds into the one type of account that we are allowed to open, which is a state board account, so I would ask the Board to authorize opening that account. If the District has more than \$250,000 we advise opening a state board account because it meets your rules for investment quality, it is protected, and it is a savings account that you are allowed to have as a governmental entity.

Mr. Nelson: How much is covered in it?

Mr. Winkeljohn: That is a lengthy conversation. It is not insured like the FDIC at \$250,000. It is just governed and your funds are protected by all of the funds of all governments in the state of Florida. There were years ago when they did invest in some bad funds that this is how they handled it. They segregated those funds, made them a toxic fund, and wrote them off, but the profit generated by the good funds covered that. That is essentially how they would balance that. But they keep the rates so low that there is a big interfund cushion and that is how the state runs it so that all state governments participate in it. And there are rules so that it is one of the funds that meets your requirements anyway. So you don't have many other choices.

On MOTION by Mr. Cepero seconded by Mr. Nelson with all in favor the Board authorized staff to open a state board account.

SIXTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Winkeljohn: That brings us to Staff Reports. Ginger, do you have anything for our friends today?

Ms. Wald: No, nothing for our friends today on this one.

B. Engineer

There not being any report, the next item followed.

C. Manager

1) Consideration of the Proposed Fiscal Year 2018 Meeting Schedule

Mr. Winkeljohn: Under Manager's report, we have the 2018 meeting schedule.

Any objections to our normal routine, time, and place?

Mr. Cepero: Is it a Tuesday?

Mr. Winkeljohn: No. Today is a special meeting. The actual meeting schedule is the first Wednesday of each month.

Mr. Cepero: Wednesday is better.

Mr. Winkeljohn: Yes. That was what we evolved to. Wednesdays. They used to be held on Fridays. So if that works still is there a motion to approve?

On MOTION by Mr. Nelson seconded by Ms. Iglesias with all in favor the proposed fiscal year 2018 meeting schedule was approved as-presented.

2) Discussion of Financial Disclosure Report from the Commission on Ethics

Mr. Winkeljohn: Item #2 is the financial disclosure report. Do we have good or bad Supervisors today? Did you file yours? Looks like everyone but John still needs to file them. It is due today. I think you are within a few days of getting fined if you don't send them as soon as possible.

Ms. Wald: Actually they were due July 1st and they have stated they can start fining you come July 2nd, but they have provided an informal grace period where they will not start fining people until September 1st. My suggestion is you take care of those as soon as possible just in case they start fining sooner.

Mr. Winkeljohn: It needs to be sent to the county in which you reside in. You can attach a sheet with all of your CDDs on it and only do it once. I think you all probably know that. John is the only one who has filed so the rest of you are all on the bad list.

Ms. Iglesias: I thought I did file. They sent me one yesterday via courier. I was unsure why they were sending me this when I already filed.

Mr. Winkeljohn: Whoever you filed with, if you have a copy of what you filed, our office can work with them on an admin level to get it fixed.

Ms. Iglesias: I didn't keep a copy. I sent it via mail.

Mr. Winkeljohn: Do you have a record that you sent it? When you sent it?

Ms. Iglesias: No.

Mr. Winkeljohn: If you keep a copy and write on it you mailed it X, Y, Z, date, and you send me that, we can argue for you pretty quickly.

Ms. Iglesias: I didn't so I am going to have to redo it?

Mr. Winkeljohn: You don't have to redo it, but I would put one in for the one they sent you. You are on multiple CDD Boards so it might a different jurisdiction didn't get the word about that.

Ms. Iglesias: I put them all on there.

Mr. Winkeljohn: Maybe a phone call to the office of the Supervisor of Elections would help?

Ms. Iglesias: Okay. They sent me a certified mail yesterday so I was thinking why are they sending me this when I already did it?

Mr. Winkeljohn: That's what it sounds like, that they missed one. We know when you are on multiple CDDs that sometimes happens.

Ms. Iglesias: Okay. I will call later.

Mr. Winkeljohn: Okay. So good luck and get those done right away. As Ginger described there is an informal grace period still in front of you so I wouldn't recommend taking any more advantage of their generosity than that because that will probably be retracted pretty soon.

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

Mr. Winkeljohn: Item #7 is Supervisors Requests and Audience Comments. Did you have something you wanted the District to consider from a maintenance or environmental standpoint?

Mr. Cepero: Yes. We need to start getting the preserve in shape. You were saying the District's responsibilities for the lake and the preserve were passed on to the HOA.

Mr. Winkeljohn: Correct. That is our current agreement.

Mr. Cepero: Okay. What is the procedure or can they do what they need to do to get the preserve resolved?

Mr. Winkeljohn: You can always cancel the agreement. You don't have to do it formally right at this moment, but eventually you would rewrite it to what you want to do long-term, so if you are not around your new property manager knows what to do. For today's purposes, whoever you want to start the work or do the work, the District can fund it because it the District's ultimate responsibility.

