

JPWard and Associates, LLC

**MIROMAR LAKES
COMMUNITY DEVELOPMENT DISTRICT
BOARD OF SUPERVISORS
AGENDA**

July 11, 2013

Board of Supervisor's

**Michael Hendershot, Chairman
Dr. David Herring, Vice Chairman
Burnett W. Donoho, Assistant Secretary
Alan Refkin, Assistant Secretary
Doug Ballinger, Assistant Secretary**

James P. Ward
District Manager
513 Northeast 13th Avenue
Fort Lauderdale, Florida 33301

Phone: 954-658-4900
E-mail: ward9490@comcast.net



**Prepared by:
JPWard and Associates, LLC
TOTAL Commitment to Excellence**

MIROMAR LAKES

COMMUNITY DEVELOPMENT DISTRICT

July 8, 2013

Board of Supervisors
Miromar Lakes
Community Development District

Dear Board Members:

The Regular Meeting of the Board of Supervisors of the Miromar Lakes Community Development District will be held on **Thursday, July 11, 2013, at 2:00 P.M.** at the **offices of Miromar Development, Inc., 10801 Corkscrew Road, Suite 305, Estero, Florida 33928.**

1. Call to Order & Roll Call
2. Consideration Request for Proposals from Auditing Firms to perform to perform the Audits for the District for the upcoming year ends of September 30, 2013 through September 30, 2017 (a five (5) year audit period.
3. Final Review of Proposed Fiscal Year 2014 Budget. (if required)
4. Staff Reports
 - a) Attorney
 - b) Development Manager
 - I. Status Report by Calvin, Giordiano & Associates (CGA) relative to the transition of the asset management services on October 1, 2013.
 - c) Engineer
 - d) Manager
 - I. Updated Board Agenda Schedule for balance of FY 2013.
 - II. Financial Statements for the period ending June 30, 2013
5. Supervisor's Requests and Audience Comments
6. Adjournment

The third order of business is consideration of the proposals from auditing firms to perform the audit's for the Districts for the ensuing five (5) year period. The proposals from the firms are attached along with the ranking form for the auditor's.



James P. Ward
District Manager

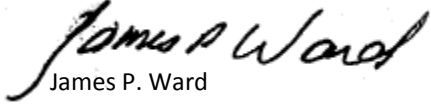
513 NORTHEAST 13TH AVENUE
FORT LAUDERDALE, FL 33301
PHONE (954) 658-4900
E-MAIL ward9490@comcast.net

The balance of the Agenda is standard in nature and I look forward to seeing you at the meeting, and if you have any questions and/or comments, please do not hesitate to contact me directly at (954) 658-4900.

Yours sincerely,

Miromar Lakes

Community Development District



James P. Ward
District Manager

Enclosures



James P. Ward
District Manager

513 NORTHEAST 13TH AVENUE
FORT LAUDERDALE, FL 33301

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Miromar Lakes Community Development District

Analysis of Auditor Proposals

Firm Names:

1. Mandatory Elements

a. The audit firm is independent and licensed to practice in Florida.

b. The firm has no conflict of interest with regard to any other work performed by the firm for the District.

c. The firm adheres to the instructions in the Request for Proposal on preparing and submitting the proposal.

d. The firm submitted a copy of its last external quality control review report and the firm has a record of quality audit work.

e. The firm provides information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years, as well as, an explanation of all pending litigation (including all accounts of Federal indictments)

Legend for Mandatory Elements:

Y = Meets Criteria

N = Does Not Meet Criteria

2. Technical Qualifications:

**Point
Range**

a. Expertise and Experience

(1)The firm's past experience and performance on comparable government engagements.

1-5

(2)The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.

1-5

(3)The firm provides information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years, as well as, an explanation of all pending litigation (including all accounts of Federal indictments)

1-5

b. Audit Approach

(1) Adequacy of proposed staffing plan for various segments of the engagement

1-5

(2) Adequacy of sampling techniques

1-5

(3) Adequacy of analytical procedures

1-5

Sub-Total: Technical

Weighting Factor

Total Points: Technical

0.6	0.6	0.6	0.6	0.6	0.6
_____	_____	_____	_____	_____	_____

3. Price:

1-5

Weighting Factor

Total Points: Price

0.4	0.4	0.4	0.4	0.4	0.4
_____	_____	_____	_____	_____	_____

Total Points: Technical/Price:

**MIROMAR LAKES
COMMUNITY DEVELOPMENT DISTRICT**

**REQUEST FOR PROPOSALS FOR
PROFESSIONAL AUDITING SERVICES**

June 14 , 2013

Prepared by:

***JPWard & Associates, LLC
513 Northeast 13th Avenue
Fort Lauderdale, Florida 33301***

***James P. Ward
District Manager***

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**MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT
(Hereinafter called "District")
REQUEST FOR PROPOSALS**

I. PROPOSAL REQUIREMENTS

A. Legal Notice

The Miromar Lakes Community Development District is requesting proposals from qualified firms of certified public accountants, licensed to practice in the State of Florida, to audit its financial statements for the fiscal year ending **September 30, 2013** and in the sole and absolute discretion of the District for each fiscal year thereafter through **September 30, 2017**.

There is no expressed or implied obligation for the District to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

Sealed technical and dollar cost proposals will be received by the District Manager's office until **11:00 a.m., on June 26, 2013, located at 513 Northeast 13th Avenue, Fort Lauderdale, Florida 33301**. Proposals received after this time will be returned unopened.

The Proposer shall submit a sealed and clearly marked envelope that includes both a pdf file along with seven (7) printed Technical and Dollar Cost Proposals to be marked as follows: **"Miromar Lakes Community Development District, Professional Auditing Services Proposal."**

The Technical and Dollar Cost Proposal will be opened in the Office of the District Manager at **11:00 a.m., on Wednesday, June 26, 2013**.

Proposals submitted will be evaluated by a five (5) member Auditor Selection Committee, ("Selection Committee"). The Audit Selection Committee consists of the five (5) members' of the Board of Supervisor's, who will review submissions.

The District reserves the right to retain all proposals submitted and to use, without compensation, any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the District of and the firm selected.

The District reserves the right to reject any or all proposals submitted or to retain all proposals submitted and to use without compensation any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of all of the conditions contained this Request for Proposal.

B. General Information

During the evaluation process, the Selection Committee and the District reserve the right, where it may serve the District best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. At the discretion of the District or the Selection Committee, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

It is anticipated the selection of a firm will be completed no later than June 30, 2013. Following the notification of the selected firm, it is expected a contract will be executed by the end of July, 2013.

C. Subcontracting

No subcontracting will be permitted. Any firm who submits a proposal, which contains any subcontracting work, shall be considered non-responsive and the District will not give any further consideration to the proposal.

D. Insurance Requirements

Worker's Compensation – Statutory Limits of Florida Statutes.

Commercial General Liability – Occurrence Form patterned after the current I.S.O. form with no limiting endorsements. Bodily Injury & Property Damage at \$1,000,000 single limit per occurrence

Automobile Liability - \$500,000 each Occurrence Owned/Non-owned/Hired Automobile Included.

The District, its agents and employee's must be named as "ADDITIONAL INSURED" on the insurance Certificate for Commercial General Liability.

Errors and Omissions - \$5,000,000 single limit per occurrence.

Proposer warrants that it is willing and able to obtain insurance coverage, throughout the entire term of the contract and any renewals thereof.

II. NATURE OF SERVICES REQUIRED

A. Scope of Work to be Performed

The District desires the auditor to express an opinion on the fair presentation of its general-purpose financial statements in conformity with generally accepted accounting principles.

The District also desires the auditor to express an opinion on the fair presentation of its combining and individual fund financial statements and schedules in conformity with generally accepted accounting principles.

The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

B. Auditing Standards to be followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with the following standards:

- 1) Generally accepting auditing standards as set forth by the American Institute of Certified Public Accountants.
- 2) The standards for financial audits set forth in the most current applicable U.S. General Accounting Office's (GAO) Government Auditing Standards.
- 3) The most current applicable provisions of the Federal Single Audit Act of 1984 (as amended).
- 4) The most current applicable provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, Audits of State and Local Governments.
- 5) The most current applicable Codification of Governmental Accounting and Financial Reporting Standards as promulgated by the Governmental Accounting Standards Board The most current applicable Statements on Auditing Standards issued by the American Institute of Certified Public Accountants.
- 6) The most current applicable Government Auditing Standards published by the Comptroller General of the United States.
- 7) The most current applicable Audit and Accounting Guide-Audits of State and Local Governmental Units, published by the American Institute of Certified Public Accountants.
- 8) The most current applicable Statements and interpretations issued by the Financial Accounting Standards Board.
- 9) Applicable Florida Statutes.
- 10) Regulations of the State of Florida Department of Financial Services
- 11) Rules of the Auditor General, State of Florida, Chapter 10-550 (Local Government Audits)
- 12) Any other applicable federal, state, local regulations or professional guidance not specifically listed above as well as any additional requirements which may be adopted by these organizations in the future.

C. Reports to be Issued

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
2. A report on compliance and 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.
3. A Management Letter Report.

In the required report(s) on compliance and internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions that are also material weaknesses shall be identified as such in the report. No reportable conditions discovered by the auditors shall be reported to management.

The report on compliance and internal controls shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall be reported in a separate management letter, which shall be referred to in the report on compliance and internal controls.

Irregularities and illegal acts. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware of, to the Board of Supervisor's, the District Manager and a copy to the District Attorney.

D. Special Considerations

1. The District currently, may prepare one or more official statements in connection with the sale of debt securities, which will contain the general-purpose financial statements and the auditor's report thereon. The auditor shall be required, if requested by the financial advisor and/or the underwriter, to issue a "consent and citation of expertise" as the auditor and any necessary "comfort letters."
2. The District retains the right to use any audited financials statements in any Official Statement issued by the District without the express consent of the Auditor.

E. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years, unless the firm is notified in writing by the District of the need to extend the retention period.

THE AUDITOR SHALL PROVIDE A COMPLETE ELECTRONIC COPY OF THE WORKING PAPERS TO THE DISTRICT MANAGER AT THE COMPLETION OF THE AUDIT, PRIOR TO THE FINAL PAYMENT OF THE AUDITING FEES, BY THE DISTRICT.

The electronic copy shall be in Microsoft Word or Excel.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

III. DESCRIPTION OF THE GOVERNMENT

A. Name and Telephone Number of Contact Persons/Location of Offices

The auditor's principal contact with the District will be James P. Ward, District Manager or a designated representative, who will coordinate the assistance to be provided by the District to the auditor.

B. A copy of the District's Budget for the audit period and the Audited Financial Statements for the prior Fiscal Year is available by contacting the District Manager.

C. Budgetary Basis of Accounting

The District prepares its budgets on a basis consistent with generally accepted accounting principles.

D. Pension Plans - NONE

E. Blended Component Units - NONE

The District is defined, for financial reporting purposes, in conformity with the Governmental Accounting Standards Board's *Codification of Governmental Accounting and Financial Reporting Standards*, Section 2100. Using these criteria, there are no blended component units included in the District financial statements.

F. Joint Ventures - NONE

IV. TIME REQUIREMENTS

A. Date Audit May Commence

The District will have all records ready for audit for Fiscal Year 2013 by October 15, 2013 and for each fiscal year thereafter by October 15th.

B. Schedule for each Fiscal Year Audit

Each of the following should be completed by the auditor, no later than the dates indicated.

1. Fieldwork

The auditor shall complete all fieldwork by November 30th of each year.

2. Draft Reports

The auditor shall have drafts of the audit report[s] and recommendations to management available for review by December of each year.

C. Date Final Report is Due - 1 business day from Management Approval

The Auditor shall prepare draft financial statements, notes and all required supplementary information.

The final report should be delivered to the District Manager at 513 N.E. 13th Avenue, Fort Lauderdale, Florida 33301.

V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

A. The District staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of District and provided to the auditor to transmit. In addition any required hours of clerical support will be made available to the auditor for the preparation of routine letters and memoranda.

B. Information Solutions (IS) Assistance

The District Manager also be available to provide systems documentation and explanations. The auditor will be provided computer time and limited read only access to the use of the District computer hardware and software.

C. Statements and Schedules to be Prepared by the District.

Statement or Schedule

Bank Confirmations
Construction in Progress
GFA Roll Forward
Contract/Retainage Payable
Accounts Payable
Accounts Receivable
Investments/Accrued Interest Receivable
Operating Transfers
Equity Accounts Detail
Bond Reserve Requirements
Amortization/Depreciation Schedules
Interest Expense
Debt Amortization Schedules

D. Auditor Work Location

All work must be handled at the office of the Auditor and the District will provide all files to the Auditor electronically and the Auditor will be provided limited read only access to the District's electronic system.

E. Report Preparation

Report preparation and editing shall be the responsibility of the auditor and the Auditor shall deliver 1 printed original of the Audited Financial Statements and one (1) electronic file in word and one (1) electronic file in pdf format.

VI. PROPOSAL REQUIREMENTS

A. Technical and Dollar Cost Proposal

1. General Requirements

The purpose of the Technical and Dollar Cost Proposal is to demonstrate the qualifications, competence and capability of the firms seeking to undertake an independent audit of the District in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The Technical and Dollar Cost Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposals requirements.

The Technical and Dollar Cost Proposal should address all the points outlined in the request for proposal The Proposal should be prepared simply and

economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals.

While additional data may be presented, the following subjects, items Nos. 2 through 10, must be included. They represent the criteria against which the proposal will be evaluated.

2. Independence

The firm should provide an affirmative statement that is independent of the District as defined by generally accepted auditing standards/the most current applicable U.S. General Accounting Office's *Government Auditing Standards*.

The firm also should provide an affirmative statement that it is independent of all of the component units of the District as defined by those same standards.

The firm should also list and describe the firm's professional relationships involving the District for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

In addition, the firm shall give the District written notice of any professional relationships entered into during the period of this agreement.

3. License to Practice in Florida

An affirmative statement should be included that the firm and all assigned key professional staff are properly registered/licensed to practice in the State of Florida.

4. Firm Qualifications and Experience

The proposer should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations, as well as,

an explanation of all pending litigation against governmental entities, including all accounts of Federal indictments for any civil or criminal matters for which the firm has been charged. The firm shall also provide information as to any and all litigation or arbitration in Florida within the last three (3) years, in which the firm is or was a Defendant.

5. Partner, Supervisory and Staff Qualifications and Experience

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether each such person is registered or licensed to practice as a certified public accountant in Florida. Provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. Indicate how the quality of staff over the term of the agreement will be assured.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the District. However, in either case, the District retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for proposal can only be changed with the express prior written permission of the District, which retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

6. Prior Engagements with the District

List separately all engagements within the last five years, ranked on the basis of total staff hours, by type of engagement (i.e., audit, management advisory services, other). Indicate the scope of work, date, engagement partners, total hours, the location of the firm's office from which the engagement was performed, and the name and telephone number of the principal client contact.

7. Similar Engagements With Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements performed in the last five years that are similar to the engagement described in this request for proposal. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

8. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this request for proposal. In developing the work plan, reference should be made to such sources of information as District's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.

Proposers will be required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement
- c. Sample size and the extent to which statistical sampling is to be used in the engagement
- d. Extent of use of EDP software in the engagement
- e. Type and extent of analytical procedures to be used in the engagement
- f. Approach to be taken to gain and document an understanding of the District's internal control structure
- g. Approach to be taken in determining laws and regulations that will be subject to audit test work
- h. Approach to be taken in drawing audit samples for purposes of tests of compliance

9. Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the District .

10. Report Format

The proposal should include sample formats for required reports.

B. Dollar Cost Proposal

1. Total All-Inclusive Maximum Price

The sealed dollar cost proposal should contain all pricing information relative to performing the audit engagement as described in this request for proposal. The total all-inclusive maximum price to be proposal is to contain all direct and indirect costs including all out-of-pocket expenses.

The District will not be responsible for expenses incurred in preparing and submitting the technical proposal or the sealed dollar cost proposal. Such costs should not be included in the proposal.

The first page of the dollar cost proposal should include the following information:

- a. Name of Firm
- b. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the proposal, and authorized to sign a contract with the District .
- c. A Total All-Inclusive Maximum Price for the Audited Financial Statements for each Fiscal Year.

3. Out-of-pocket Expenses must be included in the Total All-inclusive Maximum Price and Reimbursement Rates

Out-of-pocket expenses for firm personnel (e.g., travel, lodging and subsistence) will be reimbursed at the rates in Florida Statutes.

5. Manner of Payment

Progress payments will be made in accordance with the Florida Prompt Payment Act.

VII. EVALUATION PROCEDURES

A. Review of Proposals

The SELECTION COMMITTEE will evaluate and rank the proposals. Each member of the SELECTION COMMITTEE will evaluate and rank each technical proposal by each of the criteria described in Section VII B below.

After the rankings for the firms have been established, the sealed dollar cost proposal will be opened and will be utilized for the ranking of the firms.

B. Evaluation Criteria

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals ranked for both technical qualifications. The following represent the principal selection criteria, which will be considered during the evaluation process.

1. Mandatory Elements

- a. The audit firm is independent and licensed to practice in Florida
- b. The firm has no conflict of interest with regard to any other work performed by the firm for the District
- c. The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal
- d. The firm submits a copy of its last external quality control review report and the firm has a record of quality audit work

2. Technical Qualifications:

a. Expertise and Experience

- (1) The firm's past experience and performance on comparable government engagements.
- (2) The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.
- (3) The firm provides information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the firm provides information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years, with

state regulatory bodies or professional organizations, as well as, an explanation of all pending litigation against governmental entities, including all accounts of Federal indictments for any civil or criminal matters for which the firm has been charged. The firm also provides information as to any and all litigation or arbitration in Florida within the last three (3) years, in which the firm is or was a Defendant.

b. Audit Approach

- (1) Adequacy of proposed staffing plan for various segments of the engagement
- (2) Adequacy of sampling techniques
- (3) Adequacy of analytical procedures

Proposals shall be ranked on the basis of their Technical Qualifications by each member of the SELECTION COMMITTEE who will assign each of the top five proposals a number of one (1) through five (5), with one (1) signifying the highest rated proposal and five (5) signifying the lowest rated proposal. The rankings given to each proposal will be averaged and multiplied by a factor of 0.60 to arrive at each proposal's weighted score for this criterion.

3. Price:

Proposals shall be ranked on the basis of their price by the SELECTION COMMITTEE who will assign each of the top five proposals a number of one (1) through five (5), with one (1) signifying the lowest price and five (5) signifying the highest price. The ranking given to each proposal will multiplied by a factor of 0.40 to arrive at each proposal's weighted score for this criterion.

Upon reconciliation of the weighted scores defined above, the proposal with the lowest average ranking score will be ranked one (1), the proposal with the second lowest average ranking score will be ranked two (2), and so on until all proposals are scored and ranked. The proposal ranked one (1), in the ranking form provided in the attachment (Appendix C), will be recommended by the SELECTION COMMITTEE to the District for award of the contract.

C. Oral Presentations

During the evaluation process, the SELECTION COMMITTEE may, at its discretion, request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the SELECTION COMMITTEE may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

D. Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the District and the firm selected. The District reserves the right to reject any or all proposals.

APPENDIX A

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

AUDITED FINANCIAL STATEMENTS

Fee shall include all services, including but not limited to Out-of Pocket expenses, meals and lodging, transportation, printing and binding, telephone, fax, copies.

Fiscal Year 2013	_____
Fiscal Year 2014	_____
Fiscal Year 2015	_____
Fiscal Year 2016	_____
Fiscal Year 2017	_____
TOTAL ALL YEARS	_____

APPENDIX B

AUDITOR RANKING FORM

INCLUDED AT END OF RFP

APPENDIX C

Agreement for Auditing Services

**AGREEMENT
BETWEEN THE
MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT
AND

FOR
PROFESSIONAL AUDITING SERVICES**

This Agreement, is made and entered into the ___ day of _____, 2013 by and between the Miromar Lakes Community Development District , a Florida municipal corporation, ("DISTRICT"), and _____ ("AUDITOR") for the audit of the DISTRICT'S financial statements for the fiscal year ending September 30, 2011 and for each fiscal year thereafter through September 30, 2015.

WITNESSETH:

WHEREAS, the DISTRICT and Section 218.39, Florida Statutes, require that the DISTRICT shall provide annually for an audit of the financial statements of the DISTRICT; and

WHEREAS, the DISTRICT, undertook a selection process in seeking a firm to perform the required financial audit; and

WHEREAS, proposals were evaluated and ranked by an Auditor Selection Committee; and

WHEREAS, the District has selected the AUDITOR upon the recommendation of the Auditor Selection Committee to audit the DISTRICT'S financial statements for the Fiscal Year ending September 2004 and for each fiscal year thereafter through September 30, 2009, provided that the District Manager renews this Agreement for each subsequent fiscal year; and

WHEREAS, DISTRICT and AUDITOR desire to enter into an Agreement whereby the duties and obligations each to the other are set forth.

