

**Viera East
Community Development District**

ANNUAL FINANCIAL REPORT

September 30, 2018

Viera East Community Development District

ANNUAL FINANCIAL REPORT

September 30, 2018

TABLE OF CONTENTS

	<u>Page Number</u>
REPORT OF INDEPENDENT AUDITORS	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-8
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements	
Balance Sheet – Governmental Funds	11
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	12
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	15
Statement of Fund Net Position – Enterprise Fund	16
Statement of Revenues, Expenses and Changes in Fund Net Position – Enterprise Fund	17
Statement of Cash Flows – Enterprise Fund	18
Notes to Financial Statements	19-36
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 <i>GOVERNMENT AUDITING STANDARDS</i>	37-38
MANAGEMENT LETTER	39-40
INDEPENDENT ACCOUNTANT'S REPORT/COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES	41



Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue
Suite 200
Fort Pierce, Florida 34950

772/461-6120 // 461-1155
FAX: 772/468-9278

REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors
Viera East Community Development District
Brevard County, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of Viera East Community Development District as of and for the year ended September 30, 2018, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Accounting 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 policies 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 opinion.

Fort Pierce / Stuart

To the Board of Supervisors
Viera East Community Development District

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund of the Viera East Community Development District as of September 30, 2018, and the respective changes in financial position and cash flows for the Enterprise Fund and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by *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 in accordance with governmental auditing standards generally accepted in the United States of America, which consisted principally of inquires of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We 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 May 1, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts.

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 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 Viera East Community Development District's internal control over financial reporting and compliance.



Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

May 1, 2019

**Viera East Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2018**

Management's discussion and analysis of Viera East Community Development District's (the "District") financial performance provides an objective and easily readable analysis of the District's financial activities. The analysis provides summary financial information for the District and should be read in conjunction with the District's financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District's basic financial statements comprise three components; 1) *Government-wide financial statements*, 2) *Fund financial statements*, and 3) *Notes to financial statements*. The *Government-wide financial statements* present an overall picture of the District's financial position and results of operations. The *Fund financial statements* present financial information for the District's major funds. The *Notes to financial statements* provide additional information concerning the District's finances.

The *Government-wide financial statements* are the **statement of net position** and the **statement of activities**. These statements use accounting methods similar to those used by private-sector companies. Emphasis is placed on the net position of governmental activities and business-type activities and the change in net position. Governmental activities are primarily supported by special assessments. Business-type activities are supported by charges to the users of those activities, such as golf course a service charges.

The **statement of net position** presents information on all assets and liabilities of the District, with the difference between assets and liabilities reported as net position. Net position is reported in three categories; 1) net investment in capital assets, 2) restricted and 3) unrestricted. Assets, liabilities, and net position are reported for all Governmental activities separate from the assets, liabilities, and net position of business-type activities.

The **statement of activities** presents information on all revenues and expenses of the District and the change in net position. Expenses are reported by major function and program revenues relating to those functions are reported, providing the net cost of all functions provided by the District. To assist in understanding the District's operations, expenses have been reported as governmental activities or business-type activities. Governmental activities financed by the District include general government, physical environment, culture/recreation, and debt service. Business-type activities financed by user charges include golf course services.

Fund financial statements present financial information for governmental funds and the enterprise fund. These statements provide financial information for the major funds of the District. Governmental fund financial statements provide information on the current assets and liabilities of the funds, changes in current financial resources (revenues and expenditures), and current available resources. The enterprise fund financial statements provide information on all assets and liabilities of the funds, changes in the economic resources (revenues and expenses), and total economic resources.

**Viera East Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2018**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Fund financial statements include a **balance sheet** and a **statement of revenues, expenditures and changes in fund balances** for all governmental funds. A **statement of revenues, expenditures, and changes in fund balances – budget and actual** is provided for the District's General Fund and Special Revenue Fund. For the enterprise fund, a **statement of fund net position**, a **statement of revenues, expenses, and changes in fund net position**; and a **statement of cash flows** are presented. *Fund financial statements* provide more detailed information about the District's activities. Individual funds are established by the District to track revenues that are restricted to certain uses or to comply with legal requirements.

The *government-wide financial statements* and the *fund financial statements* provide different pictures of the District. The *government-wide financial statements* provide an overall picture of the District's financial standing, split between Governmental Activities and Business-type Activities. These statements are comparable to private-sector companies and give a good understanding of the District's overall financial health and how the District paid for the various activities, or functions, provided by the District. All assets of the District, including land and improvements are reported in the **statement of net position**. All liabilities, including principal outstanding on bonds are included. The **statement of activities** includes depreciation on all long-lived assets of the District, but transactions between the different functions of the District have been eliminated in order to avoid "doubling up" the revenues and expenses. The *fund financial statements* provide a picture of the major funds of the District. In the case of governmental activities, outlays for long lived assets are reported as expenditures and long-term liabilities, such as general obligation bonds, are not included in the fund financial statements. To provide a link from the *fund financial statements* to the *government-wide financial statements*, a reconciliation is provided from the *fund financial statements* to the *government-wide financial statements*.

Notes to financial statements provide additional detail concerning the financial activities and financial balances of the District. Additional information about the accounting practices of the District, investments of the District, capital assets and long-term debt are some of the items included in the *notes to financial statements*.

Financial Highlights

The following are the highlights of financial activity for the year ended September 30, 2018:

- ◆ The District's total liabilities exceeded total assets and deferred outflows of resources by \$(7,463,639) (net position). Net investment in capital assets for Governmental Activities was \$(6,528,844). Net investment in capital assets for Business-type Activities was \$(1,961,010). Unrestricted net position for Governmental Activities was \$529,719 and for Business-type Activities was \$209,939. Restricted net position for Governmental Activities was \$269,365 and Business-type Activities was \$17,192.

**Viera East Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2018**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Highlights (Continued)

- ◆ Governmental activities revenues totaled \$3,309,589, while governmental activities expenses and transfers totaled \$1,860,921. Business-type Activities revenues and transfers totaled \$2,396,383 while Business-type Activities expenses totaled \$2,014,782.

Financial Analysis of the District

The following schedule provides a summary of the assets, liabilities and net position of the District and is presented by category for comparison purposes.

Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current assets	\$ 505,094	\$ 468,782	\$ 317,151	\$ 263,622	\$ 822,245	\$ 732,404
Restricted assets	497,975	483,820	368,833	374,867	866,808	858,687
Capital assets, net	1,940,545	2,145,259	1,253,560	1,251,717	3,194,105	3,396,976
Total Assets	<u>2,943,614</u>	<u>3,097,861</u>	<u>1,939,544</u>	<u>1,890,206</u>	<u>4,883,158</u>	<u>4,988,067</u>
Deferred outflows	90,213	112,766	187,085	215,141	277,298	327,907
Current liabilities	2,223,901	2,069,108	573,728	541,450	2,797,629	2,610,558
Non-current liabilities	6,539,686	8,319,947	3,286,780	3,679,377	9,826,466	11,999,324
Total Liabilities	<u>8,763,587</u>	<u>10,389,055</u>	<u>3,860,508</u>	<u>4,220,827</u>	<u>12,624,095</u>	<u>14,609,882</u>
Net Position						
Net investment in capital assets	(6,528,844)	(7,871,922)	(1,961,010)	(2,592,519)	(8,489,854)	(10,464,441)
Restricted	269,365	240,757	17,192	301,098	286,557	541,855
Unrestricted	529,719	452,737	209,939	175,941	739,658	628,678
Total Net Position	<u>\$ (5,729,760)</u>	<u>\$ (7,178,428)</u>	<u>\$ (1,733,879)</u>	<u>\$ (2,115,480)</u>	<u>\$ (7,463,639)</u>	<u>\$ (9,293,908)</u>

The increase in current liabilities for governmental activities is primarily the result of the increase in the current portion of long-term debt.

The decrease in non-current liabilities for governmental activities is primarily the result of principal payments made during the year.

**Viera East Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2018**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District (Continued)

The following schedule provides a summary of the changes in net position of the District and is presented by category for comparison purposes.

Change in Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
<u>Program Revenues</u>						
Charges for services	\$ 3,247,490	\$ 3,248,878	\$ 2,333,779	\$ 2,214,268	\$ 5,581,269	\$ 5,463,146
Grants and contributions	-	1,679	-	-	-	1,679
<u>General Revenues</u>						
Investment earnings	5,816	2,547	804	553	6,620	3,100
Miscellaneous	56,283	56,280	25,132	-	81,415	56,280
Total Revenues	3,309,589	3,309,384	2,359,715	2,214,821	5,669,304	5,524,205
<u>Expenses</u>						
General government	223,393	243,610	-	-	223,393	243,610
Physical environment	1,029,185	1,033,308	-	-	1,029,185	1,033,308
Interest on long-term debt	571,675	666,258	-	-	571,675	666,258
Golf course	-	-	2,014,782	1,928,967	2,014,782	1,928,967
Total Expenses	1,824,253	1,943,176	2,014,782	1,928,967	3,839,035	3,872,143
Transfers	(36,668)	(34,778)	36,668	34,778	-	-
Change in Net Position	1,448,668	1,331,430	381,601	320,632	1,830,269	1,652,062
Net Position - Beginning of Year	(7,178,428)	(8,509,858)	(2,115,480)	(2,436,112)	(9,293,908)	(10,945,970)
Net Position - End of Year	\$ (5,729,760)	\$ (7,178,428)	\$ (1,733,879)	\$ (2,115,480)	\$ (7,463,639)	\$ (9,293,908)

The increase in business-type activities charges for services is the result of increased use of the golf course.

The decrease in government activities interest on long-term debt is primarily related to the reduction in outstanding debt.

**Viera East Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2018**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Capital Assets Activity

The following schedule provides a summary of the District's capital assets as of September 30, 2018.

<u>Description</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Land	\$ -	\$ 872,830	\$ 872,830
Infrastructure	10,561,792	-	10,561,792
Improvements other than buildings	12,742	5,905,343	5,918,085
Recreational facilities	-	773,247	773,247
Equipment	266,629	1,420,743	1,687,372
Accumulated depreciation	<u>(8,900,618)</u>	<u>(7,718,603)</u>	<u>(16,619,221)</u>
 Total Capital Assets (Net)	 <u>\$ 1,940,545</u>	 <u>\$ 1,253,560</u>	 <u>\$ 3,194,105</u>

The governmental activities changes in capital assets in the current year include depreciation of \$363,394, and capital asset additions of equipment, \$158,680.

Business-type activities changes in the current year include depreciation of \$69,961, and capital asset additions of equipment, \$5,145, and recreational facilities of \$66,659.

General Fund Budgetary Highlights

The budget was exceeded by actual expenditures for the year because the capital additions from loan proceeds were not budgeted.

The budget was not amended for the year ended September 30, 2018.

**Viera East Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2018**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Debt Management

Governmental Activities debt includes the following:

In February 2006, the District issued \$15,000,000 Series 2006 Water Management Refunding Bonds. These bonds were issued to refund and retire the Water Management Refunding Bonds, Series 1996A and Water Management Bonds, Series 1996B. As of September 30, 2018, the balance outstanding was \$8,335,000.

In November 2017, the District entered into an equipment finance agreement to acquire a Rain Bird Pump Station. As of September 30, 2018, the balance outstanding was \$146,158.

Business-type Activities debt includes the following:

In March 2012, the District issued \$5,805,000 Series 2012 Special Assessment Revenue Refunding Bonds. These bonds were issued to refund and retire the Series 1996 Special Assessment Revenue Refunding Bonds. As of September 30, 2018, the balance outstanding was \$3,700,000.

Economic Factors and Next Year's Budget

Viera East Community Development District does not expect any economic factors to have any significant effect on the financial position or results of operations of the District in fiscal year 2019.

Request for Information

The financial report is designed to provide a general overview of Viera East Community Development District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Viera East Community Development District, GMS-CF, LLC, 9145 Narcoosee Road, Suite A206, Orlando, FL 32827.

Viera East Community Development District
STATEMENT OF NET POSITION
September 30, 2018

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets:			
Cash and equivalents	\$ 232,676	\$ 319,720	\$ 552,396
Investments	155,919	-	155,919
Accounts receivable, net	-	2,668	2,668
Inventory	-	85,765	85,765
Prepaid expenses	1,789	23,708	25,497
Internal balances	114,710	(114,710)	-
Total Current Assets	505,094	317,151	822,245
Non-Current Assets:			
Restricted assets:			
Investments	497,975	368,833	866,808
Capital assets not being depreciated:			
Land	-	872,830	872,830
Capital assets being depreciated:			
Infrastructure	10,561,792	-	10,561,792
Improvements other than buildings	12,742	5,905,343	5,918,085
Recreation facilities	-	773,247	773,247
Equipment	266,629	1,420,743	1,687,372
Less: Accumulated depreciation	(8,900,618)	(7,718,603)	(16,619,221)
Total Non-Current Assets	2,438,520	1,622,393	4,060,913
Total Assets	2,943,614	1,939,544	4,883,158
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on refunding	90,213	187,085	277,298
LIABILITIES			
Current Liabilities:			
Accounts payable and accrued expenses	94,505	47,284	141,789
Unearned revenues	-	57,451	57,451
Customer deposits, payable from restricted assets	-	2,477	2,477
Accrued interest	199,693	71,516	271,209
Bonds payable	1,910,000	395,000	2,305,000
Note payable	19,703	-	19,703
Total Current Liabilities	2,223,901	573,728	2,797,629
Non-Current Liabilities:			
Bonds payable, net	6,413,231	3,286,780	9,700,011
Note payable	126,455	-	126,455
Total Non-Current Liabilities	6,539,686	3,286,780	9,826,466
Total Liabilities	8,763,587	3,860,508	12,624,095
NET POSITION			
Net investment in capital assets	(6,528,844)	(1,961,010)	(8,489,854)
Restricted for debt service	269,365	17,192	286,557
Unrestricted	529,719	209,939	739,658
Total Net Position	\$ (5,729,760)	\$ (1,733,879)	\$ (7,463,639)

See accompanying notes to financial statements.