Mr. Cepero: That was my question. If the HOA is the one that is supposed to be responsible, can they still use District funds?

Mr. Winkeljohn: Yes. This Board could authorize expenditures from the HOA for items on our property.

Mr. Cepero: So do we need to have bids?

Mr. Winkeljohn: For what it sounds like you are talking about a few thousand dollars, so no. You would be able to just go with a qualified service provider and if the HOA contracts it and wants reimbursement, this Board could move to authorize a certain amount of funds not-to-exceed, and I could process them without any further action. If you want us to accept the contract, you can authorize a not-to-exceed amount for the contract, and a contract in form that you can delegate because we don't need that much. So your attorney and I can clean it up and get it read, and have it ratified at a future meeting. We can do business. You just have to tell me how you want to do it.

Mr. Cepero: We never completed the five year monitoring.

Mr. Winkeljohn: That would be normal. After five years you are usually done, but if it isn't we can do that.

Mr. Cepero: I thought we took care of it. I may be mixing up projects. If that is the case, I think that is why I asked you about the \$2,000 because that was the cost of the report. I think we are working on that and we may need to have maybe the company we used in Vineyards and ask for a proposal, and we need to have either the permit process managed with S.F.W.M.D., and if they don't do that, at least do the environmental portion, and we as the District can do the paperwork, but it basically is going to consist of an inspection and a report by the environmental consultant assessing what is out there and establishing what needs to be done.

Mr. Winkeljohn: Usually it is a one-stop shop with most of these firms. I don't know the one you mentioned off the top of my head, but over on this coast there are a handful of them if they can't do it that will do an inspection, find out where your permit status is, get it refiled, and get you finalized.

Mr. Cepero: If you have more that are used to doing this, share it with Gloria and she will contact them.

Mr. Winkeljohn: Sure. There are plenty over here. But if you have someone you are already working with, someone can just do the admin and inspection part, and the lake and preserve contractor handles any work that needs to be done.

Mr. Cepero: I think what we want to look for is not just the report, but if they can handle the District themselves, submit the paperwork, and deal with them, because I don't have time to do it, and I don't know if you want to do it, but they have to come out, do the report, the report will establish what needs to be cleaned up, and then the District will inspect once that process is complete and the District accepts, then they can start the five year monitoring where every five years there is a subsequent report where the District can see what is happening.

Mr. Winkeljohn: Once you get a contractor involved, it should be mindless.

Mr. Cepero: And once the District after five years approves and says we are done with monitoring, then it is just regular maintenance that we just do without paperwork.

Mr. Winkeljohn: Exactly. So who do you want to do the work? Do you want the property manager to do the lake work and contract it through the HOA, then just bring it to us as a bill? That is the cleanest way to do it, so that is not a problem, and it fits your current arrangement for the most part so you would just need to authorize an amount of money not-to-exceed for the purposes of monitoring and bringing the preserve up to speed. I would say no more than \$5,000 to \$10,000 max would cover all of the things you described, assuming the condition of the preserve doesn't require anything major.

Mr. Cepero: Well the report a few years ago was \$2,500. The cleanup up now, I don't know what the amount was.

Mr. Nelson: We got a proposal for I think \$5,500 so since I don't know what the environmentalists would charge, my guess is we better put \$10,000 in there.

Mr. Winkeljohn: Yes. Sounds like \$10,000 should be perfect.

Mr. Nelson: If we have to spray, cut, remove things, then it would be at the very least double that amount.

Mr. Winkeljohn: Yes. And we can call another meeting if that is necessary, or if you want, you can authorize more, and we will just get it all done.

Mr. Cepero: I think maybe we should authorize \$15,000. That way we don't have to come back.

Mr. Winkeljohn: We will bring everything back to you at our next meeting, and you will ratify all of the actions taken.

Mr. Cepero: So let's do \$15,000 then.

On MOTION by Mr. Nelson seconded by Ms. Iglesias with all in favor the Board authorized allocating a not-to-exceed amount of \$15,000 for preserve maintenance.

Mr. Winkeljohn: And we will also bring back the reflected budget amendment to show what this money was for because it will match. You always have to correct your budget to match what you do.

Mr. Cepero: Let's talk about the lakes. Do we need to do anything with the lakes?

Mr. Nelson: We will have to do the replenishment well, which was never done, but that is probably part of the construction costs. Other than that, the only issues we have ever had with the lake is during the dry season getting too low, but the replenishment well should help balance that out. So that should be it.

Mr. Cepero: Can we use some of these funds for the replenishment well?

Mr. Winkeljohn: You can do whatever you need to your lakes, though obviously it has to have a purpose. Fountains, replenishment wells, mitigation work, mechanical removal, monthly treatments, you can do all of that.

Mr. Nelson: The well has been dug. It is just a matter of dropping the equipment in it and feeding it into the lake.

Mr. Winkeljohn: Is it permitted?

Mr. Nelson: It was, but all of the permits have expired so that would have to go back through Lee County since they do all of the well permits now. The hole is in the ground and the pipe casing.

