The Woodlands Community Development District

November 8, 2018

Agenda Package

The Woodlands Community Development District

Inframark, Infrastructure Management Services
210 North University Drive Suite 702, Coral Springs, Florida 33071 Phone: 954-603-0033 Fax: 954-345-1292

November 1, 2018

Board of Supervisors
The Woodlands Community Development District

Dear Board Members:

A meeting of the Board of Supervisors of The Woodlands Community Development District will be held Thursday**, November 8, 2018 in the Shannon Staub Library, Conference Room #139, 4675 Career Lane, North Port, Florida.** Below is the agenda for the meeting beginning **at 10:30 a.m.**

1. **Roll Call**
2. **Public Comment on Agenda Items**
3. **Consent Agenda**
   - A. Minutes of the May 3, 2018 Meeting
   - B. Financial Report
   - C. Acceptance of the FY 2017 Audit
   - D. Resolution 2019-1 - FY 2018 Budget Amendment
   - E. Motion to Assign Fund Balance
   - F. Acceptance of FY 2018 Audit Engagement Letter
   - G. LLS Insurance Renewal Proposal
4. **Attorney's Report**
   - A. Chief Inspector General Response Letter on FY 2017 Audit Findings
   - B. Assessment Legal Letter
5. **Engineer's Report**
6. **Manager's Report**
7. **Supervisors' Requests**
8. **Audience Comments**
9. **Adjourn**

Enclosed for review are documents for the November 8, 2018 meeting. Items not included in this package will be presented at the meeting. I look forward to seeing you there, and if you have any questions, please contact me.

Sincerely,
Mark Vega
Mark Vega
District Manager

Third Order of Business

3A.

MINUTES OF MEETING
THE WOODLANDS
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of The Woodlands Community Development District was scheduled on Thursday, May 3, 2018 at 10:35 a.m. in the Shannon Staub Library, Conference room #139, 4675 Career Lane, North Port, Florida.

Present and constituting a quorum were:

Carl Impastato	Chairman
William Richardson	Vice-Chairman
Robert Ripatrazone	Assistant Secretary
Lawrence Tinkham	Assistant Secretary
Elio Bucciero	Assistant Secretary

Also present were:

Mark Vega	District Manager
Vivek Babbar	District Counsel
Dorian Popescu	District Engineer
Residents	

The following is a summary of the discussion and actions taken at the May 3, 2018 Woodlands Board of Supervisors meeting.

FIRST ORDER OF BUSINESS **Roll Call**

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

SECOND ORDER OF BUSINESS **Public Comment on Agenda Items**

None.

THIRD ORDER OF BUSINESS **Consent Agenda**

A. Minutes of the March 1, 2018 Meeting
B. Financial Report March 31, 2018

On MOTION by Mr. Impastato seconded by Mr. Tinkham with all in favor the Consent Agenda was approved as presented. 5-0

FOURTH ORDER OF BUSINESS **Public Hearing to Consider Adoption of the Budget for Fiscal Year 2019**

The Public Hearing opened at 10:36 a.m.

A. Consideration of Resolution 2018-5 Adopting the Budget

- Mr. Vega reported a decrease in Operations and Maintenance by 25.16 percent.

> On MOTION by Mr. Impastato seconded by Mr. Ripatrizone with all in favor Resolution 2018-5 relating to the Annual Appropriations of the District and Adopting the Fiscal Year Beginning October 1, 2018; and ending September 30, 2019, and referencing the Operations and Maintenance Special Assessments to be levied by the District for said Fiscal Year was adopted. 5-0

B. Consideration of Resolution 2018-6 Levy of Non Ad-Valorem Assessments

- Assessments are lowered for the second year in a row.

> On MOTION by Mr. Impastato seconded by Mr. Richardson with all in favor Resolution 2018-6 Imposing Special Assessments; Providing for Collection and Enforcement of Special Assessments; Adopting and Certifying an Assessment Roll; Providing for a Severability Clause; and Providing an Effective Date, as amended, was adopted. 5-0

The Public Hearing was closed at 10:44 a.m.

FIFTH ORDER OF BUSINESS Attorney's Report

Discussion ensued regarding Landowner Entities and Tax Certificate Holders.

> On MOTION by Mr. Impastato seconded by Mr. Tinkham with all in favor the District Counsel was authorized to collaborate with the District Staff and Chairman to the extent any response is needed with respect to correspondence or potential lawsuits related to the tax certificate holders. 5-0

SIXTH ORDER OF BUSINESS Engineer's Report

A. SWFWMD Certifications

- Mr. Vega reported all SWFWMD Certifications are valid for five years.
- North Plantation was re-certified in February 2016.

> On MOTION by Mr. Impastato seconded by Mr. Richardson with all in favor the Board authorized the District Counsel to approach the City regarding the turnover of the storm ponds. 5-0

SEVENTH ORDER OF BUSINESS Manager's Report

A. Discussion of Qualifications for Professional Engineering Services

The record will reflect Mr. Popescu left the room.

Qualifications from DMK and JMT for professional engineering services were presented and reviewed. Johnson Engineering did not bid.

B. Evaluation Criteria for Professional Engineering Services

Mr. Babbar distributed tally sheets and allowed the Board to rate the professional engineering companies. A company must earn a maximum of 98 points to be awarded.

i. DMK – 270 points
ii. JMT – 434 points
iii. Johnson Engineering – No Bid

On MOTION by Mr. Impastato seconded by Mr. Bucciero with all in favor the Nomination of JMT to Enter into Negotiations with the District was approved. 5-0

The record will reflect Mr. Popescu rejoined the meeting.

C. Proposed Meeting Schedule for Fiscal Year 2019

On Motion by Mr. Impastato seconded by Mr. Ripatrizone with all in favor the Proposed Meeting Schedule for the Fiscal Year 2019 was approved. 5-0

D. Number of Registered Voters - 831

The number of qualified registered voters must be reported as a statute of requirement.

EIGHTH ORDER OF BUSINESS Supervisors' Requests

None.

NINTH ORDER OF BUSINESS Audience Comments

Comments were received by the Board.

TENTH ORDER OF BUSINESS Adjourn

There being no other Business,

On MOTION by Mr. Impastato seconded by Mr. Tinkham with all in favor the meeting was adjourned at 11:43 a.m. 5-0

_____

Chairman/Vice Chairman

3B.

THE WOODLANDS

Community Development District

Financial Report

September 30, 2018

Prepared by

INFRAMARK
INFRASTRUCTURE MANAGEMENT SERVICES

THE WOODLANDS
Community Development District

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THE WOODLANDS

Community Development District

Financial Statements

(Unaudited)

September 30, 2018

Balance Sheet
September 30, 2018

ACCOUNT DESCRIPTION	GENERAL FUND	SERIES 2004A DEBT SERVICE FUND	TOTAL
ASSETS			
Cash - Checking Account	$ 1,645,054	$ -	$ 1,645,054
Assessments Receivable	947,373	12,104,235	13,051,608
Allow-Doubtful Collections	(947,373)	(12,104,235)	(13,051,608)
Due From Other Funds	-	5,751	5,751
Investments:			
Prepayment Account A	-	95,000	95,000
Reserve Fund A	-	36,673	36,673
Revenue Fund A	-	119,676	119,676
Deposits	500	-	500
TOTAL ASSETS	**$ 1,645,554**	**$ 257,100**	**$ 1,902,654**
LIABILITIES			
Accounts Payable	$ 6,495	$ 1,089	$ 7,584
Mature Bonds Payable	-	3,172,908	3,172,908
Mature Interest Payable	-	6,967,095	6,967,095
Due To Other Funds	5,751	-	5,751
TOTAL LIABILITIES	**12,246**	**10,141,092**	**10,153,338**
FUND BALANCES			
Nonspendable:			
Deposits	500	-	500
Unassigned:	1,632,808	(9,883,992)	(8,251,184)
TOTAL FUND BALANCES	**$ 1,633,308**	**$ (9,883,992)**	**$ (8,250,684)**
TOTAL LIABILITIES & FUND BALANCES	**$ 1,645,554**	**$ 257,100**	**$ 1,902,654**

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Period Ending September 30, 2018

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE ACTUAL	VARIANCE ($) FAV(UNFAV)	YTD ACTUAL AS A % OF ADOPTED BUD
REVENUES				
Interest - Investments	$ -	$ 20,260	$ 20,260	0.00%
Special Assmnts- Tax Collector	357,496	299,281	(58,215)	83.72%
Special Assmnts- Other (FY11-FY14 Delinquents)	-	387,293	387,293	0.00%
Special Assmnts- Delinquent (FY15-FY16)	659,231	396,791	(262,440)	60.19%
Special Assmnts- Discounts/(Penalties)	(40,669)	111,202	151,871	-273.43%
TOTAL REVENUES	**976,058**	**1,214,827**	**238,769**	**124.46%**
EXPENDITURES				
Administration				
P/R-Board of Supervisors	12,000	4,400	7,600	36.67%
FICA Taxes	918	337	581	36.71%
ProfServ-Engineering	10,000	25,794	(15,794)	257.94%
ProfServ-Legal Services	9,000	29,620	(20,620)	329.11%
ProfServ-Mgmt Consulting Serv	36,444	38,944	(2,500)	106.86%
ProfServ-Property Appraiser	281	-	281	0.00%
ProfServ-Web Site Development	1,000	1,000	-	100.00%
Auditing Services	6,300	4,600	1,700	73.02%
Travel	1,000	-	1,000	0.00%
Postage and Freight	1,500	498	1,002	33.20%
Insurance - General Liability	17,522	11,838	5,684	67.56%
Printing and Binding	1,300	151	1,149	11.62%
Legal Advertising	2,500	1,853	647	74.12%
Misc-Bank Charges	600	590	10	98.33%
Misc-Assessmnt Collection Cost	15,251	16,448	(1,197)	107.85%
Office Supplies	50	1,145	(1,095)	2290.00%
Annual District Filing Fee	175	175	-	100.00%
Total Administration	115,841	137,393	(21,552)	118.60%
Field				
ProfServ-Field Management	16,686	16,686	-	100.00%
Communication - Teleph - Field	6,500	6,450	50	99.23%
Electricity - Entrance	1,300	132	1,168	10.15%
Misc-Contingency	100,000	82,000	18,000	82.00%
Total Field	124,486	105,268	19,218	84.56%

THE WOODLANDS
Community Development District

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Period Ending September 30, 2018

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE ACTUAL	VARIANCE ($) FAV(UNFAV)	YTD ACTUAL AS A % OF ADOPTED BUD
Landscape Services				
Utility - Pump Station	24,000	26,586	(2,586)	110.78%
R&M-General	2,500	6,248	(3,748)	249.92%
R&M-Renewal and Replacement	2,500	36,036	(33,536)	1441.44%
R&M-Irrigation	10,000	10,013	(13)	100.13%
R&M-Pump Station	5,000	2,901	2,099	58.02%
Total Landscape Services	44,000	81,784	(37,784)	185.87%
Reserves				
Reserve - Lakes	7,500	-	7,500	0.00%
Pump Station Reserve	25,000	-	25,000	0.00%
Total Reserves	32,500	-	32,500	0.00%
TOTAL EXPENDITURES & RESERVES	**316,827**	**324,445**	**(7,618)**	**102.40%**
Excess (deficiency) of revenues Over (under) expenditures	659,231	890,382	231,151	0.00%
OTHER FINANCING SOURCES (USES)				
Contribution to (Use of) Fund Balance	659,231	-	-	0.00%
TOTAL FINANCING SOURCES (USES)	**659,231**	**-**	**-**	**0.00%**
Net change in fund balance	$ 659,231	$ 890,382	$ 231,151	0.00%
FUND BALANCE, BEGINNING (OCT 1, 2017)	**742,926**	**742,926**		
FUND BALANCE, ENDING	**$ 1,402,157**	**$ 1,633,308**		

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Period Ending September 30, 2018

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE ACTUAL	VARIANCE ($) FAV(UNFAV)	YTD ACTUAL AS A % OF ADOPTED BUD
REVENUES				
Interest - Investments	$ -	$ 4,053	$ 4,053	0.00%
Special Assmnts- Tax Collector	898,200	885,573	(12,627)	98.59%
Special Assmnts- Prepayment	-	116,981	116,981	0.00%
Special Assmnts- CDD Collected	1,314,413	-	(1,314,413)	0.00%
Special Assmnts- Discounts	(35,928)	(31,741)	4,187	88.35%
TOTAL REVENUES	**2,176,685**	**974,866**	**(1,201,819)**	**44.79%**
EXPENDITURES				
Administration				
ProfServ-Arbitrage Rebate	600	600	-	100.00%
ProfServ-Dissemination Agent	5,000	2,000	3,000	40.00%
ProfServ-Legal Services	-	3,907	(3,907)	0.00%
ProfServ-Trustee Fees	9,000	6,634	2,366	73.71%
Misc-Assessmnt Collection Cost	17,964	4,211	13,753	23.44%
Total Administration	32,564	17,352	15,212	53.29%
Debt Service				
Principal Debt Retirement	810,000	810,000	-	100.00%
Interest Expense	1,251,720	1,548,001	(296,281)	123.67%
Total Debt Service	2,061,720	2,358,001	(296,281)	114.37%
TOTAL EXPENDITURES	**2,094,284**	**2,375,353**	**(281,069)**	**113.42%**
Excess (deficiency) of revenues Over (under) expenditures	82,401	(1,400,487)	(1,482,888)	0.00%
OTHER FINANCING SOURCES (USES)				
Contribution to (Use of) Fund Balance	82,401	-	-	0.00%
TOTAL FINANCING SOURCES (USES)	**82,401**	**-**	**-**	**0.00%**
Net change in fund balance	$ 82,401	$ (1,400,487)	$ (1,482,888)	0.00%
FUND BALANCE, BEGINNING (OCT 1, 2017)	**(8,483,505)**	**(8,483,505)**		
FUND BALANCE, ENDING	**$ (8,401,104)**	**$ (9,883,992)**		

THE WOODLANDS
Community Development District

Supporting Schedules

September 30, 2018

THE WOODLANDS

Community Development District

Non-Ad Valorem Special Assessments
(Sarasota County Tax Collector - Monthly Collection Distributions)
For the Fiscal Year Ending September 30, 2018

					ALLOCATION BY FUND	
Date Rcv'd	**Net Amount Received**	**Discount / (Penalties) Amount**	**Collection Costs**	**Gross Amount Received**	**General Assmnts ****	**Debt Service Assmnts**
Assmnts Levied				$1,035,298	$149,726	$885,573
Allocation %				100%	14%	86%
11/17/17	$ 72,986	$ 3,093	$ 1,111	$ 77,190	$ 11,163	$ 66,027
11/30/17	70,347	2,976	1,071	74,394	10,759	63,635
12/18/17	324,555	13,725	4,942	343,222	49,637	293,585
12/18/17	297,875	12,600	4,536	315,011	40,825	274,186
12/29/17	17,682	744	269	18,695	2,704	15,992
01/31/18	21,327	670	325	22,321	3,228	19,093
02/28/18	143,887	3,004	2,191	149,082	21,560	127,522
03/27/18	13,255	202	357	13,814	1,998	11,816
04/30/18	11,202	11	171	11,384	1,646	9,738
05/31/18	4,393	(71)	67	4,389	635	3,755
06/26/18	5,947	(244)	91	5,794	4,491	1,303
07/31/18	-	-	-	-	1,079	(1,079)
08/31/18	-	-	(10,219)	-	-	-
TOTAL	**983,456**	**36,711**	**4,912**	**1,035,298**	**149,726**	**885,573**
% COLLECTED				100%	100%	100%
TOTAL O/S				**$ -**	**$ -**	**$ -**

**General Fund Budget Variance includes $207,770 of current year General Fund Assesments Collected from Developers submitted with FY15-FY16 Delinquent payment. See next page.

