

**BEACH ROAD
GOLF ESTATES
COMMUNITY DEVELOPMENT
DISTRICT**

**REGULAR MEETING
AGENDA**

June 18, 2018

Beach Road Golf Estates Community Development District

OFFICE OF THE DISTRICT MANAGER

2300 Glades Road, Suite 410W • Boca Raton, Florida 33431

Phone: (561) 571-0010 • Toll-free: (877) 276-0889 • Fax: (561) 571-0013

June 11, 2018

ATTENDEES:

Please identify yourself each time you speak to facilitate accurate transcription of meeting minutes.

Board of Supervisors
Beach Road Golf Estates Community Development District

Dear Board Members:

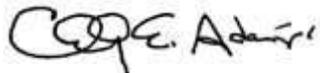
A Regular Meeting of the Beach Road Golf Estates Community Development District's Board of Supervisors will be held on Monday, June 18, 2018 at 1:00 p.m., at the offices of Lennar Homes, 10481 Six Mile Cypress Parkway, Fort Myers, Florida 33966. The agenda is as follows:

1. Call to Order/Roll Call
2. Public Comments
3. Presentation of Audited Financial Report for Fiscal Year Ended September 30, 2017, Prepared by McDirmit, Davis & Company, LLC
4. Consideration of Resolution 2018-08, Accepting the Audited Financial Report for the Fiscal Year Ended September 30, 2017
5. Continued Discussion: Fiscal Year 2019 Proposed Budget
6. Consideration of Resolution 2018-09, Implementing Section 190.006(3), *Florida Statutes*, and Requesting that the Lee County Supervisor of Elections Begin Conducting the District's General Elections; Providing for Compensation; Setting for the Terms of Office; Authorizing Notice of the Qualifying Period; and Providing for Severability and an Effective Date
7. Consideration of Resolution 2018-10, Rescinding Resolution 2018-06 Which Resolution Designated a Date, Time and Location for Landowners' Meeting of the District, and Provided for an Effective Date; Redesignating a Date, Time, and Location for Landowners' Meeting of the District, and Providing for an Effective Date
8. Acceptance of Unaudited Financial Statements as of April 30, 2018
9. Approval of May 14, 2018 Regular Meeting Minutes

10. Staff Reports
 - A. District Counsel: *Coleman, Yovanovich & Koester, P.A.*
 - B. District Engineer: *Banks Engineering, Inc.*
 - C. District Manager: *Wrathell, Hunt and Associates, LLC*
 - i. 502 Registered Voters in District as of April 15, 2018
 - ii. NEXT MEETING DATE: July 16, 2018 at 1:00 P.M.
11. Audience Comments/Supervisors' Requests
12. Adjournment

Should you have any questions and/or concerns, please contact me directly at (239) 464-7114.

Sincerely,



Chesley "Chuck" Adams
District Manager

FOR BOARD MEMBERS AND STAFF TO ATTEND BY TELEPHONE

CALL IN NUMBER: 1-888-354-0094
CONFERENCE ID: 8593810

**BEACH ROAD GOLF ESTATES
COMMUNITY DEVELOPMENT DISTRICT**

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**BEACH ROAD
GOLF ESTATES
COMMUNITY
DEVELOPMENT
DISTRICT**

FINANCIAL REPORT
Year Ended September 30, 2017

BEACH ROAD GOLF ESTATES COMMUNITY DEVELOPMENT DISTRICT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Beach Road Golf Estates Community Development District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of *Beach Road Golf Estates Community Development District*, (the "District") as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

MCDIRMIT DAVIS & COMPANY, LLC

934 NORTH MAGNOLIA AVENUE, SUITE 100 ORLANDO, FLORIDA 32803
TELEPHONE: 407-843-5406 FAX: 407-649-9339 EMAIL: INFO@MCDIRMITDAVIS.COM

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis starting on page 3, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated April 11, 2018, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

McDiernit Davis & Company, LLC

Orlando, Florida
April 11, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of *Beach Road Golf Estates Community Development District*, Lee County, Florida's (the "District") financial accomplishments provide an overview of the District's financial activities for the year ended September 30, 2017. Please read it in conjunction with the District's Independent Auditor's Report, financial statements and accompanying notes.

This information is being presented to provide additional information regarding the activities of the District and to meet the disclosure requirements of Government Accounting Standards Board Statement (GASB) No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* issued June 1999.

Financial Highlights

- The liabilities of the District exceeded its assets at September 30, 2017 by \$2,681,402, an increase in net position of \$613,462 in comparison with the prior year.
- At September 30, 2017, the District's governmental funds reported fund balances of \$9,257,243, a decrease of \$4,745,404 in comparison with the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to *Beach Road Golf Estates Community Development District's* financial statements. The District's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to financial statements.

Government-Wide Financial Statements

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

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Fund Financial Statements

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

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

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

The District maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, debt service fund and capital projects fund, all of which are considered to be major funds.

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

Notes to Financial Statements

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

Government-Wide Financial Analysis

Statement of Net Position - The District's net position was \$(2,681,402) at September 30, 2017. The analysis that follows focuses on the net position of the District's governmental activities.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Government-Wide Financial Analysis (Continued):

Statement of Net Position

	September 30, 2017	September 30, 2016
Assets, excluding capital assets	\$ 9,261,928	\$ 14,005,178
Capital Assets, not being depreciated	19,519,698	14,181,755
Total assets	<u>28,781,626</u>	<u>28,186,933</u>
Liabilities, excluding long-term liabilities	619,127	616,973
Long-term Liabilities	30,843,901	30,860,747
Total liabilities	<u>31,463,028</u>	<u>31,477,720</u>
Net Position:		
Net investment in capital assets	(4,387,521)	(4,446,911)
Restricted for debt service	1,662,729	1,126,250
Unrestricted	43,390	25,797
Total net position	<u>\$ (2,681,402)</u>	<u>\$ (3,294,864)</u>

The following is a summary of the District's governmental activities for the fiscal years ended September 30, 2017 and 2016.

Changes in Net Position
Year ended September 30,

	2017	2016
Revenues:		
Program revenues	\$ 2,193,226	\$ 133,739
General revenues	54	19
Total revenues	<u>2,193,280</u>	<u>133,758</u>
Expenses:		
General government	101,518	93,707
Interest on long-term debt	1,478,300	1,478,737
Total expenses	<u>1,579,818</u>	<u>1,572,444</u>
Change in net position	613,462	(1,438,686)
Net position - beginning	<u>(3,294,864)</u>	<u>(1,856,178)</u>
Net position - ending	<u>\$ (2,681,402)</u>	<u>\$ (3,294,864)</u>

As noted above and in the statement of activities, the cost of all governmental activities during the year ended September 30, 2017 was \$1,579,818. The majority of these costs are interest on long-term debt.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Financial Analysis of the Government's Funds

The District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The focus of the District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At September 30, 2017, the District's governmental funds reported combined ending fund balances of \$9,257,243. Of this total, \$6,281 is nonspendable, \$9,213,853 is restricted, and the remainder of \$37,109 is unassigned.

The fund balance of the general fund increased \$17,594 due to an increase in assessment revenue. The debt service fund balance increased by \$536,478 due to assessment revenue in excess of debt service payments. The capital projects fund balance decreased by \$5,299,476 due to capital outlay expenditures.

General Fund Budgetary Highlights

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget to actual comparison for the general fund, including the original budget and final adopted budget, is shown on page 12. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control is at the fund level.

Capital Asset and Debt Administration

Capital Assets - At September 30, 2017, the District had \$19,519,698 invested in construction in process.

Capital Debt - At September 30, 2017, the District had \$30,955,000 in bonds outstanding. More detailed information about the District's capital debt is presented in the notes to financial statements.

Requests for Information

If you have questions about this report or need additional financial information, contact *Beach Road Golf Estates Community Development Districts* Finance Department at 2300 Glades Road, Suite 410W, Boca Raton, Florida 33431.