Mr. Cepero: Do you know how much it will cost?

Mr. Nelson: My guess is we are probably looking at \$4,000 to \$5,000 by the time you got the permit, and dropped the pumps in there.

Mr. Cepero: Can we maybe designate John as the lead on this and have him engage Banks to clean up the permits?

Mr. Winkeljohn: You already have Banks as the District's engineer, so that would be routine for them.

Mr. Cepero: Then they can take care of all of the fees, permitting fees, and then buy the equipment and put it in. Maybe \$10,000 towards that do you think?

Mr. Nelson: That should cover it.

Mr. Winkeljohn: That is a good idea. Is there a motion to authorize that?

Ms. Wald: Paul, is that in your budget?

Mr. Winkeljohn: Yes. Well within the budget.

Ms. Wald: For next fiscal year or are you going to do it this fiscal year?

Mr. Winkeljohn: We can do it in either one. As I was saying a minute ago, what we will do is we will bring back a resolution amending your budget to reflect what we actually do. That is fine. There is nothing wrong with that.

Mr. Nelson: I would do it for this year because obviously we are going to get construction started again, so we are going to want to finish it now.

Mr. Winkeljohn: Timing-wise it doesn't matter. I will amend either budget as we were just discussing. It won't matter. You are using prior year savings for all of this. The kinds of things you are talking about are one-time things for the most part, and if you have a couple thousand dollars added to your budget of ongoing maintenance or monitoring, you can absorb that for the next ten to fifteen years without blinking. I don't see any assessment impact, and it is really just the right line item with the right amount of money, amended to your budget. We can do that at your next meeting.

Mr. Cepero: What about management of the lake, cutting the grass, treatments, and things like that?

Mr. Winkeljohn: Well maintenance right now that is delegated to the HOA, so you have maintenance contractors out here. I wouldn't blur that.

Mr. Cepero: What about expenses? How are we paying for that?

Mr. Winkeljohn: The Board can take up an adjustment to its current maintenance agreement to authorize the District to help support the HOA's efforts for its own property. That is totally normal.

Mr. Cepero: Do we know how much that is costing? And what about the front of the road at the front?

Mr. Winkeljohn: We are going to have bring back a new maintenance agreement, which is no big deal. We have one. We will revise it to match what you just presented.

Mr. Nelson: Are the walls part of the HOA or the District?

Mr. Winkeljohn: I don't know think they are the District's, but they could be. I would have to look it up.

Mr. Cepero: But the road is, and beyond the road there is a frontage we are maintaining there.

Mr. Winkeljohn: Yes. There is usually a buffer required.

Mr. Cepero: So we are maintaining there, we are cutting the grass, doing the landscaping. We should have something in there for that.

Mr. Winkeljohn: One of the tasks we can give Banks is to prepare a maintenance map by ownership, and at our next meeting, we can all sit down and go through it, and make sure we are happy with that so the maintenance agreement as it evolves looks like the map. That way we are all on the same page. The map will help you hand it to your contractor, and say split the contract costs according to this map. We cannot pay for private property. That is the big black line in the middle of this topic.

Mr. Cepero: So that whole frontage is a road, plus whatever the right-of-way is.

Mr. Winkeljohn: We can guess, but we need our engineer to draw it to show us.

Mr. Cepero: The question is, and I didn't notice this, is how much green there is between the road and the wall, and how much of that is the District's. I would imagine up to the wall is the District's and everything inside would be private. So the District should maintain all of the landscaping out there.

Mr. Winkeljohn: I understand this shift, and it is a total and normal shift. We can do all of it. You just have to tell us what you want on the CDD's plate, and what you want on the HOA's plate. There is no CDD field person here, so you are probably going to have someone from the HOA or property manager side onsite more-so. Keep it on that person's plate. My advice it keep it under one contract, but they can price it so they break it up, and we can fund our part of it.

Mr. Cepero: So what we are looking for is to come up with a budget for everything outside the wall, the landscaping, cutting the grass, etc. Like in Villa Portofino East, what we used to do is we had a contract with the management company because it was cheaper to have them do everything together, but they would price it separately so the CDD pays for this portion, the other owner pays for that portion, but you are giving them more work with the same company doing both, but keeping it separate. So you can have the same company cut the grass for the entire property, but segregate the lake, and the outside of the wall for the CDD.

Mr. Winkeljohn: Did we get a motion on the well discussion?

Ms. Wald: No, not yet.

Mr. Winkeljohn: My notes don't have one. Can we go back and get that cleaned up, then finish what you want to do on this maintenance topic? We need a motion on the \$10,000 amount not-to-exceed for the well equipment installation and permitting.

On MOTION by Mr. Nelson seconded by Ms. Iglesias with all in favor the Board authorized a not-to-exceed amount of \$10,000 for well permitting and equipment installation.

Mr. Winkeljohn: Now back to the grounds maintenance. We don't know a number, or do we?