Viera East Community Development District
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2018

Functions/Programs	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Governmental Activities	Business-type Activities	Total
Governmental Activities					
General government	\$ (223,393)	\$ 207,097	\$ (16,296)	\$ -	\$ (16,296)
Physical environment	(1,029,185)	617,223	(411,962)	-	(411,962)
Interest on long-term debt	(571,675)	2,423,170	1,851,495	-	1,851,495
Total Governmental Activities	<u>(1,824,253)</u>	<u>3,247,490</u>	<u>1,423,237</u>	<u>-</u>	<u>1,423,237</u>
Business-type activities					
Golf course	<u>\$ (2,014,782)</u>	<u>\$ 2,333,779</u>	<u>-</u>	<u>318,997</u>	<u>318,997</u>
General revenues:					
Investment earnings			5,816	804	6,620
Miscellaneous revenues			56,283	25,132	81,415
Total General Revenues			<u>62,099</u>	<u>25,936</u>	<u>88,035</u>
Transfers			<u>(36,668)</u>	<u>36,668</u>	<u>-</u>
Change in Net Position			1,448,668	381,601	1,830,269
Net Position - October 1, 2017			<u>(7,178,428)</u>	<u>(2,115,480)</u>	<u>(9,293,908)</u>
Net Position - September 30, 2018			<u>\$ (5,729,760)</u>	<u>\$ (1,733,879)</u>	<u>\$ (7,463,639)</u>

See accompanying notes to financial statements.

**Viera East Community Development District
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2018**

ASSETS	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
Cash	\$ 232,676	\$ -	\$ 232,676
Investments	155,919	-	155,919
Due from other funds	154,996	-	154,996
Prepaid expenses	1,789	-	1,789
Restricted assets:			
Investments, at fair value	-	497,975	497,975
Total Assets	<u>\$ 545,380</u>	<u>\$ 497,975</u>	<u>\$ 1,043,355</u>
 LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued expenses	\$ 94,505	\$ -	\$ 94,505
Due to other funds	11,369	28,917	40,286
Total Liabilities	<u>105,874</u>	<u>28,917</u>	<u>134,791</u>
 FUND BALANCES			
Nonspendable-prepaid	1,789	-	1,789
Restricted for debt service	-	469,058	469,058
Assigned capital reserves	225,719	-	225,719
Unassigned	211,998	-	211,998
Total Fund Balances	<u>439,506</u>	<u>469,058</u>	<u>908,564</u>
Total Liabilities and Fund Balances	<u>\$ 545,380</u>	<u>\$ 497,975</u>	<u>\$ 1,043,355</u>

See accompanying notes to financial statements.

**Viera East Community Development District
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2018**

Total Governmental Fund Balances	\$	908,564
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets being depreciated, infrastructure (\$10,561,792), improvements other than buildings (\$12,742) and equipment (\$266,629), net of accumulated depreciation (\$8,900,618) used in governmental activities are not current financial resources and, therefore, are not reported at the fund level.		1,940,545
Long-term liabilities, including bonds payable, (\$8,335,000), net of bond discounts, net, (\$11,769) and note payable (\$146,158) are not due and payable in the current period and therefore, are not reported at the fund level.		(8,469,389)
Deferred outflows of resources are not current financial resources and therefore, are not reported at the fund level.		90,213
Accrued interest expense for long-term debt is not a current financial use and; therefore, is not reported at the fund level.		(199,693)
		(199,693)
Net Position of Governmental Activities	\$	(5,729,760)

See accompanying notes to financial statements.

Viera East Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2018

	General	Debt Service	Total Governmental Funds
Revenues:			
Special assessments	\$ 824,320	\$ 2,423,170	\$ 3,247,490
Miscellaneous revenues	56,283	-	56,283
Investment earnings	3,532	2,284	5,816
Total Revenues	<u>884,135</u>	<u>2,425,454</u>	<u>3,309,589</u>
Expenditures:			
Current			
General government	176,520	46,873	223,393
Physical environment	665,791	-	665,791
Capital outlay	158,680	-	158,680
Debt service			
Principal	12,522	1,810,000	1,822,522
Interest	5,865	583,338	589,203
Total Expenditures	<u>1,019,378</u>	<u>2,440,211</u>	<u>3,459,589</u>
Excess of revenues over/(under) expenditures	<u>(135,243)</u>	<u>(14,757)</u>	<u>(150,000)</u>
Other Financing Sources/(Uses)			
Loan proceeds	158,680	-	158,680
Transfers in	35,136	-	35,136
Transfers out	(71,804)	-	(71,804)
Total Other Financing Sources/(Uses)	<u>122,012</u>	<u>-</u>	<u>122,012</u>
Net Change in Fund Balances	(13,231)	(14,757)	(27,988)
Fund Balances - October 1, 2017	<u>452,737</u>	<u>483,815</u>	<u>936,552</u>
Fund Balances - September 30, 2018	<u>\$ 439,506</u>	<u>\$ 469,058</u>	<u>\$ 908,564</u>

See accompanying notes to financial statements.

**Viera East Community Development District
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2018**

Net Change in Fund Balances - Total Governmental Funds \$ (27,988)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation. This is the amount capital outlay (\$158,680) was exceeded by depreciation (\$(363,394)) in the current period. (204,714)

Proceeds from a note payable is recognized as an other financing source at the fund level, however, they increase non-current liabilities at the government wide level. (158,680)

Principal payments are reported as expenditures in the governmental funds, but are reported as reductions of liabilities in the Statement of Net Position. 1,822,522

Deferred outflows of resources for refunding debt is recognized as a component of interest on long-term debt in the Statement of Activites, but not in the governmental funds. This is the amount of interest in the current year. (22,553)

Amortization of bond discount reported in the Statement of Activities does not require the use of current financial resources and therefore, is not reported as an expenditure in governmental funds. (3,284)

In the Statement of Activities, interest is accrued on outstanding bonds; whereas in governmental funds, interest expenditures are reported when due. This is the change in accrued interest during the current period. 43,365

Change in Net Position of Governmental Activities \$ 1,448,668

See accompanying notes to financial statements.