THE WOODLANDS

Community Development District

Delinquent and General Fund Non-Ad Valorem Special Assessments

Sarasota County Tax Collector - Monthly Collection Report

For the Fiscal Year Ending September 30, 2018

Date Received	Net Amount Received	Discount/ (Penalties) Amount	Collection Cost	General Fund Amount Received	Allocation by Fund: FY 18 General Fund	Allocation by Fund: FY15 & FY16 DELINQUENT ASSESSMNTS**
Developer Assessments incl FY15&16 DELINQUENT				$ 761,629	$ 207,770	$ 553,859
Allocation %				100%	27%	73%
12/18/17	$ 64,491.16	$ 2,728.05	$ 982.10	$ 68,201.31	$ 18,669.40	$ 49,531.91
12/18/17	$ 191,845.32	$ 8,115.28	$ 2,921.50	$ 202,882.10	$ 55,536.20	$ 147,345.90
05/31/18	$ 104,902.56	$ (3,101.96)	$ 1,597.50	$ 103,398.10	$ 28,303.82	$ 75,094.28
05/31/18	$ 108,694.12	$ (3,214.06)	$ 1,655.24	$ 107,135.30	$ 29,326.83	$ 77,808.47
06/26/18	$ 66,628.09	$ (2,912.84)	$ 1,014.64	$ 64,729.89	$ 17,719.04	$ 47,010.85
TOTAL	$ 536,561	$ 1,614	$ 8,171	$ 546,347	$ 149,555	$ 396,791
% COLLECTED				72%	72%	72%
TOTAL OUTSTANDING				**$ 215,282**	**$ 58,215**	**$ 157,067**

PGCI	1115-00-1300		
Buffalo-NP	1114-00-3100		
Banyan Pt - FY18	**1094003200**	4/1/18-4/30/18	Dist 17-09
Banyan Pt - FY18	**1094003300**	4/1/18-4/30/18	Dist 17-09
Oak Meadows	1111003050	5/1/18-6/7/18	Dist 17-10

****FY15 & FY16 Delinquent Budget Variance of $105,373 due to payment made 4/27/17 at sale of parcel 1113001200.**

Outstanding Parcels:

Buffalo-Northport Parcel 1115001350 (Plantation Blvd Parcel B)	14,072.64	39,953.98
Woodland Pine Run, LLC Parcel 1113001300 (Panacea Blvd Parcel E)	44,142.48	117,113.33
	$ 58,215.12	**$ 157,067.31**

FY16 and FY17 Delinquent Assessments Collected (Posted to OTHER ASSESSMENTS)

Date Received	Net Amount Received	Discount/ (Penalties) Amount	Collection Cost	General Fund Amount Received	
05/31/18	$ 138,928.11	$ (26,005.72)	$ 2,115.65	$ 115,038.04	*
05/31/18	$ 143,949.44	$ (26,945.60)	$ 2,192.12	$ 119,195.96	*
05/31/18	$ 105,407.97	$ (31,842.40)	$ 1,605.20	$ 75,170.77	**
05/31/18	$ 109,217.69	$ (32,993.18)	$ 1,663.22	$ 77,887.73	**
TOTAL	$ 497,503.21	$ (117,786.90)	$ 7,576.19	$ 387,292.50	

Banyan Pt - FY17	**1094003200***	4/1/18-4/30/18	Dist 17-09
Banyan Pt - FY17	**1094003300***	4/1/18-4/30/18	Dist 17-09
Banyan Pt - FY16	**1094003200****	4/1/18-4/30/18	Dist 17-09
Banyan Pt - FY16	**1094003300****	4/1/18-4/30/18	Dist 17-09

***represents FY13 & FY14 Delinquent assmnts & FY17 O&M that were added to FY17 tax roll but not paid during that fiscal year.**

****represents FY11 & FY12 Delinquent assmnts that were added to FY16 tax roll but not paid during that fiscal year.**

THE WOODLANDS
Community Development District

Payment Register by Bank Account
For the Period from 4/1/2018 to 9/30/2018
(Sorted by Check / ACH No.)

Pymt Type	Check / ACH No.	Date	Payee Type	Payee	Invoice No.	Payment Description	Invoice / GL Description	G/L Account #	Amount Paid
SUNTRUST BANK N.A. - GF - (ACCT# XXXXX2796)									
Check	002016	04/03/18	Vendor	COMPLETE I.T.	2421	APPLE IPAD/LABOR	Office Supplies	001-551002-51301	$527.49
Check	002017	04/09/18	Vendor	BRIGHTVIEW LANDSCAPING	5715579	Pond 13-MITERED CURB DISCHARGE	POND 13	001-546041-53902	$1,236.90
Check	002018	04/09/18	Vendor	DMK ASSOCIATES	12898	MARCH GEN ENG/SWFMD RECERT	ProfServ-Engineering	001-531013-51501	$4,088.30
Check	002019	04/09/18	Vendor	WELLS FARGO BANK NA	040618-2796	TRANSF FY18 ASSESSMENTS	Due to Other Funds	131000	$9,446.96
Check	002020	04/12/18	Vendor	COMPLETE I.T.	2476	***Voided Voided****			$0.00
Check	002021	04/18/18	Vendor	INFRAMARK, LLC	29574	4/18 MANAGEMENT FEES	ProfServ-Mgmt Consulting Serv	001-531027-51201	$3,037.00
Check	002021	04/18/18	Vendor	INFRAMARK, LLC	29574	4/18 MANAGEMENT FEES	ProfServ-Field Management	001-531016-53901	$1,390.50
Check	002021	04/18/18	Vendor	INFRAMARK, LLC	29574	4/18 MANAGEMENT FEES	Postage and Freight	001-541006-51301	$10.29
Check	002021	04/18/18	Vendor	INFRAMARK, LLC	29574	4/18 MANAGEMENT FEES	Printing and Binding	001-547001-51301	$0.60
Check	002021	04/18/18	Vendor	INFRAMARK, LLC	29574	4/18 MANAGEMENT FEES	ProfServ-Web Site Development	001-531047-51301	$83.33
Check	002022	04/18/18	Vendor	BRIGHTVIEW LANDSCAPING	5657876A	CLEANUP 21 RETENTION PONDS	@PANACEA BLVD	001-549900-53901	$62,500.00
Check	002023	05/01/18	Vendor	FRONTIER	041918-31075	4/19-5/18/18 941-240-5997	Communication - Teleph - Field	001-541005-53901	$550.53
Check	002024	05/01/18	Vendor	SARASOTA HERALD-TRIBUNE	1813418	Notice of PH:ad run 4/9, 4/16	Legal Advertising	001-548002-51301	$1,435.50
Check	002025	05/07/18	Vendor	JJ&A CONSTRUCTION, INC.	709	DEPOSIT CEDAR GROVE PND	Misc-Contingency	001-549900-53901	$15,000.00
Check	002026	05/08/18	Employee	CARL A. IMPASTATO	PAYROLL	May 08, 2018 Payroll Posting			$184.70
Check	002027	05/08/18	Employee	LAWRENCE H. TINKHAM	PAYROLL	May 08, 2018 Payroll Posting			$184.70
Check	002028	05/08/18	Employee	WILLIAM RICHARDSON	PAYROLL	May 08, 2018 Payroll Posting			$184.70
Check	002029	05/08/18	Employee	ELIO M. BUCCIERO	PAYROLL	May 08, 2018 Payroll Posting			$184.70
Check	002030	05/08/18	Employee	ROBERT M. RIPATRAZONE	PAYROLL	May 08, 2018 Payroll Posting			$184.70
Check	002031	05/11/18	Vendor	DMK ASSOCIATES	13010	APRIL GEN ENG/SWFMD RECERT	ProfServ-Engineering	001-531013-51501	$3,376.70
Check	002032	05/11/18	Vendor	FEDEX	CM5-92-86115	POSTAGE CREDIT	Postage and Freight	001-541006-51301	($10.46)
Check	002032	05/11/18	Vendor	FEDEX	6-167-39153	4/25/18 POSTAGE	Postage and Freight	001-541006-51301	$12.80
Check	002033	05/11/18	Vendor	HOOVER PUMPING SYSTEMS INC	140778	CEDAR GROVE #1 DISC CLEANING	R&M-Pump Station	001-546075-53902	$849.78
Check	002034	05/11/18	Vendor	JJ&A CONSTRUCTION, INC.	712	DEBRIS REMOVAL	Misc-Contingency	001-549900-53901	$4,500.00
Check	002035	05/18/18	Vendor	HOOVER PUMPING SYSTEMS INC	136299-A	CYPRESS FALLS PUMP#2 CLUBHO	Cap Outlay - Pump Station	001-564086-53902	$371.60
Check	002036	05/25/18	Vendor	BRIGHTVIEW LANDSCAPING	5768674	cap off mainline @ cutoff poin	R&M-Irrigation	001-546041-53902	$825.00
Check	002037	05/25/18	Vendor	FEDEX	6-181-93411	5/4/18 POSTAGE	Postage and Freight	001-541006-51301	$11.37
Check	002038	06/01/18	Vendor	BRIGHTVIEW LANDSCAPING	5769349	Monuments-MAY EXTERIOR MAINT	R&M-General	001-546001-53902	$800.00
Check	002039	06/01/18	Vendor	FEDEX	6-189-24381	POSTAGE 05/11/18	Postage and Freight	001-541006-51301	$12.86
Check	002040	06/01/18	Vendor	FRONTIER	051918-5997	5/19-6/18/18 941-240-5997	Communication - Teleph - Field	001-541005-53901	$537.34
Check	002041	06/01/18	Vendor	SARASOTA HERALD-TRIBUNE	SC52G0R0ZK	BRD CANDIDATES NOTICE	Legal Advertising	001-548002-51301	$69.60
Check	002042	06/12/18	Vendor	DMK ASSOCIATES	13068	MAY GEN ENGINEERING	ProfServ-Engineering	001-531013-51501	$2,054.95
Check	002043	06/12/18	Vendor	INFRAMARK, LLC	30809	MAY 2018 MGMT FEES	ProfServ-Mgmt Consulting Serv	001-531027-51201	$3,037.00
Check	002043	06/12/18	Vendor	INFRAMARK, LLC	30809	MAY 2018 MGMT FEES	ProfServ-Field Management	001-531016-53901	$1,390.50
Check	002043	06/12/18	Vendor	INFRAMARK, LLC	30809	MAY 2018 MGMT FEES	Postage and Freight	001-541006-51301	$2.82
Check	002043	06/12/18	Vendor	INFRAMARK, LLC	30809	MAY 2018 MGMT FEES	Printing and Binding	001-547001-51301	$6.90
Check	002043	06/12/18	Vendor	INFRAMARK, LLC	30809	MAY 2018 MGMT FEES	ProfServ-Web Site Development	001-531047-51301	$83.33
Check	002044	06/12/18	Vendor	STRALEY ROBIN VERICKER	15813	04/16-05/17/18 GEN COUNSEL	ProfServ-Legal Services	001-531023-51401	$2,342.50
Check	002045	06/13/18	Vendor	SARASOTA HERALD-TRIBUNE	11506270	NOTICE OF QUALIFYING HT/FULL	Legal Advertising	001-548002-51301	$69.60
Check	002046	06/20/18	Vendor	FEDEX	6-146-02479	3/30/18 POSTAGE	Postage and Freight	001-541006-51301	$12.65

THE WOODLANDS
Community Development District

Payment Register by Bank Account

For the Period from 4/1/2018 to 9/30/2018

(Sorted by Check / ACH No.)