Ms. Wald: Paul, what I would suggest is you just do a motion to authorize the CDD to reimburse the HOA for maintenance services for the CDD property only within the budgetary amount you have within the fiscal year. And then we can amend the agreement once we get the information, and that can be approved at the next meeting.

Mr. Winkeljohn: Understood. I agree with that. Is there a motion as-stated?

On MOTION by Mr. Nelson seconded by Ms. Iglesias with all in favor the Board authorized to reimburse the HOA for maintenance services for CDD property within the budgetary amount within the fiscal year.

Mr. Winkeljohn: Any other requests?

Mr. Cepero: We have covered a lot of business today.

Mr. Winkeljohn: Yes. We aim to please, but philosophically, the person you need supervising is someone who is here onsite all of the time. I can do it, or I can put a person here, but it would be at a much higher cost. So the synergy works this way and we just write the checks.

Mr. Nelson: The only other thing we would have out there would be power to the walls for the lights. That was never done. I don't know where that is going to fall in that map that Banks gives us on who owns what.

Mr. Winkeljohn: Well going by the general motion, if it is property of the District, we are authorized to expend funds to fix it and we will get the paperwork tightened up.

Mr. Cepero: What about, and this may be part of the report for S.F.W.M.D., but what about signage for the preserve?

Mr. Winkeljohn: If it is required, it will pop up.

Mr. Nelson: It is required. They were originally done, but probably need to be redone just because of age, signs fading, and that kind of stuff.

Ms. Wald: That will be wrapped into the amount you just approved, and if it exceeds that, you will need a motion later on.

Mr. Cepero: Anything else we need to do for Cove?

Mr. Nelson: Nothing that I think we need to address now. I think everything is covered. We talked about the major items.

EIGHTH ORDER OF BUSINESS Financial Reports

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

Mr. Winkeljohn: The next item is the Financial Reports, and I would just need a motion to approve those unless there are any questions.

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

NINTH ORDER OF BUSINESS Adjournment

Mr. Winkeljohn: With nothing else, a motion to adjourn would be in order.

On MOTION by Mr. Nelson seconded by Ms. Iglesias with all in favor the meeting was adjourned.

Secretary / Assistant Secretary

Chairman / Vice Chairman



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

2700 North Military Trail • Suite 350
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Fax (561) 994-5823
www.graucpa.com

September 1, 2017

Board of Supervisors
Attn: Patti Powers
Portofino Cove 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 Portofino Cove Community Development District, Lee 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 Portofino Cove 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 \$4,000 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 Portofino Cove 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 Portofino Cove Community Development District.

By: _____

Title: _____

Date: _____



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

Portofino Cove
Community Development District

Check Run Summary - General Fund

January 10, 2018

| Date | Check Numbers | Amount |
|--------------------|----------------------|---------------------|
| August 14, 2017 | 384-387 | \$ 3,214.50 |
| September 5, 2017 | 388-390 | \$ 6,009.79 |
| September 28, 2017 | 391-394 | \$ 3,775.79 |
| October 31, 2017 | 395-397 | \$ 3,467.98 |
| December 4, 2017 | 398-402 | \$ 4,911.38 |
| Sub-Total | | \$ 21,379.44 |