**Viera East Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
GENERAL FUND**

For the Year Ended September 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Special assessments	\$ 808,156	\$ 808,156	\$ 824,320	\$ 16,164
Miscellaneous revenues	56,280	56,280	56,283	3
Investment earnings	350	350	3,532	3,182
Total Revenues	<u>864,786</u>	<u>864,786</u>	<u>884,135</u>	<u>19,349</u>
Expenditures				
Current				
General government	178,178	178,178	176,520	1,658
Physical environment	674,754	674,754	665,791	8,963
Capital outlay	125,000	125,000	158,680	(33,680)
Debt service				
Principal	-	-	12,522	(12,522)
Interest	-	-	5,865	(5,865)
Total Expenditures	<u>977,932</u>	<u>977,932</u>	<u>1,019,378</u>	<u>(41,446)</u>
Excess of revenues over/(under) expenditures	<u>(113,146)</u>	<u>(113,146)</u>	<u>(135,243)</u>	<u>(22,097)</u>
Other Financing Sources/(Uses)				
Loan proceeds	-	-	158,680	158,680
Transfers in	30,899	30,899	35,136	4,237
Transfers out	-	-	(71,804)	(71,804)
Total Other Financing Sources/(Uses)	<u>30,899</u>	<u>30,899</u>	<u>122,012</u>	<u>91,113</u>
Net Change in Fund Balances	(82,247)	(82,247)	(13,231)	69,016
Fund Balances - October 1, 2017	<u>82,247</u>	<u>82,247</u>	<u>452,737</u>	<u>370,490</u>
Fund Balances - September 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 439,506</u>	<u>\$ 439,506</u>

See accompanying notes to financial statements.

Viera East Community Development District
STATEMENT OF FUND NET POSITION - ENTERPRISE FUND
September 30, 2018

ASSETS

Current Assets

Cash and equivalents	\$ 319,720
Accounts receivable	564
Due from other funds	34,291
Due from other governments	2,104
Prepaid expenses	23,708
Inventories	85,765
Total Current Assets	466,152

Non-Current Assets

Restricted Assets

Investments	368,833
-------------	---------

Capital Assets

Land	872,830
Improvements other than buildings	5,905,343
Buildings	773,247
Equipment	1,420,743
Less: Accumulated depreciation	(7,718,603)

Total Non-Current Assets	1,622,393
--------------------------	-----------

Total Assets	2,088,545
--------------	-----------

DEFERRED OUTFLOWS OF RESOURCES

Deferred amount on refunding	187,085
------------------------------	---------

LIABILITIES

Current Liabilities

Accounts payable and accrued expenses	47,284
Due to other funds	149,001
Customer deposits payable from restricted assets	2,477
Unearned revenues	57,451
Accrued interest payable	71,516
Bonds payable	395,000

Total Current Liabilities	722,729
---------------------------	---------

Non-Current Liabilities

Bonds payable	3,286,780
---------------	-----------

Total Liabilities	4,009,509
-------------------	-----------

NET POSITION

Net investment in capital assets	(1,961,010)
----------------------------------	-------------

Restricted for debt service	17,192
-----------------------------	--------

Unrestricted	209,939
--------------	---------

Total Net Position	\$ (1,733,879)
--------------------	----------------

See accompanying notes to financial statements.

Viera East Community Development District
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION - ENTERPRISE FUND
For the Year Ended September 30, 2018

Operating Revenues:	
Charges for services	\$ 1,722,291
Miscellaneous revenues	25,132
Total Operating Revenues	<u>1,747,423</u>
Operating Expenses:	
Personal services	765,746
Contractual and professional services	287,452
Supplies and expenses	381,509
Repairs and maintenance	60,788
Utilities	67,294
Rent and lease expense	168,508
Depreciation	69,961
Total Operating Expenses	<u>1,801,258</u>
Operating Income/(Loss)	<u>(53,835)</u>
Nonoperating Revenues/(Expenses)	
Special assessments	611,488
Investment income	804
Interest expense	(213,524)
Total nonoperating revenues/(expenses)	<u>398,768</u>
Net Income before transfers	344,933
Transfers in	71,804
Transfers out	<u>(35,136)</u>
Change in net position	381,601
Net Position - October 1, 2017	<u>(2,115,480)</u>
Net Position - September 30, 2018	<u><u>\$ (1,733,879)</u></u>

See accompanying notes to financial statements.

Viera East Community Development District
STATEMENT OF CASH FLOWS - ENTERPRISE FUND
For the Year Ended September 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 1,728,231
Receipts from other sources	25,132
Payments to suppliers for goods and services	(795,629)
Payments to employees for services	(765,746)
Net Cash Provided by Operating Activities	<u>191,988</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers in	71,804
Transfers out	(35,136)
Net cash provided by noncapital financing activities	<u>36,668</u>
CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Special assessment proceeds	611,488
Acquisition and construction of capital assets	(71,804)
Interest payments on long-term debt	(185,318)
Principal payments on bonds payable	(380,000)
Net Cash Provided/(Used) by Investing Activities	<u>(25,634)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales of investments	1,131,957
Purchases of investments	(1,125,923)
Interest on cash and investments	804
Net cash provided by investing activities	<u>6,838</u>
Net increase in cash and cash equivalents	209,860
Cash and equivalents - October 1, 2017	<u>109,860</u>
Cash and equivalents - September 30, 2018	<u>\$ 319,720</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ (53,835)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	69,961
Increase in accounts receivable	(1,027)
Decrease in prepaid expenses	48,292
Increase in inventories	(10,723)
Decrease in due from other funds	44,618
Increase in accounts payable and accrued expenses	12,564
Increase in due to other funds	75,171
Decrease in customer deposits	(5,846)
Increase in unearned revenues	12,813
Net Cash Provided by Operating Activities	<u>\$ 191,988</u>

See accompanying notes to financial statements.

Viera East Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's more significant accounting policies are described below.

1. Reporting Entity

The District was established on April 16, 1991, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), as a Community Development District. The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of the infrastructure necessary for community development within its jurisdiction. The District is authorized to issue bonds for the purpose, among others, of financing, funding, planning, establishing, acquiring, constructing or re-constructing, enlarging or extending, equipping, operating and maintaining water management, bridges or culverts, district roads, landscaping, street lights and other basic infrastructure projects within or without the boundaries of the Viera East Community Development District. The District is governed by a five-member Board of Supervisors who are elected by qualified electors of the District for four year terms. The District operates within the criteria established by Chapter 190.