FINANCIAL STATEMENTS

BEACH ROAD GOLF ESTATES COMMUNITY DEVELOPMENT DISTRICT

STATEMENT OF NET POSITION

September 30, 2017

	Governmental Activities
Assets:	
Cash	\$ 50,475
Assessments receivables	541
Prepaid costs	6,281
Restricted assets:	
Temporarily restricted investments	9,204,631
Capital Assets:	
Capital assets not being depreciated	19,519,698
Total assets	<u>28,781,626</u>
Liabilities:	
Accounts payable and accrued expenses	2,702
Due to developers	1,983
Accrued interest payable	614,442
Noncurrent liabilities:	
Due within one year	520,000
Due in more than one year	30,323,901
Total liabilities	<u>31,463,028</u>
Net Position:	
Net investment in capital assets	(4,387,521)
Restricted for debt service	1,662,729
Unrestricted	43,390
Total net position	<u>\$ (2,681,402)</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BEACH ROAD GOLF ESTATES COMMUNITY DEVELOPMENT DISTRICT

STATEMENT OF ACTIVITIES

Year Ended September 30, 2017

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>		<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		
Governmental activities:					
General government	\$ 101,518	\$ 119,058	\$ -	\$ -	\$ 17,540
Interest on long-term debt	1,478,300	2,027,680	8,021	38,467	595,868
Total governmental activities	<u>\$ 1,579,818</u>	<u>\$ 2,146,738</u>	<u>\$ 8,021</u>	<u>\$ 38,467</u>	<u>613,408</u>
		General Revenues:			
			Investment income		<u>54</u>
			Change in net position		613,462
			Net Position - beginning		<u>(3,294,864)</u>
			Net Position - ending		<u>\$ (2,681,402)</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BEACH ROAD GOLF ESTATES COMMUNITY DEVELOPMENT DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS

September 30, 2017

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Assets:				
Cash	\$ 50,475	\$ -	\$ -	\$ 50,475
Investments	-	2,267,949	6,936,682	9,204,631
Assessments receivable	29	512	-	541
Due from other funds	-	8,710	-	8,710
Prepaid costs	6,281	-	-	6,281
Total assets	<u>\$ 56,785</u>	<u>\$ 2,277,171</u>	<u>\$ 6,936,682</u>	<u>\$ 9,270,638</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable and accrued expenses	\$ 2,702	\$ -	\$ -	\$ 2,702
Due to developers	1,983	-	-	1,983
Due to other funds	8,710	-	-	8,710
Total liabilities	<u>13,395</u>	<u>-</u>	<u>-</u>	<u>13,395</u>
Fund balances:				
Nonspendable	6,281	-	-	6,281
Restricted for:				
Debt service	-	2,277,171	-	2,277,171
Capital projects	-	-	6,936,682	6,936,682
Unassigned	37,109	-	-	37,109
Total fund balances	<u>43,390</u>	<u>2,277,171</u>	<u>6,936,682</u>	<u>9,257,243</u>
Total liabilities and fund balances	<u>\$ 56,785</u>	<u>\$ 2,277,171</u>	<u>\$ 6,936,682</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 19,519,698

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.

Accrued interest payable	(614,442)	
Bonds payable	<u>(30,843,901)</u>	<u>(31,458,343)</u>

Net Position of Governmental Activities \$ (2,681,402)

The accompanying Notes to Financial Statements are an integral part of this statement.

BEACH ROAD GOLF ESTATES COMMUNITY DEVELOPMENT DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

Year Ended September 30, 2017

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Revenues:				
Assessment revenue	\$ 119,058	2,027,680	\$ -	\$ 2,146,738
Investment and miscellaneous income	54	8,021	38,467	46,542
Total revenues	<u>119,112</u>	<u>2,035,701</u>	<u>38,467</u>	<u>2,193,280</u>
Expenditures:				
Current:				
General government	101,518	-	-	101,518
Debt Service:				
Interest	-	1,474,223	-	1,474,223
Principal	-	25,000	-	25,000
Capital outlay	-	-	5,337,943	5,337,943
Total expenditures	<u>101,518</u>	<u>1,499,223</u>	<u>5,337,943</u>	<u>6,938,684</u>
Net change in fund balances	17,594	536,478	(5,299,476)	(4,745,404)
Fund Balances - beginning of year	<u>25,796</u>	<u>1,740,693</u>	<u>12,236,158</u>	<u>14,002,647</u>
Fund Balances - end of year	<u>\$ 43,390</u>	<u>\$ 2,277,171</u>	<u>\$ 6,936,682</u>	<u>\$ 9,257,243</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

BEACH ROAD GOLF ESTATES COMMUNITY DEVELOPMENT DISTRICT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES**

Year Ended September 30, 2017

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Net Change in Fund Balances - total governmental funds (page 10) \$ (4,745,404)

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources; however, in the statement of net position the cost of those assets is recorded as capital assets. Depreciation of capital assets is not recognized in the governmental fund statements but is reported as an expense in the statement of activities.

Capital outlay 5,337,943

Repayments of long-term liabilities are reported as expenditures in governmental funds, while repayments reduce long-term liabilities in the statement of net position.

Repayment of bonds payable 25,000

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Amortization of bond discount (4,077) (4,077)

Change in Net Position of Governmental Activities (page 8) \$ 613,462

The accompanying Notes to Financial Statements are an integral part of this statement.

BEACH ROAD GOLF ESTATES COMMUNITY DEVELOPMENT DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND

Year Ended September 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Special assessment revenue	\$ 118,220	\$ 118,220	\$ 119,058	\$ 838
Intergovernmental	23,668	23,668	-	(23,668)
Investment and Miscellaneous Income	-	-	54	54
Total revenues	141,888	141,888	119,112	(22,776)
Expenditures:				
Current:				
General government	97,973	97,973	101,518	(3,545)
Maintenance and operations	43,920	43,920	-	43,920
Total expenditures	141,893	141,893	101,518	40,375
Net change in fund balance	(5)	(5)	17,594	17,599
Fund Balance - beginning	25,796	25,796	25,796	-
Fund Balance - ending	\$ 25,791	\$ 25,791	\$ 43,390	\$ 17,599

The accompanying Notes to Financial Statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2017

Note 1 - Summary of Significant Accounting Policies:

Reporting Entity

Beach Road Golf Estates Community Development District, (the "District") was established on February 20, 2008 by the City of Venice, Florida, Ordinance 08-03 pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes. The Act provides, among other things, the power to manage basic services for community development, the power to borrow money and issue bonds, and the power to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure. The District was established for the purpose of financing and managing the acquisition, construction, maintenance and operation of a portion of the infrastructure necessary for community development within the District.

The District is governed by the Board of Supervisors (the "Board"), which is composed of five members. The Supervisors are elected on an at large basis by qualified electors that reside within the District. Ownership of land within the District entitles the owner to one vote per acre. The Board of Supervisors of the District exercises all powers granted to the District pursuant to Chapter 190, Florida Statutes. All of the Board of Supervisors are affiliated to the Developer.

The Board has final responsibility for:

1. Allocating and levying assessments.
2. Approving budgets.
3. Exercising control over facilities and properties.
4. Controlling the use of funds generated by the District.
5. Approving the hiring and firing of key personnel.
6. Financing improvements.

The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statements 14, 39, and 61. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the District Board of Supervisors is considered to be financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that, if excluded, the financial statements of the District would be considered incomplete or misleading. There are no entities considered to be component units of the District; therefore, the financial statements include only the operations of the District.

Government-Wide and Fund Financial Statements

The financial statements include both government-wide and fund financial statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2017

Note 1 - Summary of Significant Accounting Policies (Continued):

Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, 2) grants, contributions and investment earnings that are restricted to meeting the operational or capital requirements of a particular function or segment and 3) operating-type special assessments that are treated as charges for services (including assessments for maintenance and debt service). Other items not included among program revenues are reported instead as *general revenues*.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Assessments are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the modified *accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for Developer receivables for retainage, which are collected from the Developer when the amount is due to the contractor. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Assessments, including debt service assessments and operation and maintenance assessments, are non-ad valorem assessments imposed on all lands located within the District and benefited by the District's activities. Operation and maintenance special assessments are levied by the District prior to the start of the fiscal year which begins October 1st and ends on September 30th. These assessments are imposed upon all benefited lands located in the District. Debt service special assessments are imposed upon certain lots and lands as described in each resolution imposing the special assessment for each series of bonds issued by the District. Certain debt service assessments are collected upon the closing of those lots subject to short term debt and are used to prepay a portion of the bonds outstanding.

Assessments and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the District.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2017

Note 1 - Summary of Significant Accounting Policies (Continued):

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued):

The District reports the following major governmental funds:

General Fund - is the District's primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

Debt Service Fund - accounts for the accumulation of resources for the annual payment of principal and interest on long-term debt.

Capital Project Fund - accounts for the financial resources to be used for the acquisition or construction of major infrastructure within the District.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, Liabilities Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

Restricted Assets - These assets represent cash and investments set aside pursuant to bond covenants.

Investments - The District's cash and cash equivalents are considered to be cash on hand and demand deposits.