Pymt Type	Check / ACH No.	Date	Payee Type	Payee	Invoice No.	Payment Description	Invoice / GL Description	G/L Account #	Amount Paid
Check	002047	06/20/18	Vendor	STRALEY ROBIN VERICKER	15589	2/16-3/15/18 GEN COUNSEL	ProfServ-Legal Services	001-531023-51401	$3,571.00
Check	002047	06/20/18	Vendor	STRALEY ROBIN VERICKER	15694	03/27-4/15/18 GEN COUNSEL	ProfServ-Legal Services	001-531023-51401	$830.00
Check	002048	06/29/18	Vendor	FEDEX	5-992-86115	POSTAGE 11/14/17	Postage and Freight	001-541006-51301	$10.46
Check	002049	07/03/18	Vendor	BRIGHTVIEW LANDSCAPING	5833341	MONUMENTS-JULY EXTERIOR MAINT	R&M-General	001-546001-53902	$800.00
Check	002050	07/03/18	Vendor	FEDEX	6-217-62075	6/7/18 POSTAGE	Postage and Freight	001-541006-51301	$12.95
Check	002051	07/03/18	Vendor	FRONTIER	061918-31075	6/19-7/18/18 941-240-5997	Communication - Teleph - Field	001-541005-53901	$537.34
Check	002052	07/03/18	Vendor	INFRAMARK, LLC	31667	JUNE 2018 MGMNT SERVICES	ProfServ-Web Site Development	001-531047-51301	$83.33
Check	002052	07/03/18	Vendor	INFRAMARK, LLC	31667	JUNE 2018 MGMNT SERVICES	Printing and Binding	001-547001-51301	$1.80
Check	002052	07/03/18	Vendor	INFRAMARK, LLC	31667	JUNE 2018 MGMNT SERVICES	ProfServ-Mgmt Consulting Serv	001-531027-51201	$3,037.00
Check	002052	07/03/18	Vendor	INFRAMARK, LLC	31667	JUNE 2018 MGMNT SERVICES	ProfServ-Field Management	001-531016-53901	$1,390.50
Check	002052	07/03/18	Vendor	INFRAMARK, LLC	31667	JUNE 2018 MGMNT SERVICES	Postage and Freight	001-541006-51301	$6.58
Check	002053	07/03/18	Vendor	WELLS FARGO BANK NA	062618-2796	TRANSFER FY18 ASSESSMENTS	Due to Other Funds	131000	$109,551.41
Check	002054	07/10/18	Vendor	BRIGHTVIEW LANDSCAPING	5848956	RPR MAIN LINE BREAK-PANACEA	R&M-Irrigation	001-546041-53902	$797.00
Check	002054	07/10/18	Vendor	BRIGHTVIEW LANDSCAPING	5848957	RPRS MAIN LINE BREAK BY SCHOOL	R&M-Irrigation	001-546041-53902	$455.00
Check	002055	07/10/18	Vendor	STRALEY ROBIN VERICKER	15831	06/11-06/15/18 GEN COUNSEL	ProfServ-Legal Services	001-531023-51401	$90.00
Check	002056	07/17/18	Vendor	McDIRMIT & DAVIS C.P.A.	38096	FY 2017 AUDIT	Auditing Services	001-532002-51301	$4,600.00
Check	002057	07/20/18	Vendor	BRIGHTVIEW LANDSCAPING	5859581	7/2:RPR MAIN LINE BRK-PANACEA	R&M-Irrigation	001-546041-53902	$489.75
Check	002058	07/20/18	Vendor	FEDEX	6-238-95761	6/29/18 POSTAGE	Postage and Freight	001-541006-51301	$12.86
Check	002059	07/27/18	Vendor	FEDEX	6-246-51842	7/5/18 POSTAGE	Postage and Freight	001-541006-51301	$12.83
Check	002060	08/03/18	Vendor	BRIGHTVIEW LANDSCAPING	5883392	MONUMENTS-AUG EXTERIOR MAINT	R&M-General	001-546001-53902	$800.00
Check	002061	08/03/18	Vendor	FEDEX	6-253-37193	7/16/18 POSTAGE	Postage and Freight	001-541006-51301	$89.11
Check	002062	08/03/18	Vendor	FRONTIER	071918-5997	7/19-8/18/18 941-240-5997	Communication - Teleph - Field	001-541005-53901	$538.54
Check	002063	08/03/18	Vendor	INFRAMARK, LLC	32433	JULY 2018 MGMNT SERVICES	ProfServ-Web Site Development	001-531047-51301	$83.33
Check	002063	08/03/18	Vendor	INFRAMARK, LLC	32433	JULY 2018 MGMNT SERVICES	Postage and Freight	001-541006-51301	$5.17
Check	002063	08/03/18	Vendor	INFRAMARK, LLC	32433	JULY 2018 MGMNT SERVICES	ProfServ-Mgmt Consulting Serv	001-531027-51201	$3,037.00
Check	002063	08/03/18	Vendor	INFRAMARK, LLC	32433	JULY 2018 MGMNT SERVICES	ProfServ-Field Management	001-531016-53901	$1,390.50
Check	002064	08/03/18	Vendor	STRALEY ROBIN VERICKER	16016	06/18-07/15/18 GEN COUNSEL	ProfServ-Legal Services	001-531023-51401	$2,536.55
Check	002064	08/03/18	Vendor	STRALEY ROBIN VERICKER	16017	6/20-7/13 QUIET TITLE ACTION	ProfServ-Legal Services	001-531023-51401	$2,795.00
Check	002065	08/14/18	Vendor	FEDEX	6-260-46734	7/24/18 POSTAGE	Postage and Freight	001-541006-51301	$12.89
Check	002066	08/21/18	Vendor	INSIGHT IRRIGATION LLC	1215	IRR CONSULT PANACEA BLVD	R&M-Pump Station	001-546075-53902	$1,350.00
Check	002067	08/23/18	Vendor	COMPLETE I.T.	2857	GOOGLE FOR BUSINESS S/U FEE	Office Supplies	001-551002-51301	$533.70
Check	002068	08/23/18	Vendor	FEDEX	6-274-85729	8/3/18 POSTAGE	Postage and Freight	001-541006-51301	$12.83
Check	002069	08/28/18	Vendor	HOOVER PUMPING SYSTEMS INC	142726	CYPRESS FALLS #3 SERVICED	R&M-Pump Station	001-546075-53902	$330.01
Check	002070	08/30/18	Vendor	FEDEX	6-281-76210	8/10/18 POSTAGE	Postage and Freight	001-541006-51301	$12.89
Check	002071	08/30/18	Vendor	WELLS FARGO BANK*	1598146	2018/07 EXTRA ADMIN SER 2004A	ProfServ-Trustee Fees	201-531045-51301	$198.00
Check	002072	09/07/18	Vendor	BRIGHTVIEW LANDSCAPING	5919014	MONUMENTS-SEP EXTERIOR MAINT	R&M-General	001-546001-53902	$800.00
Check	002073	09/07/18	Vendor	FEDEX	6-290-30570	8/17 & 8/22 POSTAGE	Postage and Freight	001-541006-51301	$31.08
Check	002074	09/07/18	Vendor	FRONTIER	081918-5997	8/19-9/18/18 941-240-5997	Communication - Teleph - Field	001-541005-53901	$540.54
Check	002075	09/07/18	Vendor	INFRAMARK, LLC	33404	AUG 2018 MGMNT SERVICES	ProfServ-Mgmt Consulting Serv	001-531027-51201	$3,037.00
Check	002075	09/07/18	Vendor	INFRAMARK, LLC	33404	AUG 2018 MGMNT SERVICES	ProfServ-Field Management	001-531016-53901	$1,390.50
Check	002075	09/07/18	Vendor	INFRAMARK, LLC	33404	AUG 2018 MGMNT SERVICES	Postage and Freight	001-541006-51301	$4.70
Check	002075	09/07/18	Vendor	INFRAMARK, LLC	33404	AUG 2018 MGMNT SERVICES	Printing and Binding	001-547001-51301	$0.30
Check	002075	09/07/18	Vendor	INFRAMARK, LLC	33404	AUG 2018 MGMNT SERVICES	ProfServ-Web Site Development	001-531047-51301	$83.33

THE WOODLANDS
Community Development District

Payment Register by Bank Account
For the Period from 4/1/2018 to 9/30/2018
(Sorted by Check / ACH No.)

Pymt Type	Check / ACH No.	Date	Payee Type	Payee	Invoice No.	Payment Description	Invoice / GL Description	G/L Account #	Amount Paid
Check	002076	09/07/18	Vendor	LLS TAX SOLUTIONS INC	001534	ARBITRAGE 2004A THRU 12/16/17	ProfServ-Arbitrage Rebate	201-531002-51301	$600.00
Check	002077	09/07/18	Vendor	STRALEY ROBIN VERICKER	16129	7/20-8/15/18 GEN COUNSEL	ProfServ-Legal Services	001-531023-51401	$5,552.50
Check	002077	09/07/18	Vendor	STRALEY ROBIN VERICKER	16130	7/25-8/15 QUIET TITLE ACTION	ProfServ-Legal Services	001-531023-51401	$870.00
Check	002078	09/11/18	Vendor	BRIGHTVIEW LANDSCAPING	5780293 A	MONUMENTS-JUNE EXTERIOR MAINT	R&M-General	001-546001-53902	$800.00
Check	002079	09/20/18	Vendor	COMPLETE I.T.	2946	GOOGLE FOR BUSINESS EMAIL	Office Supplies	001-551002-51301	$83.70
Check	002080	09/28/18	Vendor	FEDEX	6-311-02566	9/6, 9/12 POSTAGE	Postage and Freight	001-541006-51301	$28.13
Check	002081	09/28/18	Vendor	FRONTIER	091918-5997	9/19-10/18/18 941-240-5997	Communication - Teleph - Field	001-541005-53901	$540.54
Check	002082	09/28/18	Vendor	INFRAMARK, LLC	34170	SEPT 2018 MGMNT	ProfServ-Mgmt Consulting Serv	001-531027-51201	$3,037.00
Check	002082	09/28/18	Vendor	INFRAMARK, LLC	34170	SEPT 2018 MGMNT	ProfServ-Field Management	001-531016-53901	$1,390.50
Check	002082	09/28/18	Vendor	INFRAMARK, LLC	34170	SEPT 2018 MGMNT	Postage and Freight	001-541006-51301	$5.64
Check	002082	09/28/18	Vendor	INFRAMARK, LLC	34170	SEPT 2018 MGMNT	ProfServ-Dissemination Agent	201-531012-51301	$1,000.00
Check	002082	09/28/18	Vendor	INFRAMARK, LLC	34170	SEPT 2018 MGMNT	ProfServ-Web Site Development	001-531047-51301	$83.33
ACH	DD121	04/06/18	Vendor	FPL	032618	2/23-3/26/18 ELEC ACH 4.7.18	Utility - Pump Station	001-543015-53902	$2,194.46
ACH	DD121	04/06/18	Vendor	FPL	032618	2/23-3/26/18 ELEC ACH 4.7.18	Electricity - Entrance	001-543008-53901	$11.06
ACH	DD122	05/07/18	Vendor	FPL	042418-ACH	3/26-4/24/18 ELEC ACH 5.6.18	Utility - Pump Station	001-543015-53902	$2,031.88
ACH	DD122	05/07/18	Vendor	FPL	042418-ACH	3/26-4/24/18 ELEC ACH 5.6.18	Electricity - Entrance	001-543008-53901	$11.06
ACH	DD123	06/14/18	Vendor	FPL	052418-ACH	4/25-5/24/18 ELEC ACH 6.6.18	Utility - Pump Station	001-543015-53902	$2,973.40
ACH	DD123	06/14/18	Vendor	FPL	052418-ACH	4/25-5/24/18 ELEC ACH 6.6.18	Electricity - Entrance	001-543008-53901	$11.06
ACH	DD124	07/06/18	Vendor	FPL	062518 ACH	5/24-6/25/18 ELEC ACH 7.7.18	Utility - Pump Station	001-543015-53902	$2,393.42
ACH	DD124	07/06/18	Vendor	FPL	062518 ACH	5/24-6/25/18 ELEC ACH 7.7.18	Electricity - Entrance	001-543008-53901	$11.06
ACH	DD125	08/07/18	Vendor	FPL	072518 ACH	6/25-7/25/18 ELEC ACH 8.7.18	Utility - Pump Station	001-543015-53902	$1,952.12
ACH	DD125	08/07/18	Vendor	FPL	072518 ACH	6/25-7/25/18 ELEC ACH 8.7.18	Electricity - Entrance	001-543008-53901	$11.06
ACH	DD126	09/24/18	Vendor	FPL	082718 ACH	7/25-8/27/18 ELEC ACH 9.08.18	Utility - Pump Station	001-543015-53902	$2,092.81
ACH	DD126	09/24/18	Vendor	FPL	082718 ACH	7/25-8/27/18 ELEC ACH 9.08.18	Electricity - Entrance	001-543008-53901	$11.06
								Account Total	**$294,186.31**

Total Amount Paid	**$294,186.31**

Total Amount Paid - Breakdown by Fund

Fund	Amount
General Fund Fund - 001	174,389.94
Series 2004A Debt Service Fund Fund - 201	119,796.37
Total	**294,186.31**

3C

THE WOODLANDS COMMUNITY DEVELOPMENT DISTRICT

FINANCIAL REPORT
Year Ended September 30, 2017

MCDIRMIT DAVIS
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

THE WOODLANDS COMMUNITY DEVELOPMENT DISTRICT

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Year Ended September 30, 2017

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MCDIRMIT DAVIS
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
The Woodlands Community Development District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, and each major fund of *The Woodlands 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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Emphasis of Matter

As discussed in the Notes to the Financial Statements, the District's debt service fund financial conditions have deteriorated. Certain major landowners within the District have failed to pay their share of the prior years' assessments. The District is economically dependent on these major landowners. The District did not have sufficient funds to make certain scheduled debt service payments and a result, only partial payments were made in the current and prior years. The District is in default on the Series 2004 Bonds.

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 June 29, 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, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

McDirmit Davis & Company, LLC

Orlando, Florida
June 29, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of *The Woodlands Community Development District'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 $(25,239,486), an increase in net position of $1,937,263 in comparison with the prior year.
- At September 30, 2017, the District's governmental funds reported a fund balance deficit of $(7,740,579), a decrease in the deficit of $960,125 in comparison with the prior year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to *The Woodlands Community Development District's* financial statements. The District's financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the 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, liabilities, and deferred inflows/outflows of resources, 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 only result in cash flows in future fiscal periods.

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

Fund Financial Statements

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

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, 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 $(25,239,486) at September 30, 2017. The following analysis focuses on the net position of the District's governmental activities.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Government-Wide Financial Analysis (Continued):

The Woodlands Community Development District
Statement of Net Position

	September 30, 2017	September 30, 2016
Assets, excluding capital assets	$ 909,342	$ 2,525,788
Capital Assets, net of depreciation	7,915,012	7,746,430
Total assets	8,824,354	10,272,218
Liabilities, excluding long-term liabilities	9,366,716	12,008,032
Long-term Liabilities	24,679,044	25,440,935
Total liabilities	34,045,760	37,448,967
Net Position:		
Net investment in capital assets	(19,288,022)	(17,765,587)
Unrestricted	(5,951,464)	(9,411,162)
Total net position	$ (25,239,486)	$ (27,176,749)

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

Changes in Net Position
Year ended September 30,

	2017	2016
Revenues:		
Program revenues	$ 3,777,667	$ 1,837,253
General revenues	31,776	11,427
Total revenues	3,809,443	1,848,680
Expenses:		
General government	159,011	162,799
Maintenance and operations	145,455	21,011,537
Interest on long-term debt	1,567,714	1,772,176
Total expenses	1,872,180	22,946,512
Change in net position	1,937,263	(21,097,832)
Net position - beginning, as previously reported	(27,176,749)	(5,811,133)
Restatement of net position	-	(267,784)
Net position - beginning as restated	(27,176,749)	(6,078,917)
Net position - ending	$ (25,239,486)	$ (27,176,749)

Financial Analysis of the Government's Funds

As noted on the previous page and in the statement of activities, the cost of all governmental activities during the year ended September 30, 2017 was $1,872,180. The majority of these costs are comprised of interest on long-term debt.

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 a combined ending fund deficit of $(7,740,579). Of this total, $5,500 is nonspendable and the remainder is a negative unassigned fund balance of $(7,746,079).

The general fund balance increased by $345,533 in the current year because current year assessments exceeded expenses. The debt service fund balance increased by $2,299,841 in the current year because delinquent assessments from major landowners were collected. The capital projects fund was closed during the current fiscal year.

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 is adopted using the same basis of accounting that is used in preparation of the fund financial statements. There were no amendments to the September 30, 2017 general fund budget. 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 $7,915,012 invested in assets, net of accumulated depreciation. More detailed information about the District's capital assets is presented in the notes to the financial statements.

Capital Debt - At September 30, 2017, the District had $27,131,952 in bonds outstanding, including $2,452,908 of matured bonds payable. More detailed information about the District's capital debt is presented in the notes to the financial statements.

Requests for Information

If you have questions about this report or need additional financial information, contact *The Woodlands Community Development District's* Finance Department at 210 North University Drive, Suite 702, Coral Springs, Florida, 33071.