IN CONSIDERATION OF THE MUTUAL COVENANTS AND CONDITIONS HEREIN EXPRESSED AND THE FAITHFUL PERFORMANCE OF ALL SUCH COVENANTS AND CONDITIONS, THE PARTIES AGREE AS FOLLOWS:

SECTION 1. SCOPE OF AUDIT

1.1 The audit must meet the requirements identified in the Request for Proposals for Professional Auditing Services dated _____, ("RFP") is attached hereto and made a part hereof, as Exhibit "A," and the AUDITOR'S Technical Proposal and the Sealed Dollar Cost Proposal are attached hereto and made a part hereof as Exhibit "B." AUDITOR shall perform the scope of work, issue reports, comply with the Special Considerations and follow the auditing standards, as described in Exhibit "A," Section II, Nature of Services Required.

1.2 AUDITOR shall be required to make an immediate written report of all irregularities and illegal acts or indications of illegal acts of which they become aware of, to the District Manager and the District Attorney.

1.3 AUDITOR agrees that certain books and records may be made available prior to the time when others may be made available, and certain funds may be audited and such audit for those funds completed prior to the time that other funds are so audited and completed. It is contemplated that those funds audited separately and reported separately will be completed and the audit report furnished as soon as possible. In any event, the final audit report shall be furnished to the DISTRICT no later than January 31st of each fiscal year. The DISTRICT agrees that all records, documentation, and information requested in connection with the audit will be made available, that all material information will be disclosed, and that the AUDITOR will have the full cooperation of the DISTRICT and the District's agents. As required by generally accepted auditing standards, the AUDITOR will make specific inquiries of the DISTRICT about the representations embodied in the financial statements, the effectiveness of the internal control structure, the DISTRICT'S compliance with certain laws and regulations, and obtain a representation letter from the DISTRICT about these matters. The responses to the AUDITOR'S inquiries, the written representations and the results of audit tests comprise the evidential matter that will be relied upon in forming an opinion on the financial statements.

1.4 AUDITOR agrees and acknowledges that AUDITOR is prohibited from exempting provisions in the RFP or in this Agreement in any of AUDITOR'S reports prepared pursuant to this Agreement.

1.5 AUDITOR agrees and acknowledges that District Attorney shall review and approve of the litigation section of the Audited Financial Statements prior to its publication.

1.6 AUDITOR agrees and acknowledges that upon execution of this Agreement, AUDITOR shall provide in writing, to the District Manager, AUDITOR'S contact person, who shall be responsible for the DISTRICT'S audit.

SECTION 2. TERM

2.1 The term of this Agreement shall begin on the date it is fully executed by both parties and shall extend to the completion and delivery to the DISTRICT of the audited financial statements for the Fiscal Year ending September 30, 2015, subject to the termination provisions contained herein.

2.2 The DISTRICT'S fiscal year is from October 1 through September 30. The audit field work should be substantially completed no later than November 30th of each fiscal year and the financial statements and the final signed report delivered to the DISTRICT by January 15th of each fiscal year. Time shall be deemed to be of the essence in performing the duties obligations and responsibilities required by this Agreement, however these dates may be changed each year by the District and AUDITOR. AUDITOR shall comply with all dates as described in Exhibit "A" and with the time schedules for subsequent audit years.

SECTION 3. COMPENSATION

3.1 DISTRICT agrees to pay AUDITOR, the agreed to amount, as set forth in Exhibits "A", which amount shall be accepted by AUDITOR as full compensation for all such work, which shall include provisions for out-of-pocket expenses. It is acknowledged and agreed by AUDITOR that these amounts are the maximum payable and constitute a limitation upon DISTRICT'S obligation to compensate AUDITOR for its services related to this Agreement. This maximum amount, however, does not constitute a limitation of any sort, upon AUDITOR'S obligation to perform all items of work required by or which can be reasonably inferred from the Scope of Services.

3.2. AUDITOR may submit an invoice for compensation, developed and agreed upon by the District Manager and AUDITOR, no more often than on a monthly basis, but only after the services for which the invoices are submitted have been completed. An original invoice plus one copy are due within fifteen (15) days of the end of the month except the final invoice which must be received no later than sixty (60) days after this Agreement expires. Invoices shall designate the nature of the services performed and shall also show a summary of fees and expenses with accrual of the total and credits for portions paid previously, and shall allocate the billing costs to the appropriate fund or combination of funds. Each statement shall show the proportion of the guaranteed maximum payment that has been expended through previous billings.

3.3. DISTRICT shall pay AUDITOR within thirty (30) calendar days of receipt of AUDITOR'S proper statement. To be deemed proper, all invoices must comply with the requirements set forth in this Agreement and must be submitted on the form and pursuant to instructions prescribed by the District Manager. AUDITOR shall provide a complete copy of the working papers to DISTRICT at the completion of the audit, prior to the final payment of the auditing fees by the DISTRICT. DISTRICT shall withhold ten percent (10%) from each billing pending delivery of the AUDITOR'S final reports. Additionally, payment may be withheld by the District Manager, for failure of AUDITOR to comply with a term, condition or requirement of this Agreement.

3.4 Notwithstanding any provision of this Agreement to the contrary, District Manager, may withhold, in whole or in part, payment (in addition to the ten percent (10%) described above) to the extent necessary to protect itself from loss on account of inadequate or defective work which has not been remedied or resolved in a manner satisfactory to District Manager. The amount withheld shall not be subject to payment of interest by DISTRICT.

3.5 Payment shall be made to AUDITOR at:

3.6 AUDITOR agrees to keep such records and accounts as may be necessary in order to record complete and correct entries as to personnel hours charged and any expenses for which AUDITOR receives reimbursement for a period of at least three years after completion of the work provided for in this Agreement. Such books and records shall be available at all reasonable times for examination and audit by DISTRICT.

3.7 If it should become necessary for DISTRICT to request AUDITOR to render any additional services to either supplement the services described in the RFP or to perform additional work as a result of the specific recommendations included in any report issued pursuant to this Agreement, such additional work shall be performed only if set forth in an addendum to this Agreement. Any such additional work agreed to by both parties shall be performed at the same rate in the schedule of fees and expenses included in the sealed dollar cost bid, or if in subsequent fiscal years, at the agreed upon schedule.

SECTION 4. TERMINATION

4.1 This Agreement may be terminated by the District for any reason upon not less than ten (10) days written notice to Auditor in accordance with the Notices section of this Agreement.

4.4 In the event this Agreement is terminated, AUDITOR shall be paid for any services performed to the date the Agreement is terminated; however, upon being notified of DISTRICT'S election to terminate, AUDITOR shall refrain from performing further services or incurring additional expenses under the terms of this Agreement. AUDITOR acknowledges and agrees that Ten Dollars (\$10.00) of the compensation to be paid by DISTRICT, the adequacy of which is hereby acknowledged by AUDITOR, is given as specific consideration to AUDITOR for DISTRICT'S right to terminate this Agreement for convenience.

4.5 In the event this Agreement is terminated, any compensation payable by DISTRICT shall be withheld until all documents are provided to DISTRICT pursuant to Section 7.2 of this Agreement.

SECTION 5. INDEMNIFICATION

AUDITOR shall at all times hereafter indemnify, hold harmless and, at District's option, pay for an attorney selected by the District, after consultation with AUDITOR, to defend DISTRICT, its officers, agents servants, and employees against any and all claims, losses, liabilities, and expenditures of any kind, including attorney fees, court costs, and expenses, caused by negligent act or omission of AUDITOR, its employees, agents, servants, or officers, or accruing, resulting from, or related to the subject matter of this Agreement including, without limitation, any and all claims, demands or causes of action of any nature whatsoever resulting from injuries or damages sustained by any person or property. The provisions of this section shall survive the expiration or earlier termination of this Agreement. To the extent considered necessary by the District Manager and the District Attorney, any sums due AUDITOR under this Agreement may be retained by DISTRICT until all of DISTRICT'S claims for indemnification pursuant to this Agreement have been settled or otherwise resolved; and any amount withheld shall not be subject to payment of interest by DISTRICT.

SECTION 6. INSURANCE

6.1 In order to insure the indemnification obligation contained above, AUDITOR shall, as a minimum, provide, pay for, and maintain in force at all times during the term of this Agreement, the

insurance coverages and any renewals thereof, as required by the Request for Qualifications.

6.2 AUDITOR shall furnish to the District Manager, Certificates of Insurance or endorsements evidencing the insurance coverages specified by the DISTRICT, and DISTRICT shall approve such certificates prior to beginning performance of work under this Agreement.

6.3 Coverage is not to cease and is to remain in force (subject to cancellation notice) until all performance required of AUDITOR is completed. All policies must be endorsed to provide DISTRICT with at least thirty (30) days' notice of cancellation and/or material changes. If any of the insurance coverages will expire prior to the completion of the work, copies of renewal policies shall be furnished at least thirty (30) days prior to the date of their expiration.

SECTION 7. MISCELLANEOUS

7.1 Copies of Report. AUDITOR agrees to furnish DISTRICT with copies of the Audited Financial Statements identified in the Request for Proposals.

7.2 Ownership Of Documents. Unless otherwise provided by law, any and all reports, surveys, and other data and documents provided or created in connection with this Agreement are and shall remain the property of DISTRICT. In the event of termination of this Agreement, any reports photographs surveys and other data and documents prepared by AUDITOR, whether finished or unfinished, shall become the property of DISTRICT and shall be delivered by AUDITOR to the District Manager within seven (7) days of termination of this Agreement by either party. Any compensation due to AUDITOR shall be withheld until all documents are received as provided herein.

7.3 Audit And Inspection Rights And Retention Of Records. DISTRICT shall have the right to audit the books, records and accounts of AUDITOR that are related to this Project. AUDITOR shall keep such books, records, and accounts as may be necessary in order to record complete and correct entries related to the Project.

AUDITOR shall preserve and make available, at reasonable times for examination and audit by DISTRICT, all financial records, supporting documents, statistical records, and any other documents pertinent to this Agreement for the required retention period of the Florida Public Records Act (Chapter 119, Fla. Stat.), if applicable, or, if the Florida Public Records Act is not applicable, for a minimum period of three (3) years after termination of this Agreement, unless AUDITOR is notified in writing by DISTRICT of the need to extend the retention period. Such retention of such records and documents shall be at AUDITOR'S expense. If any audit has been initiated and audit findings have not been resolved at the end of the retention period or three (3) years, whichever is longer, the books, records, and accounts shall be retained until resolution of the audit findings. If the Florida Public Records Act is determined by DISTRICT to be applicable to AUDITOR'S records, AUDITOR shall comply with all requirements thereof; however, no confidentiality or non-disclosure requirement of either federal or state law shall be violated by AUDITOR. Any incomplete or incorrect entry in such books, records, and accounts shall be a basis for DISTRICT'S disallowance and recovery of any payment upon such entry.

In addition, AUDITOR shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

In addition, AUDITOR shall provide a complete copy of all working papers to the DISTRICT, prior to final payment by the DISTRICT, in accordance with the RFP for AUDITOR services.

AUDITOR shall affirmatively comply with all applicable provisions of federal, state and local equal employment laws and shall not engage in or commit any discriminatory practice against any person based on race, age, religion, color, gender, sexual orientation, national origin, marital status, physical or mental disability, political affiliation or any other factor which cannot be lawfully used as a basis for service delivery.

7.4 Policy Of Non-Discrimination. AUDITOR shall not discriminate against any person in its operations, activities or delivery of services under this Agreement.

AUDITOR shall affirmatively comply with all applicable provisions of federal, state and local equal employment laws.

7.5 Public Entity Crime Act. AUDITOR represents that the execution of this Agreement will not violate the Public Entity Crime Act (Section 287.133, Florida Statutes), which essentially provides that a person or affiliate who is a contractor, consultant or other provider and who has been placed on the convicted vendor list following a conviction for a Public Entity Crime may not submit a bid on a contract to provide any goods or services to DISTRICT, may not submit a bid on a contract with DISTRICT for the construction or repair of a public building or public work, may not submit bids on leases of real property to DISTRICT, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with DISTRICT, and may not transact any business with DISTRICT in excess of the threshold amount provided in Section 287.017, Florida Statutes, for category two purchases for a period of thirty six (36) months from the date of being placed on the convicted vendor list. Violation of this section shall result in termination of this Agreement and recovery of all monies paid hereto, and may result in debarment from DISTRICT'S competitive procurement activities.

In addition to the foregoing. AUDITOR further represents that there has been no determination, based on an audit, that it committed an act defined by Section 287.133, Florida Statutes, as a "public entity crime" and that it has not been formally charged with committing an act defined as a "public entity crime" regardless of the amount of money involved or whether AUDITOR has been placed on the convicted vendor list.

7.6 Independent Contractor. AUDITOR is an independent contractor under this Agreement. Services provided by AUDITOR pursuant to this Agreement shall be subject to the supervision of AUDITOR. In providing such services, neither AUDITOR nor its agents shall act as officers, employees or agents of the DISTRICT. Personnel policies, tax responsibilities, social security and health insurance, employee benefits, purchasing policies and other similar administrative procedures applicable to services rendered under this Agreement shall be those of AUDITOR. This Agreement shall not constitute or make the parties a partnership or joint venture.

7.7 Third Party Beneficiaries. Neither AUDITOR nor DISTRICT intends to directly or substantially benefit a third party by this Agreement. Therefore, the parties agree that there are no third party beneficiaries to this Agreement and that no third party shall be entitled to assert a claim against either of them based upon this Agreement the parties expressly acknowledge that it is not their intent to create any rights or obligations in any third person or entity under this Agreement.

7.8 Notices. Whenever either party desires to give notice to the other, such notice must be in writing, sent by certified United States Mail postage prepaid return receipt requested or by hand delivery with a request for a written receipt of acknowledgment of delivery, addressed to the party for whom it is intended at the place last specified. The place for giving notice shall remain the same as set

forth herein until changed in writing in the manner provided in this section for the present, the parties designate the following:

As to District:

Miromar Lakes Community Development District
513 N.E.13th Avenue
Fort Lauderdale, Florida 33301
Attention: James P. Ward, District Manager

With a Copy to:

Coleman, Yovanovich & Koester, P.A.
4001 Tamiami Trail N., Suite 300
Naples, Florida 34103
Attention: Mr. Greg Urbancic, District Attorney

As to Auditor:

7.9 Assignment And Performance. Neither this Agreement nor any interest herein shall be assigned, transferred, or encumbered by either party. In addition, AUDITOR shall not subcontract any portion of the work required by this Agreement.

AUDITOR represents that all persons delivering the services required by this Agreement have the knowledge and skills, either by training, experience, education, or a combination thereof, to adequately and competently perform the duties, obligations, and services set forth in Exhibit "F" and to provide and perform such services to DISTRICT'S satisfaction for the agreed compensation.

AUDITOR shall perform its duties, obligations and services under this Agreement in a skillful and respectable manner. The quality of AUDITOR'S performance and all interim and final product(s) provided to or on behalf of DISTRICT shall be comparable to the best local and national standards.

7.10 Conflicts. Neither AUDITOR nor its employees shall have or hold any continuing or frequently recurring employment or contractual relationship that is substantially antagonistic or incompatible with AUDITOR'S loyal and conscientious exercise of judgment related to its performance under this Agreement.

AUDITOR agrees that none of its officers or employees shall, during the term of this Agreement, serve as an expert witness against DISTRICT in any legal or administrative proceeding in which he or she is not a party, unless compelled by court process. Further, AUDITOR agrees that such persons shall not give sworn testimony or issue a report or writing, as an expression of his or her expert opinion, which is adverse or prejudicial to the interests of DISTRICT in connection with any such pending or threatened legal or administrative proceeding. The limitations of this section shall not preclude AUDITOR or any

other persons from representing themselves in any action or in any administrative or legal proceeding.

In the event AUDITOR is permitted to utilize subcontractors to perform any services required by this Agreement, AUDITOR agrees to prohibit such subcontractors, by written contract, from having any conflicts within the meaning of this section.

7.11 Contingency Fee. AUDITOR warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for AUDITOR, to solicit or secure this Agreement and that it has not paid or agreed to pay any person, company, corporation, individual or firm, other than a bona fide employee working solely for AUDITOR, any fee, , percentage, gift, or other consideration contingent upon or resulting from the award or making of this Agreement. For a breach or violation of this provision, DISTRICT shall have the right to terminate this Agreement without liability at its discretion or to deduct from the Agreement price or otherwise recover the full amount of such fee, , percentage, gift or consideration.

7.12 Materiality And Waiver Of Breach. DISTRICT and AUDITOR agree that each requirement, duty, and obligation set forth herein is substantial and important to the formation of this Agreement and, therefore, is a material term hereof.

DISTRICT'S failure to enforce any provision of this Agreement shall not be deemed a waiver of such provision or modification of this Agreement. A waiver of any breach of a provision of this Agreement shall not be deemed a waiver of any subsequent breach and shall not be construed to be a modification of the terms of this Agreement.

7.13 Compliance With Laws. AUDITOR shall comply with all federal, state, and local laws, codes, ordinances, rules, and regulations in performing its duties, responsibilities, and obligations pursuant to this Agreement.

7.14 Severance. In the event a portion of this Agreement is found by a court of competent jurisdiction to be invalid, the remaining provisions shall continue to be effective unless DISTRICT or AUDITOR elects to terminate this Agreement. An election to terminate this Agreement based upon this provision shall be made within seven (7) days after the finding by the court becomes final.

7.15 Joint Preparation. The parties acknowledge that they have sought and received whatever competent advice and counsel as was necessary for them to form a full and complete understanding of all rights and obligations herein and that the preparation of this Agreement has been their joint effort. The language agreed to expresses their mutual intent and the resulting document shall not, solely as a matter of judicial construction, be construed more severely against one of the parties than the other.

7.16 Priority Of Provisions. If there is a conflict or inconsistency between any term, statement, requirement, or provision of any exhibit attached hereto, any document or events referred to herein, or any document incorporated into this Agreement by reference and a term, statement, requirement, or provision of this Agreement, the term, statement, requirement, or provision contained in Articles 1 through 7 of this Agreement shall prevail and be given effect.

7.17 Applicable Law And Venue. This Agreement shall be interpreted and construed in accordance with and governed by the laws of the State of Florida. Any controversies or legal problems arising out of this Agreement and any action involving the enforcement or interpretation of any rights

hereunder shall be submitted to the jurisdiction of the state courts of the Seventeenth Judicial Circuit of Broward County, Florida.

7.18 Amendments. No modification, amendment or alteration in the terms or conditions contained herein shall be effective unless contained in a written document prepared with the same or similar formality as this Agreement.

7.19 Drug-Free Workplace. AUDITOR shall maintain a Drug Free Workplace.

7.20 Prior Agreements. This Agreement and its attachments constitute the entire agreement between AUDITOR and DISTRICT, and this document incorporates and includes all prior negotiations, correspondence, conversations, agreements, and understandings applicable to the matters contained herein and the parties agree that there are no commitments, agreements or understandings concerning the subject matter of this Agreement that are not contained in this document. Accordingly, the parties agree that no deviation from the terms hereof shall be predicated upon any prior representations or agreements, whether oral or written. It is further agreed that no modification, amendment or alteration in the terms or conditions contained herein shall be effective unless set forth in writing in accordance with Section 7.18 above.

7.21 Incorporation By Reference. The truth and accuracy of each "Whereas" clause set forth above is acknowledged by the parties. The attached Exhibits "A" and "B" are incorporated hereto and made a part of this Agreement.

7.22 Multiple Originals. This Agreement may be fully executed in FIVE (5) copies by all parties each of which, bearing original signatures, shall have the force and effect of an original document.

7.23 Headings. Headings are for convenience of reference only and shall not be considered in any interpretation of this Agreement.

7.24 Binding Authority. Each person signing this Agreement on behalf of either party individually warrants that he or she has full legal power to execute this Agreement on behalf of the party for whom he or she is signing, and to bind and obligate such party with respect to all provisions contained in this Agreement.

7.25 Survival Of Provisions. Any terms or conditions of this Agreement that require acts beyond the date of its termination shall survive the termination of this Agreement, shall remain in full force and effect unless and until the terms of conditions are completed, and shall be fully enforceable by either party.

AGREEMENT BETWEEN THE DISTRICT AND _____ FOR PROFESSIONAL AUDITING SERVICES.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement on the respective dates under each signature: the District signing by and through its Chairman, authorized to execute same by action on the ____ day of _____, 2013; and _____ authorized to execute same, through its _____.

MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

ATTEST:

By: _____
Michael Hendershot, Chairman

James P. Ward, Secretary

____ day of _____, 2013

WITNESS:

AUDITOR

Print Name

By: _____

Print Name: _____

Title: _____

____ day of _____, 2013

Print Name

Miromar Lakes Community Development District

Proposed Budget—Fiscal Year 2014

Exhibit A



Prepared by:

JPWARD AND ASSOCIATES LLC

513 NE 13TH AVENUE

FORT LAUDERDALE, FLORIDA 33301

E-MAIL: WARD9490@COMCAST.NET

PHONE: (954) 658-4900



Miromar Lakes Community Development District

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**Miromar Lakes
Community Development District
General Fund - Budget
Fiscal Year 2014**

Description	Fiscal Year 2013 Budget	Actual at 03/31/2013	Anticipated Year End 09/30/13	Fiscal Year 2014 - Budget
Revenues and Other Sources				
Carryforward	\$ -	\$ -	\$ -	\$ 26,350
Miscellaneous Revenue	\$ -	\$ -	\$ -	\$ -
Interest Income - General Account	\$ 500	\$ 239	\$ 500	\$ 500
Special Assessment Revenue				
Special Assessment - On-Roll	\$ 393,473	\$ 323,239	\$ 393,473	\$ 410,084
Special Assessment - Off-Roll	\$ 357,153	\$ 178,577	\$ 357,153	\$ 372,231
Note Payable - Miromar Lakes LLC	\$ -	\$ -	\$ -	\$ -
Total Revenue & Other Sources	\$ 751,126	\$ 502,054	\$ 751,126	\$ 809,164

Expenditures and Other Uses

Legislative

Board of Supervisor's Fees	\$ 8,000	\$ 4,200	\$ 10,200	\$ 12,000
Board of Supervisor's - FICA	\$ 612	\$ 321	\$ 780	\$ 918

Executive

Professional Management	\$ 40,000	\$ 20,000	\$ 40,000	\$ 40,000
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Financial and Administrative

Audit Services	\$ 7,500	\$ 5,000	\$ 5,000	\$ 5,500
Accounting Services	\$ -	\$ -	\$ -	\$ -
Assessment Roll Preparation	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000
Arbitrage Rebate Fees	\$ 2,000	\$ 1,000	\$ 1,000	\$ 1,000

Other Contractual Services

Recording and Transcription	\$ -	\$ -	\$ -	\$ -
Legal Advertising	\$ 1,200	\$ 588	\$ 1,000	\$ 1,200
Trustee Services	\$ 10,000	\$ 7,875	\$ 7,875	\$ 7,900
Dissemination Agent Services	\$ -	\$ -	\$ -	\$ -
Property Appraiser & Tax Collector Fees	\$ 2,400	\$ -	\$ 2,400	\$ 2,400
Bank Service Fees	\$ 500	\$ 304	\$ 650	\$ 500

Travel and Per Diem

	\$ -	\$ -	\$ -	\$ -
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Communications and Freight Services

Telephone	\$ -	\$ -	\$ -	\$ -
Postage, Freight & Messenger	\$ 500	\$ 125	\$ 400	\$ 500

Insurance

	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,800
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Printing and Binding

	\$ 500	\$ 127	\$ 400	\$ 500
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Other Current Charges

Website Development	\$ -	\$ -	\$ -	\$ 4,200
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Office Supplies

	\$ -	\$ -	\$ -	\$ -
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Subscriptions and Memberships

	\$ 175	\$ 175	\$ 175	\$ 175
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Legal Services

General Counsel	\$ 15,000	\$ 8,405	\$ 17,000	\$ 15,000
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Debt Service - Miromar Lakes LLC Note

	\$ -	\$ -	\$ -	\$ -
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Other General Government Services

Engineering Services - General Fund	\$ 12,500	\$ 4,065	\$ 9,000	\$ 10,000
Engineering Services - NPDES	\$ 5,000	\$ -	\$ 7,500	\$ 7,500
Asset Administrative Services	\$ -	\$ -	\$ -	\$ 7,000
Contingencies	\$ -	\$ -	\$ -	\$ -

Sub-Total: \$ 129,387 \$ 75,686 \$ 126,880 \$ 140,093

Stormwater Management Services

Professional Services				
Asset Management	\$ 3,750	\$ 1,875	\$ 3,750	\$ 30,000
Mitigation Monitoring	\$ -	\$ 220	\$ 500	\$ 500
Utility Services				
Electric - Aeration System	\$ 1,500	\$ 238	\$ 500	\$ 1,500
Repairs & Maintenance				
Lake System				
Aquatic Weed Control	\$ 86,000	\$ 32,784	\$ 66,000	\$ 80,568

**Miromar Lakes
Community Development District**

**General Fund - Budget
Fiscal Year 2014**

Description	Fiscal Year 2013	Actual at	Anticipated	Fiscal Year 2014
	Budget	03/31/2013	Year End 09/30/13	- Budget
Lake Bank Maintenance	\$ 2,500	\$ 4,250	\$ 4,250	\$ 2,500
Water Quality Testing	\$ 2,000	\$ -	\$ 2,000	\$ 2,000
Water Control Structures	\$ -	\$ -	\$ -	\$ -
Grass Carp Installation	\$ -	\$ 50,708	\$ 50,708	\$ -
Wetland System				
Routine Maintenance	\$ 38,000	\$ 18,800	\$ 38,000	\$ 42,600
Water Quality Testing	\$ -	\$ -	\$ -	\$ -
Capital Outlay				
Aeration System	\$ -	\$ -	\$ -	\$ -
Contingencies	\$ 2,500	\$ -	\$ 2,500	\$ 2,500
Sub-Total:	\$ 136,250	\$ 108,875	\$ 168,208	\$ 162,168
Landscaping Services				
Professional Management				
Asset Management	\$ 11,250	\$ 5,625	\$ 11,250	\$ 45,000
Utility Services				
Electric - Landscape Lighting	\$ -	\$ -	\$ -	\$ -
Irrigation Water	\$ 7,500	\$ 1,777	\$ 5,000	\$ 6,000
Repairs & Maintenance				
Public Area Landscaping	\$ 300,000	\$ 157,421	\$ 300,000	\$ 300,000
Irrigation System	\$ 7,500	\$ 202	\$ 4,000	\$ 6,000
Well System	\$ 3,500	\$ -	\$ -	\$ 3,500
Monument Painting	\$ -	\$ 2,505	\$ -	\$ -
Plant Replacement	\$ 25,000	\$ -	\$ 7,500	\$ 25,000
Other Current Charges				
Lee Cty - Ben Hill Griffin Landscaping	\$ 55,000	\$ 41,019	\$ 41,019	\$ 45,000
Operating Supplies				
Mulch	\$ 60,000	\$ 25,320	\$ 60,000	\$ 60,000
Sub-Total:	\$ 469,750	\$ 233,869	\$ 428,769	\$ 490,500
Other Fees and Charges				
Discount for Early Payment	\$ 15,739	\$ -	\$ 15,739	\$ 16,403
Sub-Total:	\$ 15,739	\$ -	\$ 15,739	\$ 16,403
Total Expenditures and Other Uses	\$ 751,126	\$ 418,430	\$ 739,596	\$ 809,164
Net Increase/(Decrease) in Fund Balance	\$ -	\$ 83,624	\$ 11,530	\$ (26,350)
Fund Balance - Beginning	\$ 304,996	\$ 304,996	\$ 304,996	\$ 316,526
Fund Balance - Ending	\$ 304,996	\$ 388,619	\$ 316,526	\$ 290,176

Description	Assessment Comparison		
	Number of Units	FY 2013 Rate/Unit	FY 2014 Rate/Unit
Resident	1193	\$ 329.82	\$ 343.74
Developer	1128	\$ 316.63	\$ 329.99
Total:	2321		

**Miromar Lakes
Community Development District
General Fund - Budget
Fiscal Year 2014**

Revenues and Other Sources

Carryforward	\$ 26,350
Interest Income - General Account	\$ 500
With the levy of Special Assessments for Fiscal Year 2014 - the District's operating account will earn interest on it's funds. This amount reflect's the anticipated earnings.	

Appropriations

Legislative

Board of Supervisor's Fees	\$ 12,918
The Board's fees are statutorily set at \$200 for each meeting of the Board of Supervisor's not to exceed \$4,800 for each Fiscal Year.	

Executive

Professional Management	\$ 40,000
The District retains the services of a professional management company - JPWard and Associates, LLC - which specializes in Community Development Districts. The firm brings a wealth of knowledge and expertise to Miromar Lakes.	

Financial and Administrative

Audit Services	\$ 5,500
Statutorily required for the District to undertake an independent examination of its books, records and accounting procedures.	
Accounting Services	\$ -
This line item is now included in the Professional Management Fees.	
Assessment Roll Preparation	\$ 18,000
For the preparation by the Financial Advisor of the Assessment Rolls including transmittal to the Lee County Property Appraiser.	
Arbitrage Rebate Fees	\$ 1,000
For requied Federal Compliance - this fee is paid for an in-depth analysis of the District's earnings on all of the funds in trust for the benefit of the Bondholder's to insure that the earnings rate does not exceed the interest rate on the Bond's.	

Other Contractual Services

Recording and Transcription	\$ -
Legal Advertising	\$ 1,200
Trustee Services	\$ 7,900
With the issuance of the District's Bonds, the District is required to maintain the accounts established for the Bond Issue with a bank that holds trust powers in the State of Florida. The primary purpose of the trustee is to safeguard the assets of the Bondholder's, to insure the timely payment of the principal and interest due on the Bonds, and to insure the investment of the funds in the trust are made pursuant to the requirments of the trust.	
Dissemination Agent Services	\$ -
With the issuance of the District's Bonds, the District is required to report on a periodic basis the same information that is contained in the Official Statement that was issued for the Bonds. These requirements are pursuant to requirements of the Securities and Exchange Commission and sent to national repositories. This fee is included in Professional Management Services.	
Property Appraiser & Tax Collector Fees	\$ 2,400
The Tax Collector charges \$1.42 per parcel and the Property Appraiser charges \$1.00 per parcel.	
Bank Service Fees	\$ 500

**Miromar Lakes
Community Development District
General Fund - Budget
Fiscal Year 2014**

Travel and Per Diem	\$	-
Communications and Freight Services		
Telephone	\$	-
Postage, Freight & Messenger	\$	500
Insurance	\$	5,800
Printing and Binding	\$	500
Other Current Charges		
Website Development	\$	4,200
Office Supplies	\$	-
Subscriptions and Memberships	\$	175
Legal Services		
General Counsel	\$	15,000
The District's general counsel provides on-going legal representation relating to issues such as public finance, public bidding, rulemaking, open meetings, public records, real property dedications, conveyances and contracts. In this capacity, they provide services as "local government lawyers".		
Other General Government Services		
Engineering Services - General Fund	\$	10,000
The District's engineering firm provides a broad array of engineering, consulting and construction services, which assists the District in crafting solutions with sustainability for the long term interests of the Community while recognizing the needs of government, the environment and maintenance of the District's facilities.		
Engineering Services - NPDES	\$	7,500
The District's has retained a qualified engineering company to provide on-going requirements of both the Federal Government and Lee County relative to the National Pollution Discharge Elimination System (NPDES).		
Asset Administrative Services	\$	7,000
The District has retained a qualified asset management firm to manage the District's assets.		
Contingencies	\$	-
Stormwater Management Services		
Professional Services		
Asset Management	\$	30,000
Coordination of all necessary programs and services for the Stormwater Management System during the year, as well as contract administration of vendor contracts, assistance in compliance with operating permits.		
Utility Services		
Electric - Aeration System	\$	1,500
Repairs & Maintenance		
Lake System		
Aquatic Weed Control		\$80,568
The District retains the services of a qualified contractor to maintain the District's lake system to control unwanted vegetation in the system which restrict the flow of water and become unsightly.		

Description	Amount
Current Contract	\$65,568
Contingency	\$15,000
Total:	\$80,568

**Miromar Lakes
Community Development District
General Fund - Budget
Fiscal Year 2014**

Lake Bank Maintenance	\$	2,500
For the yearly removal of dead vegation around the perimeter of the Distric'ts water management system.		
Water Quality Testing	\$	2,000
Periodice testing of the water management system		
Water Control Structures	\$	-
Yearly inspections and cleaning.		
Grass Carp Installation	\$	-
Wetland System		
Routine Maintenance		\$42,600
The District retains the services of a qualified contractor to maintain the District's wetland system to control unwanted vegetation in the system which restrict the flow of water and become unsightly.		

Description	Amount
Current Contract	\$37,600
Contingency	\$5,000
Total:	\$42,600

Water Quality Testing	\$	-
Capital Outlay		
Aeration System	\$	-
Installation of aeration systems.		
Contingencies	\$	2,500

Landscaping Services

Professional Management		
Asset Management	\$	45,000
Coordination of all necessary programs and services for the Landscape System during the year, as well as contract administration of vendor contracts.		
Utility Services		
Electric - Landscape Lighting	\$	-
Irrigation Water	\$	6,000
Repairs & Maintenance		
Public Area Landscaping	\$	300,000
The District maintains the landscaped buffer berm along I-75, the Ben Hill Griffin Parkway berm and median at the main entrance, along with other outer community perimeter berms.		
Irrigation System	\$	6,000
Well System	\$	3,500
Plant Replacement	\$	25,000
For the miscellaneous replacement throughout the year of plant material		
Other Current Charges		
Lee Cty - Ben Hill Griffin Landscaping	\$	45,000
The District is responsible for it's proportionate share of the landscaping operation and maintenance costs along the Ben Hill Griffin Roadway corridor's, which is levied as a special assessment by Lee County through the University Overlay MSTBU.		
Operating Supplies		
Mulch	\$	60,000
The District will purchase mulch during the year and which the landscape vendor is responsible for spreading the mulch under that contract.		

Other Fees and Charges

Discount for Early Payment	\$	16,403
4% Discount permitted by Law for early payment		

Total Appropriations: \$ 808,664

**Miromar Lakes
Community Development District**

**Debt Service Fund - Series 2012 Bonds (Refinanced 2000A Bonds) - Budget
Fiscal Year 2014**

Description	Fiscal Year 2013 Budget	Actual at 03/31/2013	Anticipated Year End 09/30/13	Fiscal Year 2014 - Budget
Revenues and Other Sources				
Carryforward	\$ (264,475)	\$ -	\$ -	\$ -
Interest Income				
Revenue Account	\$ 2,000	\$ 25	\$ 50	\$ 50
Reserve Account	\$ 7,100	\$ 9,918	\$ 20,000	\$ 20,000
Special Assessment Revenue				
Special Assessment - On-Roll	\$ 870,877	\$ 719,972	\$ 870,877	\$ 853,451
Special Assessment - Off-Roll	\$ 167,052	\$ -	\$ 167,052	\$ 163,868
Special Assessment - Prepayment	\$ -	\$ -	\$ -	\$ -
Operating Transfers In.				
Transfer from Series 2000 (Excess)	\$ -	\$ 109,650	\$ 109,650	\$ -
Total Revenue & Other Sources	\$ 782,554	\$ 839,565	\$ 1,167,629	\$ 1,037,369
Expenditures and Other Uses				
Debt Service				
Principal Debt Service - Mandatory				
Series A Bonds	\$ 365,000	\$ -	\$ 365,000	\$ 385,000
Principal Debt Service - Early Redemptions				
Series A Bonds	\$ -	\$ -	\$ 85,000	\$ -
Interest Expense				
Series A Bonds	\$ 396,688	\$ 76,491	\$ 396,688	\$ 618,231
Other Fees and Charges				
Discounts for Early Payment	\$ 34,835	\$ -	\$ 34,835	\$ 34,138
Total Expenditures and Other Uses	\$ 796,523	\$ 76,491	\$ 881,523	\$ 1,037,369
Net Increase/(Decrease) in Fund Balance		\$ 763,073	\$ 286,106	\$ -
Fund Balance - Beginning	\$ 571,293	\$ 571,293	\$ 571,293	\$ 857,399
Fund Balance - Ending	\$ 571,293	\$ 1,334,366	\$ 857,399	\$ 857,399
Restricted Fund Balance:				
Reserve Account Requirement			\$ 397,539	
Restricted for November 1, 2014 Interest Payment			\$ 299,731	
Total - Restricted Fund Balance:			\$ 697,270	

**Miromar Lakes
Community Development District
Debt Service Fund - Series 2012 A (Refinanced 2000 A Bonds) Amortization Schedule
Fiscal Year 2014**

Description	Principal	Coupon Rate	Interest	Fiscal Year Annual Debt Service
Principal Balance - October 1, 2013	\$ 11,895,000	4.875%		
11/1/2013			\$ 309,115.63	
5/1/2014	\$ 385,000	4.875%	\$ 309,115.63	\$ 1,003,231.26
11/1/2014			\$ 299,731.25	
5/1/2015	\$ 400,000	4.875%	\$ 299,731.25	\$ 999,462.50
11/1/2015			\$ 289,981.25	
5/1/2016	\$ 420,000	4.875%	\$ 289,981.25	\$ 999,962.50
11/1/2016			\$ 279,743.75	
5/1/2017	\$ 445,000	4.875%	\$ 279,743.75	\$ 1,004,487.50
11/1/2017			\$ 268,896.88	
5/1/2018	\$ 465,000	4.875%	\$ 268,896.88	\$ 1,002,793.76
11/1/2018			\$ 257,562.50	
5/1/2019	\$ 490,000	4.875%	\$ 257,562.50	\$ 1,005,125.00
11/1/2019			\$ 245,618.75	
5/1/2020	\$ 515,000	4.875%	\$ 245,618.75	\$ 1,006,237.50
11/1/2020			\$ 233,065.63	
5/1/2021	\$ 540,000	4.875%	\$ 233,065.63	\$ 1,006,131.26
11/1/2021			\$ 219,903.13	
5/1/2022	\$ 565,000	4.875%	\$ 219,903.13	\$ 1,004,806.26
11/1/2022			\$ 206,131.25	
5/1/2023	\$ 595,000	5.375%	\$ 206,131.25	\$ 1,007,262.50
11/1/2023			\$ 190,140.63	
5/1/2024	\$ 630,000	5.375%	\$ 190,140.63	\$ 1,010,281.26
11/1/2024			\$ 173,209.38	
5/1/2025	\$ 660,000	5.375%	\$ 173,209.38	\$ 1,006,418.76
11/1/2025			\$ 155,471.88	
5/1/2026	\$ 700,000	5.375%	\$ 155,471.88	\$ 1,010,943.76
11/1/2026			\$ 136,659.38	
5/1/2027	\$ 740,000	5.375%	\$ 136,659.38	\$ 1,013,318.76
11/1/2027			\$ 116,771.88	
5/1/2028	\$ 780,000	5.375%	\$ 116,771.88	\$ 1,013,543.76
11/1/2028			\$ 95,809.38	
5/1/2029	\$ 820,000	5.375%	\$ 95,809.38	\$ 1,011,618.76
11/1/2029			\$ 73,771.88	
5/1/2030	\$ 865,000	5.375%	\$ 73,771.88	\$ 1,012,543.76
11/1/2030			\$ 50,525.00	
5/1/2031	\$ 915,000	5.375%	\$ 50,525.00	\$ 1,016,050.00
11/1/2031			\$ 25,934.38	
5/1/2032	\$ 965,000	5.375%	\$ 25,934.38	\$ 1,016,868.76
Principal Balance - September 30, 2014	\$ 11,510,000			

**Miromar Lakes
Community Development District**

**Debt Service Fund - Series 2003 Bonds - Budget
Fiscal Year 2014**

Description	Fiscal Year 2013 Budget	Actual at 03/31/2013	Anticipated Year End 09/30/13	Fiscal Year 2014 - Budget
Revenues and Other Sources				
Carryforward				
Reserve Account	\$ -	\$ -	\$ -	\$ -
Deferred Cost Account	\$ -	\$ -	\$ -	\$ -
Prepayment Account	\$ -	\$ -	\$ -	\$ -
Interest Income				
Reserve Account	\$ 35,800	\$ 42,781	\$ 72,000	\$ 70,000
Special Assessment Revenue				
Special Assessment - On-Roll	\$ 52,830	\$ 43,693	\$ 43,693	\$ 51,980
Special Assessment - Off-Roll	\$ 2,098,764	\$ -	\$ 2,098,764	\$ 2,068,755
Operating Transfers				
Construction Account	\$ -	\$ -	\$ -	\$ -
Total Revenue & Other Sources	\$ 2,187,394	\$ 86,474	\$ 2,214,457	\$ 2,190,735
Expenditures and Other Uses				
Debt Service				
Principal Debt Service - Mandatory				
Series 2003 Bonds	\$ 460,000	\$ -	\$ 460,000	\$ 495,000
Principal Debt Service - Early Redemptions				
Series 2003 Bonds	\$ -	\$ -	\$ -	\$ -
Interest Expense				
Series 2003 Bonds	\$ 1,725,281	\$ 862,641	\$ 1,725,281	\$ 1,693,656
Other Fees and Charges				
Discounts for Early Payment	\$ 2,113	\$ -	\$ 2,113	\$ 2,079
Total Expenditures and Other Uses	\$ 2,187,394	\$ 862,641	\$ 2,187,394	\$ 2,190,735
Net Increase/(Decrease) in Fund Balance		\$ (776,167)	\$ 27,063	\$ -
Fund Balance - Beginning	\$ 2,883,437	\$ 2,883,437	\$ 2,883,437	\$ 2,910,500
Fund Balance - Ending	\$ 2,883,437	\$ 2,107,270	\$ 2,910,500	\$ 2,910,500
Restricted Fund Balance:				
Reserve Account Requirement			\$ 2,172,203	
Restricted for November 1, 2013 Interest Payment			\$ 829,813	
Total - Restricted Fund Balance:			\$ 3,002,016	

**Miromar Lakes
Community Development District
Debt Service Fund - Series 2003 - Amortization Schedule
Fiscal Year 2014**