*** CHECK DATES 07/25/2017 - 01/02/2018 ***

PORTOFINO COVE - GENERAL FUND
BANK A PORTOFINO COVE - GF

| CHECK DATE | VEND# |INVOICE..... DATE INVOICE | ...EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS | VENDOR NAME | STATUS | AMOUNT |CHECK..... AMOUNT # |
|----------------------------------|-------|-----------------------------------|--|--------------------------|--------|----------|----------------------------|
| 8/14/17 | 00003 | 6/30/17 143018 | 201706 310-51300-31500 | GENERAL COUNSEL 6/17 | * | 250.00 | |
| BILLING, COCHRAN, LYLES, MAURO & | | | | | | | 250.00 000384 |
| 8/14/17 | 00011 | 8/01/17 7-008080 | 201706 320-53800-43100 | 4020 UMBRIA LANE | * | 9.80 | |
| | | 8/07/17 7-008080 | 201707 320-53800-43100 | 4020 UMBRIA LANE | * | 45.00 | |
| THE CITY OF FT. MYERS | | | | | | | 54.80 000385 |
| 8/14/17 | 00001 | 8/01/17 134 | 201708 310-51300-34000 | MANAGEMENT FEES | * | 1,979.17 | |
| | | 8/01/17 134 | 201708 310-51300-31300 | DISSEMIN AGNT SVCS | * | 208.33 | |
| | | 8/01/17 134 | 201708 310-51300-49500 | WESITE ADMIN | * | 41.67 | |
| | | 8/01/17 134 | 201708 310-51300-51000 | OFFICE SUPPLIES | * | 5.00 | |
| | | 8/01/17 134 | 201708 310-51300-42000 | POSTAGE | * | 1.38 | |
| | | 8/01/17 134 | 201708 310-51300-42500 | COPIES | * | 39.45 | |
| GMS-SF, LLC | | | | | | | 2,275.00 000386 |
| 8/14/17 | 00016 | 7/31/17 1609958 | 201707 310-51300-48000 | NOTICE OF PUBLIC HEARING | * | 355.62 | |
| | | 7/31/17 1609958 | 201707 310-51300-48000 | NOTICE OF PUBLIC HEARING | * | 355.62 | |
| | | 7/31/17 1609958 | 201707 310-51300-48000 | NOTICE OF PUBLIC HEARING | * | 76.54- | |
| NAPLES DAILY NEWS | | | | | | | 634.70 000387 |
| 9/05/17 | 00003 | 7/31/17 143428 | 201707 310-51300-31500 | JUL 17 - GENERAL COUNSEL | * | 250.00 | |
| BILLING, COCHRAN, LYLES, MAURO & | | | | | | | 250.00 000388 |
| 9/05/17 | 00011 | 8/22/17 7-008080 | 201708 320-53800-43100 | 4020 UMBRIA LANE | * | 9.79 | |
| THE CITY OF FT. MYERS | | | | | | | 9.79 000389 |
| 9/05/17 | 00017 | 8/29/17 6023 | 201708 300-15500-10000 | INSURANCE FY18 | * | 5,750.00 | |
| EGIS INSURANCE ADVISORS LLC | | | | | | | 5,750.00 000390 |
| 9/28/17 | 00011 | 9/20/17 7-008080 | 201708 320-53800-43100 | 4020 UMBRIA LANE | * | 14.63 | |
| THE CITY OF FT. MYERS | | | | | | | 14.63 000391 |

| CHECK DATE | VEND# | INVOICE DATE | INVOICE | EXPENSED TO YRMO | DPT | ACCT# | SUB | SUBCLASS | VENDOR NAME | STATUS | AMOUNT | CHECK AMOUNT | CHECK # |
|----------------------------------|-------|--------------|----------|------------------|-----|-------|-------|----------|--------------------------|--------|----------|--------------|---------|
| 9/28/17 | 00001 | 9/01/17 | 135 | 201709 | 310 | 51300 | 34000 | | 201709 310-51300-34000 | * | 1,979.17 | | |
| | | | SEP 17 | | | | | | - MGMT FEES | | | | |
| 9/01/17 | | 9/01/17 | 135 | 201709 | 310 | 51300 | 31300 | | 201709 310-51300-31300 | * | 208.33 | | |
| | | | SEP 17 | | | | | | - DISSEMINATION | | | | |
| 9/01/17 | | 9/01/17 | 135 | 201709 | 310 | 51300 | 49500 | | 201709 310-51300-49500 | * | 41.67 | | |
| | | | SEP 17 | | | | | | - WEBSITE ADMIN | | | | |
| 9/01/17 | | 9/01/17 | 135 | 201709 | 310 | 51300 | 42000 | | 201709 310-51300-42000 | * | 1.84 | | |
| | | | SEP 17 | | | | | | - POSTAGE | | | | |
| 9/01/17 | | 9/01/17 | 135 | 201709 | 310 | 51300 | 42500 | | 201709 310-51300-42500 | * | .75 | | |
| | | | SEP 17 | | | | | | - COPIES | | | | |
| 9/01/17 | | 9/01/17 | 135 | 201709 | 310 | 51300 | 41000 | | 201709 310-51300-41000 | * | 6.44 | | |
| | | | SEP 17 | | | | | | - TELEPHONE | | | | |
| GMS-SF, LLC | | | | | | | | | | | | 2,238.20 | 000392 |
| 9/28/17 | 00013 | 7/18/17 | 15936 | 201707 | 310 | 51300 | 31200 | | 201707 310-51300-31200 | * | 1,200.00 | | |
| | | | | | | | | | ARBITRAGE SER 2007 AB | | | | |
| GRAU AND ASSOCIATES | | | | | | | | | | | | 1,200.00 | 000393 |
| 9/28/17 | 00016 | 8/08/17 | 1713552 | 201708 | 310 | 51300 | 48000 | | 201708 310-51300-48000 | * | 322.96 | | |
| | | | | | | | | | NOTICE OF MEETING DATES | | | | |
| NAPLES DAILY NEWS | | | | | | | | | | | | 322.96 | 000394 |
| 10/31/17 | 00003 | 8/31/17 | 144242 | 201708 | 310 | 51300 | 31500 | | 201708 310-51300-31500 | * | 961.50 | | |
| | | | | | | | | | AUG 17 - GENERAL COUNSEL | | | | |
| | | 9/30/17 | 144837 | 201709 | 310 | 51300 | 31500 | | 201709 310-51300-31500 | * | 250.00 | | |
| | | | | | | | | | SEP 17 - GENERAL COUNSEL | | | | |
| BILLING, COCHRAN, LYLES, MAURO & | | | | | | | | | | | | 1,211.50 | 000395 |
| 10/31/17 | 00004 | 10/17/17 | 59635951 | 201710 | 310 | 51300 | 42000 | | 201710 310-51300-42000 | * | 17.80 | | |
| | | | | | | | | | DELIVERIES THRU 10/17 | | | | |
| FEDEX | | | | | | | | | | | | 17.80 | 000396 |
| 10/31/17 | 00001 | 10/02/17 | 136 | 201710 | 310 | 51300 | 34000 | | 201710 310-51300-34000 | * | 1,979.17 | | |
| | | | OCT 17 | | | | | | - MGMT FEES | | | | |
| 10/02/17 | | 10/02/17 | 136 | 201710 | 310 | 51300 | 31300 | | 201710 310-51300-31300 | * | 208.33 | | |
| | | | OCT 17 | | | | | | - DISSEMINATION | | | | |
| 10/02/17 | | 10/02/17 | 136 | 201710 | 310 | 51300 | 49500 | | 201710 310-51300-49500 | * | 41.67 | | |
| | | | OCT 17 | | | | | | - WEBSITE ADMIN | | | | |
| 10/02/17 | | 10/02/17 | 136 | 201710 | 310 | 51300 | 42000 | | 201710 310-51300-42000 | * | 2.76 | | |
| | | | OCT 17 | | | | | | - POSTAGE | | | | |
| 10/02/17 | | 10/02/17 | 136 | 201710 | 310 | 51300 | 42500 | | 201710 310-51300-42500 | * | 6.75 | | |
| | | | OCT 17 | | | | | | - COPIES | | | | |
| GMS-SF, LLC | | | | | | | | | | | | 2,238.68 | 000397 |
| 12/04/17 | 00003 | 10/31/17 | 145061 | 201710 | 310 | 51300 | 31500 | | 201710 310-51300-31500 | * | 250.00 | | |
| | | | | | | | | | OCT 17 - GENERAL COUNSEL | | | | |
| BILLING, COCHRAN, LYLES, MAURO & | | | | | | | | | | | | 250.00 | 000398 |