FINANCIAL STATEMENTS

THE WOODLANDS COMMUNITY DEVELOPMENT DISTRICT

STATEMENT OF NET POSITION

September 30, 2017

	Governmental Activities
Assets:	
Cash and cash equivalents	$ 807,064
Prepaid costs	5,000
Deposits	500
Restricted assets:	
Temporarily restricted investments	96,778
Capital assets not being depreciated	6,605,013
Capital assets, net of depreciation	1,309,999
Total assets	8,824,354
Liabilities:	
Accounts payable and accrued expenses	6,318
Accrued interest payable	663,793
Matured bonds payable	2,452,908
Matured interest payable	6,190,695
Note payable to developer	71,082
Bonds payable:	
Due within one year	810,000
Due in more than one year	23,869,044
Total liabilities	34,063,840
Net Position:	
Net investment in capital assets	(19,288,022)
Unrestricted	(5,951,464)
Total net position	$ (25,239,486)

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

THE WOODLANDS COMMUNITY DEVELOPMENT DISTRICT

STATEMENT OF ACTIVITIES

Year Ended September 30, 2017

Functions/Programs	Expenses	Program Revenue: Charges for Services	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental activities:			
General government	$ 159,011	$ 404,844	$ 245,833
Maintenance and operations	145,455	370,330	224,875
Interest on long-term debt	1,567,714	3,002,493	1,434,779
Total governmental activities	$ 1,872,180	$ 3,777,667	1,905,487
General Revenues:			
Investment and miscellaneous			31,776
Change in net position			1,937,263
Net Position - beginning			(27,176,749)
Net Position - ending			$ (25,239,486)

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

THE WOODLANDS COMMUNITY DEVELOPMENT DISTRICT

BALANCE SHEET
GOVERNMENTAL FUNDS

September 30, 2017

	General	Debt Service	Capital Projects	Total Governmental Funds
Assets:				
Cash and cash equivalents	$ 807,064	$ -	$ -	$ 807,064
Investments	-	96,778	-	96,778
Due from other funds		58,320	-	58,320
Prepaid costs	$ -	5,000	-	5,000
Deposits	500	-	-	500
Total assets	$ 807,564	$ 160,098	$ -	$ 967,662
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable and accrued expenses	$ 6,318	$ -	$ -	$ 6,318
Due to other funds	58,320	-	-	58,320
Matured bonds payable	-	2,452,908	-	2,452,908
Matured interest payable	-	6,190,695	-	6,190,695
Total liabilities	64,638	8,643,603	-	8,708,241
Fund Balances:				
Nonspendable	500	5,000	-	5,500
Unassigned	742,426	(8,488,505)	-	(7,746,079)
Total fund balances	742,926	(8,483,505)	-	(7,740,579)
Total Liabilities and Fund Balances	$ 807,564	$ 160,098	$ -	
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.				7,915,012
Liabilities not due and payable from current available resources are not reported in governmental fund statements. All liabilities, both current and long-term, are reported in the government-wide statements.				
Accrued interest payable		(663,793)		
Bonds and note payable		(24,750,126)		(25,413,919)
Net Position of Governmental Activities				$ (25,239,486)

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

THE WOODLANDS COMMUNITY DEVELOPMENT DISTRICT

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

Year Ended September 30, 2017

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues:				
Special assessments	$ 775,174	$ 2,874,032	$ -	$ 3,649,206
Special assessments - prepayments	-	128,461	-	128,461
Investment and miscellaneous income	29,691	1,627	458	31,776
Total revenues	804,865	3,004,120	458	3,809,443
Expenditures:				
Current:				
General government	145,295	13,716	-	159,011
Maintenance and operations	91,047	-	-	91,047
Debt service:				
Interest	-	1,611,270	-	1,611,270
Principal	-	765,000	-	765,000
Capital outlay	222,990	-	-	222,990
Total expenditures	459,332	2,389,986	-	2,849,318
Excess (Deficit) of Revenues Over Expenditures	345,533	614,134	458	960,125
Other Financing Sources (Uses):				
Transfers in	-	1,685,707	-	1,685,707
Transfers out	-	-	(1,685,707)	(1,685,707)
Total other financing sources (uses)	-	1,685,707	(1,685,707)	-
Net change in fund balances	345,533	2,299,841	(1,685,249)	960,125
Fund Balances - beginning of year	397,393	(10,783,346)	1,685,249	(8,700,704)
Fund Balances - end of year	$ 742,926	$ (8,483,505)	$ -	$ (7,740,579)

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

THE WOODLANDS 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)		$ 960,125
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.		
Assets capitalized	222,990	
Depreciation expense	(54,408)	
		168,582
Repayments of bond principal are expenditures in governmental funds while repayments reduce liabilities in the statement of net position. Also, governmental funds report the effect premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Matured bonds recorded as payable	765,000	
Amortization of bond discount	(3,109)	
		761,891
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.		
Change in accrued interest		46,665
Change in Net Position of Governmental Activities (page 8)		$ 1,937,263

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

THE WOODLANDS 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 Assessments	$ 1,117,195	$ 1,117,195	$ 775,174	$ (342,021)
Investment and Miscellaneous Income	-	-	29,691	29,691
Total revenues	1,117,195	1,117,195	804,865	(312,330)
Expenditures:				
Current:				
General government	126,946	126,946	145,295	(18,349)
Maintenance and operations	269,941	269,941	91,047	178,894
Capital Outlay	95,095	95,095	222,990	(127,895)
Total expenditures	491,982	491,982	459,332	32,650
Net change in fund balance	$ 625,213	$ 625,213	345,533	$ (279,680)
Fund Balance - beginning			397,393	
Fund Balance - ending			$ 742,926	

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

NOTES TO FINANCIAL STATEMENTS

THE WOODLANDS COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2017

Note 1 - Summary of Significant Accounting Policies:

Reporting Entity

The Woodlands Community Development District, (the "District") was established on July 26, 2004 by the City of North Port, Florida, Ordinance 04-32 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 the owners of the property within the District. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes.

The Board has the final responsibility for:

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

The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statements 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.

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

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 District. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants, contributions and investment income 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.

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. 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.

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

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

Assessments and interest associated with the current fiscal period are all considered to be susceptible to accrual and 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.

The District reports the following governmental funds, which are considered to be major funds:

General Fund - is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for 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 Projects 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 government'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.

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

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

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

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 government 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.

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

Assets	Years
Irrigation	25
Landscaping	20
Roadway & Stormwater Systems	30
Sewer Collection System	50

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. Bonds payable are reported net of premiums or discounts. Issuance costs are expensed.

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 and 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.

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

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

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.

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.

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

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

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 and 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.

Note 2 - Stewardship, Compliance and Accountability:

A. 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.

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. Public hearings are conducted to obtain taxpayer 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.

THE WOODLANDS COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2017

Note 2 - Stewardship, Compliance and Accountability (Continued):

B. Deficit Fund Equity

The debt service fund has a deficit fund balance at September 30, 2017, causing a total deficit fund balance.

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.

THE WOODLANDS COMMUNITY DEVELOPMENT DISTRICT

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 prices 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:

- Blackrock Institutional Funds Trust, T-Fund #60 of $96,778 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:

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;

THE WOODLANDS COMMUNITY DEVELOPMENT DISTRICT

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.

Investment Type	Fair Value	Credit Rating	Weighted Average Maturity
Blackrock Institutional Funds Trust for Federal Securities T-Fund #60	$ 96,778	AAAm	38 days

Credit Risk:

The District's investment policy limits credit risk by restricting authorized investments to those described. 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.

Concentration of Credit Risk:

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

Note 3 - Deposits and Investments (Continued):

Investments (Continued):

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 - Assessments Receivable:

Receivables at September 30, 2017, included the applicable allowances for uncollectible accounts are as follows:

	General Fund	Debt Service Fund
Assessments Receivable	$ 1,181,763	$ 12,104,234
Less: allowance for uncollectible accounts	(1,181,763)	(12,104,234)
Net Receivable	$ -	$ -

Note 5 - Interfund Receivables, Payables and Transfers:

At September 30, 2017, the general fund owes the debt service fund $58,320 for assessments collected and due to the debt service fund.

During the current fiscal year, the District closed the capital projects fund and transferred $1,685,249 to the debt service fund.

THE WOODLANDS COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2017

Note 6 - Capital Assets:

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

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Construction in progress	$ 3,677,847	$ -	$ -	$ 3,677,847
Land	2,927,166	-	-	2,927,166
Total capital assets not being depreciated	6,605,013	-	-	6,605,013
Capital Assets Being Depreciated:				
Irrigation	790,723	-	-	790,723
Stormwater management systems	146,339	-	-	146,339
Hoover pump station	-	222,990	-	222,990
Irrigation pumps	336,027	-	-	336,027
Total capital assets being depreciated	1,273,089	222,990	-	1,496,079
Less Accumulated Depreciation for:				
Irrigation	(126,516)	(31,629)	-	(158,145)
Stormwater management systems	-	(4,878)	-	(4,878)
Hoover pump station	-	(4,460)	-	(4,460)
Irrigation pumps	(5,156)	(13,441)	-	(18,597)
Total accumulated depreciation	(131,672)	(54,408)	-	(186,080)
Total capital assets being depreciated, net	1,141,417	168,582	-	1,309,999
Governmental activities capital assets, net	$ 7,746,430	$ 168,582	$ -	$ 7,915,012

Depreciation was charged to maintenance and operations for the current year.

Note 7 - Long-Term Liabilities:

Series 2004A Capital Improvement Revenue Bonds:

On December 1, 2004, the District issued $31,615,000 of Series 2004A Capital Improvement Revenue Bonds to finance the acquisition and construction of certain improvements for the benefit of the property within the District. The Bonds are due May 1, 2035, with a fixed interest rate of 5.7%. Interest is due semiannually on each May 1 and November 1, commencing May 1, 2005. Principal is due annually on each May 1.

The Bonds are subject to optional redemption prior to their scheduled maturity in the manner outlined in the Bond Indenture. The Bonds are subject to extraordinary mandatory redemption prior to their scheduled maturity in the manner determined by the Bond Registrar if certain events occur as outlined in the Bond Indenture.

The Bond Indenture requires that the District maintain adequate funds in a reserve account to meet the debt service reserve requirement as defined in the indenture. The requirement was not met as of 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 2004 Bonds is secured by a pledge of and a first lien upon the pledged special assessment revenue. The District is not in compliance with the requirements of the Bond Indenture.

Total principal and interest remaining on the Series 2004 Revenue Bonds at September 30, 2017 is $49,129,413, including $8,643,603 which is accrued to matured bonds and matured interest payable. For the year ended September 30, 2017, principal due was $765,000 which was not paid. Principal on matured bonds of $2,060,000 was paid in the current year. Interest of $1,611,270 was due in the current year. Matured interest of $2,792,079 was paid. Total special assessment revenue pledged was $3,002,493.

THE WOODLANDS COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2017

Note 7 - Long-Term Liabilities (Continued):

Series 2004 Capital Improvement Revenue Refunding Bonds:

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

	Beginning Balance, as restated	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
Series 2004	$ 25,500,000	$ -	$ (765,000)	$ 24,735,000	$ 810,000
Less issuance discount	(59,065)	-	3,109	(55,956)	-
Governmental activity long-term liabilities	$ 25,440,935	$ -	$ (761,891)	$ 24,679,044	$ 810,000

The beginning balance above excludes $3,747,908 of matured bonds payable. The current year reduction includes $765,000 which was not paid, but was accrued to matured bonds payable. In addition, The District paid a total of $2,060,000 of matured bonds payable during the current year.

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

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2018	$ 810,000	$ 1,409,895
2019	855,000	1,363,725
2020	905,000	1,314,990
2021	955,000	1,263,405
2022	1,005,000	1,208,970
2023 - 2027	5,870,000	5,127,150
2028 - 2032	7,740,000	3,252,135
2033 - 2035	6,595,000	810,540
	$ 24,735,000	$ 15,750,810

THE WOODLANDS COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2017

Note 8 - Related Party Payables:

Note Payable

On April 9, 2009, the District entered into an agreement with the Bondholders for a special assessment note. The note is for a maximum amount of $100,000 which may be drawn upon. The Note is considered non-recourse and is secured solely by future special assessments collected by the District. Amounts drawn are to be utilized to fund the pursuit of collection remedies as a result of the default of the landowners. The loan bears interest at 3.17%. The Note was originally due on March 1, 2013; however, the maturity date was extended to March 1, 2015. Principal is payable in equal annual installments commencing on the payment date and ending on the maturity date. The payment date is each July 1 commencing in the fiscal year after title to the land is no longer in the name of the District, and Special Purpose Entity, original landowner, etc.

Interest accrues on amounts from the first date of draws and is payable on the payment date. At September 30, 2017, total draws on the loan were $71,082. This amount is reported as a current liability on the government-wide statement of net position and not the fund financial balance sheet. Interest due on the note has not been paid and is accrued at year end.

Note 9 - Landowner Assessments and Forbearance Agreement

The District is economically dependent on certain major landowners. A significant portion of the current year assessments was received from the major landowners. Of the total assessments collected in the current year, 72% was received from the major landowners. Additionally, significant assessments are due from certain landowners that have not been collected. The assessments receivable from these landowners have been fully reserved for due to the uncertainty as to the timing of collection.

In the prior fiscal year, the Trustee, acting on behalf of the Bondholders and the delinquent landowners entered into a forbearance agreement whereby the Trustee agrees to “stand-still” and instruct the District not to foreclose upon or otherwise seek to enforce collection of the debt assessments levied against the land owned by the delinquent landowners until the Termination Date. The Termination Date was October 31, 2017 and has not been modified or extended. The District has not received a request to institute foreclosure proceedings within the time provided by the Forbearance Agreement.

THE WOODLANDS COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Year Ended September 30, 2017

Note 10 - 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. Settled claims from these risks have not exceeded commercial insurance coverage since inception of the District.

Note 11 - Deteriorating Financial Condition:

The District's financial conditions have deteriorated due to the non-collection of assessments owed by major landowners. The debt service fund has a deficit fund balance and the District is in default on the Series 2004A Bonds and the Note Payable to the Bondholders due to non-payment of debt service amounts.

Note 12 - Subsequent Events:

The District made a partial interest payment of $71,969 in November 2017 on the Series 2004A Bonds and prepaid principal of $60,000. In addition, the District made a partial interest payment of $699,632 in May 2018.

COMPLIANCE SECTION

MCDIRMIT DAVIS
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

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
The Woodlands 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 *The Woodlands 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 June 29, 2018. Our Independent Auditor's Report includes an emphasis of matter for deteriorating financial conditions.

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.

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in Appendix A to this report.

We noted certain other matters that we reported to management of the District in a separate letter dated June 29, 2018. The District's response to our findings identified in our audit is included in this report. We did not audit the District's response, and accordingly, we express no opinion on it.