Investments of the District are reported at fair value and are categorized within the fair value hierarchy established in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. The District's investments consist of investments authorized in accordance with Section 218.415, Florida Statutes.

Prepaid Costs - Prepaid costs are recorded as expenditures when consumed rather than when purchased in both government-wide and fund financial statements.

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, sidewalks and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2017

Note 1 - Summary of Significant Accounting Policies (Continued):

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued):

Long Term Obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are reported as expenses. Bonds payable are reported net of premiums or discounts.

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

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any item that qualifies for reporting in this category for the year ended September 30, 2017.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District does not have any item that qualifies for reporting in this category for the year ended September 30, 2017.

Net Position Flow Assumption - Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted net position to have been depleted before unrestricted-net position is applied.

Fund Balance Flow Assumptions - Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2017

Note 1 - Summary of Significant Accounting Policies (Continued):

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance (Continued):

Fund Balance Policies - Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes fund balance amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Supervisors is the highest level of decision-making authority for the government that can, by adoption of an ordinance or resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance or resolution remains in place until a similar action is taken to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Board of Supervisors has authorized the District Manager to assign amounts for specific purposes. The Board of Supervisors may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above an additional action is essential to either remove or revise a commitment.

Other Disclosures

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2017

Note 2 - Stewardship, Compliance and Accountability:

Budgetary Information

The District is required to establish a budgetary system and an approved annual budget for the General Fund. Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at the fiscal year end. The legal level of budgetary control is at the fund level. Any budget amendments that increase the aggregate budgeted appropriations, at the fund level, must be approved by the Board of Supervisors. There were no budget amendments for the fiscal year ended September 30, 2017.

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

1. Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
2. A public hearing is conducted to obtain comments.
3. Prior to October 1, the budget is legally adopted by the District Board.
4. All budget changes must be approved by the District Board.
5. The budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

Note 3 - Deposits and Investments:

Deposits

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2017

Note 3 - Deposits and Investments (Continued):

Investments

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

Under GASB 72, assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted price for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtaining quoted prices for identical or similar assets, or liabilities, in markets that are not active. Level 3 is the least reliable, and uses significant unobservable inputs that uses the best information available under the circumstances, which includes the District's own data in measuring unobservable inputs.

The District has the following recurring fair value measurements as of September 30, 2017:

- Wells Fargo Advantage Government MM Funds of \$9,204,631 are valued using Level 2 inputs.

Instead of establishing a written investment policy, the District elected to limit investments to those approved by Florida Statutes and the District Trust Indenture. Authorized District investments include, but are not limited to:

1. The Local Government Surplus Funds Trust Fund (SBA);
2. Securities and Exchange Commission Registered Money Market Funds with the highest credit quality rating from a nationally recognized rating agency;
3. Interest-bearing time deposits or savings accounts in qualified public depositories;
4. Direct obligations of the U.S. Treasury.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2017

Note 3 - Deposits and Investments (Continued):

Investments (Continued)

Investments made by the District at September 30, 2017 are summarized below. In accordance with GASB 31, investments are reported at fair value.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Weighted Average Maturity</u>
Wells Fargo Advantage Government MM Fund - Institutional Class	<u>\$ 9,204,631</u>	AAAm	31 Days

Credit Risk:

For investments, credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Investments in U.S. Government securities and agencies must be backed by the full faith and credit of the United States Government. Short term bond funds shall be rated by a nationally recognized ratings agency and shall maintain the highest credit quality rating. Investment ratings by investment type are included in the preceding summary of investments.

Custodial Credit Risk:

In the case of deposits, this is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy requires that bank deposits be secured as provided by Chapter 280, Florida Statutes. This law requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida, and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. At September 30, 2017, all of the District's bank deposits were in qualified public depositories.

For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At September 30, 2017, none of the investments listed are exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

BEACH ROAD GOLF ESTATES COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2017

Note 3 - Deposits and Investments (Continued):

Investments (Continued)

Concentration of Credit Risk:

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

Interest Rate Risk:

The District does not have a formal policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. The District manages its exposure to declines in fair values by investing primarily in pooled investments that have a weighted average maturity of less than three months.

Note 4 - Interfund Balances:

At September 30, 2017, the General Fund owed the Debt Service Fund \$8,710 for assessments collected and not transferred.

Note 5 - Capital Assets:

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Improvements under construction	\$ 14,181,755	\$ 5,337,943	\$ -	\$ 19,519,698
Total Capital Assets Not Being Depreciated	<u>14,181,755</u>	<u>5,337,943</u>	<u>-</u>	<u>19,519,698</u>
Governmental Activities Capital Assets, net	<u>\$ 14,181,755</u>	<u>\$ 5,337,943</u>	<u>\$ -</u>	<u>\$ 19,519,698</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2017

Note 6 - Long-Term Liabilities:

Series 2015 Special Assessment Bonds

In January 2015, the District issued \$30,980,000 of Special Assessment Revenue Bonds, Series 2015. The Bonds consist of \$2,185,000 Term Bonds due on November 1, 2020 with a fixed interest rate of 3.5%; \$3,225,000 Term Bonds due on November 1, 2025 with a fixed interest rate of 4%; \$3,105,000 Term Bonds due on November 1, 2029 with a fixed interest rate of 4.7%; \$7,080,000 Term Bonds due on November 1, 2036 with a fixed interest rate of 5% and \$15,385,000 Term Bonds due on November 1, 2046 with a fixed interest rate of 5.05%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the property within the District. Interest is paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid serially commencing November 1, 2017 through November 1, 2046.

The Series 2015 Bonds are subject to redemption at the option of the District prior to maturity at a redemption price as set forth in the Bond Indenture. The Bonds are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Indenture.

The Bond Indenture requires that the District maintain adequate funds in a reserve account to meet the debt service reserve requirements as defined in the Indenture. The requirement has been met at September 30, 2017.

The Bond Indenture has certain restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agreed to levy special assessments in annual amounts adequate to provide payment of debt service. Payment of principal and interest on the 2015 Bonds is secured by a pledge of and a first lien upon the pledged special assessment revenue. The District is in compliance with the requirements of the Bond Indenture.

As of September 30, 2017, total principal and interest remaining on the Series 2015 Special Assessment Revenue Bonds was \$59,021,940. Principal and Interest paid in the current year was \$1,499,223. Special assessment revenue pledged for the current year was \$2,027,680.

Long-term liability activity for the year ended September 30, 2017 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds Payable:					
Series 2015	\$ 30,980,000	\$ -	\$ (25,000)	\$ 30,955,000	\$ 520,000
Less: Discount	(115,176)	-	4,077	(111,099)	-
Governmental activity long-term liabilities	<u>\$ 30,864,824</u>	<u>\$ -</u>	<u>\$ (20,923)</u>	<u>\$ 30,843,901</u>	<u>\$ 520,000</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2017

Note 6 - Long-Term Liabilities (Continued):

Series 2015 Special Revenue Bonds (Continued)

At September 30, 2017, the scheduled debt service requirements on the bonds payable were as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2018	\$ 520,000	\$ 1,465,560
2019	535,000	1,447,098
2020	555,000	1,428,022
2021	575,000	1,408,248
2022	595,000	1,386,285
2023 - 2027	3,355,000	6,544,287
2028 - 2032	4,165,000	5,699,440
2033 - 2037	5,295,000	4,533,875
2038 - 2042	6,760,000	3,033,750
2043 - 2047	8,600,000	1,120,375
	<u>\$ 30,955,000</u>	<u>\$ 28,066,940</u>

Note 7 - Related Party Transactions:

Developer Transaction:

The Developer owns a portion of land within the District; therefore assessment revenue in the general and debt service funds include assessments levied on those lots owned by the Developer. The Developer contributed \$1,710,505 or 80% of the assessment revenue for the year ended September 30, 2017. The District's activity is dependent upon the continued involvement of the Developer, the loss of which could have a material adverse effect on the District's operations.

Note 8 - Management Company:

The District has contracted with a management company to perform management advisory services, which include financial advisory and accounting services as well as clubhouse management services. Certain employees of the management company also serve as officers (Board appointed non-voting positions) of the District. Under the agreements, the District compensates the management company for management, accounting, financial reporting and other administrative costs.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2017

Note 9 - Risk Management:

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance from independent third parties. The District has not filed any claims under this commercial coverage during the last three years.