As required by GAAP, these financial statements present the Viera East Community Development District (the primary government) as a stand-alone government. The reporting entity for the District includes all functions of government in which the District's Board exercises oversight responsibility including, but not limited to, financial interdependency, selection of governing authority, designation of management, significant ability to influence operations and accountability for fiscal matters.

Based upon the application of the above-mentioned criteria as set forth by the Governmental Accounting Standards, the District has identified no component units.

2. Measurement Focus and Basis of Accounting

The basic financial statements of the District are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to financial statements

Viera East Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

a. Government-wide Financial Statements

Government-wide financial statements report all non-fiduciary information about the reporting government as a whole. These statements include separate columns for the governmental and business-type activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

Governmental activities, which normally are supported by special assessments and interest, are reported separately from business-type activities. Program revenues include charges for services and grants and contribution. Program revenues are netted with program expenses in the Statement of Activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as an other financing source.

Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

b. Fund Financial Statements

The underlying accounting system of the District is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental funds are presented after the government-wide financial statements. These statements display information about major funds individually.

Governmental Funds

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collected within the current period or soon 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.

Viera East Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds (Continued)

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Interest associated with the current fiscal period is considered to be an accrual item and so has been recognized as revenue of the current fiscal period.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of “available spendable resources”. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net position. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources are expended, rather than as fund assets. The proceeds of long-term debt are recorded as other financing source rather than as a fund liability.

Debt service expenditures are recorded only when payment is due.

The District classifies fund balance according to Governmental Accounting Standards Board Statement 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*. The Statement requires the fund balance for governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The District has various policies governing the fund balance classifications.

Nonspendable Fund Balance – This classification consists of amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

Restricted Fund Balance – This classification includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Assigned Fund Balance – This classification consists of the Board of Supervisors’ intent to be used for specific purposes, but are neither restricted nor committed. The assigned fund balances can also be assigned by the District’s management company.

Viera East Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds (Continued)

Unassigned Fund Balance – This classification is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. Unassigned fund balance is considered to be utilized first when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Fund Balance Spending Hierarchy – For all governmental funds except special revenue funds, when restricted, committed, assigned, and unassigned fund balances are combined in a fund, qualified expenditures are paid first from restricted or committed fund balance, as appropriate, then assigned and finally unassigned fund balances.

Enterprise Funds

In the fund financial statements, the enterprise fund is presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, enterprise funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Enterprise fund operating statements present increases (revenues) and decreases (expenses) in total net position. The District applies all GASB pronouncements as well as FASB Statements and Interpretations, APB Opinions and Accounting Research Bulletins, issued on or before November 30, 1989, which do not conflict with, or contradict, GASB pronouncements.

3. Basis of Presentation

a. Governmental Major Funds

General Fund – The 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 – The Debt Service Fund accounts for debt service requirements to retire the revenue and refunding bonds.

b. Enterprise Major Fund

Enterprise Fund – The Enterprise Fund accounts for the operations of the Golf Course, Pro Shop and Restaurant, which are funded by proceeds from operations of these facilities, including green fees, cart fees and member dues in the form of annual special assessments.

Viera East Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Basis of Presentation (Continued)

c. Non-current Governmental Assets/Liabilities

GASB Statement 34 requires that non-current governmental assets, such as land and buildings, and non-current governmental liabilities, such as general obligation bonds, be reported in the governmental activities column in the government-wide Statement of Net Position.

4. Assets, Liabilities, and Net Position or Equity

a. Cash and Investments

Florida Statutes require state and local governmental units to deposit monies with financial institutions classified as "Qualified Public Depositories," a multiple financial institution pool whereby groups of securities pledged by the various financial institutions provide common collateral from their deposits of public funds. This pool is provided as additional insurance to the federal depository insurance and allows for additional assessments against the member institutions, providing full insurance for public deposits.

The District is authorized to invest in those financial instruments as established by Section 218.415, Florida Statutes. The authorized investments consist of:

1. Direct obligations of the United States Treasury;
2. The Local Government Surplus Funds Trust or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperative Act of 1969;
3. Interest-bearing time deposits or savings accounts in authorized qualified public depositories;
4. Securities and Exchange Commission, registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less and held in a qualified public depository as defined by Chapter 280.02, Florida Statutes.

b. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported as "internal balances".

c. Inventories

Inventories are recorded at cost using the first in-first out basis and recognized as expenses as they are consumed.

Viera East Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Liabilities, and Net Position or Equity (Continued)

d. Restricted Assets

Certain assets of the District and a corresponding liability or portion of net position is classified as restricted assets on the statement of net position because their use is limited either by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors. In a fund with both restricted and unrestricted assets, qualified expenses are considered to be paid first from restricted net position and then from unrestricted net position.

e. Capital Assets

Capital assets, which include land, construction in progress, infrastructure, recreation facilities, and equipment, are reported in governmental activities.

The District defines capital assets as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of two years. The valuation basis for all assets is historical cost.

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

Depreciation of capital assets is computed and recorded by utilizing the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows:

Infrastructure	30 years
Improvements other than buildings	15 years
Recreational facilities	20 years
Equipment	3-7 years

f. Budgets

Budgets are prepared and adopted after public hearings for the governmental funds, pursuant to Chapter 190 Florida Statutes. The District utilizes the same basis of accounting for budgets as it does for revenues and expenditures in its various funds. Formal budgets are adopted for the general fund. The legal level of budgetary control is at the fund level. As a result, deficits in the budget columns of the accompanying financial statements may occur. All budgeted appropriations lapse at year end.

g. Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to future periods. The District reported a deferred amount on refunding on the Statement of Net Position. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

**Viera East Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Liabilities, and Net Position or Equity (Continued)

h. Unamortized Bond Discount

Bond discounts are presented on the government-wide financial statements. The costs are amortized over the life of the bonds. For financial reporting, the unamortized bond discount is netted against the applicable long-term debt.

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

“Total fund balances” of the District’s governmental funds (\$908,564) differs from “net position” of governmental activities (\$(5,729,760)) reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the Governmental Fund Balance Sheet. The effect of the differences is illustrated as follows:

Capital related items

When capital assets (improvements and infrastructure that are to be used in governmental activities) are purchased or constructed, the cost of those assets is reported as expenditures in governmental funds. However, the Statement of Net Position included those capital assets among the assets of the District as a whole.