Purpose of this Report

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

McDirmit Davis & Company, LLC

Orlando, FL
June 29, 2018

MCDIRMIT DAVIS
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

MANAGEMENT COMMENTS

Board of Supervisors
The Woodlands Community Development District

Report on the Financial Statements

We have audited the financial statements of *The Woodlands Community Development District*, (the "District") as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated June 29, 2018. Our report includes an emphasis of matter for deteriorating financial conditions.

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 June __, 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. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report except as noted below.

Tabulation of Uncorrected Audit Findings		
Current Year Finding #	2015-16 FY Finding #	2014-2015 FY Finding #
13-01	13-01	13-01
13-02	13-02	13-02

Official Title and Legal Authority

Section 10.554(1)(i)4. And 10.556(7), 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.

Financial Condition and Management

Section 10.554(1)(i)5.a., Rules of the Auditor General, require 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 of the specific condition(s) met. In connection with our audit, we determined that District met one of the conditions described in Section 218.503(1), Florida Statutes. This condition is described in Appendix B.

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 communicate 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 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.

McDirmit Davis & Company, LLC

Orlando, Florida
June 29, 2018

THE WOODLANDS COMMUNITY DEVELOPMENT DISTRICT

APPENDIX A - COMPLIANCE VIOLATIONS OF LAWS, REGULATIONS AND CONTRACTUAL PROVISIONS

Year Ended September 30, 2017

13-01 - Failure to Make Debt Service Payments When Due

Criteria
The Special Assessment Revenue Bonds Series 2004A require interest and principal payments as per the Bond Indenture.

Condition
In the current and prior years, the District did not pay all of the principal and interest due on the Series 2004A Bonds.

Cause
The District did not receive special assessments from certain landowners.

Effect
At September 30 2017 the District was not in compliance with the requirements of the Bond Indenture and has met a financial emergency condition as described in Florida Statute Section 218.503(1).

Recommendation
We recommend the District utilize all remedies available to bring debt service payments current.

13-02- Failure to Meet Debt Service Reserve Account Requirement

Criteria
The Trust Indenture requires the District to maintain a minimum balance in the Series 2004A Debt Service Reserve Account.

Condition
At September 30, 2017, the Series 2004A a Debt Service Reserve Account was deficient.

Cause
The balance in the Series 2004A Debt Service Reserve Account was used to pay debt service payments.

Effect
The District is not in compliance with the Trust Indenture.

Recommendation
We recommend the District utilize all remedies available to replenish the Debt Service Reserve Accounts.

THE WOODLANDS COMMUNITY DEVELOPMENT DISTRICT

APPENDIX B - CONDITIONS OF FINANCIAL EMERGENCY

Year Ended September 30, 2017

13-01 - Failure to Make Debt Service Payments When Due

In the current year, the District did not pay all of the interest due on the and Series 2004A Bonds as a result of lack of funds; therefore the District meets Section 218.503(1)(a) as a financial emergency condition.

MCDIRMIT DAVIS
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

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

Board of Supervisors
The Woodlands Community Development District

We have examined The Woodlands 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 the 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
June 29, 2018

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

3D.

RESOLUTION 2019-1

A RESOLUTION AMENDING THE WOODLANDS COMMUNITY DEVELOPMENT DISTRICT GENERAL FUND BUDGET FOR FISCAL YEAR 2018

WHEREAS, the Board of Supervisors, hereinafter referred to as the "Board", of The Woodlands Community Development District, hereinafter referred to as "District", adopted a General Fund Budget for Fiscal Year 2018 and

WHEREAS, the Board desires to reallocate funds budgeted to reappropriate General Funds approved during the Fiscal Year.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE WOODLANDS COMMUNITY DEVELOPMENT DISTRICT TO THE FOLLOWING:

1. The General Fund is hereby amended in accordance with Exhibit "A" attached.

2. This resolution shall become effective this 8th day of November, 2018 and be reflected in the monthly and Fiscal Year End 9/30/18 Financial Statements and Audit Report of the District.

By: _____

Chairman
The Woodlands CDD

Attest:

By: _____
Secretary

THE WOODLANDS
Community Development District

General Fund

Proposed Budget Amendment
For the Period Ending September 30, 2018

ACCOUNT DESCRIPTION	CURRENT BUDGET	PROPOSED AMENDMENT	FINAL BUDGET	YEAR TO DATE ACTUAL	VARIANCE ($) FAV(UNFAV)
REVENUES					
Interest - Investments	$ -	$ -	$ -	$ 20,260	$ 20,260
Special Assmnts- Tax Collector	357,496	-	357,496	299,281	(58,215)
Special Assmnts- Other	-	-	-	387,293	387,293
Special Assmnts- Delinquent	659,231	-	659,231	396,791	(262,440)
Special Assmnts- Discounts	(40,669)	-	(40,669)	111,202	151,871
TOTAL REVENUES	**976,058**	**-**	**976,058**	**1,214,827**	**238,769**
EXPENDITURES					
Administration					
P/R-Board of Supervisors	12,000	-	12,000	4,400	7,600
FICA Taxes	918	-	918	337	581
ProfServ-Engineering	10,000	-	10,000	25,794	(15,794)
ProfServ-Legal Services	9,000	25,000	34,000	29,620	4,380
ProfServ-Mgmt Consulting Serv	36,444	-	36,444	38,944	(2,500)
ProfServ-Property Appraiser	281	-	281	-	281
ProfServ-Web Site Development	1,000	-	1,000	1,000	-
Auditing Services	6,300	-	6,300	4,600	1,700
Travel	1,000	-	1,000	-	1,000
Postage and Freight	1,500	-	1,500	498	1,002
Insurance - General Liability	17,522	-	17,522	11,838	5,684
Printing and Binding	1,300	-	1,300	151	1,149
Legal Advertising	2,500	-	2,500	1,853	647
Misc-Bank Charges	600	-	600	590	10
Misc-Assessmnt Collection Cost	15,251	-	15,251	16,448	(1,197)
Office Supplies	50	-	50	1,145	(1,095)
Annual District Filing Fee	175	-	175	175	-
Total Administration	115,841	25,000	140,841	137,393	3,448
Field					
ProfServ-Field Management	16,686	-	16,686	16,686	-
Communication - Teleph - Field	6,500	-	6,500	6,450	50
Electricity - Entrance	1,300	-	1,300	132	1,168
Misc-Contingency	100,000	-	100,000	82,000	18,000
Total Field	124,486	-	124,486	105,268	19,218
Landscape Services					
Utility - Pump Station	24,000	-	24,000	26,586	(2,586)
R&M-General	2,500	-	2,500	6,248	(3,748)
R&M-Renewal and Replacement	2,500	34,000	36,500	36,036	464
R&M-Irrigation	10,000	-	10,000	10,013	(13)
R&M-Pump Station	5,000	-	5,000	2,901	2,099
Total Landscape Services	44,000	34,000	78,000	81,784	(3,784)

Proposed Budget Amendment
For the Period Ending September 30, 2018

ACCOUNT DESCRIPTION	CURRENT BUDGET	PROPOSED AMENDMENT	FINAL BUDGET	YEAR TO DATE ACTUAL	VARIANCE ($) FAV(UNFAV)
Reserves					
Reserve - Lakes	7,500	-	7,500	-	7,500
Pump Station Reserve	25,000	-	25,000	-	25,000
Total Reserves	32,500	-	32,500	-	32,500
TOTAL EXPENDITURES & RESERVES	**316,827**	**59,000**	**375,827**	**324,445**	**51,382**
Excess (deficiency) of revenues Over (under) expenditures	659,231	(59,000)	600,231	890,382	290,151
Net change in fund balance	659,231	(59,000)	600,231	890,382	290,151
FUND BALANCE, BEGINNING (OCT 1, 2017)	**742,926**	**-**	**742,926**	**742,926**	**-**
FUND BALANCE, ENDING	**$ 1,402,157**	**$ (59,000)**	**$ 1,343,157**	**$ 1,633,308**	**$ 290,151**

3E.

THE WOODLANDS
COMMUNITY DEVELOPMENT DISTRICT

Motion: Assigning Fund Balance as of 9/30/18

The Board hereby assigns the FY 2018 Reserves per the FY18 Adopted.

Reserves - Lakes	$ 7,500
Reserves – Pump Stations	$ 25,000

*To be approved at 11/8/18 Meeting.

3F.

MCDIRMIT DAVIS
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

October 3, 2018

Board of Supervisors
The Woodlands Community Development District
210 N. University Drive, Suite 702
Coral Springs, Florida 33071

The following represents our understanding of the services we will provide *The Woodlands Community Development District*.

You have requested that we audit the financial statements of the governmental activities and each major fund of *The Woodlands Community Development District*, as of September 30, 2018, and for the year then ended and the related notes to the financial statements, which collectively comprise *The Woodlands Community Development District*'s basic financial statements as listed in the table of contents. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audit will be conducted with the objective of our expressing an opinion on each opinion unit applicable to those basic financial statements.

Accounting principles generally accepted in the United States of America, (U.S. GAAP), as promulgated by the Governmental Accounting Standards Board (GASB) require that certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America, (U.S. GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

1. Management's Discussion and Analysis

Auditor Responsibilities
We will conduct our audit in accordance with U.S. GAAS and the standards for 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 basic financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic 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, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. If appropriate, our procedures will therefore include tests of documentary evidence that support the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of cash, investments, and certain other assets and liabilities by correspondence with creditors and financial institutions. As part of our audit process, we will request written representations from your attorneys, and they may bill you for responding. At the conclusion of our audit, we will also request certain written representations from you about the basic financial statements and related matters.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements (whether caused by errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations) may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS and Government Auditing Standards.

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the basic 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. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit. Our responsibility as auditors is, of course, limited to the period covered by our audit and does not extend to any other periods.

We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

Compliance with Laws and Regulations
As previously discussed, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of *The Woodlands Community Development District*'s compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Management Responsibilities
Our audit will be conducted on the basis that management acknowledge and understand that they have responsibility:

a. For the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America;
b. For 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 error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements; and
c. To provide us with:
    i. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation, and other matters;
    ii. Additional information that we may request from management for the purpose of the audit; and
    iii. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
d. For including the auditor's report in any document containing financial statements that indicates that such financial statements have been audited by the entity's auditor;
e. For identifying and ensuring that the entity complies with the laws and regulations applicable to its activities;
f. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole; and
g. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility: (a) for the preparation of the supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding supplementary information; (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) to present the supplementary information with the audited financial statements, or if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of the audit, we will assist preparation of your financial statements and related notes. You will be required to acknowledge in the written representation letter our assistance with preparation of the financial statements and that you have accepted responsibility for them.

With respect to any nonattest services we perform, such as drafting the financial statements, the District's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities. *Government Auditing Standards* require that we document an assessment of the skills, knowledge, and experience of management, should we participate in any form of the preparation of the basic financial statements and related schedules or disclosures as these actions are deemed a non-audit service.

As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit.

Reporting
We will issue a written report upon completion of our audit of *The Woodlands Community Development District's* basic financial statements. Our report will be addressed to the governing body of *The Woodlands Community Development District*. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance will not be an objective of the audit and, therefore, no such opinion will be expressed.

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

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Provisions of Engagement Administration, Timing and Fees
During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

We expect to begin our audit in January 2019 and the audit reports and all corresponding reports will be issued no later than June 30, 2019.

Tammy Campbell is the engagement partner for the audit services specified in this letter. Her responsibilities include supervising McDirmit Davis & Company, LLC's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Our fee for these services described in this letter will not exceed $4,700 for the year ended September 30, 2018, inclusive of all costs and out-of-pocket expenses, unless the scope of the engagement is changed; the assistance that *The Woodlands Community Development District* has agreed to furnish is not provided, or unexpected conditions are encountered, in which case we will discuss the situation with you before proceeding.

Our invoices for fees shall be rendered upon completion of the work, shall provide sufficient detail to demonstrate that fees charged are solely for the specified services as actually rendered and shall demonstrate compliance with the terms of this agreement.

This Agreement provides for the agreement period of one (1) year, unless terminated earlier in accordance with this Agreement. This agreement may be renewed for one additional year subject to the mutual agreement by both parties to the terms and fees for such renewal. The District agrees that Auditor may terminate this Agreement with or without cause by providing sixty (60) days' written notice of termination to the District; provided, however, that the District shall be provided a reasonable opportunity to cure any failure under this Agreement. Auditor agrees that the District may terminate this Agreement immediately with cause. Auditor further agrees that the District may terminate this Agreement by providing thirty (30) days' written notice of termination to Auditor. Upon any termination of this Agreement, Auditor shall be entitled to payment for all work and/or services rendered up until the effective termination date, subject to whatever claims or off-sets the District may have against Auditor.

Whenever possible, we will attempt to use *The Woodlands Community Development District's* personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit. Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

During the course of the audit we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the basic financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

Public Records
Auditor understands and agrees that all documents of any kind provided to the District in connection with this Agreement may be public records, and. Accordingly, Auditor agrees to comply with all applicable provisions of Florida law in handling such records, including but not limited to Section 119.0701, *Florida Statutes*. Auditor acknowledges that the designated public records custodian for the District is INFRAMARK ("Public Records Custodian"). Among other requirements and to the extent applicable by law, Auditor shall 1) Keep and maintain public records required by the District to perform the service; 2) upon request by the Public Records Custodian, provide the District with the requested public records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, *Florida Statutes*; 3) ensure that public records which are exempt or confidential, and exempt from public records disclosure requirements, are not disclosed except as authorized by law for the duration of the contract term and following the contract term if Auditor does not transfer the records to the Public Records Custodian of the District; and 4) upon completion of the contract, transfer to the District, at no cost, all public records in Auditor's possession or, alternatively, keep, maintain and meet all applicable requirements for retaining public records pursuant to Florida laws. When such public records are transferred by Auditor, Auditor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. All records stored electronically must be provided to the District, in a format that is compatible with Microsoft Word of Adobe PDF formats.

IF THE AUDITOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, *FLORIDA STATUTES*, TO THE AUDITOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE PUBLIC RECORDS CUSTODIAN AT 954-603-0033, SANDRA.DEMARCO@INFRAMARK.COM, OR AT 210 N. UNIVERSITY DRIVE, SUITE 702, CORAL SPRINGS, FL 33071

At the conclusion of our audit engagement, we will communicate to the Board of Supervisors the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

The audit documentation for this engagement is the property of McDirmit Davis & Company, LLC and constitutes confidential information. However, we may be requested to make certain audit documentation available to a federal or state agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities, pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of McDirmit Davis & Company, LLC's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

In accordance with the requirements of *Government Auditing Standards,* we have attached a copy of our latest external peer review report of our firm for your consideration and files.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,

Tamara Campbell, CPA
McDirmit Davis & Company, LLC

****

RESPONSE:

This letter correctly sets forth our understanding.