Description	Principal	Coupon Rate	Interest	Annual Debt Service
Principal Balance - October 1, 2013	\$ 24,635,000	6.875%		
11/1/2013			\$ 846,828.13	
5/1/2014	\$ 495,000	6.875%	\$ 846,828.13	\$ 2,188,656.25
11/1/2014			\$ 829,812.50	
5/1/2015	\$ 530,000	6.875%	\$ 829,812.50	\$ 2,189,625.00
11/1/2015			\$ 811,593.75	
5/1/2016	\$ 570,000	6.875%	\$ 811,593.75	\$ 2,193,187.50
11/1/2016			\$ 792,000.00	
5/1/2017	\$ 610,000	6.875%	\$ 792,000.00	\$ 2,194,000.00
11/1/2017			\$ 771,031.25	
5/1/2018	\$ 650,000	6.875%	\$ 771,031.25	\$ 2,192,062.50
11/1/2018			\$ 748,687.50	
5/1/2019	\$ 700,000	6.875%	\$ 748,687.50	\$ 2,197,375.00
11/1/2019			\$ 724,625.00	
5/1/2020	\$ 750,000	6.875%	\$ 724,625.00	\$ 2,199,250.00
11/1/2020			\$ 698,843.75	
5/1/2021	\$ 800,000	6.875%	\$ 698,843.75	\$ 2,197,687.50
11/1/2021			\$ 671,343.75	
5/1/2022	\$ 860,000	6.875%	\$ 671,343.75	\$ 2,202,687.50
11/1/2022			\$ 641,781.25	
5/1/2023	\$ 920,000	6.875%	\$ 641,781.25	\$ 2,203,562.50
11/1/2023			\$ 610,156.25	
5/1/2024	\$ 985,000	6.875%	\$ 610,156.25	\$ 2,205,312.50
11/1/2024			\$ 576,296.88	
5/1/2025	\$ 1,055,000	6.875%	\$ 576,296.88	\$ 2,207,593.75
11/1/2025			\$ 540,031.25	
5/1/2026	\$ 1,130,000	6.875%	\$ 540,031.25	\$ 2,210,062.50
11/1/2026			\$ 501,187.50	
5/1/2027	\$ 1,210,000	6.875%	\$ 501,187.50	\$ 2,212,375.00
11/1/2027			\$ 459,593.75	
5/1/2028	\$ 1,295,000	6.875%	\$ 459,593.75	\$ 2,214,187.50
11/1/2028			\$ 415,078.13	
5/1/2029	\$ 1,390,000	6.875%	\$ 415,078.13	\$ 2,220,156.25

**Miromar Lakes
Community Development District
Debt Service Fund - Series 2003 - Amortization Schedule
Fiscal Year 2014**

Description	Principal	Coupon Rate	Interest	Annual Debt Service
11/1/2029			\$ 367,296.88	
5/1/2030	\$ 1,490,000	6.875%	\$ 367,296.88	\$ 2,224,593.75
11/1/2030			\$ 316,078.13	
5/1/2031	\$ 1,595,000	6.875%	\$ 316,078.13	\$ 2,227,156.25
11/1/2031			\$ 261,250.00	
5/1/2032	\$ 1,710,000	6.875%	\$ 261,250.00	\$ 2,232,500.00
11/1/2032			\$ 202,468.75	
5/1/2033	\$ 1,830,000	6.875%	\$ 202,468.75	\$ 2,234,937.50
11/1/2033			\$ 139,562.50	
5/1/2034	\$ 1,960,000	6.875%	\$ 139,562.50	\$ 2,239,125.00
11/1/2034			\$ 72,187.50	
5/1/2035	\$ 2,100,000	6.875%	\$ 72,187.50	\$ 2,244,375.00
Principal Balance - September 30, 2013	\$ 24,635,000			

**Miromar Lakes
Community Development District**

**Assessment Levy - Summary of All Funds
Fiscal Year 2014**

**Series 2012 (Refinanced 2000 A Bonds - Phase I)
Par Amount: \$41,925,000 - 18 Years Remaining**

Phase I Neighborhoods	Original Assessment	Bond Designation	Debt Service Assessment	O & M Assessment	Total Assessment	Outstanding Principal after 2012-2013 tax payment
Murano	\$ 24,687.00	SF 2	\$ 1,651.10	\$ 343.74	\$ 1,994.84	\$ 20,098.82
Verona Lago	\$ 14,789.00	SF	\$ 990.66	\$ 343.74	\$ 1,334.40	\$ 12,008.13
Isola Bella	\$ 14,789.00	SF	\$ 990.66	\$ 343.74	\$ 1,334.40	\$ 12,008.13
Bellamare	\$ 14,789.00	SF	\$ 990.66	\$ 343.74	\$ 1,334.40	\$ 12,008.13
Ana Capri	\$ 14,789.00	SF	\$ 990.66	\$ 343.74	\$ 1,334.40	\$ 12,008.13
Casteli	\$ 14,789.00	SF	\$ 990.66	\$ 343.74	\$ 1,334.40	\$ 12,008.13
Montelago	\$ 12,324.00	VILLA	\$ 825.55	\$ 343.74	\$ 1,169.29	\$ 10,005.64
Tivoli	\$ 12,324.00	VILLA	\$ 825.55	\$ 343.74	\$ 1,169.29	\$ 10,005.64
St. Moritz	\$ 12,324.00	VILLA	\$ 825.55	\$ 343.74	\$ 1,169.29	\$ 10,005.64
Sienna	\$ 12,324.00	VILLA	\$ 825.55	\$ 343.74	\$ 1,169.29	\$ 10,005.64
Caprini	\$ 12,324.00	VILLA	\$ 825.55	\$ 343.74	\$ 1,169.29	\$ 10,005.64
Porto Romano	\$ 12,324.00	VILLA	\$ 825.55	\$ 343.74	\$ 1,169.29	\$ 10,005.64
Volterra	\$ 12,324.00	VILLA	\$ 825.55	\$ 343.74	\$ 1,169.29	\$ 10,005.64
Portofino	\$ 12,324.00	VILLA	\$ 825.55	\$ 343.74	\$ 1,169.29	\$ 10,005.64
Valencia	\$ 9,859.00	MF	\$ 660.44	\$ 343.74	\$ 1,004.18	\$ 8,005.36
Vivaldi	\$ 9,859.00	MF	\$ 660.44	\$ 343.74	\$ 1,004.18	\$ 8,005.36
Bella Vista	\$ 9,859.00	MF	\$ 660.44	\$ 343.74	\$ 1,004.18	\$ 8,005.36
Mirosol	\$ 9,859.00	MF	\$ 660.44	\$ 343.74	\$ 1,004.18	\$ 8,005.36
San Marino	\$ 9,859.00	MF	\$ 660.44	\$ 343.74	\$ 1,004.18	\$ 8,005.36
Montebello	\$ 9,859.00	MF	\$ 660.44	\$ 343.74	\$ 1,004.18	\$ 8,005.36
Ravenna	\$ 9,859.00	MF	\$ 660.44	\$ 343.74	\$ 1,004.18	\$ 8,005.36
Bellini	\$ 9,859.00	MF	\$ 660.44	\$ 343.74	\$ 1,004.18	\$ 8,005.36

Fiscal Year 2013 Assessments						
	SF 2	\$ 1,638.18	\$ 329.82	\$ 1,968.00	\$ 20,719.50	
	SF	\$ 1,009.91	\$ 329.82	\$ 1,339.73	\$ 12,380.54	
	VILLA	\$ 841.59	\$ 329.82	\$ 1,171.41	\$ 10,317.04	
	MF	\$ 673.27	\$ 329.82	\$ 1,003.09	\$ 8,253.63	

Series 2003 A Bonds - (Phase II)
Par Amount - \$27,560,000 - 21 Years Remaining

Phase I Neighborhoods	Original Assessment	Bond Designation	Debt Service Assessment	O & M Assessment	Total Assessment	Outstanding Principal after 2012-2013 tax payment
Sorrento	\$ 34,794.86	SF 2	\$ 2,612.87	\$ 343.74	\$ 2,956.61	\$ 30,272.91
Costa Amalfi	\$ 19,339.79	Villa 2	\$ 1,452.43	\$ 343.74	\$ 1,796.17	\$ 16,858.44

Fiscal Year 2013 Assessments						
		SF 2	\$ 2,655.05	\$ 329.82	\$ 2,984.87	\$ 30,872.91
		Villa 2	\$ 1,475.87	\$ 329.82	\$ 1,805.69	\$ 17,191.93

**Miromar Lakes
Community Development District**

**Debt Service Assessment Revisions from Refinancing
Fiscal Year 2014**

**Series 2012 (Refinanced 2000 A Bonds - Phase I)
Par Amount: \$12,3452000 - 19 Years Remaining**

Phase I Neighborhoods	Bond Designation	Debt Service Assessment Before Refinance	Debt Service Assessment After Refinance	Change
Murano	SF 2	\$ 1,975.47	\$ 1,651.10	\$ (324.37)
Verona Lago	SF	\$ 1,185.17	\$ 990.66	\$ (194.51)
Isola Bella	SF	\$ 1,185.17	\$ 990.66	\$ (194.51)
Bellamare	SF	\$ 1,185.17	\$ 990.66	\$ (194.51)
Ana Capri	SF	\$ 1,185.17	\$ 990.66	\$ (194.51)
Casteli	SF	\$ 1,185.17	\$ 990.66	\$ (194.51)
Montelago	VILLA	\$ 987.65	\$ 825.55	\$ (162.10)
Tivoli	VILLA	\$ 987.65	\$ 825.55	\$ (162.10)
St. Moritz	VILLA	\$ 987.65	\$ 825.55	\$ (162.10)
Sienna	VILLA	\$ 987.65	\$ 825.55	\$ (162.10)
Caprini	VILLA	\$ 987.65	\$ 825.55	\$ (162.10)
Porto Romano	VILLA	\$ 987.65	\$ 825.55	\$ (162.10)
Volterra	VILLA	\$ 987.65	\$ 825.55	\$ (162.10)
Portofino	VILLA	\$ 987.65	\$ 825.55	\$ (162.10)
Valencia	MF	\$ 790.11	\$ 660.44	\$ (129.67)
Vivaldi	MF	\$ 790.11	\$ 660.44	\$ (129.67)
Bella Vista	MF	\$ 790.11	\$ 660.44	\$ (129.67)
Mirosol	MF	\$ 790.11	\$ 660.44	\$ (129.67)
San Marino	MF	\$ 790.11	\$ 660.44	\$ (129.67)
Montebello	MF	\$ 790.11	\$ 660.44	\$ (129.67)
Ravenna	MF	\$ 790.11	\$ 660.44	\$ (129.67)
Bellini	MF	\$ 790.11	\$ 660.44	\$ (129.67)

MEMO

To: Board of Supervisor's
From: James P. Ward, District Manager
Date: July 1, 2013 (Board Meeting)
Re: Fiscal Year 2013 – Meeting Outline

In continuing our efforts to improve the overall operational efficiency of the District this memorandum, outlines the tentative meeting schedule for the balance of this Fiscal Year. Each meeting, staff will update this memorandum and we can continually review/discuss the upcoming meeting schedule.

- 1. July 11, 2013 (Thursday at 2:00 P.M.)**
 - a. Continued and/or Final review of Fiscal year 2014 Proposed Budget.
 - b. Continued Discussion of Irrigation System Acquisition.
 - c. Consideration of Bids for Auditing Services for FY 2013 – FY 2017.

- 2. August 8, 2013 (Thursday at 2:00 P.M.)**
 - a. MEETING CANCELLED

- 3. September 12, 2013 (Thursday at 2:00 P.M.)**
 - a. Public Hearing on the Adoption of the Fiscal Year 2014 Proposed Budget.
 - b. Continued Discussion of Irrigation System Acquisition.

Unscheduled Open Items:

1. Legal Matters:

- a. Litigation between the Developer and PNC Bank – The CDD is not a party to this litigation, however staff members have been subpoenaed in this matter.
- b. NPDES Agreement with Lee County.
- c. Continuing Item – dedication of systems/properties from Developer to CDD.

2. Field Operation Matters:

- a. Review of any capital expenditures that are required for FY 2014 – such as replacement landscaping, etc.
- b. Review of Grass Carp Program

Contract Termination Dates:

Company	Termination Date	Services Provided	Contract Amount
Estate Landscaping	June 1, 2014	Landscaping Maintenance	\$342,189.80/year
Miromar Development	On-going (30 days notice by the CDD to terminate)	Field Asset Management	\$15,000/year
Lake Masters	June 30, 2014	Lake/Wetland Maintenance	\$103,168.00/year
Carr, Riggs & Ingram	At the completion of the FY 2012 Audit	Auditing Services	\$9,500 (FY 2012 Audit)
AJC & Associates	On-Going (must be terminated before 04/01 each year)	Assessment Rolls	\$18,000/year
Johnson Engineering	On-Going (30 days notice by the CDD to terminate)	NPDES Coordination	Determined Yearly

There are a number of small vendors who are issued purchase orders yearly to provide maintenance services. These purchase orders are issued by the Field Asset Manager and subject to the Manager's approval.

Miromar Lakes Community Development District

Financial Statements

June 30, 2013



Prepared by:

JPWARD AND ASSOCIATES LLC

513 NE 13TH AVENUE

FORT LAUDERDALE, FLORIDA 33301

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Miromar Lakes Community Development District

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**Miromar Lakes Community Development District
Balance Sheet
for the Period Ending June 30, 2013**

	Governmental Funds					Account Groups		Totals (Memorandum Only)
	Debt Service Funds					General Long Term Debt	General Fixed Assets	
	General Fund	Series 2000	Series 2003	Series 2012	Capital Project Fund			
Assets								
Cash and Investments								
General Fund - Invested Cash	\$ 712,308	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 712,308
Debt Service Fund								
Interest Account	-	-	-	-	-	-	-	-
Sinking Account	-	-	-	-	-	-	-	-
Reserve Account	-	-	2,046,096	406,723	-	-	-	2,452,819
Revenue	-	-	885,433	458,232	-	-	-	1,343,665
Prepayment Account	-	-	2,315	1,197	-	-	-	3,512
Deferred Cost Account	-	-	-	-	-	-	-	-
Cost of Issuance	-	-	-	-	4,050	-	-	4,050
Escrow Deposit Fund	-	-	-	-	-	-	-	-
Due from Other Funds								
General Fund	-	-	-	-	-	-	-	-
Debt Service Fund(s)	-	-	-	-	-	-	-	-
Market Valuation Adjustments								
Accrued Interest Receivable	-	-	-	-	-	-	-	-
Assessments Receivable	-	-	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-	-
Amount Available in Debt Service Funds	-	-	-	-	-	3,799,995	-	3,799,995
Amount to be Provided by Debt Service Funds	-	-	-	-	-	34,790,709	-	34,790,709
Investment in General Fixed Assets (net of depreciation)	-	-	-	-	-	-	40,376,020	40,376,020
Total Assets	\$ 712,308	\$ -	\$ 2,933,843	\$ 866,152	\$ 4,050	\$ 38,590,704	\$ 40,376,020	\$ 83,483,077

**Miromar Lakes Community Development District
Balance Sheet
for the Period Ending June 30, 2013**

	Governmental Funds					Account Groups		Totals (Memorandum Only)
	Debt Service Funds					General Long Term Debt	General Fixed Assets	
	General Fund	Series 2000	Series 2003	Series 2012	Capital Project Fund			
Liabilities								
Accounts Payable & Payroll Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-							-
General Fund	-	-	-	-	-	-	-	-
Debt Service Fund(s)	-	-	-	-	-	-	-	-
Bonds Payable								-
Current Portion	-	-	-	-	-	-	-	-
Long Term	-	-	-	-	-	36,530,000	-	36,530,000
Notes Payable - Miromar Development Corp	-	-	-	-	-	2,060,704		2,060,704
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,590,704</u>	<u>\$ -</u>	<u>\$ 38,590,704</u>
Fund Equity and Other Credits								
Investment in General Fixed Assets	-	-					40,376,020	40,376,020
Fund Balance								
Restricted								
Beginning: October 1, 2012 (Unaudited)	-	13,023,863	2,883,437	-	-	-	-	15,907,300
Results from Current Operations	-	(13,023,863)	50,406	866,152	4,050	-	-	(12,103,255)
Unassigned								
Beginning: October 1, 2012 (Unaudited)	490,288	-				-	-	490,288
Results from Current Operations	222,020	-				-	-	222,020
Total Fund Equity and Other Credits	<u>\$ 712,308</u>	<u>\$ -</u>	<u>\$ 2,933,843</u>	<u>\$ 866,152</u>	<u>\$ 4,050</u>	<u>\$ -</u>	<u>\$ 40,376,020</u>	<u>\$ 44,892,373</u>
Total Liabilities, Fund Equity and Other Credits	<u>\$ 712,308</u>	<u>\$ -</u>	<u>\$ 2,933,843</u>	<u>\$ 866,152</u>	<u>\$ 4,050</u>	<u>\$ 38,590,704</u>	<u>\$ 40,376,020</u>	<u>\$ 83,483,076</u>

Miromar Lakes Community Development District
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Through June 30, 2013

Description	October	November	December	January	February	March	April	May	June	Year to Date	Total Annual Budget	% of Budget
Revenue and Other Sources												
Carryforward	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Interest												
Interest - General Checking	36	31	48	46	40	40	30	28	32	331	500	66%
Special Assessment Revenue												
Special Assessments - On-Roll	308	58,630	232,867	12,134	12,564	6,736	9,450	4,483	43,171	380,342	377,734	101%
Special Assessments - Off-Roll	-	89,288	-	89,288	-	-	89,288	-	89,288	357,153	357,153	100%
Note Payable - Miromar Lakes LLC	-	-	-	-	-	-	-	-	-	-	-	-
Intragovernmental Transfer In	-	28	-	-	-	-	-	-	-	28	-	-
Total Revenue and Other Sources:	\$ 344	\$ 147,949	\$ 232,915	\$ 101,468	\$ 12,604	\$ 6,776	\$ 98,768	\$ 4,511	\$ 132,491	737,855	\$ 735,387	100%
Expenditures and Other Uses												
Legislative												
Board of Supervisor's - Fees	600	-	600	-	1,600	1,400	1,000	1,000	-	6,200	8,000	78%
Board of Supervisor's - Taxes	46	-	46	-	122	107	77	77	-	474	612	78%
Executive												
Professional Management	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333	30,000	40,000	75%
Financial and Administrative												
Audit Services	-	-	-	5,000	-	-	2,500	-	-	7,500	7,500	100%
Accounting Services	-	-	-	-	-	-	-	-	-	-	-	N/A
Assessment Roll Services	-	-	18,000	-	-	-	-	-	-	18,000	18,000	100%
Arbitrage Rebate Services	-	-	-	-	1,000	-	-	-	-	1,000	2,000	50%
Other Contractual Services												
Legal Advertising	-	-	-	547	-	41	-	-	66	653	1,200	54%
Trustee Services	-	-	2,500	-	-	5,375	-	-	-	7,875	10,000	79%
Property Appraiser/Tax Collector Fees	-	-	-	-	-	-	-	1,133	-	1,133	2,400	47%
Bank Services	43	29	86	29	43	73	31	42	63	440	500	88%
Travel and Per Diem	-	-	-	-	-	-	-	-	-	-	-	N/A

Miromar Lakes Community Development District
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Through June 30, 2013

Description	October	November	December	January	February	March	April	May	June	Year to Date	Total Annual Budget	% of Budget
Communications & Freight Services												
Postage, Freight & Messenger	-	-	26	33	-	66	33	61	59	277	500	55%
Insurance	5,500	-	-	-	-	-	-	-	-	5,500	5,500	100%
Printing & Binding	-	-	-	-	85	43	-	39	-	166	500	33%
Office Supplies	-	-	-	-	-	-	-	-	-	-	-	N/A
Subscription & Memberships	175	-	-	-	-	-	-	-	-	175	175	100%
Legal Services												
Legal - General Counsel	1,719	-	3,603	-	-	3,084	-	-	7,956	16,362	15,000	109%
Debt Service - Miromar Lakes LLC Note	-	-	-	-	-	-	-	-	-	-	-	N/A
Other General Government Services												
Engineering Services - General Fund	-	630	-	-	-	3,435	2,631	1,713	881	9,290	12,500	74%
NPDES	-	-	-	-	-	-	-	-	2,155	2,155	5,000	43%
Other Current Charges	28	-	-	-	-	-	-	-	-	28	-	N/A
Sub-Total:	11,444	3,992	28,194	8,942	6,184	16,957	9,604	7,398	14,513	107,229	129,387	83%
Stormwater Management Services												
Professional Management												
Asset Management	313	313	313	313	313	313	313	313	313	2,813	3,750	75%
Mitigation Monitoring	-	-	-	220	-	-	-	-	330	550	-	N/A
Utility Services												
Electric - Aeration Systems	-	49	85	-	56	48	38	35	108	419	1,500	28%
Lake System												
Aquatic Weed Control	5,464	5,464	5,464	5,464	-	10,928	5,464	5,464	5,464	49,176	124,000	40%
Lake Bank Maintenance	-	-	-	-	-	4,250	-	-	710	4,960	2,500	198%
Water Quality Testing	-	-	-	-	-	-	-	-	-	-	2,000	0%
Water Control Structures	-	-	-	-	-	-	-	-	-	-	-	N/A
Grass Carp Installation	-	-	-	-	50,708	-	-	-	-	50,708	-	N/A
Wetland System												
Routine Maintenance	3,133	3,133	3,133	3,133	-	6,267	3,133	3,133	3,133	28,200	-	N/A
Other Current Charges	-	-	-	-	-	-	-	-	-	-	2,500	0%
Operating Supplies	-	-	-	-	-	-	-	-	-	-	-	N/A
Capital Outlay												
Aerator's	-	-	-	-	-	-	-	-	-	-	-	N/A
Sub-Total:	8,910	8,959	8,995	9,130	51,076	21,805	8,948	8,945	10,058	136,825	136,250	100%