Infrastructure		\$ 10,561,792
Improvements other than buildings		12,742
Equipment		266,629
Accumulated depreciation		<u>(8,900,618)</u>
Total		<u>\$ 1,940,545</u>

Long-term debt transactions

Long-term liabilities applicable to the District’s governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the Statement of Net Position. Balances at September 30, 2018 were:

Bonds payable		\$ (8,335,000)
Bond discount, net		11,769
Note payable		<u>(146,158)</u>
Total		<u>\$ (8,469,389)</u>

**Viera East Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018**

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

1. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position (Continued)

Deferred outflows of resources

Deferred outflows of resources applicable to the District's governmental activities are not financial resources and therefore, are not reported as fund deferred outflows of resources.

Deferred amount on refunding	\$ <u>90,213</u>
------------------------------	------------------

Accrued interest

Accrued liabilities in the Statement of Net Position differ from the amount reported in governmental funds due to the accrued interest on bonds.

Accrued interest	\$ <u>(\$199,693)</u>
------------------	-----------------------

2. Explanation of Differences Between the Governmental Fund Operating Statements and the Statement of Activities

The “net change in fund balances” for government funds (\$27,988) differs from the “change in net position” for governmental activities (\$1,448,668) reported in the Statement of Activities. The differences arise primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Capital related items

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the Statement of Activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation. As a result, fund balances decrease by the amount of financial resources expended, whereas net position decrease by the amount of depreciation charged for the year.

Capital outlay	\$ 158,680
Depreciation	(363,394)
Net Change	<u>\$ (204,714)</u>

**Viera East Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018**

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

2. Explanation of Differences Between the Governmental Fund Operating Statements and the Statement of Activities (Continued)

Long-term debt transactions

Repayments of bond principal are reported as an expenditure in the governmental funds and, thus, have the effect of reducing fund balance because current financial resources have been used.

Principal payments	\$ 1,822,522
Loan proceeds	(158,680)
Amortization of bond discount	<u>(3,284)</u>
Total	<u>\$ 1,660,558</u>

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

Net change in accrued interest payable	\$ 43,365
Decrease in deferred amount on refunding	<u>(22,553)</u>
Total	<u>\$ 20,812</u>

NOTE C – CASH AND INVESTMENTS

All deposits are held in qualified public depositories and are included on the accompanying balance sheet as cash and investments.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk, however, they follow the provisions of Chapter 280, Florida Statutes regarding deposits and investments. As of September 30, 2018, the District's bank balance was \$576,374 and the carrying value was \$552,396. Exposure to custodial credit risk was as follows. The District maintains all deposits in a qualified public depository in accordance with the provisions of Chapter 280, Florida Statutes, which means that all deposits are fully insured by Federal Depositors Insurance or collateralized under Chapter 280, Florida Statutes.

As of September 30, 2018, the District had the following investments and maturities:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
SBA Local Gov't Surplus Trust Fund		
Florida Prime	33 days *	\$ 155,919
US Bank Managed Money Mkt	N/A	<u>866,808</u>
Total		<u>\$ 1,022,727</u>

* Weighted Average Maturity

Viera East Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE C – CASH AND INVESTMENTS (CONTINUED)

The District categorizes its fair value measurements within the fair value hierarchy recently 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. The District uses a market approach in measuring fair value that uses prices and other relevant information generated by market transactions involving identical or similar assets, liabilities, or groups of assets and liabilities.

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

Based on the criteria in the preceding paragraph, the investment in US Bank Managed Money Mkt is a Level 1 asset.

Investments

The District's investment policy allows management to invest funds in investments permitted under Section 218.415, Florida Statutes.

Cash placed with the State Board of Administration represents the District's participation in the Local Government Surplus Trust Funds Investment Pool and is reported at fair value.

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The District's investments are limited by state statutory requirements and bond compliance. The District has no investment policy that would further limit its investment choices. As of September 30, 2018, the District's investment in SBA Local Government Surplus Trust Fund was rated AAAM by Standard & Poor's.

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one issuer. The investment in SBA Florida Prime represents 15% of the District's total investments. The remaining 85% is invested in US Bank Managed Money Market Accounts.

The types of deposits and investments and their level of risk exposure as of September 30, 2018 were typical of these items during the fiscal year then ended. The District considers any decline in fair value to be temporary.

Viera East Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE D – CAPITAL ASSETS

Capital Asset activity for the year ended September 30, 2018 was as follows:

	Balance October 1, 2017	Additions	Deletions	Balance September 30, 2018
<u>Governmental Activities:</u>				
Capital assets, being depreciated:				
Infrastructure	\$ 10,561,792	\$ -	\$ -	\$ 10,561,792
Improvements other than buildings	12,742	-	-	12,742
Equipment	107,949	158,680	-	266,629
Total Capital Assets, Being Depreciated	<u>10,682,483</u>	<u>158,680</u>	<u>-</u>	<u>10,841,163</u>
Less accumulated depreciation for:				
Infrastructure	(8,416,533)	(352,060)	-	(8,768,593)
Improvements other than buildings	(12,742)	-	-	(12,742)
Equipment	(107,949)	(11,334)	-	(119,283)
Total Accumulated Depreciation	<u>(8,537,224)</u>	<u>(363,394)</u>	<u>-</u>	<u>(8,900,618)</u>
Total Capital Assets Depreciated, Net	<u>\$ 2,145,259</u>	<u>\$ (204,714)</u>	<u>\$ -</u>	<u>\$ 1,940,545</u>

Depreciation was charged to physical environment, \$363,394.

	Balance October 1, 2017	Additions	Deletions	Balance September 30, 2018
<u>Business-type Activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 872,830	\$ -	\$ -	\$ 872,830
Capital assets, being depreciated:				
Improvements other than building	5,838,684	66,659	-	5,905,343
Recreation facilities	773,247	-	-	773,247
Equipment	1,415,598	5,145	-	1,420,743
Total Capital Assets, Being Depreciated	<u>8,027,529</u>	<u>71,804</u>	<u>-</u>	<u>8,099,333</u>
Less accumulated depreciation for:				
Improvements other than building	(5,560,127)	(28,917)	-	(5,589,044)
Recreation facilities	(773,247)	-	-	(773,247)
Equipment	(1,315,268)	(41,044)	-	(1,356,312)
Total accumulated depreciation	<u>(7,648,642)</u>	<u>(69,961)</u>	<u>-</u>	<u>(7,718,603)</u>
Total capital assets depreciated, net	<u>378,887</u>	<u>1,843</u>	<u>-</u>	<u>380,730</u>
Business-type Activities Capital Assets	<u>\$ 1,251,717</u>	<u>\$ 1,843</u>	<u>\$ -</u>	<u>\$ 1,253,560</u>

Depreciation was charged to the golf course, \$69,961.

**Viera East Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018**

NOTE E – LONG-TERM DEBT

The following is a summary of debt activity for the District for the year ended September 30, 2018.