The Woodlands Community Development District

Acknowledged and agreed on behalf of The Woodlands Community Development District by:

_____

Title:_____

Date:_____

Gregory, Sharer & Stuart, P.A.
Certified Public Accountants and Business Consultants

Report on the Firm's System of Quality Control

October 13, 2017

To the Owners of McDirmit Davis & Company, LLC
And the Peer Review Committee of the Florida Institute of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of McDirmit Davis & Company, LLC (the firm) in effect for the year ended June 30, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards* including a compliance audit under the Single Audit Act and an audit of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of McDirmit Davis & Company, LLC in effect for the year ended June 30, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass, pass with deficiency(ies),* or *fail.* McDirmit Davis & Company, LLC has received a peer review rating of *pass*.

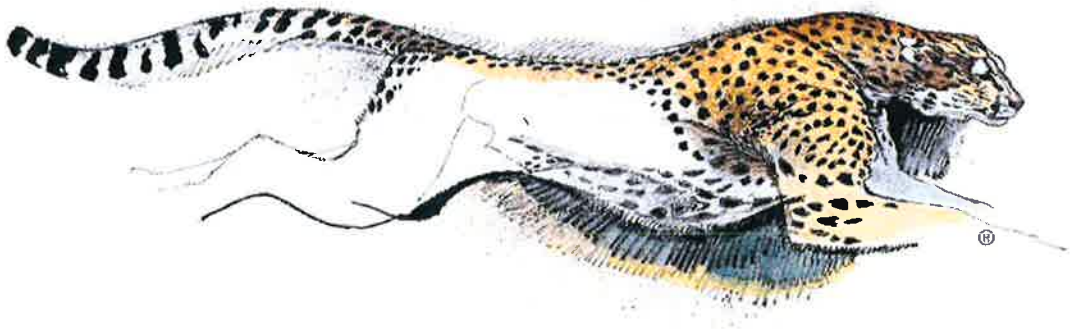
Gregory, Sharer & Stuart, P.A.

Gregory, Sharer & Stuart, P.A.

3G.

Woodlands Community Development District

2018/2019 Insurance Renewal Proposal



Robin Faircloth
Public Risk Insurance Agency
P O Box 2416
Daytona Beach, FL 32115
Phone: 386-252-6176
Fax: 386-239-4049

Brown & Brown PRIA
PUBLIC RISK INSURANCE AGENCY

PUBLIC RISK INSURANCE AGENCY
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- The Agency of Public Risk Insurance Agency
- An Introduction to Your Service Team

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- Notes of Importance
- Compensation Disclosures
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Items Required Prior to Binding 5
- Acceptance of Proposal – Premium Recapitulation
- Acknowledgement of Non-Admitted Carrier Signed
- General Liability ACORD Application (2 pages)
- GL TRIA Form
- Signed Public Officials Application
- POL TRIA Form

THE AGENCY

Risk Management Associates, Inc. dba Public Risk Insurance Agency (PRIA) has established itself as one of the premier insurance services organizations for public entities in the United States. Our in-depth understanding of the unique risk exposures and operating environment of public entities allows us to tailor insurance products and services to effectively meet their needs. As the only independent insurance agency solely dedicated to the public entity market, we are uniquely qualified to meet and exceed the expectations of our clients. Our 20 years of insuring local governments has afforded us significant experience and insight into the unique challenges and constraints that our clients face. PRIA currently represents over 250 public entities in Florida.

PRIA is a wholly owned subsidiary of Brown & Brown, Inc. - the 6th largest independent insurance agency in the United States and 7th largest worldwide as ranked by Business Insurance Magazine. Brown & Brown brings the experience of representing hundreds of public entities nationally in addition to PRIA's focus in Florida.

As a Brown & Brown company, PRIA has access to hundreds of insurance markets nationwide and in the international market. With premium volume exceeding $2,500,000,000 Brown & Brown's volume results in a superior negotiating position and leverage with state specific, regional, national, and international insurers. The focus and experience of our team in all of these markets produces superior risk transfer options and risk control expertise for your entity.

PRIA develops customized and innovative approaches towards effectively managing your risk. Cost effective insurance products, professional service, and commitment to client's needs are our primary goals. Proof of account satisfaction is reflected by a 97% business retention rate.

To fully serve our clientele, Public Risk Insurance Agency can offer coverage for other exposures such as:

- Bonds
- Fiduciary Liability
- Primary and Excess Flood
- Workers' Compensation
- Environmental Liability
- Accidental Death & Dismemberment
- Special Events
- Airport Liability
- Aboveground & Underground Petroleum Tank Liability

AN INTRODUCTION TO YOUR SERVICE TEAM

Account Executives

Matt Montgomery Executive Vice President	(386) 239-7245	mmontgomery@bbpria.com
Robin Faircloth, CISR, CSRM Director of Operations	(386) 239-4044	rfaircloth@bbpria.com
Paul Dawson, ARM-P Senior Vice President / Account Executive	(386) 239-4045	pdawson@bbpria.com
Michelle Martin, CIC Vice President / Account Executive	(386) 239-4047	mmartin@bbpria.com
Brian Cottrell, CIC, CRM Vice President / Account Executive	(386) 239-4060	bcottrell@bbpria.com
Kyle Stoekel, CIC Account Executive	(386) 944-5805	kstoekel@bbpria.com
Michelle Perry, CIC Account Executive	(386) 333-6047	mperry@bbpria.com

Service Representatives

Brittany O'Brien, CIC, CRM Risk Management Department Leader	(386) 239-8823	bobrien@bbpria.com
Melody Blake, ACSR Account Representative	(386) 239-4050	mblake@bbpria.com
Patricia Jenkins, CPSR Account Representative	(386) 239-4042	pjenkins@bbpria.com
Karen Bryan Account Representative	(386) 239-4056	kbryan@bbpria.com
Linda Burtchett Account Representative	(386) 239-4043	lburtchett@bbpria.com
Danielle Coggon, CISR Account Representative	(386) 239-4048	dcoggon@bbpria.com
Christina Carter, CIC Account Representative	(386) 333-6069	ccarter@bbpria.com
Alexa Gray Assistant Account Representative	(386) 239-4040	agray@bbpria.com

Certificate Requests: **certificates@bbpria.com** ***Claim Reporting:*** **claims@bbpria.com**

Our Service Team philosophy focuses on accountability at all levels of account management. Our goal is not simply to meet your service needs, but to exceed them. All of the employees at PRIA are dedicated to achieving this goal and distinguishing ourselves from the competition.

WOODLANDS COMMUNITY DEVELOPMENT DISTRICT

GENERAL LIABILITY

Term:	October 1, 2018 to October 1, 2019
Company:	James River Insurance Company (Non-Admitted) (Rated A, IX by A.M. Best)
Form:	Occurrence

Limits of Liability:

General Aggregate	$2,000,000
Each Occurrence	$1,000,000
Personal Injury and Advertising Injury	$1,000,000
Products / Completed Operation Agg	$2,000,000
Damage to Premises Rented to You	$ 50,000
Medical Payments	Excluded

Deductible: $2,500 Per Occurrence

Exposure:

Exposure	
Exposure	**Description**
931 Acres	Vacant Land
5 Per Lake	Lakes/Reservoirs

Not Vacant land MAV

Notes of Importance:

1. Satisfactory Inspection.
2. This insurance is issued pursuant to the Florida Surplus Lines Laws. Entities insured by surplus lines carriers do not have the protection of the Florida Insurance Guaranty Act to the extent of any right of recovery for the obligation of an insolvent, unlicensed insurer.
3. Signed ACORD applications.
4. 25% minimum earned premium.
5. 100% minimum and deposit premium basis.

Brown & Brown PRIA
PUBLIC RISK INSURANCE AGENCY

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.

GENERAL LIABILITY

Forms, Endorsements and Exclusions, include but not limited to:

MC0001US-0416	Commercial General Liability Declarations
GC0001US-0304	Schedule A
CG0001-1207	Commercial General Liability Coverage Form
AP2103US-0607	Minimum Policy Premium
MC2105US-1016	Deductible Endorsement - Damages and Expenses
MC2126US-0913	Premium Base Endorsement
AP2004US-0403	Additional Insured – Managers or Lessors of Premises **Inframark Infrastructure Management Services,** **210 N University Dr, S. 702, Coral Springs, FL 33071**
AP1013US-0516	Premium Audit Conditions Amended
AP2104US-1012	Common Policy Conditions
AP2107US-0403	Binding Arbitration
CG2139-1093	Contractual Liability Limitation
AP2008US-0712	Limitation of Coverage to Designated Premises
CG0068-0509	Recording and Distribution of Material or Information in Violation of the Law Exclusion
CG2136-0305	Exclusion – New Entities
CG2147-1207	Employment-Related Practices Exclusion
CG2167-1204	Fungi or Bacteria Exclusion
IL0021-0908	Nuclear Energy Liability Exclusion
AP2029US-1210	Combined Policy Exclusions
AP2031US-0411	Exclusion - Cross Suits
AP2034US-1106	Injury to Independent Contractors and Subcontractors - Exclusion
AP2061US-0408	Absolute Pollution and Pollution Related Liability Exclusion - with Hostile Fire/HVAC Exceptions
AP5053US-0411	Exclusion - Earth Movement
GC2108US-0403	Hunt Club and Hunting Endorsement
GC2131US-0403	Fiduciary Exclusion
GC2141US-0107	Exclusion - Construction Activities
MC2139US-0403	Exclusion - Coverage C - Medical Payments
AP5027R-0115	Rejection of Coverage for Certified Acts of Terrorism Coverage
CG2175-0115	Exclusion of Certified Acts of Terrorism and Exclusion of Other Acts of Terrorism Committed Outside the United States
AP0100US-0403	Privacy Policy

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.

WOODLANDS COMMUNITY DEVELOPMENT DISTRICT

PUBLIC OFFICIALS LIABILITY
EMPLOYMENT PRACTICES

Term:	October 1, 2018 to October 1, 2019
Company:	Illinois National Insurance Company (Rated A++, XV by AM Best)
Form:	Claims Made
Retroactive Date:	Full Prior Acts
Coverage:	Pays damages the insured becomes legally obligated to pay because of a "wrongful act" arising out of the discharge of duties
Limits of Liability:	$1,000,000 Aggregate
Deductible:	$10,000 Each Wrongful Act other the EPL Violations $15,000 Each Employment Practices Violation

Notes of Importance:

1. Defense Costs are within the limit unless specified otherwise.
2. Extended Reporting Period options may be available.
3. Premium is minimum and deposit, subject to audit.

Subject to:

1. Completed and signed application.
2. Signed and dated TRIA Form.
3. Satisfactory inspection.

Forms, Endorsement and Exclusions include but are not limited to:

68929 10/97	Public Officials and Employment Practices Liability Declarations Policyholder Disclosure Notice of Terrorism Insurance Coverage
68928 10/97	Public Officials and Employment Practices Liability Policy
M127628	EPL PAK Premier Endorsement (For use on MuniPro) (Employment Practices Loss Prevention and Risk Management Tolls
74825 01/13	Florida Addendum to the Declarations
78859 10/01	Forms Index
68995 08/05	Additional Coverage for Employment Practices Violations Endorsement
68992 10/97	Bond Exclusion Endorsement
99746 07/08	Defense Provisions Amendatory Endorsement
113107 12/12	Delete Terrorism Coverage Endorsement
99749 07/08	EEOC Hearing Coverage Enhancement Endorsement (Includes Coverage for EEOC Hearings)
119679 09/15	Economic Sanctions Endorsement

BROWN & BROWN PRIA
PUBLIC RISK INSURANCE AGENCY

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.

PUBLIC OFFICIALS LIABILITY
EMPLOYMENT PRACTICES

Forms, Endorsement and Exclusions include but are not limited to, continued:

97520 02/08	Exclusion (T) Amendatory Endorsement
99750 07/08	Fraud Exclusion Amendatory Endorsement
80959 0705	Fungus and Mold Exclusion Endorsement
89689 07/05	Intellectual Property Exclusion Endorsement
99758 08/08	Notice of Claims (Reporting by E-mail)
99754 07/08	Notice/Claim Reporting Provisions Amendatory Endorsement
99752 07/08	Profit or Advantage Exclusion Amendatory Endorsement (Front & Back Wages)
99744 07/08	Third Party Employment Practices Violations Endorsement
76105 05/10	Florida Cancellation/Nonrenewal Endorsement
119597 07/15	Florida Terrorism Exclusion-Certified Acts Endorsement

Claims Made Policy:

When a policy is on a claims-made basis, coverage triggers based on the actual filing date or receipt of the claim, in addition to the date of loss or injury. It handles any insured loss or claim filed during the policy period, regardless of when the actual loss or injury occurred, subject to the retroactive date on the declarations. Claims-made coverage applies only to covered loss that occur after the retroactive date.

Extended Reporting Periods:

Illinois National Insurance Company provides the following Extended Reporting Periods options in the event coverage is cancelled or non-renewed:

Automatic Discovery Period: 60 days following the effective date of such cancellation or non-renewal in which to give written notice to the Company of an Claim made against the Insured during said 60 day period for any Wrongful Act before the end of the Policy Period. This Automatic Discovery Period shall immediately expire upon the purchase of replacement coverage.

Optional Discovery Period: If the Company or the Public Entity shall cancel or refuse to renew this policy, the Public Entity shall have the right, upon payment of an additional premium of 50% of the total premium, to a period of twelve (12) months following the effective date of such cancellation or non-renewal in which to give written notice to the Company of any Claim made against the Insured during said twelve (12) month period for any Wrongful Act before the end of the Policy Period. This right shall terminate, however, unless written notice of such election together with the additional premium due is received by the Company within thirty (30) days after the effective date of cancellation or non-renewal. This clause and the rights contained herein shall not apply to any cancellation resulting from non-payment of premium.

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.

Notes of Importance:

1. Quotes provided in the proposal are valid until 10/01/2018. After this date terms and conditions are subject to change by the underwriters.

2. Premiums are subject to change if all lines of coverage quoted are not bound. **Premiums are subject to 25% minimum premium upon binding.**

3. Not all coverages requested may be provided in this quotation.

4. Flood quotes from NFIP may be available. Please advise your agent if you have property located in zones A or V and would like to have separate NFIP quotes.

5. Quote is not bound until written orders to bind are received from the insured and the Company subsequently accepts the risk.

6. Should signed application reveal differing details/data than original application received, the entire quote/binder is subject to revision and possible retraction.

7. Higher limits of liability may be available. Please consult with your agent.

8. This proposal is based upon exposures to loss made known to the Public Risk Insurance Agency. Any changes in exposures (i.e. new operations, new acquisitions of property or change in liability exposure) need to be promptly reported to us in order that proper coverage may be put into place.