Miromar Lakes Community Development District
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Through June 30, 2013

Description	October	November	December	January	February	March	April	May	June	Year to Date	Total Annual Budget	% of Budget
Landscaping Services												
Professional Management												
Asset Management	938	938	938	938	938	938	938	938	938	8,438	11,250	75%
Utility Services												
Electric	-	-	-	-	-	-	-	-	-	-	-	N/A
Irrigation Water	-	-	-	1,777	-	-	-	-	-	1,777	7,500	24%
Repairs & Maintenance												
Public Area Landscaping	-	-	116,951	10,653	3,218	29,104	32,593	-	-	192,518	300,000	64%
Landscape Lighting	-	-	-	-	-	-	-	-	-	-	-	N/A
Irrigation System	-	-	202	-	-	-	-	-	-	202	7,500	3%
Well System	-	-	-	-	-	-	-	-	2,506	2,506	3,500	72%
Plant Replacement	-	-	-	-	-	-	-	-	-	-	25,000	0%
Other Current Charges												
Lee County -Ben Hill Griffin Landscape	-	40,553	-	-	-	-	-	-	-	40,553	55,000	74%
Charlotte County - Panther Habitat, Fire	-	466	-	-	-	-	-	-	-	466	-	
Operating Supplies												
Mulch	-	-	6,195	-	-	19,125	-	-	-	25,320	60,000	42%
Sub-Total:	938	41,956	124,286	13,368	4,155	49,167	33,530	938	3,444	271,780	469,750	58%
Total Expenditures and Other Uses:	\$ 21,291	\$ 54,908	\$ 161,475	\$ 31,440	\$ 61,415	\$ 87,929	\$ 52,082	\$ 17,280	\$ 28,015	\$ 515,835	\$ 735,387	70%
Net Increase/ (Decrease) in Fund Balance	(20,948)	93,042	71,440	70,028	(48,812)	(81,152)	46,686	(12,769)	104,477	222,020	-	
Fund Balance - Beginning	490,288	469,340	562,382	633,822	703,849	655,038	573,885	620,571	607,803	490,288	348,426	
Fund Balance - Ending	\$ 469,340	\$ 562,382	\$ 633,822	\$ 703,849	\$ 655,038	\$ 573,885	\$ 620,571	\$ 607,803	\$ 712,279	\$ 712,307.62	\$ 348,426	

Miromar Lakes Community Development District
Debt Service Fund - Series 2000 Bonds
Statement of Revenues, Expenditures and Changes in Fund Balance
Through June 30, 2013

Description	October	November	December	January	February	March	April	May	June	Year to Date	Total Annual Budget	% of Budget
Revenue and Other Sources												
Carryforward	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	N/A
Interest Income												
Special Assessment Revenue												
Special Assessments - On-Roll	-	-	-	-	-	-	-	-	-	-	-	N/A
Special Assessments - Off-Roll	-	-	-	-	-	-	-	-	-	-	-	N/A
Special Assessments - Prepayments	-	-	-	-	-	-	-	-	-	-	-	-
Debt Proceeds												
Special Assessments - Prepayments	-	-	-	-	-	-	-	-	-	-	-	N/A
Series 2012 Refinance	-	-	-	-	-	-	-	-	-	-	-	N/A
Operating Transfers In (From Other Funds)	-	-	-	-	-	-	-	-	-	-	-	N/A
Total Revenue and Other Sources:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	N/A
Expenditures and Other Uses												
Debt Service												
Principal Debt Service - Mandatory												
Series 2000 A Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	N/A
Series 2000 B Bonds	-	-	-	-	-	-	-	-	-	-	-	N/A
Principal Debt Service - Early Redemptions												
Series 2000 A Bonds	12,365,000	-	-	-	-	-	-	-	-	12,365,000	-	N/A
Series 2000 B Bonds	-	-	-	-	-	-	-	-	-	-	-	N/A
Principal Note Repayment - Miromar Development Note												
Series 2000 A/B Bonds	-	-	-	-	-	-	-	-	-	-	-	N/A
Interest Expense												
Series 2000 A Bonds	425,562	-	-	-	-	-	-	-	-	425,562	-	N/A
Series 2000 B Bonds	-	-	-	-	-	-	-	-	-	-	-	N/A
Early Redemption Premium	123,650	-	-	-	-	-	-	-	-	123,650	-	N/A
Operating Transfers Out (To Other Funds)	-	-	-	109,650	-	-	-	-	-	109,650	-	N/A
Total Expenditures and Other Uses:	12,914,212	-	-	109,650	-	-	-	-	\$ -	13,023,863	\$ -	N/A
Net Increase/ (Decrease) in Fund Balance	(12,914,212)	-	-	(109,650)	-	-	-	-	-	(13,023,863)	-	-
Fund Balance - Beginning	13,023,863	109,650	109,650	109,650	(0)	(0)	(0)	(0)	(0)	13,023,863	3,986,887	-
Fund Balance - Ending	\$ 109,650	\$ 109,650	\$ 109,650	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	-	\$ 3,986,887	-

Miromar Lakes Community Development District
Debt Service Fund - Series 2003 Bonds
Statement of Revenues, Expenditures and Changes in Fund Balance
Through June 30, 2013

Description	October	November	December	January	February	March	April	May	June	Year to Date	Total Annual Budget	% of Budget
Revenue and Other Sources												
Carryforward	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	N/A
Interest Income												
Interest Account	-	-	-	-	-	-	-	-	-	-	-	N/A
Sinking Account	-	-	-	-	-	-	-	-	-	-	-	N/A
Reserve Account	-	42,693	2	2	1	1	1	42,692	1	85,392	35,800	239%
Prepayment Account	-	0	0	0	0	0	0	0	0	1	-	N/A
Revenue Account	-	73	1	3	3	2	2	15	21	119	-	N/A
Special Assessment Revenue												
Special Assessments - On-Roll	42	7,925	31,477	1,640	1,698	911	1,277	606	5,835	51,411	50,717	101%
Special Assessments - Off-Roll	-	-	-	-	-	-	2,098,764	-	-	2,098,764	2,098,764	100%
Operating Transfers In (From Other Funds)	-	-	-	-	-	-	-	-	-	-	-	N/A
Total Revenue and Other Sources:	\$ 42	\$ 50,691	\$ 31,480	\$ 1,645	\$ 1,702	\$ 914	\$ 2,100,045	\$ 43,313	\$ 5,857	2,235,687	\$ 2,185,281	102%
Expenditures and Other Uses												
Debt Service												
Principal Debt Service - Mandatory												
Series 2003 Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 460,000	\$ -	460,000	\$ 460,000	100%
Principal Debt Service - Early Redemptions												
Series 2003 Bonds	-	-	-	-	-	-	-	-	-	-	-	N/A
Interest Expense												
Series 2003 Bonds	-	862,641	-	-	-	-	-	862,641	-	1,725,281	1,725,281	100%
Operating Transfers Out (To Other Funds)	-	-	-	-	-	-	-	-	-	-	-	N/A
Total Expenditures and Other Uses:	\$ -	\$ 862,641	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,322,641	\$ -	2,185,281	\$ 2,185,281	100%
Net Increase/ (Decrease) in Fund Balance	42	(811,949)	31,480	1,645	1,702	914	2,100,045	(1,279,328)	5,857	50,406	-	
Fund Balance - Beginning	2,883,437	2,883,479	2,071,529	2,103,009	2,104,655	2,106,357	2,107,270	4,207,315	2,927,987	2,883,437	2,883,529	
Fund Balance - Ending	\$ 2,883,479	\$ 2,071,529	\$ 2,103,009	\$ 2,104,655	\$ 2,106,357	\$ 2,107,270	\$ 4,207,315	\$ 2,927,987	\$ 2,933,843	2,933,843	\$ 2,883,529	

Miromar Lakes Community Development District
Debt Service Fund - Series 2012 Bonds
Statement of Revenues, Expenditures and Changes in Fund Balance
Through June 30, 2013

Description	October	November	December	January	February	March	April	May	June	Year to Date	Total Annual Budget	% of Budget
Revenue and Other Sources												
Carryforward	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Interest Income												
Interest Account	-	-	-	-	-	-	-	-	-	-	-	N/A
Sinking Account	-	-	-	-	-	-	-	-	-	-	-	N/A
Reserve Account	-	9,917	0	0	0	0	382	7,355	1	17,655	7,100	249%
Prepayment Account	-	0	0	0	0	0	0	0	0	1	-	N/A
Revenue Account	-	1	0	3	10	10	11	12	5	51	2,000	3%
Special Assessment Revenue												
Special Assessments - On-Roll	685	130,587	518,665	27,026	27,983	15,004	21,047	9,986	96,154	847,137	836,042	101%
Special Assessments - Off-Roll	-	-	-	-	-	-	167,052	-	-	167,052	167,052	100%
Special Assessments - Prepayments	-	-	-	-	-	-	-	-	-	-	-	-
Debt Proceeds												
Series 2012 Refinance	-	-	-	-	-	-	-	-	-	-	-	N/A
Operating Transfers In (From Other Funds)	-	-	-	109,650	-	-	-	-	-	109,650	-	N/A
Total Revenue and Other Sources:	\$ 685	\$ 140,505	\$ 518,666	\$ 136,681	\$ 27,993	\$ 15,014	\$ 188,492	\$ 17,352	\$ 96,160	1,141,547	\$ 1,012,194	N/A
Expenditures and Other Uses												
Debt Service												
Principal Debt Service - Mandatory												
Series 2012 Bonds	-	-	-	-	-	-	-	365,000	-	365,000	\$ 365,000	100%
Principal Debt Service - Early Redemptions												
Series 2012 Bonds	-	-	-	-	-	-	-	85,000	-	85,000	-	N/A
Interest Expense												
Series 2012 Bonds	-	76,491	-	-	-	-	-	320,197	-	396,688	396,688	100%
Operating Transfers Out (To Other Funds)	-	-	-	-	-	-	-	-	-	-	-	N/A
Total Expenditures and Other Uses:	\$ -	\$ 76,491	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 770,197	\$ -	846,688	\$ 761,688	N/A
Net Increase/ (Decrease) in Fund Balance	685	64,014	518,666	136,681	27,993	15,014	188,492	(752,845)	96,160	294,859	250,506	
Fund Balance - Beginning	571,293	571,978	635,992	1,154,658	1,291,338	1,319,331	1,334,345	1,522,837	769,992	571,293	477,729	
Fund Balance - Ending	\$ 571,978	\$ 635,992	\$ 1,154,658	\$ 1,291,338	\$ 1,319,331	\$ 1,334,345	\$ 1,522,837	\$ 769,992	\$ 866,152	866,152	\$ 728,235	

Miromar Lakes Community Development District
Capital Project Fund - Series 2012 Bonds
Statement of Revenues, Expenditures and Changes in Fund Balance
Through June 30, 2013

Description	October	November	December	January	February	March	April	May	June	Year to Date	Total Annual Budget	% of Budget
Revenue and Other Sources												
Carryforward	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	N/A
Interest Income												
Construction Account	-	-	-	-	-	-	-	-	-	-	-	N/A
Cost of Issuance	0	0	0	0	0	0	0	0	0	1	-	N/A
Debt Proceeds												
Series 2012 Refinance	-	-	-	-	-	-	-	-	-	-	-	N/A
Operating Transfers In (From Other Funds)												
Total Revenue and Other Sources:	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1	\$ -	N/A
Expenditures and Other Uses												
Capital Outlay												
Cost of Issuance												
Series 2012 Bonds	21,398	-	5,500	-	-	-	-	-	-	26,898	\$ -	N/A
Operating Transfers Out (To Other Funds)												
Total Expenditures and Other Uses:	\$ -	\$ -	\$ 5,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	26,898	\$ -	N/A
Net Increase/ (Decrease) in Fund Balance	0	0	(5,500)	0	0	0	0	0	0	(26,897)	-	
Fund Balance - Beginning	30,947	30,947	30,948	25,448	25,448	25,448	25,448	25,448	25,448	30,947	-	
Fund Balance - Ending	\$ 30,947	\$ 30,948	\$ 25,448	\$ 25,448	\$ 25,448	\$ 25,448	\$ 25,448	\$ 25,448	\$ 25,448	4,050	\$ -	

**PROPOSAL TO PROVIDE AUDITING SERVICES FOR
MIROMAR LAKES
COMMUNITY DEVELOPMENT DISTRICT
FISCAL YEARS ENDED SEPTEMBER 2013 - 2017**

PROPOSAL TO PROVIDE AUDITING SERVICES FOR
MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

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LETTER OF TRANSMITTAL

June 20, 2013

Jim Ward, District Manager
Miromar Lakes Community Development District
513 N.E. 13th Avenue
Fort Lauderdale, Florida 33301

Thank you for the opportunity to submit our qualifications and experience to serve as independent auditors for the *Miromar Lakes Community Development District* (the District). The accompanying proposal will provide you detailed information regarding the scope of services to be provided, as well as a profile of the firm, the individuals who will serve you, our qualifications and experience, and representative clients, including specific references.

It is our understanding that we will provide the following services:

1. Financial audit as defined in Sec. 11.45, Florida Statutes, of the basic financial statements for the District for the year ending September 30, 2013, with an option for four additional annual renewals. We will prepare the September 30, 2013 financial statements under existing accounting principles generally accepted in the United States of America.
2. The audit will be performed in accordance with generally accepted auditing standards, *Governmental Auditing Standards* and the Rules of the Auditor General of the State of Florida.

We believe we are the best-qualified firm to perform the engagement for the following reasons:

- McDirmit Davis & Company, LLC has provided governmental accounting and auditing services in Florida for the past 28 years. We presently audit **forty** Community Development Districts and twelve other governmental entities and have an excellent working knowledge of local laws and requirements. We have met and will continue to meet the requested deadlines for issuance of audit reports.
- We have assisted nine governmental entities in receiving the GFOA "Certificate of Achievement for Excellence in Financial Reporting". Elden McDirmit is active as a national review team member of the GFOA's "Certificate of Achievement for Excellence in Financial Reporting" program. As a review team member, Mr. McDirmit reviews and evaluates financial reports submitted by governmental entities to determine whether the financial reports meet the stringent requirements to receive the GFOA'S prestigious award. Participating as a review team member, Mr. McDirmit has demonstrated his expertise in governmental accounting and auditing.

MCDIRMIT DAVIS & COMPANY, LLC

605 E. ROBINSON STREET, SUITE 635 ORLANDO, FLORIDA 32801
TELEPHONE: 407-843-5406 FAX: 407-649-9339 EMAIL: INFO@MCDIRMITDAVIS.COM

MEMBERS: PRIVATE COMPANIES PRACTICE SECTION AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS FLORIDA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

- We have recent and continuous experience, and have devoted a great deal of our continuing education to the governmental auditing and accounting field. Our firm meets the independence and education requirements of the *Government Auditing Standards* issued by the Comptroller General of the United States.
- We have significant experience in entities issuing debt securities and the required disclosures.
- We believe in continuing client contact throughout the year, not just during the audit. We encourage on-going client contact by not charging a fee for phone calls.
- We are members of the American and Florida Institutes of Certified Public Accountants and an Associate member of the Governmental Finance Officers Association. Our firm is active in governmental organizations throughout Central Florida and serves on governmental committees of the Florida Institute of CPA's.
- We have strong information technology abilities and with our software systems will perform virtually a paperless audit.
- We are a local firm with personnel committed to quality and professional performance, accustomed to providing a high level of client satisfaction. We believe that our firm is part of a team effort to assist you in developing the best financial reporting possible.
- We have a history of continuity of personnel assigned to the engagement. Our single office firm and low personnel turnover assures uninterrupted services from our partners and staff.

Because of our unique qualifications and a philosophy based on complete dedication to client service, we feel confident that we can provide you with responsiveness and a range of experience that will best serve your needs.

We would consider it a privilege to serve as the independent auditors for *Miromar Lakes Community Development District*.

Sincerely,

A handwritten signature in black ink, appearing to read "Elden G. McDirmit". The signature is fluid and cursive, with the first name "Elden" being the most prominent.

Elden G. McDirmit, C.P.A.

AUDIT APPROACH

PROPOSAL TO PROVIDE AUDITING SERVICES FOR
MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

AUDIT APPROACH

Our audit will be segmented as follows:

- Phase 1: Audit Planning
- Phase 2: Evaluation and Testing of Internal Controls
- Phase 3: Substantive Testing
- Phase 4: Reporting

Phase 1: Audit Planning

Preliminary planning includes deciding on an overall strategy for the audit, obtaining an understanding of the District and its environment, including its internal control, making an initial assessment of audit risk and materiality, and deciding on the overall timing of the engagement. We will also begin to assemble our “permanent file,” which consists of copies of organizational charts, District contracts, bond documents, and financial and other management systems.

We will meet with staff of the District to obtain an understanding of the flow of transactions through your accounting system. This includes understanding your computer environment in order to comply with the requirements of SAS 94 *The Effect of Information Technology on the Auditor’s Consideration of Internal Control in a Financial Statement Audit*. We will also gather information to identify fraud risks as required by SAS 99 *Consideration of Fraud in a Financial Statement Audit*.

We will also perform preliminary analytical procedures and compare trends for the current and at least the two previous years for unusual fluctuations. This will include review of both budget and actual amounts.

During this planning phase, we will ask management to identify areas of higher risk as well as other areas that they want us to focus on during our audit.

Phase 2: Evaluation and Testing of Internal Controls and Compliance

During Phase 2, we will evaluate your control policies and procedures to determine if they are functioning properly in significant transaction classes. To gain an understanding of the procedures in place, and current internal control structure, we typically conduct interviews with staff and management involved in the specific transaction class to be tested. We then perform tests of these controls to determine with reasonable assurance that control procedures are functioning as planned and whether further testing will be needed. As part of our tests of controls, we will include tests of compliance with applicable bond covenants, and state and federal laws and regulations. In order to determine which bond covenants, laws and regulations to test for compliance, we start by reviewing the FICPA Practice Aid *Compliance Auditing in Florida*. We then evaluate which bond covenants, laws and regulations have a direct and material effect on the determination of financial statement amounts. Sample sizes are determined based upon our assessment of control risk and may be judgmental, random, or stratified, depending on the attributes of the population being tested. We will select samples from the significant transaction classes and trace from original documents through the computer system to the general ledger through the use of IDEA Data Analysis Software.

PROPOSAL TO PROVIDE AUDITING SERVICES FOR
MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

AUDIT APPROACH - CONTINUED

Phase 2: Evaluation and Testing of Internal Controls and Compliance - Continued

Our control testing includes obtaining an understanding of the computer software used by the District, and tracing sample selections through the system to determine the desired outcomes are being achieved. Our testing of Information Technology includes inquiries of appropriate personnel regarding data backups and access to District files.

After controls have been documented, evaluated and tested, we will finalize the District's audit plan. Audit programs will be tailored to fit the specifics of the District's accounting systems.

Phase 3: Substantive Testing

Our year-end fieldwork will focus on verifying balances in accounts. For example, we will confirm cash balances, as well as debt balances with financial institutions. In addition to obtaining audit confirmations, representation letters and attorney letters, we will perform tests on account balances using analytical procedures, recalculation and verification. Our firm uses ProSystem fx Engagement electronic audit software which may allow us to interface with your accounting system and reduce the time required to transfer your accounting data to a separate software package. We believe it is important to use analytical review procedures in this substantive phase of the audit. We compare analytical results to our expectation of what the results should be in order to determine if additional audit procedures are required. Typical analytical procedures include expense variances with previous years and budget amounts, revenue variances with previous years and budgeted amounts.

We will keep the District's management up to date on the progress of the audit and will discuss preliminary findings and potential problems or opportunities as we encounter them. Our approach to resolving problems encountered is to discuss with the District Manager to make sure our understanding is correct. Our process to produce a meaningful "management letter" is to review results of testing of internal controls, as well as year-end field work and draft recommendations for improvements to be discussed with management.

PROPOSAL TO PROVIDE AUDITING SERVICES FOR
MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

AUDIT APPROACH - CONTINUED

Phase 4: Reporting

The audit work is reviewed by the engagement partner throughout the engagement. We will submit, no later than November 30th, a draft of the financial statements. Once the engagement partner review is complete, a second review of the financial statements is performed by the review partner. This second review is required as part of McDermitt Davis and Company's internal system of quality control and ensures the District receives the best service possible. The final report will be issued one day after management has approved issuance of the financial statements.