	Balance October 1, 2017	Additions	Reductions	Balance September 30, 2018
<u>Governmental Activities</u>				
Water Management Refunding				
Bonds Series 2006	\$ 10,145,000	\$ -	\$ (1,810,000)	\$ 8,335,000
Notes Payable	-	158,680	(12,522)	146,158
Governmental Activities Long-term Debt	<u>\$ 10,145,000</u>	<u>\$ 158,680</u>	<u>\$ (1,822,522)</u>	<u>\$ 8,481,158</u>
<u>Business-type Activities</u>				
Special Assessment Revenue				
Refunding Bonds Series 2012	\$ 4,080,000	\$ -	\$ (380,000)	\$ 3,700,000

Long-term debt is comprised of the following:

Water Management Refunding Bonds

Governmental Activities:

\$15,000,000 Series 2006 Water Management Refunding Bonds due in annual principal installments beginning May 2015, maturing in May 2022. Interest at a rate of 5.75% is due May 1 and November 1 beginning May 2006. Current portion is \$1,910,000.

\$ 8,335,000

Bonds payable
Bond discount, net
Bonds Payable, Net

\$ 8,335,000
(11,769)
\$ 8,323,231

The District entered into an equipment finance agreement to acquire a Rain Bird Pump Station on November 15, 2017. The agreement requires 84 monthly payments of \$2,298. The first payment is due on the date the equipment is delivered and the remaining payments are due on the same day of each subsequent month. Current portion is \$19,703.

\$ 146,158

**Viera East Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018**

NOTE E – LONG-TERM DEBT (CONTINUED)

The annual requirements to amortize the principal and interest of bonded debt outstanding as of September 30, 2018 are as follows:

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 1,910,000	\$ 479,263	\$ 2,389,263
2020	2,020,000	369,438	2,389,438
2021	2,140,000	253,288	2,393,288
2022	2,265,000	130,238	2,395,238
Totals	<u>\$ 8,335,000</u>	<u>\$ 1,232,227</u>	<u>\$ 9,567,227</u>

Significant Bond Provisions

The Series 2006 Bonds were issued to currently refund and redeem the Water Management Refunding Bonds, Series 1996A and Water Management Bonds, Series 1996B. The District levies special assessments pursuant to Section 190.022, Florida Statutes and the assessment rolls are approved by resolutions of the District Board. The collections are to be strictly accounted for and applied to the debt service of the bond series for which they were levied. The District covenants to levy special assessments in annual amounts adequate to provide for payment of principal and interest on the bonds. Payment of principal and interest is dependent on the money available in the debt service fund and the District's ability to collect special assessments levied.

The Series 2006 Bonds are not subject to redemption at the option of the District prior to their maturity. The bonds are subject to extraordinary mandatory redemption prior to maturity, in whole on any date, or in part on an interest payment date, together with accrued interest to the redemption date if monies are available to retire the debt in accordance with the provisions of the indenture.

Depository Funds

The Bond Indenture establishes certain funds and determines the order in which revenues are to be deposited into these funds. A description of the significant funds, including their purposes, is as follows:

Reserve Fund – The Bond Indenture provides for a surety bond to be obtained in place of funding for the Debt Service Reserve Fund (the "Reserve Fund"). The Debt Service Reserve Fund Surety Bond constitutes a Debt Service Reserve Fund Insurance Policy under the Bond Indenture. The District has obtained the required bonding and is in compliance with the reserve requirement.

**Viera East Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018**

NOTE E – LONG-TERM DEBT (CONTINUED)

The annual requirements to amortize the principal and interest of notes payable outstanding as of September 30, 2018 are as follows:

<u>Year Ending September 30,</u>	Governmental Activities		
	Principal	Interest	Total
2019	\$ 19,703	\$ 7,878	\$ 27,581
2020	20,865	6,716	27,581
2021	22,095	5,486	27,581
2022	23,397	4,184	27,581
2023	24,776	2,805	27,581
2024-2025	35,322	1,454	36,776
Totals	\$ 146,158	\$ 28,523	\$ 174,681

Business-Type Activities:

Special Assessment Revenue Refunding Bonds

\$5,805,000 Series 2012 Special Assessment Revenue Refunding Bonds due in annual principal installments beginning May 2013, maturing in May 2026. Interest at various rates between 2.5% and 5.0% is due May 1 and November 1 beginning May 2012. Current portion is \$395,000.

	<u>\$ 3,700,000</u>
Bonds payable	\$ 3,700,000
Bond discount, net	(18,220)
Bonds Payable, Net	\$ 3,681,780

The annual requirements to amortize the principal and interest of bonded debt outstanding as of September 30, 2018 are as follows:

<u>Year Ending September 30,</u>	Business-type Activities		
	Principal	Interest	Total
2019	\$ 395,000	\$ 171,638	\$ 566,638
2020	410,000	156,825	566,825
2021	425,000	140,425	565,425
2022	445,000	121,831	566,831
2023	470,000	101,250	571,250
2024-2026	1,555,000	158,250	1,713,250
Totals	\$ 3,700,000	\$ 850,219	\$ 4,550,219

**Viera East Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018**

NOTE E – LONG-TERM DEBT (CONTINUED)

Significant Bond Provisions

The Series 2012 Bonds were issued to currently refund and redeem the Special Assessment Revenue Refunding Bonds, Series 1996. The District levies special assessments pursuant to Section 190.022, Florida Statutes and the assessment rolls are approved by resolutions of the District Board. The collections are to be strictly accounted for and applied to the debt service of the bond series for which they were levied. The District covenants to levy special assessments in annual amounts adequate to provide for payment of principal and interest on the bonds. Payment of principal and interest is dependent on the money available in the enterprise fund and the District's ability to collect special assessments levied.

The Series 2012 Bonds maturing prior to May 1, 2022 are not subject to redemption at the option of the District prior to their maturity. The bonds maturing on or after May 1, 2023 are subject to redemption prior to maturity at the option of the District at any time after May 1, 2022. The bonds are subject to mandatory redemption requirements in the manner outlined in the Bond Indenture.

Depository Funds

The bond resolution establishes certain funds and determines the order in which revenues are to be deposited into these funds. A description of the significant funds, including their purposes, is as follows:

Reserve Fund – The Series 2012 Special Assessment Revenue Refunding Bonds Reserve Account is funded from the proceeds of the Bonds in an amount equal to fifty percent of the Maximum Annual Debt Service Requirement. Monies held in the reserve accounts will be used only for the purpose established in the Bond Indenture.