9. **This proposal is intended to give a brief overview. Please refer to coverage agreements for complete information regarding definition of terms, deductibles, sub-limits, restrictions and exclusions that may apply. In the event of any differences, the policy will prevail.**

Retail Compensation Disclosure

In addition to the commissions or fees received by us for assistance with the placement, servicing, claims handling, or renewal of your insurance coverages, other parties, such as excess and surplus lines brokers, wholesale brokers, reinsurance intermediaries, underwriting managers and similar parties, some of which may be owned in whole or in part by Brown & Brown, Inc., may also receive compensation for their role in providing insurance products or services to you pursuant to their separate contracts with insurance or reinsurance carriers. That compensation is derived from your premium payments. Additionally, it is possible that we, or our corporate parents or affiliates, may receive contingent payments or allowances from insurers based on factors which are not client-specific, such as the performance and/or size of an overall book of business produced with an insurer. We generally do not know if such a contingent payment will be made by a particular insurer, or the amount of any such contingent payments, until the underwriting year is closed. That compensation is partially derived from your premium dollars, after being combined (or "pooled") with the premium dollars of other insured's that have purchased similar types of coverage. We may also receive invitations to programs sponsored and paid for by insurance carriers to inform brokers regarding their products and services, including possible participation in company-sponsored events such as trips, seminars, and advisory council meetings, based upon the total volume of business placed with the carrier you select. We may, on occasion, receive loans or credit from insurance companies. Additionally, in the ordinary course of our business, we may receive and retain interest on premiums you pay from the date we receive them until the date of premiums are remitted to the insurance company or intermediary. In the event that we assist with placement and other details of arranging for the financing of your insurance premium, we may also receive a fee from the premium finance company.

Questions and Information Requests: Should you have any questions or require additional information, please contact this office at 386-252-6176 or, if you prefer, submit your question or request online at http://www.bbinsurance.com/customerinquiry.shtml.

Wholesale Business Compensation Disclosure

Wholesale Broker/Managing General Agent: MacDuff Underwriters

This intermediary is owned in whole or part by Brown & Brown, Inc., the parent company of Public Risk Insurance Agency. Brown & Brown entities operate independently and are not required to utilize other companies owned by Brown & Brown, Inc., but routinely do so. In addition to providing access to the insurance company, the Wholesale Insurance Broker/Managing General Agent may provide additional services including, but not limited to: underwriting; loss control; risk placement; coverage review; claims coordination with insurance company; and policy issuance. Compensation paid for those services may be up to 15% of the premium you pay for coverage, and any compensation paid for those services is derived from your premium payment.

Guide to Bests Ratings		
Best Category	**Rating**	**Description**
Secure	A++	Superior
Secure	A+	Superior
Secure	A	Excellent
Secure	A-	Excellent
Secure	B++	Very Good
Secure	B+	Very Good
Vulnerable	B	Fair
Vulnerable	B-	Fair
Vulnerable	C++	Marginal
Vulnerable	C+	Marginal
Vulnerable	C	Weak
Vulnerable	C-	Weak
Vulnerable	D	Poor
Vulnerable	E	Under Regulatory Supervision
Vulnerable	F	In Liquidation
Vulnerable	S	Rating Suspended
Not Rated	NR-1	Insufficient Data
Not Rated	NR-2	Insufficient Size and/or operating experience
Not Rated	NR-3	Rating Procedure Inapplicable
Not Rated	NR-4	Company Request
Not Rated	NR-5	Not Formally Followed
Rating Modifier	u	Under Review
Rating Modifier	q	Qualified
Affiliation Code	g	Group
Affiliation Code	p	Pooled
Affiliation Code	r	Reinsured

Guide to Best's Financial Size Categories		
Reflects size of insurance company based on their capital, surplus and conditional reserve funds in U.S. dollars.	**I**	Less than $1,000,000
	II	$1,000,000 - $2,000,000
	III	$2,000,000 - $5,000,000
	IV	$5,000,000 - $10,000,000
	V	$10,000,000 - $25,000,000
	VI	$25,000,000 - $50,000,000
	VII	$50,000,000 - $100,000,000
	VIII	$100,000,000 - $250,000,000
	IX	$250,000,000 - $500,000,000
	X	$500,000,000 - $750,000,000
	XI	$750,000,000 - $1,000,000,000
	XII	$1,000,000,000 - $1,250,000,000
	XIII	$1,250,000,000 - $1,500,000,000
	XIV	$1,500,000,000 - $2,000,000,000
	XV	Greater than $2,000,000,000

Public Risk Insurance Agency always strives to place your coverage with highly secure insurance companies. We cannot, however, guarantee the financial stability of any carrier.

WOODLANDS COMMUNITY DEVELOPMENT DISTRICT

PREMIUM RECAPITULATION

	Annual Premium	Check Option Accept	Reject
General Liability			
Premium	$7,799.00		
Provider Fee	$ 250.00		
Policy Fee	$ 35.00		
Total Premium	**$8,084.00**	☒	☐
Optional - TRIA	$390.00	☐	☒
Public Officials Liability			
Premium	$9,742.00	☒	☐
Optional – TRIA	$52.00	☐	☒

I authorize PRIA to request the underwriters to bind coverage on the items indicated above and acknowledge receipt of the Compensation and Financial Condition Disclosure(s) provided in this proposal.

Mark A Vega, Secretary
(Signature)

SIGN HERE

Mark A. Vega, Secretary
(Name & Title)

9/24/18
(Date)

Brown & Brown PRIA
PUBLIC RISK INSURANCE AGENCY

This proposal is intended to give a brief overview. Higher limits may be available. Please refer to coverage forms for complete details regarding definition of terms, exclusions and limitations.

STATEMENT ACKNOWLEDGING THAT COVERAGE HAS BEEN PLACED WITH A NON-ADMITTED CARRIER

Per Florida Statute, the insured is required to sign the following E&S disclosure:

The undersigned hereby agrees to place insurance coverage in the surplus lines market and understands that superior coverage may be available in the admitted market and at a lesser cost. Persons insured by surplus lines carriers are not protected by the Florida Insurance Guaranty Association with respect to any right of recovery for the obligation of an insolvent unlicensed insurer.

Woodlands Community Development District
Named Insured

Mark A Tyler, Secretary — SIGN HERE — 9/24/18
Signature of Insured's Authorized Representative — Date

James River Insurance Company
Name of Excess and Surplus Lines Carrier

General Liability
Type of Insurance

00059517-4
Renewal of Policy Number

10/1/2018 – 10/1/2019
Effective/Expiration Date of Coverage

Florida
State

Brown & Brown PRIA
PUBLIC RISK INSURANCE AGENCY

AGENCY CUSTOMER ID: 00001755

PRIOR CARRIER INFORMATION (continued)

YEAR	CATEGORY	GENERAL LIABILITY	AUTOMOBILE	PROPERTY	OTHER:
	CARRIER	James River Insuranc			
	POLICY NUMBER	00059517-3			
	PREMIUM	$ 7,905.00	$	$	$
	EFFECTIVE DATE	10/1/2016			
	EXPIRATION DATE	10/1/2017			
	CARRIER	James River Insuranc			
	POLICY NUMBER	00059517-2			
	PREMIUM	$ 7,715.00	$	$	$
	EFFECTIVE DATE	10/1/2015			
	EXPIRATION DATE	10/1/2016			

LOSS HISTORY

X Check if none (Attach Loss Summary for Additional Loss Information)

ENTER ALL CLAIMS OR LOSSES (REGARDLESS OF FAULT AND WHETHER OR NOT INSURED) OR OCCURRENCES THAT MAY GIVE RISE TO CLAIMS FOR THE LAST _____ YEARS

TOTAL LOSSES: $

DATE OF OCCURRENCE	LINE	TYPE / DESCRIPTION OF OCCURRENCE OR CLAIM	DATE OF CLAIM	AMOUNT PAID	AMOUNT RESERVED	SUBRO-GATION Y / N	CLAIM OPEN Y / N

SIGNATURE

Copy of the Notice of Information Practices (Privacy) has been given to the applicant. (Not required in all states, contact your agent or broker for your state's requirements.)

PERSONAL INFORMATION ABOUT YOU, INCLUDING INFORMATION FROM A CREDIT OR OTHER INVESTIGATIVE REPORT, MAY BE COLLECTED FROM PERSONS OTHER THAN YOU IN CONNECTION WITH THIS APPLICATION FOR INSURANCE AND SUBSEQUENT AMENDMENTS AND RENEWALS. SUCH INFORMATION AS WELL AS OTHER PERSONAL AND PRIVILEGED INFORMATION COLLECTED BY US OR OUR AGENTS MAY IN CERTAIN CIRCUMSTANCES BE DISCLOSED TO THIRD PARTIES WITHOUT YOUR AUTHORIZATION. CREDIT SCORING INFORMATION MAY BE USED TO HELP DETERMINE EITHER YOUR ELIGIBILITY FOR INSURANCE OR THE PREMIUM YOU WILL BE CHARGED. WE MAY USE A THIRD PARTY IN CONNECTION WITH THE DEVELOPMENT OF YOUR SCORE. YOU MAY HAVE THE RIGHT TO REVIEW YOUR PERSONAL INFORMATION IN OUR FILES AND REQUEST CORRECTION OF ANY INACCURACIES. YOU MAY ALSO HAVE THE RIGHT TO REQUEST IN WRITING THAT WE CONSIDER EXTRAORDINARY LIFE CIRCUMSTANCES IN CONNECTION WITH THE DEVELOPMENT OF YOUR CREDIT SCORE. THESE RIGHTS MAY BE LIMITED IN SOME STATES. PLEASE CONTACT YOUR AGENT OR BROKER TO LEARN HOW THESE RIGHTS MAY APPLY IN YOUR STATE OR FOR INSTRUCTIONS ON HOW TO SUBMIT A REQUEST TO US FOR A MORE DETAILED DESCRIPTION OF YOUR RIGHTS AND OUR PRACTICES REGARDING PERSONAL INFORMATION.
(Not applicable in AZ, CA, DE, KS, MA, MN, ND, NY, OR, VA, or WV. Specific ACORD 38s are available for applicants in these states.) (Applicant's Initials): _____

Applicable in AL, AR, DC, LA, MD, NM, RI and WV: Any person who knowingly (or willfully)* presents a false or fraudulent claim for payment of a loss or benefit or knowingly (or willfully)* presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison. *Applies in MD Only.

Applicable in CO: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

Applicable in FL and OK: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony (of the third degree)*. *Applies in FL Only.

Applicable in KS: Any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act.

Applicable in KY, NY, OH and PA: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties (not to exceed five thousand dollars and the stated value of the claim for each such violation)*. *Applies in NY Only.

Applicable in ME, TN, VA and WA: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties (may)* include imprisonment, fines and denial of insurance benefits. *Applies in ME Only.

Applicable in NJ: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

Applicable in OR: Any person who knowingly and with intent to defraud or solicit another to defraud the insurer by submitting an application containing a false statement as to any material fact may be violating state law.

Applicable in PR: Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation by a fine of not less than five thousand dollars ($5,000) and not more than ten thousand dollars ($10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances [be] present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

THE UNDERSIGNED IS AN AUTHORIZED REPRESENTATIVE OF THE APPLICANT AND REPRESENTS THAT REASONABLE INQUIRY HAS BEEN MADE TO OBTAIN THE ANSWERS TO QUESTIONS ON THIS APPLICATION. HE/SHE REPRESENTS THAT THE ANSWERS ARE TRUE, CORRECT AND COMPLETE TO THE BEST OF HIS/HER KNOWLEDGE.

PRODUCER'S SIGNATURE	PRODUCER'S NAME (Please Print)	STATE PRODUCER LICENSE NO (Required in Florida)
Robin Faircloth	Robin Faircloth/KBRYAN	A295946
APPLICANT'S SIGNATURE: Monica Tyr, secretary — SIGN HERE	DATE: 9/24/18	NATIONAL PRODUCER NUMBER

AGENCY CUSTOMER ID: 00001755

GENERAL INFORMATION (continued)

EXPLAIN ALL "YES" RESPONSES (For all past or present operations)	Y / N
16. HAS APPLICANT BEEN ACTIVE IN OR IS CURRENTLY ACTIVE IN JOINT VENTURES?	N
17. DO YOU LEASE EMPLOYEES TO OR FROM OTHER EMPLOYERS?	N
18. IS THERE A LABOR INTERCHANGE WITH ANY OTHER BUSINESS OR SUBSIDIARIES?	N
19. ARE DAY CARE FACILITIES OPERATED OR CONTROLLED?	N
20. HAVE ANY CRIMES OCCURRED OR BEEN ATTEMPTED ON YOUR PREMISES WITHIN THE LAST THREE (3) YEARS?	N
21. IS THERE A FORMAL, WRITTEN SAFETY AND SECURITY POLICY IN EFFECT?	N
22. DOES THE BUSINESSES' PROMOTICNAL LITERATURE MAKE ANY REPRESENTATIONS ABOUT THE SAFETY OR SECURITY OF THE PREMISES?	N

LEASE TO	WORKERS COMPENSATION COVERAGE CARRIED (Y/N)	LEASE FROM	WORKERS COMPENSATION COVERAGE CARRIED (Y/N)

REMARKS (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

The district is 13% developed. They are anticipating 2,500 units at completion

SIGNATURE

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Applicable in FL and OK: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony (of the third degree)*. *Applies in FL Only.

Applicable in KS: Any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act.

Applicable in KY, NY, OH and PA: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties (not to exceed five thousand dollars and the stated value of the claim for each such violation)*. *Applies in NY Only.

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Applicable in PR: Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation by a fine of not less than five thousand dollars ($5,000) and not more than ten thousand dollars ($10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances [be] present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

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PRODUCER'S SIGNATURE	PRODUCER'S NAME (Please Print)	STATE PRODUCER LICENSE NO (Required in Florida)
Robin Faircloth	Robin Faircloth/KBRYAN	A295946

APPLICANT'S SIGNATURE		DATE	NATIONAL PRODUCER NUMBER
Mark A Tyra, Secretary	SIGN HERE	9/24/18	

JAMES RIVER INSURANCE

Quote

P.O.Box 27648, Richmond, VA 23261; (804) 289-2700.

Quotes are valid for 30 days from the Quote Date shown below and subject to all conditions listed below. Coverage may not be bound without confirmation in writing from the Company.

POLICYHOLDER DISCLOSURE NOTICE

SELECTION OR REJECTION OF TERRORISM INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Act (TRIA), effective November 26, 2002, as extended, you have a right to purchase insurance coverage for losses arising out of certified acts of terrorism. The term " certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. There is a $100 billion dollar annual cap on losses arising out of acts of terrorism described above.

YOU SHOULD KNOW THAT TERRORISM COVERAGE REQUIRED TO BE OFFERED BY THE ACT FOR LOSSES CAUSED BY CERTIFIED ACTS OF TERRORISM IS PARTIALLY REIMBURSED BY THE UNITED STATES UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. UNDER THIS FORMULA, THE UNITED STATES PAYS A PERCENTAGE OF THAT PORTION OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS TERRORISM COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

You have the right to purchase coverage for losses from certified acts of terrorism as described above. You must elect or reject coverage before the effective date of this policy. If we do not receive notification that you elect coverage, an exclusion for terrorism will be attached to your policy and you will not be covered for terrorist acts.