COMPLIANCE SECTION

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Supervisors
Beach Road Golf Estates Community Development District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of *Beach Road Golf Estates Community Development District* (the "District") as of and for the year ended September 30, 2017 and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated April 11, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

MCDIRMIT DAVIS & COMPANY, LLC

934 NORTH MAGNOLIA AVENUE, SUITE 100 ORLANDO, FLORIDA 32803
TELEPHONE: 407-843-5406 FAX: 407-649-9339 EMAIL: INFO@MCDIRMITDAVIS.COM

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McDiernit Davis & Company, LLC

Orlando, Florida
April 11, 2018

MANAGEMENT COMMENTS

Board of Supervisors
Beach Road Golf Estates Community Development District

Report on the Financial Statements

We have audited the financial statements of *Beach Road Golf Estates Community Development District*, (the "District") as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated April 11, 2018.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 11, 2018, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, require that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no such findings in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information has been disclosed in the notes to the financial statements.

MCDIRMIT DAVIS & COMPANY, LLC

934 NORTH MAGNOLIA AVENUE, SUITE 100 ORLANDO, FLORIDA 32803
TELEPHONE: 407-843-5406 FAX: 407-649-9339 EMAIL: INFO@MCDIRMITDAVIS.COM

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires us to apply appropriate procedures and communicate the results of our determination as to whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the District. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Annual Financial Report

Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether the annual financial report for the District for the fiscal year ended September 30, 2017, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2017. In connection with our audit, we determined that these two reports were in agreement.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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

McDiernit Davis & Company, LLC

Orlando, Florida
April 11, 2018

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
THE REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES**

To the Board of Supervisors
Beach Road Golf Estates Community Development District

We have examined *Beach Road Golf Estates Community Development District's* (the "District") compliance with the requirements of Section 218.415, Florida Statutes, during the year ended September 30, 2017. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants *and the standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States*, and, accordingly, included examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2017.

MCDIRMIT DAVIS & COMPANY, LLC

Orlando, Florida
April 11, 2018

**BEACH ROAD GOLF ESTATES
COMMUNITY DEVELOPMENT DISTRICT**

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RESOLUTION 2018-08

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE BEACH ROAD GOLF ESTATES COMMUNITY DEVELOPMENT DISTRICT HEREBY ACCEPTING THE AUDITED FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

WHEREAS, the District’s Auditor, McDirmit Davis & Company, LLC, has heretofore prepared and submitted to the Board, for accepting, the District’s Audited Financial Report for Fiscal Year 2017;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE BEACH ROAD GOLF ESTATES COMMUNITY DEVELOPMENT DISTRICT;

1. The Audited Financial Report for Fiscal Year 2017, heretofore submitted to the Board, is hereby accepted for Fiscal Year 2017, for the period ending September 30, 2017; and

2. A verified copy of said Audited Financial Report for Fiscal Year 2017 shall be attached hereto as an exhibit to this Resolution, in the District’s “Official Record of Proceedings”.

PASSED AND ADOPTED this _____ day of _____, 2018.

**BEACH ROAD GOLF ESTATES
COMMUNITY DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Chair/Vice Chair

**BEACH ROAD GOLF ESTATES
COMMUNITY DEVELOPMENT DISTRICT**

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**BEACH ROAD GOLF ESTATES
COMMUNITY DEVELOPMENT DISTRICT
FISCAL YEAR 2019
PROPOSED BUDGET
UPDATED JUNE 11, 2018**

**BEACH ROAD GOLF ESTATES
COMMUNITY DEVELOPMENT DISTRICT
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**BEACH ROAD GOLF ESTATES
COMMUNITY DEVELOPMENT DISTRICT
GENERAL FUND BUDGET
FISCAL YEAR 2019**

	Fiscal Year 2018			Total Revenue and Expenditures	Proposed Budget FY 2019
	Adopted Budget FY 2018	Actual through 3/31/2018	Projected through 9/30/2018		
REVENUES					
Assessment levy: on-roll - gross	\$ 117,600				\$ 140,420
Allowable discounts (4%)	(4,704)				(5,617)
Assessment levy: on-roll - net	112,896	\$ 133,427	\$ 1,376	\$ 134,803	134,803
Assessment levy: off-roll	81,646	30,073	30,073	60,146	60,146
Intergovernmental: mitigation maint and monitoring	86,400	-	50,000	50,000	86,400
Interest	-	82	-	82	-
Total revenues	<u>280,942</u>	<u>163,582</u>	<u>81,449</u>	<u>245,031</u>	<u>281,349</u>
EXPENDITURES					
Professional & administrative fees					
Management advisory services	40,000	20,000	20,000	40,000	40,000
Financial accounting services	15,500	7,750	7,750	15,500	15,500
Audit	3,000	-	3,000	3,000	3,000
Dissemination agent	5,000	2,500	2,500	5,000	5,000
Trustee fees	10,850	10,654	-	10,654	10,850
Legal	10,000	3,461	5,000	8,461	10,000
Engineering	5,000	-	2,000	2,000	5,000
Postage	300	121	179	300	300
Insurance	5,500	5,665	-	5,665	5,750
Printing & reproduction	1,000	500	500	1,000	1,000
Legal advertising	1,500	2,542	500	3,042	1,500
Other current charges	650	350	300	650	650
Annual district filing fee	175	175	-	175	175
Website	615	616	-	616	615
Total professional & admin	<u>99,090</u>	<u>54,334</u>	<u>41,729</u>	<u>96,063</u>	<u>99,340</u>
Operations					
Shared costs maintenance/monitoring	160,000	-	80,000	80,000	160,000
Total operations	<u>160,000</u>	<u>-</u>	<u>80,000</u>	<u>80,000</u>	<u>160,000</u>
Other fees and charges					
Property appraiser	840	-	840	840	1,003
Tax collector	1,260	128	1,132	1,260	1,505
Total other fees and charges	<u>2,100</u>	<u>128</u>	<u>1,972</u>	<u>2,100</u>	<u>2,508</u>
Total expenditures	<u>261,190</u>	<u>54,462</u>	<u>41,729</u>	<u>96,063</u>	<u>261,848</u>
Net increase/(decrease) of fund balance	19,752	109,120	39,720	148,968	19,501
Fund balance - beginning (unaudited)	68,215	43,390	152,510	43,390	192,358
Assigned					
Lake bank erosion repair ¹	19,750	19,750	19,750	19,750	100,000
Unassigned	68,217	132,760	172,480	172,608	111,859
Fund balance - ending (projected)	<u>\$ 87,967</u>	<u>\$ 152,510</u>	<u>\$ 192,230</u>	<u>\$ 192,358</u>	<u>\$ 211,859</u>

¹Intended to fund long term lake bank erosion repairs in District owned ponds.

**BEACH ROAD GOLF ESTATES
COMMUNITY DEVELOPMENT DISTRICT
DEFINITIONS OF GENERAL FUND EXPENDITURES**

EXPENDITURES

Management advisory services	\$ 40,000
<p>Wrathell, Hunt and Associates, LLC, specializes in managing community development districts in the State of Florida by combining the knowledge, skills and experience of a team of professionals to ensure compliance with all governmental requirements of the District, develop financing programs, oversee the issuance of tax exempt bonds, and operate and maintain the assets of the community. The \$40,000 annual fee is inclusive of district management and recording services.</p>	
Financial accounting services	15,500
<p>Preparation of all of the District's financial items, including monthly financial statement preparation and the annual budget, are provided by Wrathell, Hunt & Associates, LLC. The annual fee for this service is \$8,000 for the general fund, \$7,500 per capital projects fund and \$4,500 per debt service fund.</p>	
Audit	3,000
<p>The District is required to complete annual, independent examinations of its accounting records and procedures. This audit is conducted pursuant to Florida Law and the Rules of the Auditor General.</p>	
Dissemination agent	5,000
<p>The District must annually disseminate financial information in order to comply with the requirements of Rule 15c2-12 under the Securities Exchange Act of 1934.</p>	
Trustee fees	10,850
<p>Annual fees paid for services provided as trustee, paying agent and registrar.</p>	
Legal	10,000
<p>Fees for on-going general counsel and legal representation on behalf of the District. Coleman, Yovanovich and Koester, PA, serves as the District's general counsel.</p>	
Engineering	5,000
<p>Banks Engineering will provide engineering and consulting services to the District in addition to advice on bids for yearly contracts and operating policy.</p>	
Postage	300
<p>Mailing of agenda packages, overnight deliveries, correspondence, etc.</p>	
Insurance	5,750
Printing & reproduction	1,000
<p>Letterhead, envelopes, copies, etc.</p>	
Legal advertising	1,500
<p>The District will advertise in The Fort Myers News-Press for monthly meetings, special meetings, public hearings, bidding, etc.</p>	
Other current charges	650
<p>Bank charges and other miscellaneous expenses incurred throughout the year.</p>	
Annual district filing fee	175
<p>Annual fee paid to the Florida Department of Economic Opportunity.</p>	
Website	615

**BEACH ROAD GOLF ESTATES
COMMUNITY DEVELOPMENT DISTRICT
DEFINITIONS OF GENERAL FUND EXPENDITURES**

EXPENDITURES (CONTINUED)

Operations

Shared costs maintenance/monitoring 160,000

Starting in fiscal year 2017, the District responsible for the maintenance and monitoring of the panther mitigation property in Labelle. The establishment and perpetual responsibility to maintain the property and provide a five year monitoring and reporting program (which ends in 2019) is a development order requirement for not only this District but also for 3 other neighboring communities. Additionally, in Fiscal Year 2018, it is anticipated that the District will also be responsible for the costs of maintaining the common infrastructure along Bonita Beach Road serving the same communities, including landscaping, roadway and storm water maintenance. All of the costs will be shared with the other communities by interlocal agreement and based upon previously agreed upon percentages.