The following is a schedule of required reserve deposits as of September 30, 2018:

	Reserve Balance	Reserve Requirement
Special Assessment Revenue Refunding Bonds Series 2012	\$ 280,490	\$ 280,125

**Viera East Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018**

NOTE F – OPERATING LEASES

The District leases golf carts and equipment under various operating lease agreements. The lease terms range from 48 to 84 months. During the year, golf cart and equipment lease payments totaled \$189,153. The future estimated minimum lease payments for years ending September 30, are as follows:

Year Ending September 30,	Future Minimum Lease Payments
2019	\$ 192,008
2020	181,616
2021	83,049
2022	40,421
2023	27,581
Thereafter	34,477
Total	\$ 559,152

NOTE G – SPECIAL ASSESSMENT REVENUES

Assessments are non-ad valorem assessments on benefitted property within the District. Operating and Maintenance Assessments are based upon adopted budget and levied annually at a public hearing of the District. Debt Service Assessments are levied when bonds are issued and collected annually. The District may collect assessments directly or utilize the uniform method of collection (Chapter 197.3632, Florida Statutes). Direct collected assessments are due as determined by annual assessment resolution adopted by the Board of Supervisors. Assessments collected under the uniform method are due and payable on November 1 or as soon as the assessment roll is certified and delivered to the Tax Collector. Per Section 197.162, Florida Statutes, discounts are allowed for early payment at the rate of 4% in November, 3% in December, 2% in January, and 1% in February. Taxes paid in March are without discount.

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

NOTE H – DEFICIT BALANCES

The enterprise fund had a deficit fund balance at September 30, 2018. It is anticipated that the deficit will be eliminated in subsequent years through additional revenues, including charges for services and special assessments.

**Viera East Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018**

NOTE I – INTERFUND BALANCES

Due To	Due From			Total
	General Fund	Debt Service Fund	Enterprise Fund	
General Fund	\$ -	\$ 5,995	\$ 149,001	\$ 154,996
Enterprise Fund	11,369	22,922	-	34,291
Total	\$ 11,369	\$ 28,917	\$ 149,001	\$ 189,287

Interfund balances are due to expenditures that are paid by one fund on behalf of another fund or allocated to multiple funds.

Transfers In	Transfers Out		
	General Fund	Enterprise Fund	Total
Enterprise Fund	\$ 71,804	\$ -	\$ 71,804
General Fund	-	35,136	35,136
Total	\$ 71,804	\$ 35,136	\$ 106,940

Transfer from the General Fund to the Enterprise fund was to transfer capital assets to the Golf Course. Transfer from the Enterprise Fund to the General Fund was to fund operations.

NOTE J – MANAGEMENT AGREEMENTS

The District has contracted with a management company to perform management services, which include financial and accounting services. Certain employees of the management company also serve as officers of the District.

NOTE K – RISK MANAGEMENT

The government is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance.

Viera East Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE L – OTHER INFORMATION

In August 2015, the District entered into a lease agreement for its restaurant facilities effective October 1, 2015. The original lease was for a three-year period terminating on September 30, 2018, with an option to extend for two one year periods. The base rent for the first year is set to zero. For year two to three, the tenant will pay 8% of gross sales, not including sales tax. If the lease is extended, the payment will increase to 10% of gross sales. The lease was amended in April 2016 to provide for a rent reduction of \$34,036 over the remaining term of the lease, and an additional lease year. The rent reduction term is the period in which the tenant will receive a temporary rent reduction based on a formula specified in the lease until the rent reduction amount is reduced to zero. During the rent reduction term, the tenant will pay 4% of gross sales, not including sales tax through September 30, 2018. If the lease is extended for one year, the payment will increase to 6% of gross sales. After the expiration of the rent reduction term, the percentage rent will return to 6% through September 30, 2018 and 10% for a subsequent year, if any. During the current fiscal year, the District extended the lease through September 30, 2019. During a prior fiscal year, in accordance with the terms of the lease, the District received \$2,000 from the tenant for use of equipment, and a security deposit of \$8,000. Rental revenues for the current fiscal year were \$9,813.



Berger, Toombs, Elam,
Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue
Suite 200
Fort Pierce, Florida 34950

772/461-6120 // 461-1155
FAX: 772/468-9278

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
Viera East Community Development District
Brevard County, FL

We have audited, in accordance with the 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 Viera East Community Development District, as of and for the year ended September 30, 2018, and the related notes to the financial statements, and have issued our report thereon dated May 1, 2019.

Internal Control Over Financial Reporting

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

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 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 that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Fort Pierce / Stuart

To the Board of Supervisors
Viera East Community Development District

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants
Fort Pierce, Florida

May 1, 2019



Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue
Suite 200
Fort Pierce, Florida 34950

772/461-6120 // 461-1155
FAX: 772/468-9278

MANAGEMENT LETTER

To the Board of Supervisors
Viera East Community Development District
Brevard County, Florida

Report on the Financial Statements

We have audited the financial statements of the Viera East Community Development District as of and for the year ended September 30, 2018, and have issued our report thereon dated May 1, 2019.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States; 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 Florida Auditor General.

Other Reporting Requirements

We have issued our 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* and our Independent Auditor's Report on an examination conducted in accordance with *AICPA Professionals 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 May 1, 2019, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Financial Condition and Management

Section 10.554(1)(i)5.a. 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 or not Viera East Community Development District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that Viera East Community Development District did not meet any of the conditions described in Section 218.503(1) Florida Statutes.

Fort Pierce / Stuart

To the Board of Supervisors
Viera East Community Development District

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 Viera East Community Development District. It is management's responsibility to monitor the Viera East Community Development District's financial condition; our financial condition assessment was based in part on the representations made by management and the review of the financial information provided by the same as of September 30, 2018.

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

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 warrants the attention of those charged with governance. In connection with our audit, we noted the following finding.

2018-01

Finding: The actual expenditures in the General Fund exceeded the budget which is a violation of Section 189.016, Florida Statutes.

Response: Management will review spending to ensure that expenditures do not exceed appropriations in the future.

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.

*Berger Toombs Elam
Gaines & Frank*

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

May 1, 2019



Berger, Toombs, Elam,
Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue
Suite 200
Fort Pierce, Florida 34950

772/461-6120 // 461-1155
FAX: 772/468-9278

**INDEPENDENT ACCOUNTANT'S REPORT/COMPLIANCE
WITH SECTION 218.415, FLORIDA STATUTES**

To the Board of Supervisors
Viera East Community Development District
Brevard County, FL

We have examined Viera East Community Development District's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2018. Management is responsible for Viera East Community Development District's compliance with those requirements. Our responsibility is to express an opinion on Viera East Community Development 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, accordingly, included examining, on a test basis, evidence about Viera East Community Development 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 Viera East Community Development District's compliance with the specified requirements.

In our opinion, Viera East Community Development District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2018.

*Berger Toombs Elam
Gaines + Frank*

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

May 1, 2019