We will have an exit conference with the District Manager to discuss the financial statements and then issue the following reports:

- Auditor's report on financial statements
- 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"
- Management Letter

Sample reports for the above follow this page.

We will provide technical assistance to the District to meet changes in required disclosures. Once the reports have been reviewed by management and approved in final form, we will issue final reports (1 printed) and supply in electronic format (Word and pdf format). The engagement partner and the review partner will be available to attend public meetings (via conference call) for discussion of the financial report.

The proposed work plan for the audit is as follows for all years and does not include a single audit.

	<u>Number of Hours</u>
Interim test of controls and legal compliance:	
Partner	2
Manager	2
Staff	6
Information technology	2
Substantive testing:	
Partner	2
Manager	2
Staff	10
Preparation of CAFR and various audit reports:	
Partner	2
Manager	4
Staff	8

INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Miromar Lakes Community Development District
Lee County, Florida

We have audited the accompanying financial statements of the governmental activities and each major fund of the *Miromar Lakes Community Development District*, as of and for the year ended September 30, 2012, which collectively comprise the District's financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the *Miromar Lakes Community Development District*, as of September 30, 2012, and the respective changes in financial position thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 8, 2012 on our consideration of the *Miromar Lakes Community Development 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* and should be considered in conjunction with the results of our audit.

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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 financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 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.

McDiernit Davis & Company, LLC

June 20, 2013

**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
Miromar Lakes Community Development District
Lee County, Florida

We have audited the financial statements of the governmental activities and each major fund of the *Miromar Lakes Community Development District* (the "District") as of and for the year ended September 30, 2012, which collectively comprise the District's financial statements and have issued our report thereon dated June 20, 2013. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the 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 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, 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*.

This report is intended solely for the information and use of the *Miromar Lakes Community Development District* and management, and the Florida Auditor General, and is not intended to be, and should not be used by anyone other than these specified parties.

McDiernit Davis & Company, LLC

June 20, 2012

MANAGEMENT COMMENTS

Board of Supervisors
Miromar Lakes Community Development District
Lee County, Florida

We have audited the financial statements of the *Miromar Lakes Community Development District*, as of and for the fiscal year ended September 30, 2012, and have issued our report thereon dated June 20, 2013.

We conducted our audit in accordance with United States generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Report on Internal Control over Financial Reporting and on Compliance and Other Matters. Disclosures in that report, which is dated December 8, 2012, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida, and unless otherwise required to be reported in the report on compliance and internal controls or schedule of findings and questioned costs, this letter is required to include the following information.

- 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 significant findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding annual financial audit report.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the *Miromar Lakes Community Development District* complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any findings and recommendations to improve financial management, accounting procedures, and internal controls. In connection with our audit, we did not have any comments.
- Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of provisions of contracts and grant agreements or abuse that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.

• MCDIRMIT DAVIS & COMPANY, LLC

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• MEMBERS: PRIVATE COMPANIES PRACTICE SECTION AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS FLORIDA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

- Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, or abuse; and (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)6., 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.
- Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the *Miromar Lakes Community Development District* did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the *Miromar Lakes Community Development District* for the fiscal year ended September 30, 2012, 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, 2012. We determined that these two reports are in agreement.
- Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, require that we apply financial condition assessment procedures. In connection with our audit, we applied financial condition assessment procedures. It is management's responsibility to monitor the entity'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.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

McDiernit Davis & Company LLC

June 20, 2013

PROFILE OF THE FIRM

PROPOSAL TO PROVIDE AUDITING SERVICES FOR
MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

PROFILE OF THE FIRM

Description and History of Audit Firm

McDermitt Davis & Company, LLC was organized in the State of Florida in August 1984 and serves Central Florida from its centrally located office in Orlando, Florida. The firm has demonstrated for over 28 years that it has the resources and ability to complete the audit on a timely basis. This includes the existence of a firm contingency plan due to any unforeseen natural disaster.

Our firm now consists of the following staff:

Partners	5
Managers	3
Senior	2
Staff Accountants/Paraprofessionals	10
IT Professional	1
Support Staff	<u>2</u>
	<u>23</u>

We are members of the American and Florida Institutes of Certified Public Accountants and an associate member of the Governmental Finance Officers Association.



Our firm has a wide range of clients providing both goods and services in the Central Florida area. Our practice encompasses auditing, accounting, management advisory and tax services.

A list of all governmental clients audited by us for the fiscal years 2001-2012 is as follows:

Community Development Districts

- Aberdeen CDD
- Artisan Lakes CDD
- Bahia Lakes CDD
- Bobcat Trails CDD
- Bonnet Creek Resort CDD
- Brandy Creek CDD
- Bridgewater of Wesley Chapel CDD
- Cascades at Groveland CDD
- Channing Park CDD
- Concord Station CDD
- Connerton West CDD
- Copperstone CDD
- Cordoba Ranch CDD
- Covington Park CDD
- Cypress Creek of Hillsborough CDD
- Diamond Hill CDD
- Dupree Lakes CDD
- Easton Park CDD
- Fishhawk II CDD
- Greater Lakes/Sawgrass Bay CDD
- Harbor Bay CDD
- Heritage Plantation CDD

PROPOSAL TO PROVIDE AUDITING SERVICES FOR
MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

PROFILE OF THE FIRM - CONTINUED

Community Development Districts-Continued

Heritage Harbour South CDD
K-Bar Ranch CDD
Lakeshore Ranch CDD
Longleaf CDD
Waters Edge CDD
Meadow Pointe III CDD
Meadow Pointe IV CDD
Oakmont Grove CDD
Panther Trails CDD
Pine Island CDD
Piney-Z CDD
Reunion East CDD
Reunion West CDD
River Hall CDD
Riverwood Estates CDD
Seven Oaks I CDD
Seven Oaks II CDD
Southern Hills Plantation I CDD
Southern Hills Plantation II CDD
Southern Hills Plantation III CDD
Sterling Hill CDD
Suncoast CDD
Tara CDD
Tern Bay CDD
The Groves CDD
The Villages at Avignon CDD
Watergrass CDD
Waters Edge CDD
Westridge CDD
Zephyr Ridge CDD

Utilities/Special Districts

Sanford Airport Authority
Homosassa Special Water District

Municipalities

City of Belle Isle, Florida
City of Clermont, Florida
City of Lake Mary, Florida
City of Longwood, Florida
City of Maitland, Florida
City of Mascotte, Florida
City of Ocoee, Florida
City of Oviedo, Florida
City of Palm Coast, Florida
City of Tavares, Florida
City of Winter Springs, Florida
Town of Windermere, Florida

PROPOSAL TO PROVIDE AUDITING SERVICES FOR
MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

PROFILE OF THE FIRM - CONTINUED

Experience

The following supervisory people will work on the audit:

Elden G. McDirmit, C.P.A., Engagement Partner
Kelly D. Leary, C.P.A., Manager/Review Partner

The above people have considerable experience on governmental audit engagements. Resumes detailing their experience follow on pages 11 and 12.

The professional staff of our firm has been conducting governmental audits in the Central Florida area for the past 28 years. We presently have eight (8) full time professional staff qualified to perform governmental audits. We are experienced auditors in a variety of industries and offer experience in auditing federal grants under the Single Audit Act and performing compliance audits of state grants.

License to Practice in Florida and Independence

Our firm and all professional staff are properly licensed to practice in the State of Florida. Also, the firm and all professional staff meet the independence and education requirements of the Government Auditing Standards issued by the Comptroller General of the United States. The firm is independent of the Miromar Lakes CDD and all of the component units of the District. The firm has not had any professional relationship with the District in the last five years.

Quality Control

Our firm has been a member of the Private Companies Practice Section of the American Institute of Certified Public Accountants since 1985. Member firms are required to adhere to quality control standards established by the AICPA Quality Control Standards Committee and to submit to peer reviews of the firm's accounting and audit practice. Peer reviews are intensive reviews of a firm's quality control system. Our firm has had five peer reviews performed by the American Institute of Certified Public Accountants. Each peer review has included a review of a local governmental entity. We received an unqualified opinion on each review which represents the best opinion that a firm can receive. We have never been subject to any litigation or disciplinary actions by a client, the State or any professional organization for substandard field work. A copy of our firm's most recent unqualified opinion follows this page.

Governmental Audit Quality Center

McDirmit Davis & Company, LLC is a member of the AICPA's Governmental Audit Quality Center which is dedicated to establishing the highest standards of audit quality in the governmental accounting and audit sector.

PEER REVIEW LETTER

**Davidson, Jamieson & Cristini, P.L.
Certified Public Accountants**

1956 Bayshore Boulevard
Dunedin, Florida 34698-2503
(727)734-5437 or 736-0771
FAX (727) 733-3487

Members of the Firm

John N. Davidson, CPA, CVA
Harry B. Jamieson, CPA
Richard A. Cristini, CPA, CPPT, CGFM

Member
American Institute of
Certified Public Accountants
Florida Institute of
Certified Public Accountants

SYSTEM REVIEW REPORT

To the Stockholders of
McDermitt, Davis & Company, LLC
and the Peer Review Committee of the Florida Institute of
Certified Public Accountants

We have reviewed the system of quality control for the accounting practice of McDermitt, Davis & Company, LLC (the firm), in effect for the year ended June 30, 2011. 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. 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. 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. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*, and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of McDermitt, Davis & Company, LLC in effect for the year ended June 30, 2011 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*. McDermitt, Davis & Company, LLC has received a peer review rating of *pass*.

Davidson, Jamieson & Cristini, P.L.

Davidson, Jamieson & Cristini, P.L.
November 4, 2011

PROPOSAL TO PROVIDE AUDITING SERVICES FOR
MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

PROFILE OF THE FIRM - CONTINUED

Management Advisory Services

Our experience in governmental auditing has led to the development of efficient procedures that provide various client benefits. Our services provide our clients with a wide range of knowledge, confidence, and helpful management advice. As a result of the size and variety of our clients, we are continually in contact with a variety of accounting systems. We have provided management advisory services to a number of our clients to their satisfaction. Our management advisory services have included the following:

1. Bond financing and comfort letters;
2. Water and wastewater rate studies;
3. Arbitrage calculations;
4. Assistance in selection, implementation and operation of computer systems;
5. Fixed asset accounting;
6. Consultation and analysis in valuation for sale or purchase of water and wastewater utilities;
7. Detailed internal control studies and evaluations of accounting systems;
8. Assistance in preparation of Comprehensive Annual Financial Reports for recognition by the Government Finance Officers Certificate of Achievement Program.

Continuing Education

McDermitt Davis & Company, LLC is committed to the personal and professional growth of its staff. Our firm requires an annual minimum of 40 hours of continuing professional education for each staff member.

Our governmental audit staff complies with the continuing education requirements of the State of Florida and the U.S. Government Accountability Office Guide, *Governmental Auditing Standards* (yellow book).

As a result of our governmental experience, our staff has taught classes or lectured on various topics. We offer "in-house" education courses for our staff, which at times, our clients have attended. In addition, we would be happy to teach seminars for the benefit of your accounting staff.

Insurance

We will submit proof of insurance as listed under Proposal Requirements of this RFP if we are selected to perform the audit.

RESUMES

**RESUME OF
ELDEN G. McDIRMIT, C.P.A.**

ENGAGEMENT PARTNER



Mr. McDirmit received his Bachelor of Science degree with a major in accounting from the University of Central Florida. During the last 35 years, Mr. McDirmit has experience in governmental accounting and auditing and has received numerous hours of formal training from the AICPA or AICPA-sponsored organizations in the governmental area.

Mr. McDirmit is active as a national review team member for the GFOA's "Certificate of Achievement for Excellence in Financial Reporting" program. As a review team member, Mr. McDirmit reviews and evaluates financial reports submitted by cities and counties to determine whether the financial reports meet the stringent requirements to receive the GFOA's prestigious award. Participating as a review team member, Mr. McDirmit has demonstrated his expertise in governmental accounting and auditing.

Mr. McDirmit has also received the American Institute of CPA's prestigious "Certificate of Educational Achievement". This program consists of attending 64 hours of classroom education related to governmental accounting and auditing and successfully passing 4 examinations. Mr. McDirmit serves on the Florida Institute of CPA's Peer Review Committee and also performs quality reviews of other CPA firms in accordance with standards established by the American Institute of Certified Public Accountants.

Mr. McDirmit served for eight years as Chairman of the Orange County Housing Finance Authority (the Housing Authority) which has the authority to issue revenue bonds to address the housing needs of Orange, Seminole, Lake and Osceola counties. The Housing Authority has approximately \$800 million in assets. Because of this involvement, Mr. McDirmit has an excellent understanding of local government operations and bond financing.

Mr. McDirmit is a member of the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants, an associate member of the Governmental Finance Officers Association, and is active as a board member in other charitable and civic organizations.

In the past three years, Mr. McDirmit has attended the following governmental continuing professional education courses:

<u>Course Title</u>	<u>Credit Hours</u>
Government Accounting & Auditing Update	8
Governmental Accounting Principles & Financial Reporting	16
Advanced Governmental Auditing	16
Compliance Auditing	4
GASB 34 Accounting Conference	8

In addition to the above specific governmental courses, he has attended courses sponsored by both the American and Florida Institutes of Certified Public Accountants relative to audit sampling, audit workpapers, review of auditing pronouncements, and various federal tax seminars.

**RESUME OF
KELLY D. LEARY, C.P.A.**

MANAGER / REVIEW PARTNER



Ms. Leary received her Bachelor of Science degree with a major in accounting from the University of Hawaii. She has over 25 years of experience in governmental accounting and auditing.

Ms. Leary has served on the State and Local Government Committee for the Florida Institute of CPA's. As a committee member, Ms. Leary was the chairperson of the subcommittee that has revised Compliance Auditing in Florida, a FICPA Practice Aid. Ms. Leary is also qualified to perform quality reviews of other CPA firms in accordance with standards established by the American Institute of Certified Public Accountants and she has performed quality reviews of CPA firms performing governmental audits.

Ms. Leary has been a speaker for the past few years at the FICPA State and Local Government Conference. Ms. Leary has also recently had several articles published in the Florida CPA Today relating to state and local governments, including an article on Single Audits, and an article on pension plans.

Ms. Leary is also a director and treasurer on the Board of Directors of the Fairwinds Credit Union, a nonprofit organization with over a billion dollars in assets.

Ms. Leary's governmental background includes eight years of experience on the Brevard County, Florida audit. She managed the Brevard County audit for several years.

During the past three years, Ms. Leary has attended the following governmental continuing professional education courses:

<u>Course Title</u>	<u>Credit Hours</u>
Intermediate Auditing of Federal, State and Local Compliance Requirements	8
Governmental Accounting Principles & Financial Reporting	16
Florida GFOA Annual Conference	16
State & Local Government Accounting Conference	32
GASB 34 Accounting Conference	8

Because of her expertise, Ms. Leary has also taught several governmental courses on single audit, long-term debt, and arbitrage. In addition to the above specific governmental courses, she has attended courses sponsored by both the American and Florida Institute of Certified Public Accountants relative to work paper preparation and review, accounting and auditing update, and supervisory skills.

GOVERNMENTAL REFERENCES

PROPOSAL TO PROVIDE AUDITING SERVICES FOR
MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

GOVERNMENTAL REFERENCES

References of Governmental Accounting Experience:

<u>Principal Client Contact</u>	<u>Scope of Work</u>	<u>Total Hours</u>	<u>Partner</u>	<u>Years</u>
Mr. Joe Kennedy Rizzetta & Company 3434 Colwell Avenue Suite 200 Tampa, FL 33614 (813) 933-5571	<ul style="list-style-type: none"> • Annual Financial & Compliance Audit of Twenty Nine CDD's 	1,400	Elden McDirmit	2005 to Present
Mr. Darrin Mossing GMS (877) 468-3904	<ul style="list-style-type: none"> • Annual Financial & Compliance Audit of Six CDD's 	150	Elden McDirmit	2010 to present
Mr. Steven Bloom Accounting Manager Severn Trust Management Services 210 University Drive Suite 702 Coral Springs, FL 33071	<ul style="list-style-type: none"> • Annual Financial & Compliance Audit of Two CDD's 	60	Elden McDirmit	2010 to present
Mr. Jim Ward District Manager 513 Northeast 13 th Ave. Ft. Lauderdale, FL 33301 (954) 658-4900 Ward9490@comcast.net	<ul style="list-style-type: none"> • Annual Financial & Compliance Audit of one CDD 	40	Kelly Leary	2012
Mr. John Williams, Fin. Dir. City of Longwood, Florida 175 W. Warren Avenue Longwood, FL 32750 (407) 260-3475	<ul style="list-style-type: none"> • Annual Financial & Compliance Audit (Implemented GASB 34 in 2001) • Received GFOA's "Certificate of Achievement" 	150	Kelly Leary	1991 to 1993 & 1997 to Present

PROPOSAL TO PROVIDE AUDITING SERVICES FOR
MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

GOVERNMENTAL REFERENCES - CONTINUED

References of Governmental Accounting Experience - Continued:

<u>Principal Client Contact</u>	<u>Scope of Work</u>	<u>Total Hours</u>	<u>Partner</u>	<u>Years</u>
Ms. Jackie Sova, Fin. Dir. City of Lake Mary, Florida 100 N. Country Club Road Lake Mary, FL 32749 (407) 324-3000	<ul style="list-style-type: none"> • Annual Financial & Compliance Audit • Received GFOA's "Certificate of Achievement" 	200	Kelly Leary	1997 to Present
Mr. Shawn Boyle, Fin. Dir. City of Winter Springs, Florida 1126 E. SR 434 Winter Springs, FL 32708 (407) 327-1800	<ul style="list-style-type: none"> • Annual Financial & Compliance Audit (Single Audit) and preparation of CAFR • Received GFOA's "Certificate of Achievement" 	300	Kelly Leary	2000 to Present
Ms. Lori Houghton, Fin. Dir. City of Tavares, Florida P.O. Box 1068 Tavares, FL 32778-1068 (904) 742-6220	<ul style="list-style-type: none"> • Annual Financial & Compliance Audit (Single Audit) and preparation of CAFR • Received GFOA's "Certificate of Achievement" • Utility and Franchise Tax Audits 	250	Elden McDirmit	1988 to Present
Ms. Wanda Horton, Fin. Dir. City of Ocoee, Florida 150 Lakeshore Drive Ocoee, FL 34761 (407) 905-3100	<ul style="list-style-type: none"> • Annual Financial & Compliance Audit (Single Audit) • Received GFOA's "Certificate of Achievement" • Utility and Franchise Tax Audits 	250	Kelly Leary	1985 to Present

COST OF SERVICES

PROPOSAL TO PROVIDE AUDITING SERVICES FOR
MIROMAR LAKES COMMUNITY DEVELOPMENT DISTRICT

COST OF SERVICES

Proposed Fees

We understand the requested services include audits of the District's financial statements for the years ending September 30, 2013, with an option for four additional annual renewals. The audits will be made in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. They will also be subject to the provisions of Statement #34 of the Governmental Accounting Standards Board (GASB 34).

McDermitt Davis & Company, LLC is duly licensed under Chapter 473, Florida Statutes and is qualified to conduct audits in the State of Florida and audits in accordance with *Government Auditing Standards*.

The fee quoted below is based on cooperation with the management company that documents needed to perform the audit will be available through electronic sources (e-mail, etc). Fees include all services, including but not limited to out-of-pocket expenses, meals and lodging, transportation, printing and binding, telephone, fax and copies.

<u>Audit fees</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Total audit fee	\$4,800	\$4,900	\$5,000	\$5,100	\$5,200

Hourly rates for additional services:

Audit stockholder	\$ 260
Audit manager	150
Audit senior	125
Audit staff	75



Keefe, McCullough & Co., LLP
Certified Public Accountants

PROPOSAL FOR AUDITING SERVICES
FOR
MIROMAR LAKES
COMMUNITY DEVELOPMENT DISTRICT



PROPOSAL FOR AUDITING SERVICES
FOR
MIROMAR LAKES
COMMUNITY DEVELOPMENT DISTRICT

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TRANSMITTAL LETTER



June 26, 2013

Members of the Audit Selection Committee
Miromar Lakes Community Development District
513 N.E. 13th Avenue
Ft. Lauderdale, FL 33301

Dear Audit Selection Committee Members:

We are pleased to propose to perform auditing services for Miromar Lakes Community Development District. It is our understanding that our proposal covers the annual financial and compliance audit of the various funds of the District for the fiscal year ending September 30, 2013, and in the sole and absolute discretion of the District for each fiscal year thereafter through September 30, 2017.