Panther Mit and Monitoring	45,000
Common Infrastructure Maint.	<u>115,000</u>
Total	160,000

Property appraiser

The property appraiser's fee is \$1.00 per parcel.

1,003

Tax collector

The tax collector's fee is is \$1.50 per parcel.

1,505

Total expenditures

\$ 261,848

**BEACH ROAD GOLF ESTATES
COMMUNITY DEVELOPMENT DISTRICT
DEBT SERVICE FUND - SERIES 2015 BONDS
FISCAL YEAR 2019**

	Fiscal Year 2018			Total Revenue and Expenditures	Proposed Budget FY 2019
	Adopted Budget FY 2018	Actual through 3/31/2018	Projected through 9/30/2018		
REVENUES					
Assessment levy: on-roll - gross	\$1,172,241				\$1,425,592
Allowable discounts (4%)	(46,890)				(57,024)
Assessment levy: on-roll - net	1,125,351	\$ 1,354,051	\$ 14,518	\$ 1,368,569	1,368,568
Assessment levy: off-roll	871,416	-	628,199	628,199	628,199
Interest	-	7,869	-	7,869	-
Total revenues	<u>1,996,767</u>	<u>1,361,920</u>	<u>642,717</u>	<u>2,004,637</u>	<u>1,996,767</u>
EXPENDITURES					
Debt service					
Principal	515,000	515,000	-	515,000	530,000
Interest	1,464,773	736,893	727,880	1,464,773	1,446,485
Total expenditures	<u>1,979,773</u>	<u>1,251,893</u>	<u>727,880</u>	<u>1,979,773</u>	<u>1,976,485</u>
Other fees & charges					
Tax collector	-	1,296	-	1,296	-
Total other fees & charges	-	1,296	-	1,296	-
Total expenditures	<u>1,979,773</u>	<u>1,253,189</u>	<u>727,880</u>	<u>1,981,069</u>	<u>1,976,485</u>
Excess/(deficiency) of revenues over/(under) expenditures	16,994	108,731	(85,163)	23,568	20,282
Beginning fund balance (unaudited)	2,242,036	2,273,001	2,381,732	2,273,001	2,296,569
Ending fund balance (projected)	<u>\$2,259,030</u>	<u>\$2,381,732</u>	<u>\$2,296,569</u>	<u>\$ 2,296,569</u>	<u>2,316,851</u>
Use of fund balance					
Debt service reserve account balance (required)					(997,500)
Principal & Interest expense - November 1, 2019					(1,263,605)
Projected fund balance surplus/(deficit) as of September 30, 2019					<u>\$ 55,746</u>

BEACH ROAD GOLF ESTATES

Community Development District

Series 2015

\$30,980,000

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+i
11/01/2018	530,000.00	3.500%	727,880.00	1,257,880.00
05/01/2019			718,605.00	718,605.00
11/01/2019	545,000.00	3.500%	718,605.00	1,263,605.00
05/01/2020			709,067.50	709,067.50
11/01/2020	570,000.00	3.500%	709,067.50	1,279,067.50
05/01/2021			699,092.50	699,092.50
11/01/2021	595,000.00	4.000%	699,092.50	1,294,092.50
05/01/2022			687,192.50	687,192.50
11/01/2022	620,000.00	4.000%	687,192.50	1,307,192.50
05/01/2023			674,792.50	674,792.50
11/01/2023	645,000.00	4.000%	674,792.50	1,319,792.50
05/01/2024			661,892.50	661,892.50
11/01/2024	670,000.00	4.000%	661,892.50	1,331,892.50
05/01/2025			648,492.50	648,492.50
11/01/2025	695,000.00	4.000%	648,492.50	1,343,492.50
05/01/2026			634,592.50	634,592.50
11/01/2026	725,000.00	4.700%	634,592.50	1,359,592.50
05/01/2027			617,555.00	617,555.00
11/01/2027	755,000.00	4.700%	617,555.00	1,372,555.00
05/01/2028			599,812.50	599,812.50
11/01/2028	795,000.00	4.700%	599,812.50	1,394,812.50
05/01/2029			581,130.00	581,130.00
11/01/2029	830,000.00	4.700%	581,130.00	1,411,130.00
05/01/2030			561,625.00	561,625.00
11/01/2030	870,000.00	5.000%	561,625.00	1,431,625.00
05/01/2031			539,875.00	539,875.00
11/01/2031	915,000.00	5.000%	539,875.00	1,454,875.00
05/01/2032			517,000.00	517,000.00
11/01/2032	960,000.00	5.000%	517,000.00	1,477,000.00
05/01/2033			493,000.00	493,000.00
11/01/2033	1,005,000.00	5.000%	493,000.00	1,498,000.00
05/01/2034			467,875.00	467,875.00
11/01/2034	1,055,000.00	5.000%	467,875.00	1,522,875.00
05/01/2035			441,500.00	441,500.00
11/01/2035	1,110,000.00	5.000%	441,500.00	1,551,500.00
05/01/2036			413,750.00	413,750.00

BEACH ROAD GOLF ESTATES

Community Development District

Series 2015

\$30,980,000

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
11/01/2036	1,165,000.00	5.000%	413,750.00	1,578,750.00
05/01/2037			384,625.00	384,625.00
11/01/2037	1,225,000.00	5.000%	384,625.00	1,609,625.00
05/01/2038			354,000.00	354,000.00
11/01/2038	1,285,000.00	5.000%	354,000.00	1,639,000.00
05/01/2039			321,875.00	321,875.00
11/01/2039	1,350,000.00	5.000%	321,875.00	1,671,875.00
05/01/2040			288,125.00	288,125.00
11/01/2040	1,415,000.00	5.000%	288,125.00	1,703,125.00
05/01/2041			252,750.00	252,750.00
11/01/2041	1,485,000.00	5.000%	252,750.00	1,737,750.00
05/01/2042			215,625.00	215,625.00
11/01/2042	1,560,000.00	5.000%	215,625.00	1,775,625.00
05/01/2043			176,625.00	176,625.00
11/01/2043	1,640,000.00	5.000%	176,625.00	1,816,625.00
05/01/2044			135,625.00	135,625.00
11/01/2044	1,720,000.00	5.000%	135,625.00	1,855,625.00
05/01/2045			92,625.00	92,625.00
11/01/2045	1,805,000.00	5.000%	92,625.00	1,897,625.00
05/01/2046			47,500.00	47,500.00
11/01/2046	1,900,000.00	5.000%	47,500.00	1,947,500.00
Total	\$30,955,000.00		\$28,801,995.00	\$59,756,995.00

**BEACH ROAD GOLF ESTATES
COMMUNITY DEVELOPMENT DISTRICT
PROJECTED ASSESSMENTS
GENERAL FUND AND DEBT SERVICE FUND
FISCAL YEAR 2019**

On-Roll Payment

Number of Units		Projected Fiscal Year 2019			FY 18 Assessment
		GF	DSF	GF & DSF	
<u>Single-Family Units</u>					
165	SF Executive	\$ 140.00	\$1,756.37	\$1,896.37	\$ 1,896.37
0	52'	140.00	1,792.91	1,932.91	1,932.91
67	53'	140.00	1,811.18	1,951.18	1,951.18
72	SF Manor	140.00	1,829.45	1,969.45	1,969.45
23	63'	140.00	1,920.79	2,060.79	2,060.79
128	SF Estate	140.00	1,957.33	2,097.33	2,097.33
<u>Multi-Family Units</u>					
152	Coach Home	140.00	1,171.78	1,311.78	1,311.78
156	Veranda Condo	140.00	1,062.17	1,202.17	1,202.17
240	Terrace Condo	140.00	1,025.64	1,165.64	1,165.64
1,003					