PCOV PORTOFINO COVE PPOWERS

| CHECK DATE | VEND# |INVOICE..... DATE INVOICE | ...EXPENSED TO... YRMO DPT ACCT# SUB | SUBCLASS | VENDOR NAME | STATUS | AMOUNT |CHECK..... AMOUNT # |
|-----------------------------------|-------|-----------------------------------|---|------------------------|---------------------------|--------|--------------------|----------------------------|
| 12/04/17 | 00011 | 10/17/17 | 7-008080 | 201710 320-53800-43100 | 4020 UMBRIA LANE | * | 10.84 | |
| | | 11/21/17 | 7-008080 | 201710 320-53800-43100 | 4020 UMBRIA LANE | * | 11.35 | |
| | | | | | | | | 22.19 000399 |
| ----- | | | | | | | | |
| 12/04/17 | 00006 | 10/02/17 | 70874 | 201710 310-51300-54000 | SPECIAL DISTRICT FEE FY18 | * | 175.00 | |
| | | | | | | | | 175.00 000400 |
| ----- | | | | | | | | |
| DEPARTMENT OF ECONOMIC OPPORUNITY | | | | | | | | |
| 12/04/17 | 00001 | 11/01/17 | 137 | 201711 310-51300-34000 | NOV 17 - MGMT FEES | * | 1,979.17 | |
| | | 11/01/17 | 137 | 201711 310-51300-31300 | NOV 17 - DISSEMINATION | * | 208.33 | |
| | | 11/01/17 | 137 | 201711 310-51300-49500 | NOV 17 - WEBSITE | * | 41.67 | |
| | | 11/01/17 | 137 | 201711 310-51300-42000 | NOV 17 - POSTAGE | * | 1.38 | |
| | | 11/01/17 | 137 | 201711 310-51300-42500 | NOV 17 - COPIES | * | 2.25 | |
| | | 12/01/17 | 138 | 201712 310-51300-34000 | DEC 17 - MGMT FEES | * | 1,979.17 | |
| | | 12/01/17 | 138 | 201712 310-51300-31300 | DEC 17 - DISSEMINATION | * | 208.33 | |
| | | 12/01/17 | 138 | 201712 310-51300-49500 | DEC 17 - WEBSITE | * | 41.67 | |
| | | 12/01/17 | 138 | 201712 310-51300-42000 | DEC 17 - POSTAGE | * | .92 | |
| | | 12/01/17 | 138 | 201712 310-51300-42500 | DEC 17 - COPIES | * | .30 | |
| | | | | | | | | 4,463.19 000401 |
| ----- | | | | | | | | |
| 12/04/17 | 00018 | 11/06/17 | 007774 | 201711 310-51300-49000 | 2017 NON AD VALOREM ROLL | * | 1.00 | |
| | | | | | | | | 1.00 000402 |
| ----- | | | | | | | | |
| | | | | | | | TOTAL FOR BANK A | 21,379.44 |
| | | | | | | | TOTAL FOR REGISTER | 21,379.44 |