YOU MUST SELECT ONE OF THE FOLLOWING BY PLACING AN "X" IN THE APPROPRIATE BOX AND SIGNING THE FORM BELOW

☐ ELECT: I hereby elect to purchase the Terrorism Coverage required to be offered under the Act for a premium of $390.

☒ DECLINE: I decline to purchase the Terrorism Coverage required to be offered under the Act. I understand that I will have no coverage for loss or damage resulting from acts of terrorism.

REMEMBER TO SELECT OR REJECT TERRORISM COVERAGE ABOVE AND SIGN AND DATE THE FORM BELOW. Return this form to your insurance agent. This selection or rejection notice must be received by the Company on or before the effective date of the policy.

Insured Name	Submission Number
Woodlands Community Development District	2241604

Policyholder/Applicant's Signature

Mark A Vega, secretary SIGN HERE

Print Name/Date

Mark A. Vega, secretary

Insurance Company

James River Insurance Company

Policy Number

AP 5001US 01-15

POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM INSURANCE COVERAGE
(RIGHT TO PURCHASE COVERAGE)

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, that you have a right to purchase insurance coverage for losses resulting from acts of terrorism, *as defined in Section 102(1) of the Act*: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury—in concurrence with the Secretary of State, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 82% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A $100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS $100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED $100 BILLION, YOUR COVERAGE MAY BE REDUCED.

Acceptance or Rejection of Terrorism Insurance Coverage

	I hereby elect to purchase terrorism coverage for a prospective premium of $52.00
X	I hereby decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

Mark A. Vega, secretary
Policyholder/Applicant's Signature

SIGN HERE

Mark A. Vega, Secretary
Policyholder/Applicant's Printed Name

9/24/18
Date

Insured Name:	Woodlands CDD
Policy Form:	Public Officials
Submission:	1293813
Policy Period:	10/1/2018 to 10/1/2019

NOTICE TO LOUISIANA APPLICANTS: ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

NOTICE TO MAINE APPLICANTS: IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES OR A DENIAL OF INSURANCE BENEFITS.

NOTICE TO NEW JERSEY APPLICANTS: ANY PERSON WHO INCLUDES ANY FALSE OR MISLEADING INFORMATION ON AN APPLICATION FOR AN INSURANCE POLICY IS SUBJECT TO CRIMINAL AND CIVIL PENALTIES.

NOTICE TO NEW YORK APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME, AND SHALL ALSO BE SUBJECT TO A CIVIL PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS AND THE STATED VALUE OF THE CLAIM FOR EACH SUCH VIOLATION.

NOTICE TO OHIO APPLICANTS: ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT HE IS FACILITATING A FRAUD AGAINST AN INSURER, SUBMITS AN APPLICATION OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT IS GUILTY OF INSURANCE FRAUD.

NOTICE TO OKLAHOMA APPLICANTS: WARNING: ANY PERSON WHO KNOWINGLY, AND WITH INTENT TO INJURE, DEFRAUD OR DECEIVE ANY INSURER, MAKES ANY CLAIM FOR THE PROCEEDS OF AN INSURANCE POLICY CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY (365:15-1-10, 36 §3613.1).

NOTICE TO PENNSYLVANIA APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SUBJECTS SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.

NOTICE TO TENNESSEE AND VIRGINIA APPLICANTS: IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES INCLUDE IMPRISONMENT, FINES AND DENIAL OF INSURANCE BENEFITS.

The undersigned is a duly authorized representative of the Applicant and hereby acknowledges that reasonable inquiry has been made to obtain the answers herein which are true, correct, and complete to his/her best knowledge and belief.

SIGN HERE

Signed: Michael Lyn, Secretary
(Duly authorized representative, by and on behalf of the Applicant)

Date: 9/24/18

Title: Secretary
(must be signed by an authorized officer)

Fourth Order of Business

4A.

STRALEY ROBIN VERICKER
Attorneys At Law

1510 W. Cleveland St.
Tampa, Florida 33606
Tel: (813) 223-9400
Fax: (813) 223-5043

Writer's Direct Dial: (813) 901-4946
Writer's E-mail: trobin@srvlegal.com
Website: www.srvlegal.com

September 17, 2018

Via First Class Mail and Email

Mr. Ronnie Atkins, Dir. Of Audit
Office of the Inspector General
Executive Office of the Governor
1902 The Capitol
Tallahassee, Florida 32399-0001

Re: Chief Inspector General FE# 2007-010; The Woodlands Community Development District (the "District")

Dear Mr. Atkins:

This firm serves as General Counsel to the District, and as such, is responding to your email communication from CIG218@eog.myflorida.com, dated August 31, 2018, concerning the following audit findings:

Audit Finding 13-01 – Failure to Make Debt Service Payments When Due
Audit Finding 13-02 – Failure to Meet Debt Service Reserve Account Requirement

This District was established for the development of a planned residential community of approximately 2,500 residential units, in the City of North Port, Sarasota County. The project was in the initial development phase when the real estate market collapsed in 2008, and North Port was among the hardest hit areas in the State. Subsequently, the developer defaulted on payment of its debt special assessments on November 1, 2008. No debt assessment payments have been received from the developer or any successor owner since that time. As a result, the District defaulted on its Series 2004 Bonds, because the special assessments levied on the lands owned by the developer failed to generate the revenues required for the District to make its payments. [The Series 2004 Bonds are revenue bonds, and are not a full faith and credit obligation of the District.]

In 2009, the District received direction from the Bond Trustee not to foreclose on the delinquent debt assessments; and in 2012, the District was advised that the original developer had acquired the defaulted bonds through an affiliated company. Therefore, the developer (or one of its subsidiaries) effectively became both the owner of the land subject to the delinquent debt assessments and the bondholder. Subsequently, in 2013, the District was advised that the bondholders and the Bond Trustee entered into a "Forbearance Agreement," pursuant to which

the District was directed not to undertake foreclosure on the debt assessments. The Forbearance Agreement expired on October 31, 2017, pursuant to its own terms, and after making inquiry, the District received no response, nor any direction from the Bond Trustee or the bondholder.

Other relevant events include a tax deed sale involving a substantial portion of the undeveloped property in 2015. This event was followed by the failure or refusal of the tax deed holder to pay any of the subsequent taxes. Consequently, another tax deed sale is currently pending. In addition, on June 6, 2018, a Quiet Title action was filed by the tax deed holder challenging, among other things, the enforceability of the District's debt assessment liens. The District and the Bond Trustee are actively defending this challenge to the District's debt assessments securing payment of the bonds.

With respect to the information requested in your email, in the order stated:

1. *A concise statement of the cause of the financial emergency condition(s) identified in the entity's most recent annual financial report and the actions planned or taken to resolve or prevent the identified conditions:*

   See above. The District and the Board of Supervisors have fully performed all of their obligations under the Bond Indenture and the Forbearance Agreement, as amended. Pursuant to the terms thereof, the District has taken all actions required or permitted to resolve the above referenced findings. Unfortunately, this geographic area continues to struggle and has not enjoyed the robust growth experienced during the recovery in other areas of our State. More favorable market conditions may ultimately and resolve these conditions. (Copies of all pertinent documents are available upon request.)

2. *A statement or description of whether the identified condition(s) will be resolved prior to the release of the entity's next annual financial report:*

   Due to the fact these conditions persist throughout the FY 2017-18, it appears unlikely these conditions will be resolved prior to release of the Audit for the current fiscal year.

3. *A detailed description of what state assistance, if any, is requested or required to resolve the identified condition(s). If state assistance is not being requested or is not required, please provide a statement to that effect. See Section 218.503(3), Florida Statutes, for potentially available state assistance.*

   No state assistance is requested.

In closing, the District and its Board of Supervisors have worked diligently to resolve these financial conditions within their capacity and control, and the constraints noted above. Substantially all of these events are beyond the District's control and may ultimately be resolved, at least in part, by the pending judicial proceedings. It is noteworthy, however, that the Board of Supervisors has corrected the District's financial condition with respect to its operations and

maintenance obligations, and is financially sound on an operational basis. The auditor's findings relate only to the District's debt assessments.

If you require additional information, please contact me.

Sincerely,

Tracy J. Robin

c: Mark Vega, District Manager
Board of Supervisors
Vivek K. Babbar

4B

CLARK & ALBAUGH, LLP

ATTORNEYS & COUNSELORS AT LAW

700 W. Morse Boulevard, Suite 101
Winter Park, Florida 32789
Telephone 407-647-7600
Facsimile 407-647-7622
www.winterparklawyers.com

SCOTT D. CLARK
MITCHELL E. ALBAUGH*
CHRISTOPHER M. HAMILTON
LEIGH ANN BUZYNISKI

*SUPREME COURT CERTIFIED CIRCUIT MEDIATOR

July 5, 2018

Woodlands Community Development District
Attention: Mark Vega
210 University Drive, Suite 702
Coral Springs, Florida 33071

RE: O&M Assessments on Parcels 1094003200 and 1094003300 (the "Parcels")

Dear Sirs:

The undersigned is counsel to Woodlands Banyan Pointe, LLC ("WBP"), the owner of the Parcels along with two other parcels of land within the Woodlands Community Development District ("CDD"). WBP took title by virtue of tax deeds recorded April 7, 2015 in the Public records of Sarasota County, Florida under instruments #2015040694 and #2015040695. Pursuant to Fla. Stat. §197.552, the tax deeds vested title in WBP free of all claims and demands whatsoever other than County taxes of equal dignity and "liens of record" of certain governmental entities. A few weeks ago, WBP received notice of a tax deed application directed at the Parcels. While making arrangements for redemption of the Parcels, it became concerned about the size of the redemption payments. This resulted in an investigation on my part. The investigation revealed a number of irregularities associated with the non-ad valorem assessments placed on the tax roll by the CDD. The redemption amounts appear to include the O & M amounts shown in Table 1.

The variance in these assessment amounts from year to year raised my curiosity, so I reviewed the CDD's budgets and assessment resolutions for those years. Based upon that review, it appears that the CDD "stuffed" prior years O & M assessments into subsequent years. Table 2 illustrates the amounts of O & M that were actually budgeted for the years in question. As you can see from the analysis, the O & M assessments placed on the tax roll for the Parcels are about double the amount of the budgeted O & M assessments for these properties during the applicable years. Table 3 depicts the additional O & M assessments that were placed on the tax roll in years 2014-2017 and explains the source for each year. For purposes of this letter, I will refer to the extraordinary assessments set forth in Table 3 as the "Additional Assessments." For several reasons, this assessment process was wrongful and illegal. I will explain below.

1. No lien of record. The Additional Assessments relate to the CDD's fiscal years 2009-2014. According to the relevant assessment levy resolutions, each of these assessments was levied and had become due prior to the date that WBP acquired the Parcels by tax deed. Accordingly, these assessments were extinguished except to the extent that a lien of record existed. I have reviewed title work for the Parcels and find no such lien of record. Since any lien for the Additional Assessments was extinguished as to the Parcels, the inclusion of the Additional Assessments on the CDD's tax roll submissions for 2014-2017 was improper.

2. Assessment levy resolutions. The various assessment resolutions adopted by the CDD which levied maintenance special assessments called for such assessments to be directly billed to property owners by the CDD, not placed on the tax roll. The CDD's action in subsequently placing the Additional Assessments on the tax roll violates these resolutions.

3. No assessment levied. For certain years, no O & M Assessments were levied against the Parcels; nevertheless, the Additional Assessments contain delinquent assessment balances for years where none existed. For example, Resolution 2010-6, dealing with the 2011 fiscal year budget, contains an attached assessment roll. Page 12 of that roll depicts the Parcels as having no assessment. Resolution 2012-4, dealing with the 2013 fiscal year budget, contains an attached assessment roll. Page 1 of that roll depicts the Parcels as having no assessment.

4. Double Billing. The tax bills for years 2013 and 2014 issued by the tax collector contained amounts for special assessments charged by the CDD. Nevertheless, the 2017 assessment levied by the CDD contained Additional Assessments for these two years, resulting in a double billing for those years.

5. Notice and procedure. It is unclear whether the CDD followed the procedure set forth in Fla. Stat. §197.3632 when the Additional Assessments were placed on the tax roll. I have previously initiated a public records request seeking information in this regard. This letter will serve as an additional request, pursuant to Chapter 119, Florida Statutes, for any and all resolutions, mailed notices or newspaper publications placed by the CDD in compliance with §197.3632.

There may well be other issues regarding the tax rolls submitted to the Sarasota County Tax Collector, but these are the ones known to WBP at this time. Because of these issues, it is imperative that the CDD take whatever action is necessary to withdraw the tax rolls previously certified to the Sarasota County Tax Collector for the years 2014-2017 and reissue them so that the Additional Assessments are deleted from the Parcels. If the CDD is unwilling to do this or is not able to do it on a timely basis, please advise the undersigned. You are, by now, aware that

WBP and other plaintiffs have filed a Quiet Title action naming the CDD and other parties. If necessary, we will amend those pleadings to deal with the matters raised in this letter.

By copy of this letter, I am advising the tax collector of the issues raised herein. Given these issues, it would not be prudent to move forward with a tax deed auction on the Parcels, pending a resolution. When these issues are resolved, WBP will be in a better position to resolve outstanding tax bills which are legitimate.

Please do not hesitate to contact me regarding this matter.

Sincerely,

Scott D. Clark

cc: Woodlands Banyan Pointe, LLC
Tracy Robin, Esq.
Sarasota County Tax Collector

Table 1. Banyan Pointe Taxes (CDD Components)				
Tax Year	**Parcel 1094003200**		**Parcel 1094003300**	
2014	$	37,585.38	$	38,943.87
2015	$	75,170.77	$	77,887.73
2016	$	115,038.04	$	119,195.96
2017	$	103,398.10	$	107,135.30
TOTAL	**$**	**331,192.29**	**$**	**343,162.86**

Table 2. CDD O & M Assessments Levied			
Budgeted Assessments			
Tax Year	**Parcel 1094003200**		**Parcel 1094003300**
2014	$	37,547.13	$ 38,904.24
2015	$	75,450.85	included in 3200
2016	$	76,450.61	included in 3200
2017	$	81,330.79	included in 3200
TOTAL	**$**	**270,779.38**	**$ 38,904.24**

Table 3.	**Assessments Added On**		
	Parcel 1094003200	**Parcel 1094003300**	**Source**
2014	$ 33,385.26	$ 34,591.93	2009 Assessments
2015	$ 75,170.76	$ 77,887.74	2010 Assessments
2016	$ 75,170.76	$ 77,887.74	2011-12 Assessments
2017	$ 75,094.26	$ 77,808.48	2013-14 Assessments
	$ 258,821.04	**$ 268,175.89**	