Off-Roll Payment

Number of Units	Unit Type	Projected Fiscal Year 2019			FY 18 Assessment
		GF	DSF	GF & DSF	
<u>Single-Family Units</u>					
0	SF Executive	\$ 131.90	\$1,686.12	\$1,818.02	\$ 1,818.02
37	52'	131.90	1,721.19	1,853.09	1,853.09
106	53'	131.90	1,738.73	1,870.63	1,870.63
0	SF Manor	131.90	1,756.27	1,888.17	1,888.17
59	63'	131.90	1,843.96	1,975.86	1,975.86
0	SF Estate	131.90	1,879.04	2,010.94	2,010.94
<u>Multi-Family Units</u>					
128	Coach Home	131.90	1,124.91	1,256.81	1,256.81
96	Veranda Condo	131.90	1,019.68	1,151.58	1,151.58
30	Terrace Condo	131.90	984.61	1,116.51	1,116.51
456					

Note: The number of on-roll and off-roll units will be updated in the future versions of the budget based on information from the Lee County Property Appraiser's Office.

**BEACH ROAD GOLF ESTATES
COMMUNITY DEVELOPMENT DISTRICT**

6

RESOLUTION 2018-09

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE BEACH ROAD GOLF ESTATES COMMUNITY DEVELOPMENT DISTRICT IMPLEMENTING SECTION 190.006(3), *FLORIDA STATUTES*, AND REQUESTING THAT THE LEE COUNTY SUPERVISOR OF ELECTIONS BEGIN CONDUCTING THE DISTRICT'S GENERAL ELECTIONS; PROVIDING FOR COMPENSATION; SETTING FOR THE TERMS OF OFFICE; AUTHORIZING NOTICE OF THE QUALIFYING PERIOD; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

WHEREAS, the Beach Road Golf Estates Community Development District ("District") is a local unit of special-purpose government created and existing pursuant to Chapter 190, Florida Statutes, being situated entirely within Lee County, Florida; and

WHEREAS, the Board of Supervisors of Beach Road Golf Estates Community Development District ("Board") seeks to implement section 190.006(3), Florida Statutes, and to instruct the Lee County Supervisor of Elections ("Supervisor") to conduct the District's general election ("General Election").

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE BEACH ROAD GOLF ESTATES COMMUNITY DEVELOPMENT DISTRICT:

1. **GENERAL ELECTION SEATS** Seat 3, currently held by Dalton Drake and Seat 5, currently held by Ashley Kingston, are scheduled for the General Election in November 2018. The District Manager is hereby authorized to notify the Supervisor of Elections as to what seats are subject to General Election for the current election year, and for each subsequent election year.

2. **QUALIFICATION PROCESS.** For each General Election, all candidates shall qualify for individual seats in accordance with Section 99.061, *Florida Statutes*, and must also be a qualified elector of the District. A qualified elector is any person at least 18 years of age who is a citizen of the United States, a legal resident of the State of Florida and of the District, and who is registered to vote with the Lee County Supervisor of Elections. Campaigns shall be conducted in accordance with Chapter 106, *Florida Statutes*.

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

4. **TERM OF OFFICE.** The term of office for the individuals to be elected to the Board in the General Election is four years. The newly elected Board members shall assume office on the second Tuesday following the election.

5. **REQUEST TO SUPERVISOR OF ELECTIONS.** The District hereby requests the Supervisor to conduct the District's General Election in November, 2018, and for each subsequent General Election unless otherwise directed by the District's Manager. The District understands that it will be responsible to pay for its proportionate share of the General Election cost and agrees to pay same within a reasonable time after receipt of an invoice from the Supervisor.

6. **PUBLICATION.** The District Manager is directed to publish a notice of the qualifying period for each General Election, in a form substantially similar to **Exhibit A** attached hereto.

7. **SEVERABILITY.** The invalidity or unenforceability of any one or more provisions of this Resolution shall not affect the validity or enforceability of the remaining portions of this Resolution, or any part thereof.

8. **EFFECTIVE DATE.** This Resolution shall become effective upon its passage.

PASSED AND ADOPTED THIS ____ DAY OF _____, 2018.

**BEACH ROAD GOLF ESTATES
COMMUNITY DEVELOPMENT
DISTRICT**

CHAIR/VICE CHAIR

ATTEST:

SECRETARY/ASSISTANT SECRETARY

NOTICE OF QUALIFYING PERIOD FOR CANDIDATES
FOR THE BOARD OF SUPERVISORS OF THE
BEACH ROAD GOLF ESTATES COMMUNITY DEVELOPMENT DISTRICT

Notice is hereby given that the qualifying period for candidates for the office of Supervisor of the Beach Road Golf Estates Community Development District will commence at noon on June 18, 2018, and close at noon on June 22, 2018. Candidates must qualify for the office of Supervisor with the Lee County Supervisor of Elections located at 2480 Thompson Street, Third Floor, Fort Myers, Florida 33901, (239) 533-8683. All candidates shall qualify for individual seats in accordance with Section 99.061, Florida Statutes, and must also be a qualified elector of the District, as defined in Section 190.003, Florida Statutes. A qualified elector is any person at least 18 years of age who is a citizen of the United States, a legal resident of the State of Florida and of the District, and who is registered to vote with the Lee County Supervisor of Elections. Campaigns shall be conducted in accordance with Chapter 106, Florida Statutes.

The Beach Road Golf Estates Community Development District has two (2) seats up for election, specifically seats 3 and 5. Each seat carries a four-year term of office. Elections are nonpartisan and will be held at the same time as the general election on November 6, 2018, in the manner prescribed by law for general elections.

For additional information, please contact the Lee County Supervisor of Elections.

District Manager
Beach Road Golf Estates Community Development District

Publish on or before June 4, 2018.

**BEACH ROAD GOLF ESTATES
COMMUNITY DEVELOPMENT DISTRICT**

7

RESOLUTION 2018-10

A RESOLUTION OF THE BOARD OF SUPERVISORS OF BEACH ROAD GOLF ESTATES COMMUNITY DEVELOPMENT DISTRICT RESCINDING RESOLUTION 2018-06 WHICH RESOLUTION DESIGNATED A DATE, TIME, AND LOCATION FOR LANDOWNERS' MEETING OF THE DISTRICT, AND PROVIDED FOR AN EFFECTIVE DATE; REDESIGNATING A DATE, TIME, AND LOCATION FOR LANDOWNERS' MEETING OF THE DISTRICT, AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, Beach Road Golf Estates Community Development District (the "District") is a local unit of special-purpose government created and existing pursuant to Chapter 190, *Florida Statutes*, being situated entirely within Lee County, Florida; and

WHEREAS, the District's Board of Supervisors (the "Board") is statutorily authorized to exercise the powers granted to the District; and

WHEREAS, all meetings of the Board shall be open to the public and governed by provisions of Chapter 286, *Florida Statutes*; and

WHEREAS, on April 16, 2018, the Board of Supervisors of the Beach Road Golf Estates Community Development District (the "District") adopted Resolution 2018-06, which Resolution was entitled as follows:

A RESOLUTION OF THE BOARD OF SUPERVISORS OF BEACH ROAD GOLF ESTATES COMMUNITY DEVELOPMENT DISTRICT DESIGNATING A DATE, TIME, AND LOCATION FOR LANDOWNERS' MEETING OF THE DISTRICT, AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the effective date of City of Bonita Springs Ordinance 08-03 creating the District (the "Ordinance") is March 21, 2008; and

WHEREAS, the District is statutorily required to hold a meeting of the landowners of the District for the purpose of electing supervisors for the District on a date in November established by the Board, which shall be noticed pursuant to Section 190.006(2)(a), *Florida Statutes*.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF BEACH ROAD GOLF ESTATES COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1. In accordance with Section 190.006(2), *Florida Statutes*, the meeting of the landowners to elect one (1) supervisor of the District, shall be held on the 12th day of November, 2018, at 1:00 p.m., at the offices of Lennar Homes, 10481 Six Mile Cypress Parkway, Fort Myers, Florida 33966.

SECTION 2. The District's Secretary is hereby directed to publish notice of this landowners' meeting in accordance with the requirements of Section 190.006(2)(a), *Florida Statutes*.