Our examination of these financial statements will be conducted in accordance with:

1. Generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants.
2. The standards for financial audits set forth in the most current applicable U.S. General Accounting Office's (GAO) Government Auditing Standards.
3. The most current applicable provisions of the Federal Single Audit Act of 1984 (as amended).
4. The most current applicable provisions of the U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations, Audits of State and Local Governments*.
5. The most current applicable Codification of Governmental Accounting and Financial Reporting Standards and promulgated by the Governmental Accounting Standards Board. The most current applicable Statements on Auditing Standards issued by the American Institute of Certified Public Accountants.
6. The most current applicable *Government Auditing Standards* published by the Comptroller General of the United States.
7. The most current applicable Audit and Accounting Guide – *Audits of State and Local Governmental Units*, published by the American Institute of Certified Public Accountants.
8. The most current applicable *Statements and Interpretations* issued by the Financial Accounting Standards Board.
9. Applicable Florida Statutes.
10. Regulations of the State of Florida Department of Financial Services.
11. Rules of the Auditor General, State of Florida, Chapter 10.550, *Local Government Audits*.
12. Any other applicable federal, state, local regulations or professional guidance not specifically listed above as well as any additional requirements which may be adopted by these organizations in the future.

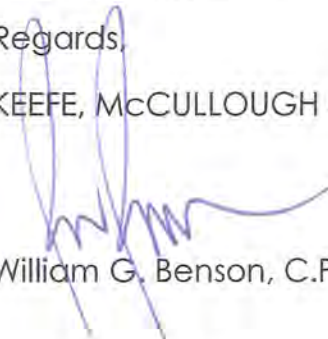
Keefe, McCullough & Co., LLP, C.P.A.'s is committed to performing the auditing services as outlined in the District's request for proposal.

We believe our firm to be the best qualified to perform your audit engagements based on our substantial governmental experience obtained over the entire period of our firm's existence, our firm's commitment to continue to provide the necessary continuing professional education to qualify all of our professional governmental accounting staff in this specialized area, our absolute dedication to excellence and quality in our practice and our unique service philosophy which has resulted in a loyal and satisfied clientele over many years.

We hereby attest to our authority to submit this proposal and to individually bind Keefe, McCullough & Co., LLP, C.P.A.'s to perform this audit in accordance with the resulting contract agreement should the firm be selected. This proposal is a firm and irrevocable offer for ninety (90) days from the date of the proposal.

Regards,

KEEFE, McCULLOUGH & CO., LLP



William G. Benson, C.P.A.



TECHNICAL PROPOSAL

TECHNICAL PROPOSAL

1. General Requirements

Keefe, McCullough & Co., LLP, C.P.A.'s has grown as a firm for over forty (40) years and we are located in Fort Lauderdale to serve the South Florida area. Our office consists of nine partners, approximately sixty (60) professional accounting staff members and administrative support personnel. We have the capacity to handle the District's auditing needs and significant experience representing Florida municipalities and other governmental entities. All of the firm's professional accounting staff are a part of the governmental audit staff. We are members of the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants.

Our practice includes audit engagements, management advisory services, tax planning and tax return preparation, and consulting services. We believe our growth can be attributed to our ability to give each client, regardless of size, personalized and timely service of the highest quality.

Our service philosophy is based on the premise that every engagement receives personal overall supervision from a firm partner or partners. This approach guarantees that the same person will be in charge of your audit year after year. In addition, while the primary purpose of our auditing services is completing the audit of your financial statements and rendering an opinion on their fairness, we pride ourselves in continually looking for, and communicating by management letter or informal discussion, recommendations that may result in more efficient operations, stronger accounting and administrative controls or cost savings to our clients.

Our firm's attention does not cease when your financial statements have been completed. We will be accessible to you throughout the year to provide answers to questions and consulting services, as needed.

Our firm presently provides auditing services for a number of governmental entities, community mental health centers, employee benefit plans, not-for-profit organizations, and other entities. We are very proud to have served as independent auditors for governmental units similar to yours and numerous not-for-profit organizations.

We believe that engagement tenure is indicative of the quality and continuity of our service, our flexibility in handling growth situations, and dealing with changing management and personnel. We feel that we excel in dealing with our clients on an individual basis and tailoring our service to meet their specific requirements.

We have substantial experience in the area of compliance auditing in accordance with *Government Auditing Standards* ("The Yellow Book") and the OMB Circulars "Audits of State and Local Governments" and "Audits of Institutions of Higher Education and Other Nonprofit Organizations." We have many clients with substantial grant revenue that require Federal Single Audit and Florida Single Audit procedures. Due to the concentration of this type of work in our practice, we provide each member of our professional accounting staff with eighty hours of continuing professional education every two years. Of this total, twenty-four hours directly relate to governmental or other "Yellow Book" type engagements.

Our firm recognizes that the most important product we can provide to a client is prompt and effective service of the highest quality. All our efforts, as a firm are directed toward achieving that goal. We are confident we can serve you to your complete satisfaction and we are committed to utilizing the highest level of skills available in our firm to accomplish that very important responsibility.

TECHNICAL PROPOSAL

2. Independence

The firm should provide an affirmative statement that it is independent of the District as defined by generally accepted auditing standards/the most current applicable U.S. General Accounting Office's *Government Auditing Standards*. The firm also should provide an affirmative statement that it is independent of all of the component units of the District as defined by those same standards.

We are independent of Miromar Lakes Community Development District and of all its component units as defined by auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States.

The firm should also list and describe the firm's professional relationships involving the District for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

Keefe, McCullough & Co., LLP has had no previous professional relationships involving the District for the past five (5) years.

In addition, the firm shall give the District written notice of any professional relationships entered into during the period of this agreement.

We agree to notify the District in writing of any professional relationships entered into during the period of this agreement.

3. License to Practice in Florida

An affirmative statement should be included that the firm and all assigned key professional staff are properly registered/licensed to practice in the State of Florida.

Keefe, McCullough & Co., LLP, is properly licensed in the State of Florida by the Department of Professional Regulation. Our license number is AD 0010282. Further, all members of the firm that are designated as Certified Public Accountants are properly licensed in the State of Florida.

4. Firm Qualifications and Experience

The proposer should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

Our office consists of nine partners, approximately sixty (60) professional accounting staff members and administrative support personnel. Our governmental audit staff consists of thirty-five professionals. Keefe, McCullough & Co., LLP, C.P.A.'s has grown as a firm for over forty (40) years and we are located in Fort Lauderdale to serve the South Florida area.

The number and level of full-time and part-time staff to be assigned to the engagements would be discussed and approved by client finance personnel. We have listed additional information regarding a proposed staffing plan in Section IV.

TECHNICAL PROPOSAL

4. (continued)

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.

Our firm participates in the American Institute of Certified Public Accountants Peer Review Program and we have received unmodified opinions on all of our previous peer reviews. We have provided the most recent quality control review documentation for your reference in Section III. This quality control review included a specific review of the City of Coconut Creek audit workpapers, financial statements and reports.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary actions taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations, as well as an explanation of all pending litigation against governmental entities, including all accounts of federal indictments for any civil or criminal matters for which the firm has been charged. The firm shall also provide information as to any and all litigation or arbitration in Florida within the last three (3) years, in which the firm is or was a defendant.

Because our firm performs a substantial number of "Yellow Book" type engagements, we routinely receive desk reviews from various State of Florida departments (DCF, FDOT or DOEA). We have had no field reviews during the last three years, and we are not aware of any disciplinary action, litigation or federal indictments (civil or criminal) ever taken or now pending against our firm or any of our professional accounting staff.

5. Partner, Supervisory and Staff Qualifications and Experience

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether each such person is licensed to practice as a certified public accountant in Florida. Provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

Our proposed audit team is comprised of the following principal supervisory and management staff:

William G. Benson, C.P.A.
Cynthia L. Calvert, C.P.A.

Engagement Partner
Second Review Partner

A profile of each audit team member is included in Section IV, which lists specific governmental experience, qualifications, continuing professional education and memberships in professional organizations relevant to the performance of the audit.

Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. The firm also shall indicate how the quality of staff over the term of the agreement will be assured.

TECHNICAL PROPOSAL

5. Partner, Supervisory and Staff Qualifications and Experience (continued)

Due to our firm's concentration of governmental and not-for-profit clients, we sponsor continuing professional education courses annually regarding a variety of governmental subjects, including Governmental Accounting Standards Board (GASB) pronouncements. One eight-hour governmental seminar is offered to our governmental clients. In addition, our entire professional governmental accounting staff takes eighty hours of "governmental qualified" continuing education courses every two years.

A profile of each audit team member is included in Section IV, which lists specific governmental experience, qualifications and continuing professional education.

We have experienced very low turnover of our professional accounting staff members and our firm philosophy emphasizes direct partner involvement in each engagement including various phases of the audit fieldwork and review processes. We believe this partner involvement positively impacts engagement staff continuity.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the District. However, in either case, the District retains the right to approve or reject replacements.

We understand that the engagement partners, managers, other supervisory staff and specialists mentioned in this request for proposal may only be changed with the express prior written permission of the District.

Consultants and firm specialists mentioned in response to this request for proposal can only be changed with the express prior written permission of the District, which retains the right to approve or reject replacements.

We understand that consultants and firm specialists mentioned in this request for proposal may only be changed with the express prior written permission of the District.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

We understand that other audit personnel mentioned in this request for proposal may only be changed with the express prior written permission of the District.

6. Prior Engagements with the District.

List separately all engagements within the last five years, for the District, by type of engagement (i.e., audit, management advisory services, other). Indicate the scope of work, date, engagement partners, the location of the firm's office from which the engagement was performed, and the name and telephone number of the principal client contact.

Our firm has had no prior engagements with the District within the last five years.

TECHNICAL PROPOSAL

7. Similar Engagements with Other Governmental Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum – 5) performed in the last five years that are similar to the engagement described in this request for proposal, in which the firm was the principal auditors for the engagement. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, and the name and telephone number of the principal client contact.

Contact: Mr. Dan Daly, District Manager
Entity: **Coral Springs Improvement District**
Phone: 954-753-0380
Scope of Work: Annual financial and compliance audits of the District
Date of Work: 2002 to present
Engagement Partners: William G. Benson, C.P.A. and Cynthia L. Calvert, C.P.A.

Contact: Mr. Craig Wrathell, Treasurer
Entity: **Fiddler's Creek II Community Development District**
Phone: 954-426-2105
Scope of Work: Annual financial and compliance audits of the District
Date of Work: 2004 to present
Engagement Partners: William G. Benson, C.P.A. and Cynthia L. Calvert, C.P.A.

Contact: Mr. Stephen Bloom
Entity: **Lexington Oaks Community Development District**
Phone: 954-753-5841
Scope of Work: Annual financial and compliance audits of the District
Date of Work: 2006 to present
Engagement Partners: William G. Benson, C.P.A. and Cynthia L. Calvert, C.P.A.

Contact: Mr. James P. Ward, District Manager
Entity: **Stonelake Ranch Community Development District**
Phone: 954-426-2105
Scope of Work: Annual financial and compliance audits of the District
Date of Work: 2004 to present
Engagement Partners: William G. Benson, C.P.A. and Cynthia L. Calvert, C.P.A.

Contact: Mr. Doug Hyché, District Manager
Entity: **North Springs Improvement District**
Phone: 954-755-7237
Scope of Work: Annual financial and compliance audits of the District
Date of Work: 2010 to present
Engagement Partners: William G. Benson, C.P.A. and Cynthia L. Calvert, C.P.A.

Due to the fact that our firm presently represents numerous local South Florida municipalities and many governmental special taxing districts, we have substantial experience to provide other consulting services to the District. We also have experience in franchise fee auditing, audit work in connection with bond underwriting and other internal consulting projects which the District may require.

TECHNICAL PROPOSAL

8. Specific Audit Approach

The proposal shall set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this request for proposal. In developing the work plan, reference shall be made to such sources of information as the District's budget, financial and other management information.

Proposers will be required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement.
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement.
- c. Sample size and the extent to which statistical sampling is to be used in the engagement.
- d. Extent of use of EDP software in the engagement.
- e. Type and extent of analytical procedures to be used in the engagement.
- f. Approach to be taken to gain and document an understanding of the District's internal control structure.
- g. Approach to be taken in determining laws and regulations that will be subject to audit test work.
- h. Approach to be taken in drawing audit samples for purposes of tests of compliance.

We have provided below a preliminary engagement work plan to perform the financial and compliance audits which involve the government-wide financial statements, the various funds, and the capital assets and long-term debt of the District.

In performing the financial and compliance audits for the District we will follow very detailed and comprehensive audit programs. Further, it is our policy to utilize the talents of our client's personnel wherever and whenever it is feasible to do so in the course of any engagement in order to most efficiently and economically perform the engagement.

The following is a summary of the audit work plan:

Segment 1: Preliminary and Risk Assessment Work

The first segment will be performed by one professional staff members and will encompass approximately 25 hours.

Obtain an understanding of the accounting and management systems including documentation of the system of internal control through conferences with the various key finance department personnel and standardized checklists.

Obtain information needed to identify risk assessment by making certain inquiries and considering fraud risk factors and other information.

Obtain an understanding of the various funds, capital assets and long-term debt utilized.

Review the grants, contracts and various revenue sources and complete "Single Audit" checklist for determination of compliance audit and reporting requirements for both Federal and State single audit purposes.

Review of bond indenture covenants and pertinent ordinances for determination and completion of compliance audit requirements.

Assess control risk and determine extent of testing.

8. Specific Audit Approach (continued)

Review and perform certain transaction and procedural tests which will include the examination of source documents. These tests of the system will include tests of cash receipts and disbursements, sales and utility billing, compliance, and payroll. Audit samples will be determined based on transaction size and number of total transactions.

Perform preliminary analytical review procedures.

Review commission and other pertinent minutes.

Perform compliance audit procedures where necessary.

Coordinate preparation of confirmation requests.

Working paper review.

Plan the additional segments of the financial audit procedures with the District's finance personnel including a list of schedules and working papers to be prepared by client personnel.

Segment 2: Final Work

The second segment will be performed by two professional staff members and will encompass approximately 50 hours.

Perform various tests and validation procedures on selected asset, liability and equity accounts in all funds and for capital assets and long-term debt.

Examine certain revenue and expenditure accounts in all funds.

Send confirmations where applicable.

Send correspondence to attorneys as necessary.

Perform final compliance testing as necessary.

Perform final analytical procedures.

Obtain a management representation letter.

Working paper review and proposed journal entry approval.

Exit conference with District Manager.

Sample sizes in the various phases of the engagement would be determined based on population sizes, audit objectives and nature of transaction and/or account. We have standardized checklists and audit software that assists in the selection of these samples. Additionally, we would utilize both "statistical" and "non-statistical" methods to select certain test transactions.

We will also utilize various forms of analytical procedures to accomplish certain audit objectives. We anticipate areas of concentration subject to analytical procedures to be services revenues and expenditures. We retain the right to use judgment as to the extent of analytical procedures to be used based mainly on the results of other testing completed.

8. Specific Audit Approach (continued)

In addition, we utilize personal computers and paperless audit software, where applicable, in connection with our audit workpaper preparation and documentation

Segment 3: Reports

The third segment will be performed by one professional staff members and will encompass approximately 10 hours.

Preparation of the Basic Financial Statements.

Preparation of Reports on Internal Controls and Compliance.

Preparation of Report on Compliance and Internal Control over Compliance Applicable to Each Major Federal Program and State Project in accordance with OMB Circular A-133.

Preparation of Report to District Management which will include any material weaknesses and any irregularities and illegal acts.

Preparation of the management letter.

Review of the Annual Local Government Financial Report filed with the Florida Department of Financial Services to verify that it is in agreement with the financial statements.

Review of the financial statements, reports and other information.

Cold review of the financial statements, reports and other information.

9. Identification of Anticipated Potential Audit Problems

The proposal shall identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the District.

At this time we are not aware of any potential audit problem areas. If selected, we will communicate any potential problem areas we become aware of during the audit. At that time, we would outline our approach to resolving such problem areas and the level of assistance necessary from the District's personnel.

10. Report Format

The proposal should include sample formats for required reports.

We have included the financial statements from Heritage Harbor Market Place Community Development District for the year ended September 30, 2012 for your reference.



PEER REVIEW DOCUMENTS



Abbott, Jordan & Koon, LLC

CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 609 □ 405 Second Street □ Manchester, GA 31816
(706) 846-8401 □ Fax (706) 846-3370

SYSTEM REVIEW REPORT

To the owners
Keefe, McCullough & Co., LLP
And the Peer Review Committee of the Florida Institute of CPA's

We have reviewed the system of quality control for the accounting and auditing practice of Keefe, McCullough & Co., LLP (the firm) in effect for the year ended August 31, 2011. Our 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. 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. 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. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/summary.

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Keefe, McCullough & Co., LLP in effect for the year ended August 31, 2011, 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*. Keefe, McCullough & Co., LLP has received a peer review rating of *pass*.

Manchester, Georgia
December 7, 2011

PEER REVIEW DOCUMENTS



FICPA Peer Review Program

Administered in Florida by the
Florida Institute of CPAs



AICPA Peer Review Program

Administered in Florida by the
Florida Institute of CPAs

April 24, 2012

Joseph D. Leo, CPA
Keefe, McCullough & Co., LLP
6550 N. Federal Hwy., Ste. 410
Fort Lauderdale, FL 33308

Dear Mr. Leo:

It is my pleasure to notify you that on April 24, 2012 the Florida Peer Review Committee accepted the report on the most recent system peer review of your firm. The due date for your next review is February 28, 2015. This is the date by which all review documents should be completed and submitted to the administering entity. If your due date falls between January and April, you can arrange to have your review a few months earlier to avoid having a review during tax season.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Sincerely,

Paul N. Brown
Director of Technical Services
brownp@ficpa.org

cc: David C. Jordan, CPA

Firm Number: 10036786

Review Number: 327539



PEER REVIEW PROGRAM

is proud to present this
Certificate of Recognition
to

KEEFE, MCCULLOUGH & COMPANY, LLP

For having a system of quality control for its accounting and auditing practice in effect for the year ended August 31, 2011 which has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA, and which was complied with during the year then ended to provide the firm with reasonable assurance of conforming with professional standards.

A handwritten signature in black ink that reads "Tracey C. Golden". The signature is written in a cursive style and is positioned above a horizontal line.

Tracey Golden, Chair
AICPA Peer Review Board
2012



Keefe, McCullough & Co., LLP
Certified Public Accountants

RELEVANT EXPERIENCE

RELEVANT EXPERIENCE

Our firm presently serves as independent auditors or accountants for the following related Districts:

Boynton Village Community Development District

Coral Springs Improvement District

Downtown Development Authority

Downtown Ft. Lauderdale Transportation Management Association

Gateway Services Community Development District

Fiddler's Creek II Community Development District

Heritage Harbour Marketplace Community Development District

Heritage Harbour South Community Development District

Hillsboro Inlet District

Key Largo Fire Rescue and EMS District

Landmark at Doral Community Development District

Lexington Oaks Community Development District

Meadow Pointe Community Development District

Monterra Community Development District

North Springs Improvement District

Old Palm Community Development District

Sarasota National Community Development District

Stevens Plantation Community Development District

StoneLake Ranch Community Development District

VillaSol Community Development District

Wentworth Estates Community Development District



SERVICE TEAM MEMBER PROFILES

KEEFE, McCULLOUGH & CO., LLP
CERTIFIED PUBLIC ACCOUNTANTS

SERVICE TEAM MEMBER PROFILE



William G. Benson, C.P.A.