Portofino Cove
COMMUNITY DEVELOPMENT DISTRICT
COMBINED BALANCE SHEET
November 30, 2017

| | <u>Governmental Fund Types</u> | | | Totals (Memorandum Only) 2018 |
|--|--------------------------------|-------------------------|-----------------------------|-------------------------------------|
| | <u>General</u> | <u>Debt Service</u> | <u>Capital Projects</u> | |
| <u>ASSETS:</u> | | | | |
| Cash | \$410,888 | --- | --- | \$410,888 |
| Reserve A | --- | \$215,494 | --- | \$215,494 |
| Interest A | --- | \$83,916 | --- | \$83,916 |
| Revenue A | --- | \$8,222 | --- | \$8,222 |
| Principal A | --- | \$51 | --- | \$51 |
| Reserve B | --- | \$16 | --- | \$16 |
| Interest B | --- | \$105 | --- | \$105 |
| Principal B | --- | \$268 | --- | \$268 |
| Construction | --- | --- | \$170,073 | \$170,073 |
| Working Capital Account | --- | --- | \$74 | \$74 |
| TOTAL ASSETS | <u>\$410,888</u> | <u>\$308,070</u> | <u>\$170,147</u> | <u>\$889,105</u> |
| <u>LIABILITIES:</u> | | | | |
| Accounts Payable | \$2,681 | --- | --- | \$2,681 |
| Matured Debt Service Payable | --- | \$0 | --- | \$0 |
| <u>FUND BALANCES:</u> | | | | |
| Reserved for Debt Service | --- | \$308,070 | --- | \$308,070 |
| Reserved for Capital Projects | --- | --- | \$170,147 | \$170,147 |
| Unreserved | \$408,207 | --- | --- | \$408,207 |
| TOTAL LIABILITIES & FUND EQUITY & OTHER CREDITS | <u>\$410,888</u> | <u>\$308,070</u> | <u>\$170,147</u> | <u>\$889,105</u> |

Portofino Cove
COMMUNITY DEVELOPMENT DISTRICT

General Fund

Statement of Revenues & Expenditures
For The Period Ending November 30, 2017

| <u>Description</u> | <u>ADOPTED BUDGET</u> | <u>PRORATED BUDGET THRU 11/30/17</u> | <u>ACTUAL THRU 11/30/17</u> | <u>VARIANCE</u> |
|------------------------------------|---------------------------|--|---------------------------------|------------------------|
| <u>Income</u> | | | | |
| Maintenance Assessments | \$79,025 | \$0 | \$0 | \$0 |
| Interest Income | \$0 | \$0 | \$25 | \$25 |
| Total Income | <u>\$79,025</u> | <u>\$0</u> | <u>\$25</u> | <u>\$25</u> |
| <u>Expenditures</u> | | | | |
| <i>Administrative</i> | | | | |
| Engineering | \$2,000 | \$333 | \$0 | \$333 |
| Arbitrage | \$1,250 | \$0 | \$0 | \$0 |
| Dissemination | \$2,500 | \$417 | \$417 | \$0 |
| Attorneys Fees | \$15,000 | \$2,500 | \$250 | \$2,250 |
| Auditing | \$5,000 | \$5,000 | \$0 | \$5,000 |
| Trustee Fees | \$3,500 | \$3,500 | \$0 | \$3,500 |
| Management Fees | \$23,750 | \$3,958 | \$3,958 | (\$0) |
| Telephone | \$100 | \$17 | \$0 | \$17 |
| Postage | \$500 | \$83 | \$22 | \$61 |
| Printing & Binding | \$500 | \$83 | \$9 | \$74 |
| Insurance | \$6,000 | \$6,000 | \$5,750 | \$250 |
| Legal Advertising | \$1,000 | \$167 | \$0 | \$167 |
| Other Current Charges | \$500 | \$83 | \$1 | \$82 |
| Website Admin | \$500 | \$83 | \$83 | (\$0) |
| Office Supplies | \$500 | \$83 | \$0 | \$83 |
| Dues, Licenses & Subscriptions | \$175 | \$175 | \$175 | \$0 |
| Capital Outlay | \$250 | \$42 | \$0 | \$42 |
| Contingency | \$2,750 | \$458 | \$0 | \$458 |
| First Quarter Operating | \$11,000 | \$1,833 | \$0 | \$1,833 |
| <i>Field</i> | | | | |
| Water | \$250 | \$42 | \$22 | \$19 |
| Mitigation Maintenance | \$2,000 | \$333 | \$0 | \$333 |
| Total Expenses | <u>\$79,025</u> | <u>\$25,192</u> | <u>\$10,687</u> | <u>\$14,504</u> |
| Excess Revenues/Expenses | <u>\$0</u> | | <u>(\$10,662)</u> | |
| Retain Earnings - Beginning | | | <u>\$418,869</u> | |
| Retain Earnings - Ending | | | <u>\$408,207</u> | |