SECTION 3. Pursuant to Section 190.006(2)(b), Florida Statutes, the landowners' meeting and election is hereby announced at the Board's Regular Meeting held the 18th day of June, 2018. A sample notice of landowners' meeting and election, proxy, ballot form and instructions were presented at such meeting and are attached hereto as **Exhibit A**.

SECTION 4. This Resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED this _____ day of _____, 2018.

ATTEST:

**BEACH ROAD GOLF ESTATES
COMMUNITY DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Chair/Vice Chair

Exhibit A

BEACH ROAD GOLF ESTATES COMMUNITY DEVELOPMENT DISTRICT

**INSTRUCTIONS RELATING TO LANDOWNERS' MEETING FOR THE
ELECTION OF SUPERVISORS**

DATE OF LANDOWNERS' MEETING: **November 12, 2018**

TIME: **1:00 P.M.**

LOCATION: **Offices of Lennar Homes
10481 Six Mile Cypress Parkway
Fort Myers, Florida 33966**

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

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

At the landowners' meeting, the first step is to elect a chair for the meeting, who may be any person present at the meeting. The landowners shall also elect a secretary for the meeting who may be any person present at the meeting. The secretary shall be responsible for the minutes of the meeting. The chair shall conduct the nominations and the voting. If the chair is a landowner or proxy holder of a landowner, he or she may nominate candidates and make and second motions. Candidates must be nominated and then shall be elected by a vote of the landowners. Nominees may be elected only to a position on the Board that is open for election for the upcoming term.

One (1) seat on the Board will be up for election by landowners. The candidate receiving the highest number of votes shall be elected for a term of four (4) years. The term of office for each successful candidate shall commence upon election.

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

LANDOWNER PROXY

**BEACH ROAD GOLF ESTATES COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
LANDOWNERS' MEETING – NOVEMBER 12, 2018**

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, the fee simple owner of the lands described herein, hereby constitutes and appoints _____ (“**Proxy Holder**”) for and on behalf of the undersigned, to vote as proxy at the meeting of the landowners of the Beach Road Golf Estates Community Development District to be held at 1:00 p.m., on November 12, 2018 at the offices of Lennar Homes, 10481 Six Mile Cypress Parkway, Fort Myers, Florida 33966 and at any adjournments thereof, according to the number of acres of unplatted land and/or platted lots owned by the undersigned landowner that the undersigned would be entitled to vote if then personally present, upon any question, proposition, or resolution or any other matter or thing that may be considered at said meeting including, but not limited to, the election of members of the Board of Supervisors. Said Proxy Holder may vote in accordance with his or her discretion on all matters not known or determined at the time of solicitation of this proxy, which may legally be considered at said meeting.

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

Printed Name of Legal Owner

Signature of Legal Owner

Date

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

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

Total Number of Authorized Votes: _____

NOTES: Pursuant to Section 190.006(2)(b), Florida Statutes (2016), a fraction of an acre is treated as one (1) acre entitling the landowner to one vote with respect thereto. Moreover, two (2) or more persons who own real property in common that is one acre or less are together entitled to only one vote for that real property. If the fee simple landowner is not an individual, and is instead a corporation, limited liability company, limited partnership or other entity, evidence that the individual signing on behalf of the entity has the authority to do so should be attached hereto (e.g., bylaws, corporate resolution, etc.).

OFFICIAL BALLOT
BEACH ROAD GOLF ESTATES COMMUNITY DEVELOPMENT DISTRICT
LEE COUNTY, FLORIDA
LANDOWNERS' MEETING – NOVEMBER 12, 2018

For Election (1 Supervisor): The candidate receiving the highest number of votes will receive a four (4)-year term, with the term of office for the successful candidate commencing upon election.

The undersigned certifies that he/she/it is the fee simple owner of land, or the proxy holder for the fee simple owner of land, located within the Beach Road Golf Estates Community Development District and described as follows:

<u>Description</u>	<u>Acreage</u>
_____	_____
_____	_____
_____	_____

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

or

Attach Proxy.

I, _____, as Landowner, or as the proxy holder of _____ (Landowner) pursuant to the Landowner's Proxy attached hereto, do cast my votes as follows:

NAME OF CANDIDATE	NUMBER OF VOTES
--------------------------	------------------------

1. _____	_____
----------	-------

Date: _____

Signed: _____

Printed Name: _____

**BEACH ROAD GOLF ESTATES
COMMUNITY DEVELOPMENT DISTRICT**

8

**BEACH ROAD GOLF ESTATES
COMMUNITY DEVELOPMENT DISTRICT
FINANCIAL STATEMENTS
UNAUDITED
APRIL 30, 2018**

**BEACH ROAD GOLF ESTATES
COMMUNITY DEVELOPMENT DISTRICT
GENERAL FUND
BALANCE SHEET
APRIL 30, 2018**

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
ASSETS				
Cash	\$ 416,404	\$ -	\$ -	\$ 416,404
Investments				
Revenue		131,434		131,434
Reserve	-	1,010,081	-	1,010,081
Sinking	-	515,000	-	515,000
Interest	-	727,880	-	727,880
Construction	-	-	5,863,629	5,863,629
Due from general fund	-	240,638	-	240,638
Total assets	<u>\$ 416,404</u>	<u>\$ 2,625,033</u>	<u>\$ 5,863,629</u>	<u>\$ 8,905,066</u>
LIABILITIES				
Liabilities				
Contracts payable	\$ -	\$ -	\$ 1,105,862	\$ 1,105,862
Developer advance	1,983	-	-	1,983
Due to debt service	240,638	-	-	240,638
Total liabilities	<u>242,621</u>	<u>-</u>	<u>1,105,862</u>	<u>1,348,483</u>
FUND BALANCES				
Restricted for:				
Debt service	-	2,625,033	-	2,625,033
Capital projects	-	-	4,757,767	4,757,767
Unassigned	173,783	-	-	173,783
Total fund balances	<u>173,783</u>	<u>2,625,033</u>	<u>4,757,767</u>	<u>7,556,583</u>
Total liabilities, deferred inflows of resources				
Total liabilities and fund balances	<u>\$ 416,404</u>	<u>\$ 2,625,033</u>	<u>\$ 5,863,629</u>	<u>\$ 8,905,066</u>

**BEACH ROAD GOLF ESTATES
COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GENERAL FUND
FOR THE PERIOD ENDED APRIL 30, 2018**

	<u>Current Month</u>	<u>Year to Date</u>	<u>Budget</u>	<u>% of Budget</u>
REVENUES				
On-roll assessments	\$ 1,022	\$ 134,449	\$ 112,896	119%
Off-roll assessments	30,073	60,146	81,646	74%
Intergovernmental mitigation and monitoring	-	-	86,400	0%
Interest	7	89	-	N/A
Total revenues	<u>31,102</u>	<u>194,684</u>	<u>280,942</u>	69%
EXPENDITURES				
Management/recording	3,333	23,333	40,000	58%
Financial accounting services	1,292	9,042	15,500	58%
Audit	3,900	3,900	3,000	130%
Dissemination agent	417	2,917	5,000	58%
Trustee fees	-	10,654	10,850	98%
Legal	747	4,208	10,000	42%
Engineering	-	-	5,000	0%
Postage	(3)	118	300	39%
Printing & reproduction	83	583	1,000	58%
Legal advertising	-	2,542	1,500	169%
Annual district filing fee	-	175	175	100%
Insurance	-	5,665	5,500	103%
Other current charges	60	410	650	63%
Website	-	616	615	100%
Total professional & admin	<u>9,829</u>	<u>64,163</u>	<u>99,090</u>	65%
Operations				
Mitigation maintenance and monitoring	-	-	160,000	0%
Total operations	<u>-</u>	<u>-</u>	<u>160,000</u>	0%
Other fees and charges				
Property appraiser	-	-	840	0%
Tax collector	-	128	1,260	10%
Total other fees and charges	<u>-</u>	<u>128</u>	<u>2,100</u>	6%
Total expenditures	<u>9,829</u>	<u>64,291</u>	<u>261,190</u>	25%
Excess/(deficiency) of revenues over/(under) expenditures	21,273	130,393	19,752	
Fund balance - beginning	<u>152,510</u>	<u>43,390</u>	<u>68,215</u>	
Fund balance - ending	<u>\$ 173,783</u>	<u>\$ 173,783</u>	<u>\$ 87,967</u>	

**BEACH ROAD GOLF ESTATES
COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
DEBT SERVICE FUND SERIES 2015
FOR THE PERIOD ENDED APRIL 30, 2018**

	<u>Current Month</u>	<u>Year to Date</u>	<u>Budget</u>	<u>% of Budget</u>
REVENUES				
Assessment levy: on-roll - net	\$ 10,372	\$ 1,364,423	\$ 1,125,351	121%
Assessment levy: off-roll	230,266	230,266	871,416	26%
Interest	2,663	10,532	-	N/A
Total revenues	<u>243,301</u>	<u>1,605,221</u>	<u>1,996,767</u>	N/A
EXPENDITURES				
Principal	-	515,000	515,000	100%
Interest	-	736,893	1,464,773	50%
Total expenditures	<u>-</u>	<u>1,251,893</u>	<u>1,979,773</u>	150%
Other fees and charges				
Tax collector	-	1,296	-	N/A
Total other fees and charges	<u>-</u>	<u>1,296</u>	<u>-</u>	N/A
Total expenditures	<u>-</u>	<u>1,253,189</u>	<u>1,979,773</u>	63%
Excess/(deficiency) of revenues over/(under) expenditures	243,301	352,032	16,994	
Fund balance - beginning	2,381,732	2,273,001	2,242,036	
Fund balance - ending	<u>\$ 2,625,033</u>	<u>\$ 2,625,033</u>	<u>\$ 2,259,030</u>	

**BEACH ROAD GOLF ESTATES
COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUND SERIES 2015
FOR THE PERIOD ENDED APRIL 30, 2018**

	Current Month	Year to Date
REVENUES		
Interest	\$ 6,745	\$ 38,416
Total revenues	6,745	38,416
 EXPENDITURES		
Capital outlay	-	2,217,331
Total expenditures	-	2,217,331
 Net increase/(decrease), fund balance	6,745	(2,178,915)
Beginning fund balance	4,751,022	6,936,682
Ending fund balance	\$ 4,757,767	\$ 4,757,767

**BEACH ROAD GOLF ESTATES
COMMUNITY DEVELOPMENT DISTRICT**

9

1 **MINUTES OF MEETING**
2 **BEACH ROAD GOLF ESTATES**
3 **COMMUNITY DEVELOPMENT DISTRICT**
4

5 A Regular Meeting of the Beach Road Golf Estates Community Development District's
6 Board of Supervisors was held on Monday, May 14, 2018 at 1:00 p.m., at the offices of Lennar
7 Homes, 10481 Six Mile Cypress Parkway, Fort Myers, Florida 33966.
8

9 **Present at the meeting were:**

10
11 Russell Smith Chair
12 Ashley Kingston Assistant Secretary
13 Dalton Drake Assistant Secretary
14

15 **Also present were:**

16
17 Chuck Adams District Manager
18 Greg Urbancic District Counsel
19 Dave Underhill District Engineer
20

21
22 **FIRST ORDER OF BUSINESS**

Call to Order/Roll Call

23
24 Mr. Adams called the meeting to order at 1:15 p.m. Supervisors Smith, Kingston and
25 Drake were present, in person. Supervisors Gabor and Hinebaugh were not present.
26

27 **SECOND ORDER OF BUSINESS**

Public Comments

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

31 **THIRD ORDER OF BUSINESS**

**Consideration of Resolution 2018-07,
Approving a Proposed Budget for Fiscal
Year 2018/2019 and Setting a Public
Hearing Thereon Pursuant to Florida
Law; Addressing Transmittal, Posting
and Publication Requirements;
Addressing Severability; and Providing
an Effective Date**

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40 Mr. Adams presented Resolution 2018-07. The proposed Fiscal Year 2019 budget
41 changed little from Fiscal Year 2018.
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On MOTION by Mr. Smith and seconded by Mr. Drake, with all in favor, Resolution 2018-07, Approving a Proposed Budget for Fiscal Year 2018/2019 and Setting a Public Hearing Thereon Pursuant to Florida Law for August 20, 2018 at 1:00 p.m., at this location; Addressing Transmittal, Posting and Publication Requirements; Addressing Severability; and Providing an Effective Date, was adopted.

FOURTH ORDER OF BUSINESS

Consideration of Request by D.R. Horton to Install Sidewalk Within Bonita Beach Road Right-of-Way

Mr. Underhill discussed the location of the sidewalk extension, north and west from The Seasons of Bonita entrance. Mr. Adams stated that this was required by the City to provide continuity and connectivity for pedestrians. Mr. Underhill stated that it was due to the speed limit on the roadway and the City not wanting the pedestrian crosswalk at a particular entrance; the extension avoids the need to have the crosswalk within the District’s right-of-way (ROW). Mr. Underhill confirmed that The Seasons will construct the sidewalk and dedicate it to the District. Mr. Adams anticipated that it would become part of the shared cost arrangement between the four communities; an Agreement between the parties would be prepared.

On MOTION by Mr. Smith and seconded by Mr. Drake, with all in favor, D.R. Horton’s request to install a sidewalk within the Bonita Beach Road right-of-way, was approved.

FIFTH ORDER OF BUSINESS

Acceptance of Unaudited Financial Statements as of March 31, 2018

Mr. Adams presented the Unaudited Financial Statements as of March 31, 2018. As mentioned at the last meeting, the District will begin to incur costs related to the mitigation maintenance and monitoring, which will result in the District billing the other three communities; those should start to appear beginning with the April financials.

SIXTH ORDER OF BUSINESS

Approval of April 16, 2018 Regular Meeting Minutes

81 Mr. Adams presented the April 16, 2018 Regular Meeting Minutes and asked for any
82 additions, deletions or corrections.

83

84 **On MOTION by Mr. Smith and seconded by Ms. Kingston,**
85 **with all in favor, the April 16, 2018 Regular Meeting Minutes,**
86 **as presented, were approved.**

87

88

89

SEVENTH ORDER OF BUSINESS

Staff Reports

90

91

A. District Counsel: *Coleman, Yovanovich & Koester, P.A.*

92

Mr. Urbancic recalled that, last year, the District approved an easement for an outfall
93 over Parcel WFWE4. Since then, SHR and East Bonita Beach Road CDD asked for an easement
94 but want to use their own form. Comments were set to the parties and a response was pending.

95

B. District Engineer: *Banks Engineering, Inc.*

96

Mr. Underhill stated that the description for the portion of the flow way that will be
97 deeded back to Lennar or released by the District should be completed today. Mr. Adams
98 indicated that the associated Agreement was previously approved and the Chair executed it.

99

C. District Manager: *Wrathell, Hunt and Associates, LLC*

100

i. 0 Registered Voters in District as of April 15, 2018

101

Mr. Adams would verify the number, as there were known residents residing within the
102 boundaries of the District.

103

ii. NEXT MEETING DATE: June 18, 2018 at 1:00 P.M.

104

The next meeting will be held on June 18, 2018 at 1:00 p.m. at this location.

105

106

EIGHTH ORDER OF BUSINESS

**Audience Comments/Supervisors'
Requests**

107

108

109

There being no audience comments or Supervisors' requests, the next item followed.

110

111

NINTH ORDER OF BUSINESS

Adjournment

112

113

There being no further business to discuss, the meeting adjourned.

114

115 **On MOTION by Mr. Drake and seconded by Ms. Kingston,**
116 **with all in favor, the meeting adjourned at 1:25 p.m.**

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Secretary/Assistant Secretary

Chair/Vice Chair

DRAFT

**BEACH ROAD GOLF ESTATES
COMMUNITY DEVELOPMENT DISTRICT**

10Ci

WRATHELL, HUNT & ASSOCIATES LLC.

2300 GLADES RD, #410W
BOCA RATON FL 33431

Lee County FL – Community Development Districts

highlighted CDD's revised 05/17/2018

2018 PRECINCT	NAME OF CDD	# REG VOTERS
	Babcock Ranch	
40, 124	Bayside Improvement	2,619
40	Bay Creek	799
25	Beach Road Golf Estates	502
	Bonita Landing	65
125	Brooks I of Bonita Springs	2,199
125	Brooks II of Bonita Springs	1,545
	East Bonita Beach	0
80	Mediterra North	392
66	Miromar Lakes South	0
64	Moody River Estates	1,012
25	Parklands Lee	451
25	Parklands West	505
5	River Hall	615
123	River Ridge	1,366
60	Stoneybrook	1,644
5	Verandah East	444
60	University Square	0
9, 32	Waterford Landing	380
	WildBlue	0

Send to: Daphne Gillyard gillyardd@whhassociates.com Phone: 561-571-0010

Tammy Lipa – Voice: 239-533-6329

Email: tlipa@lee.vote