Portofino Cove
COMMUNITY DEVELOPMENT DISTRICT

DEBT SERVICE FUND
Statement of Revenues & Expenditures
For The Period Ending November 30, 2017

| <u>Description</u> | <u>ADOPTED BUDGET</u> | <u>PRORATED BUDGET THRU 11/30/17</u> | <u>ACTUAL THRU 11/30/17</u> | <u>VARIANCE</u> |
|--------------------------------|---------------------------|--|---------------------------------|-----------------|
| <u>REVENUES:</u> | | | | |
| Interest Income | \$0 | \$0 | \$517 | \$517 |
| Special Assessments | \$246,600 | \$0 | \$0 | \$0 |
| Direct Assessments | \$83,375 | \$83,375 | \$83,875 | \$500 |
| TOTAL REVENUES | <u>\$329,975</u> | <u>\$83,375</u> | <u>\$84,392</u> | <u>\$517</u> |
| <u>EXPENDITURES:</u> | | | | |
| <u>Series 2007A</u> | | | | |
| (1) Interest Expense - 11/1 | \$83,875 | \$83,875 | \$83,875 | \$0 |
| Interest Expense - 05/1 | \$83,875 | \$0 | \$0 | \$0 |
| Principal Expense - 05/01 | \$80,000 | \$0 | \$0 | \$0 |
| TOTAL EXPENDITURES | <u>\$247,750</u> | <u>\$83,875</u> | <u>\$83,875</u> | <u>\$0</u> |
| EXCESS REVENUES (EXPENDITURES) | <u>\$82,225</u> | | <u>\$517</u> | |
| FUND BALANCE - Beginning | \$0 | | \$307,553 | |
| FUND BALANCE - Ending | <u>\$82,225</u> | | <u>\$308,070</u> | |

(1) Accrued, Debt Service remains unpaid.

Portofino Cove
COMMUNITY DEVELOPMENT DISTRICT
CAPITAL PROJECTS FUND
Statement of Revenues & Expenditures
For The Period Ending November 30, 2017

| <u>Description</u> | <u>ADOPTED BUDGET</u> | <u>PRORATED BUDGET THRU 11/30/17</u> | <u>ACTUAL THRU 11/30/17</u> | <u>VARIANCE</u> |
|--------------------------------|---------------------------|--|---------------------------------|-----------------|
| <u>REVENUES:</u> | | | | |
| Interest Income | \$0 | \$0 | \$263 | \$263 |
| TOTAL REVENUES | <u>\$0</u> | <u>\$0</u> | <u>\$263</u> | <u>\$263</u> |
| <u>EXPENDITURES:</u> | | | | |
| Capital Outlay | \$0 | \$0 | \$0 | \$0 |
| Foreclosure Expenses | \$0 | \$0 | \$0 | \$0 |
| TOTAL EXPENDITURES | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| EXCESS REVENUES (EXPENDITURES) | <u>\$0</u> | | <u>\$263</u> | |
| FUND BALANCE - Beginning | | | \$169,884 | |
| FUND BALANCE - Ending | | | <u><u>\$170,147</u></u> | |

PORTOFINO COVE
COMMUNITY DEVELOPMENT DISTRICT

| | |
|-----------------------------|---|
| Bond Issue: | <u>Series 2007A Special Assessment Bonds</u> |
| Original Issue Amount: | \$3,595,000 |
| Interest Rate: | 5.50% |
| Maturity Date: | May 1, 2038 |
| Reserve Fund Requirement: | 6.86% of Bonds Outstand |
| | |
| Bonds outstanding - 2/28/17 | \$3,125,000 |
| Less: 5/1/2017 | (\$75,000) |
| | |
| Current Bonds Outstanding: | <u><u>\$3,050,000</u></u> |

Portofino Cove
Community Development District
Tax Collections
Fiscal Year Ending September 30, 2018

On Roll Assessments:

| Date Received | Gross Tax Received | Discounts | Commissions | Penalties | Net Amount Received | | Debt Service Fund 75.73% | General Fund 24.27% | Total 100.00% | |
|---------------|--------------------|-----------|-------------|-----------|---------------------|--|-----------------------------|------------------------|------------------|-------|
| | | | | | \$ - | | \$ - | \$ - | \$ - | |
| | | | | | \$ - | | \$ - | \$ - | \$ - | |
| | | | | | \$ - | | \$ - | \$ - | \$ - | |
| | | | | | \$ - | | \$ - | \$ - | \$ - | |
| | | | | | \$ - | | \$ - | \$ - | \$ - | |
| TOTALS | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - | \$ - | \$ - | 0.00% |

Per Section 9.07 of the Master Trust Indenture:
 Officer's Certification:
 This information is correct.

Patti Powers, Treasurer

V# 19
To Debt Service V#15 001.300.20700.10100

Bal to Transfer \$ -