Partner

Education

Washington and Lee University BS degree Major - accounting

Career Experience

Keefe, McCullough & Co., LLP, C.P.A.'s Partner 28 years
Coopers & Lybrand, C.P.A.'s Senior 2 years

Engagement Experience

Keefe, McCullough & Co., LLP, C.P.A.'s
Audit Engagements:

Governments

- * Broward County League of Cities, Inc.
- * City of Aventura, Florida
- * City of Hollywood (Internal audit)
- * City of Key West, Florida
- * City of Marathon, Florida
- * City of Margate, Florida
- * City of Plantation, Florida
- * City of South Miami, Florida
- * City of Weston, Florida
- * Islamorada, Village of Islands, Florida
- * The Town Foundation, Inc.
- * Town of Surfside, Florida
- * Village of Pinecrest, Florida

Special Taxing Districts

- * Baywinds Community Development District
- * Bobcat Trail Community Development District
- * Bonnet Creek Resort Community Development District
- * Boynton Village Community Development District
- * Championsgate Community Development District
- * Coral Springs Improvement District
- * Deer Island Community Development District
- * Downtown Development Authority
- * East Homestead Community Development District
- * Fiddler's Creek II Community Development District
- * Habitat Community Development District
- * Hamal Community Development District
- * Hillsboro Inlet District
- * Key Largo Fire Rescue and EMS District
- * Lake Powell Community Development District
- * Landmark at Doral Community Development District
- * Lexington Oaks Community Development District
- * Meadow Pointe Community Development District
- * Mediterra North Community Development District
- * Mediterra South Community Development District
- * Midtown Miami Community Development District
- * Miromar Lakes Community Development District
- * Monterra Community Development District
- * Narcoossee Community Development District

- * North Springs Improvement District
- * Northwood Community Development District
- * Old Palm Community Development District
- * Orchid Grove Community Development District
- * Palm Bay Community Development District
- * Palm Glades Community Development District
- * Park Place Community Development District
- * Parklands West Community Development District
- * Pine Air Lakes Community Development District
- * Plantation Acres Improvement District
- * Remington Community Development District
- * Renaissance Community Development District
- * Reserve Community Development District
- * River's Song Community Development District
- * Sarasota National Community Development District
- * South Dade Venture Community Development District
- * Stevens Plantation Community Development District
- * Stonegate Community Development District
- * StoneLake Ranch Community Development District
- * Treaty Oaks Community Development District
- * University Square Community Development District
- * Verandah West Community Development District
- * Viera East Community Development District
- * VillaSol Community Development District
- * Vizcaya Community Development District
- * Wentworth Estates Community Development District
- * Woodland Hammock Community Development District

Other Experience

Attended seminars and courses dealing with accounting and audit problems, reporting and disclosure issues (these courses include accounting and reporting for nonprofit organizations, governmental entities and the Federal and Florida Single Audit Acts)

Experienced and qualified with respect to "Yellow Book", OMB Circular A-133 and Rules of the Auditor General of the State of Florida compliance auditing and reporting

Served as an appointed "at large" member of the Florida Bar Seventeenth Judicial Circuit Grievance Committee "C"

Attended numerous seminars and courses dealing with accounting, auditing and taxation of employee benefit plans

Litigation support services in the areas of business valuations, business losses, contract settlements and divorce issues

Experience in dealing directly with the State of Florida Department of Children and Families concerning various compliance, audit and other issues

Special consulting partner regarding due diligence engagements and the acquisition of companies

Worked with underwriters regarding various certifications required in connection with the Florida Community Provider Pooled Loan Program and various bond issuances

Assisted clients with restructuring their existing loan agreements and bond indentures

Partner in charge of special audit procedures engagement of an Emergency Medical Services Company

Special consultant to Seventeen City Coalition (a Partnership of seventeen Broward municipalities) regarding special audit procedures of Broward County's Emergency Medical System records and negotiations with Broward County management

Extensive experience regarding accounting and tax issues of Limited Liability Companies (LLC's)

Experience in the development of annual operating budgets for municipalities, churches and schools

Consulting partner on State of Florida Broward County Health Department audit

Experience in assisting clients in dealings with financial institutions

Experience in assisting clients with the development of business plans, financial planning and proforma financial statements

Consulting assistance in the analysis of potential investment opportunities in a variety of industries. The analysis included due diligence procedures on both historical financial information and projected future financial results

Assistance in the planning for Family Limited Partnerships and other estate planning strategies

Consulting assistance to a court appointed reviewer regarding dispute among stockholders of various companies

Community Involvement

Vice President of the Board of Directors of St. Thomas Aquinas High School Foundation

Vice President of the Board of Directors of Food for the Poor

Treasurer of the Catholic Community Foundation of the Archdiocese of Miami

Member of the Finance Council of the Archdiocese of Miami

Member of St. Gregory the Great Catholic School Advisory Board

Past Treasurer of St. Gregory the Great Catholic School

Appointed to the Broward County, Florida Homeless Initiative Partnership

Member and Officer in Knights of Columbus

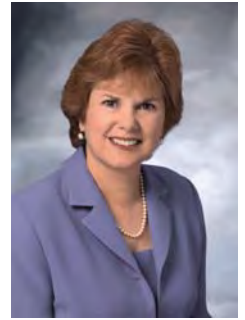
Member of the Leadership Broward Foundation, Inc.

Graduate of, and continuing involvement in, the Leadership Broward Program

Past President and Treasurer of the Executives of Broward

KEEFE, McCULLOUGH & CO., LLP
CERTIFIED PUBLIC ACCOUNTANTS

SERVICE TEAM MEMBER PROFILE



Cynthia L. Calvert, C.P.A.

Partner

Education

Florida Atlantic University
Auburn University

BBA degree
BA degree

Major - accounting
Major - political science

Career Experience

Keefe, McCullough & Co., LLP, C.P.A.'s

Partner

17 years

Engagement Experience

Keefe, McCullough & Co., LLP, C.P.A.'s
Audit Engagements:

Governments

- * Broward County League of Cities, Inc.
- * City of Aventura Police Officers Retirement Plan
- * City of Aventura, Florida
- * City of Coconut Creek, Florida
- * City of Dania Beach, Florida
- * City of Key West, Florida
- * City of Marathon, Florida
- * City of Margate, Florida
- * City of Parkland, Florida
- * City of Plantation, Florida
- * City of South Miami, Florida
- * City of Sunny Isles Beach, Florida
- * City of Weston, Florida
- * City of Wilton Manors, Florida
- * Islamorada, Village of Islands, Florida
- * The Town Foundation, Inc.
- * Town of Golden Beach, Florida
- * Town of Pembroke Park, Florida
- * Town of Southwest Ranches, Florida
- * Village of Pinecrest, Florida
- * Village of Sea Ranch Lakes, Florida

Special Taxing Districts

- * Amelia National Community Development District
- * Arbor Greene Community Development District
- * Baywinds Community Development District
- * Bobcat Trail Community Development District
- * Bonnet Creek Resort Community Development District
- * Boynton Village Community Development District
- * Briger Community Development District
- * Championsgate Community Development District
- * Coral Springs Improvement District
- * Deer Island Community Development District
- * Downtown Development Authority
- * Downtown Fort Lauderdale Transportation Management Association
- * East Homestead Community Development District
- * Fiddler's Creek II Community Development District
- * Habitat Community Development District
- * Hamal Community Development District

- * Harbourage on Braden River Community Development District
- * Heritage Greens Community Development District
- * Heritage Harbour South Community Development District
- * Julington Creek Plantation Development District
- * Key Largo Fire Rescue and EMS District
- * Killarney Community Development District
- * Lake Powell Community Development District
- * Lakewood Ranch Community Development District
- * Landmark at Doral Community Development District
- * Lexington Oaks Community Development District
- * Margate Community Redevelopment Agency
- * Meadow Pines Community Development District
- * Meadow Pointe Community Development District
- * Mediterra North Community Development District
- * Mediterra South Community Development District
- * Midtown Miami Community Development District
- * Miromar Lakes Community Development District
- * Monterra Community Development District
- * Narcoossee Community Development District
- * Northwood Community Development District
- * Old Palm Community Development District
- * Orchid Grove Community Development District
- * Palm Bay Community Development District
- * Palm Glades Community Development District
- * Parklands West Community Development District
- * Pine Air Lakes Community Development District
- * Plantation Acres Improvement District
- * Remington Community Development District
- * Renaissance Community Development District
- * River's Song Community Development District
- * Sarasota National Community Development District
- * Severn Trent Services
- * South Dade Venture Community Development District
- * Spicewood Community Development District
- * Stevens Plantation Community Development District
- * Stonegate Community Development District
- * StoneLake Ranch Community Development District
- * Tomoka Community Development District
- * University Square Community Development District
- * Verandah West Community Development District
- * Viera East Community Development District
- * VillaSol Community Development District
- * Vizcaya Community Development District
- * Wentworth Estates Community Development District
- * Westchase Community Development District
- * Westchase East Community Development District
- * Woodland Hammock Community Development District

Other Experience

Attended numerous seminars and courses dealing with accounting and audit problems and reporting and disclosure issues (these include accounting and reporting for nonprofit organizations, governmental entities and the Federal and Florida Single Audit Acts)

Experienced and qualified with respect to "Yellow Book," OMB Circular A-133 and Rules of the Auditor General of the State of Florida compliance auditing and reporting

Participant in State of Florida Auditor General seminar for local governments and nonprofits regarding the Florida Single Audit Act

Experience in dealing directly with the State of Florida Department of Children and Families concerning various compliance, audit and other issues

Participated in various seminars and in-house training programs concerning the requirements of GASB-34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments (the Financial Reporting Model)

Assisted municipalities and other governmental entities in planning for and implementing GASB-34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments (the Financial Reporting Model)

Community Involvement

Past President of Plantation Junior Woman's Club

Founding Board member of the Make-A-Wish Foundation of South Florida, Inc.

Past Director of DALI's, auxiliary of Young at Art

Past Director of Friends of Gilda's Club of South Florida

Graduate of, and continuing involvement in, the Leadership Broward Program

Member of the Leadership Broward Foundation, Inc.

Past Treasurer of Junior League of Ft. Lauderdale



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

Proposal to Provide Audit Services

MIROMAR LAKES

COMMUNITY DEVELOPMENT DISTRICT

Proposal Due: June 26, 2013, 11:00AM

Submitted to:

Miromar Lakes Community Development District
513 Northeast 13th Avenue
Fort Lauderdale, Florida 33301

Submitted by:

Antonio J. Grau, Partner
Grau & Associates
2700 North Military Trail, Suite 350
Boca Raton, Florida 33431
Tel (561) 994-9299 / (800) 229-5728
Fax (561) 994-5823
tony@graucpa.com / www.graucpa.com

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June 26, 2013

Miromar Lakes Community Development District
513 Northeast 13th Avenue
Fort Lauderdale, Florida 33301

Re: Request for Proposal for Professional Auditing Services for the fiscal year ending September 30, 2013, with annual options through the fiscal year ending 2017.

Grau & Associates (Grau) is pleased to respond to the Miromar Lakes Community Development District's (the "District") Request for Proposal (RFP), and look forward to working with you on your audit. We are a team of knowledgeable professionals and **our practice is unique as 98% of work is either audits or work related to government and non-profit entities. With our extensive experience in audits for districts like yours, we are committed to working with you to complete an effective and efficient audit with minimal staff interruption.**

Since our focus is on government, we fully understand the professional services and work products required to meet your RFP requirements. Our team provided services in excess of 19,000 hours for our public sector clients last year, and **we currently audit over 250 governmental entities. We will deliver our reports and complete the audit in accordance with your requirements.**

- **Experience**

Grau is proud of the fact that the personnel we assign to your audit are some of the most experienced auditors in the field. Unlike many other firms, our auditors work almost exclusively with governmental entities, which mean they are more knowledgeable and efficient on audits like yours. Our engagement partners have decades of experience and take a hands-on approach to our assignments, which all ensures a smoother process for you. Also, due to Grau's very low turnover rate for our industry, you won't have to worry about retraining your auditors from year to year.

- **Service**

Our clients are pleased with the level of personalized service they receive from our talented professionals. Because of our extensive experience, we are adept at making the transition to a new firm as smooth as possible. We work with you to resolve any issues and keep in regular contact so there are no surprises when the final report delivers. In fact, your engagement team will report any potential audit adjustments to you on a regular basis so you will have adequate time to research and respond. Additionally, we have a disaster recovery plan that includes daily data back-ups and offsite file storage, so in the case of an emergency, your records would be safe.

- **Responsiveness**

We pride ourselves on our high level of responsiveness. We answer emails and telephone calls within 24 hours, and usually right away. We are always accessible to clients during business hours, and make every effort to answer any questions as they arise. Additionally, we don't just complete your audit and disappear. We understand the "big picture" and think beyond the traditional auditor's perspective. We remain in touch for the entire year, suggesting ways you can improve your District's performance, procedures and controls. We will update, advise and educate you on new or revised reporting requirements so you are sure to always remain compliant.

- **Reputation**

Our reputation in our field is impeccable. **We have never been involved in any litigation, proceeding or received any disciplinary action. Additionally, we have never been charged with, or convicted of, a public entity crime of any sort.** We have the professional staff available to perform the engagement and resources required to complete the work. We are financially stable and have never been involved in any bankruptcy proceedings.

- **Standards**

Grau & Associates is a professional association / licensed certified public accounting firm serving clients through the state of Florida. We are a member of the American Institute of Certified Public Accountants (AICPA) and the Florida Institute of Certified Public Accountants (FICPA). Additionally, individuals are members of both the (GFOA) and (FGFOA). Grau is also a member of the Governmental Audit Quality Center (GAQC). Our audit will follow the Auditing Standards of the AICPA, Generally Accepted Government Auditing Standards, issued by the Comptroller General of the United States, and the Rules of the Auditor General of the State of Florida, and any other applicable federal, state and local regulations. We will deliver our reports in accordance with your requirements.

This proposal is a firm and irrevocable offer for 90 days. We certify this proposal is made without previous understanding, agreement or connection either with any previous firms or corporations offering a `proposal for the same items. We also certify our proposal is in all respects fair, without outside control, collusion, fraud, or otherwise illegal action, and was prepared in good faith. Only the person(s), company or parties interested in the project as principals are named in the proposal. Grau has no existing or potential conflicts, and anticipates no conflicts during the engagement. Our Federal I.D. number is 20-2067322.

Grau & Associates would be a perfect fit with the District and we would be happy to answer any questions or provide additional information as needed. Please do not hesitate to call or email either of our Partners, Antonio J. Grau, CPA (tgrau@graucpa.com) or Michelle Blackstock, CPA (mblackstock@graucpa.com), at 561.994.9299. We thank you for considering our firm's qualifications and experience, and look forward to serving you.

Very truly yours,

Grau & Associates



Antonio J. Grau

INDEPENDENCE

Grau & Associates affirms we meet the independence requirements of the Standards for Audit of Governmental Organizations Programs, Activities and Functions published by the U.S. General Accounting Office, *Governmental Auditing Standards (GAS)* issued by the Comptroller General of the United States and the Laws and Rules of Florida Board of Accounting or any subsequent amendments or superseding revisions. As defined by auditing standards generally accepted in the United States of America and the U.S. General Accounting office's *Government Auditing Standards*, we are independent of the District. Grau & Associates, their partners and employees are independent of all of the blended component units of the District. Grau has no conflict of interest as it regards the District.

Additionally, Grau & Associates shall give the District written notice of any professional relationship entered into during the period of this agreement.

LICENSE TO PRACTICE IN FLORIDA

Grau & Associates is a properly registered/licensed State of Florida professional corporation. All assigned supervisory professional staff are properly registered/licensed to practice in the State of Florida.

AC# 5807019 STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
BOARD OF ACCOUNTANCY SEQ# L11100400985

DATE	BATCH NUMBER	LICENSE NBR
10/04/2011	117018962	AD64305

The ONE OWNER FIRM
Named below IS LICENSED
Under the provisions of Chapter 473 FS.
Expiration date: DEC 31, 2013

GRAU & ASSOCIATES
2700 N. MILITARY TRAIL #350
BOCA RATON FL 33431

RICK SCOTT GOVERNOR KEN LAWSON SECRETARY
DISPLAY AS REQUIRED BY LAW

AC# 5806656 STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
BOARD OF ACCOUNTANCY SEQ# L11100400622

DATE	BATCH NUMBER	LICENSE NBR
10/04/2011	117018945	AC0015330

The CERTIFIED PUBLIC ACCOUNTANT
Named below IS LICENSED
Under the provisions of Chapter 473 FS.
Expiration date: DEC 31, 2013

GRAU, ANTONIO JOSE
2700 NORTH MILITARY TRAIL
SUITE 350
BOCA RATON FL 33431

RICK SCOTT GOVERNOR KEN LAWSON SECRETARY
DISPLAY AS REQUIRED BY LAW

AC# 6378621 STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
BOARD OF ACCOUNTANCY SEQ# L12091901219

DATE	BATCH NUMBER	LICENSE NBR
09/19/2012	128086196	AC0002623

The CERTIFIED PUBLIC ACCOUNTANT
Named below IS LICENSED
Under the provisions of Chapter 473 FS.
Expiration date: DEC 31, 2014

GRAU, ANTONIO S
20790 SONETO DR
BOCA RATON FL 33433-2723

RICK SCOTT GOVERNOR KEN LAWSON SECRETARY
DISPLAY AS REQUIRED BY LAW

AC# 648654 STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
BOARD OF ACCOUNTANCY SEQ# L12103100589

DATE	BATCH NUMBER	LICENSE NBR
10/31/2012	128137305	AC0026328

The CERTIFIED PUBLIC ACCOUNTANT
Named below IS LICENSED
Under the provisions of Chapter 473 FS.
Expiration date: DEC 31, 2014

BLACKSTOCK, CARI MICHELLE
8583 SHAWNE WAY
BOCA RATON FL 33433-7657

RICK SCOTT GOVERNOR KEN LAWSON SECRETARY
DISPLAY AS REQUIRED BY LAW

AC# 5839197 STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION
BOARD OF ACCOUNTANCY SEQ# L11102101139

DATE	BATCH NUMBER	LICENSE NBR
10/21/2011	117024145	AC38797

The CERTIFIED PUBLIC ACCOUNTANT
Named below IS LICENSED
Under the provisions of Chapter 473 FS.
Expiration date: DEC 31, 2013

MCINTOSH, RACQUEL CECELIA
8139 BELLAGIO LANE
BOYNTON BEACH FL 33472

RICK SCOTT GOVERNOR KEN LAWSON SECRETARY
DISPLAY AS REQUIRED BY LAW

FIRM QUALIFICATIONS & EXPERIENCE

Grau & Associates is a medium-sized, local accounting firm, certified by Palm Beach County as an S/MBE, providing comprehensive financial and compliance auditing, attestation and accounting, and other management consulting services. Grau & Associates is a properly registered/licensed State of Florida professional corporation; all assigned supervisory professional staff are properly registered/licensed to practice in the State of Florida. The Partners, Consultant and Managers of Grau are members of the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants.

This engagement will be performed out of our Boca Raton office located at 2700 North Military Trail, Suite 350, Boca Raton, Florida 33431, (561) 994-9299.

- We are dedicated to serving **Governmental and Non-Profit Entities**.
- We currently audit over **250 Governmental and Non-Profit Entities**.
- Last year, Grau performed in excess of 19,000 *hours* of services for our Public Sector Clients under *Governmental Auditing Standards*.
- Grau currently **only** provides **audit and attestation** services principally for governmental and non-profit entities under government auditing standards. The firm and staff are 100% dedicated to the audit practice.

During Grau’s history we have consistently focused on providing service to the public sector. By focusing our resources on this industry, we provide the highest level of services to our Public Sector Clients.

Grau & Associates has a total of 14 employees, 12 professional staff, including 2 *Partners* and 10 *professionals* who specialize in providing accounting, consulting, monitoring and auditing services to the *Public Sector* and 2 *administrative professionals*. The number of professional staff by employee classification is as follows:

Team Member	Total Professional Staff	Total CPAs	Public Sector Staff
Partners *	2	2	2
Managers *	2	2	2
Advisory Consultant	1	1	1
Supervisor / Seniors *	3	2	3
Staff Accountants *	4	2	4
Total	12	9	12

***ALL FULL TIME EMPLOYEES**

Compliance with Government Education Requirements

In order to maintain our high level of technical competence, we provide continuing professional education programs for all partners and professional staff members, which exceed national and state standards. **All of the audit professionals of Grau & Associates exceed the education requirements as set forth in *Government Auditing Standards*, published by the Comptroller General of the United States, and our continuing professional education programs ensure that all audit professionals meet the requirements to participate in audits of government agencies.**

Professional Staff Training

Partners - All of our Partners are CPA's and have diversified public accounting experience. They are responsible for overall engagement performance, policy, direction and quality control and have ***far exceeded minimum CPE requirements.***

Managers - All of our Audit Managers are CPA's who have demonstrated the ability to plan audit engagements, supervise personnel and maintain frequent contact with clients. They continually upgrade their skills through the firm's continuing education programs and courses sponsored by the AICPA, FICPA and GFOA. They have ***far exceeded minimum CPE Requirements.***

Seniors - All of our Seniors have a minimum of 3 years of diversified public accounting experience. They perform audits, evaluate staff, review findings and prepare audit reports. They possess the potential for upward mobility and have ***far exceeded minimum CPE requirements.***

Memberships

All of the firm's CPA's are properly licensed as CPA's and members in good standing of both the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants. In addition, certain firm professionals are members or have been members of the following professional groups:

- FICPA Committee on State and Local Government
- Florida Government Finance Officers Association
- Technical Resource Committee of the Government Finance Officers Association
- Special Review Committee of the Government Finance Officers Association
- Florida Institute of CPA Non-Profit Conference Committee
- Florida Association of Special Districts
- Florida Public Pension Trustees Association

In addition, we have an ongoing recruitment program that seeks only those accountants with a proven record of academic success. When we recruit at the senior and manager level, we select CPA's with proven governmental accounting and auditing experience.

Disciplinary Actions

Grau & Associates, its partners, managers and/or other key staff members, have never been subject to any disciplinary action with state regulatory bodies or professional organizations or by any court or administrative agency.

Litigation

Grau & Associates, its partners, managers and/or other key staff members, have never been subject to any litigation, arbitration, proceeding or named as a defendant, whereby, during the last three years, a court or any administrative agency has ruled against the firm in any manner related to its professional activities.

Results of State and Federal Reviews

During the last three years, state and federal reviews of the firm's reports and working papers have been accepted without change or revision to issued reports.

Quality Control and Confidentiality

Grau participates in an external quality review program requiring an on-site independent examination of our auditing practice. Grau has consistently received an unqualified opinion on the quality of our audit practice. During our firm's last external quality control review, six audits were reviewed, including five government audits. A copy of the report on the firm's most recent quality review can be found below and on the following pages.

In addition to scheduled Peer Reviews, our firm continually monitors performance to ensure the highest quality of services. Under the supervision of the Audit Partner, an Audit Manager is responsible for monitoring quality control of all appropriate engagements



FICPA Peer Review Program
Administered in Florida by the
Florida Institute of CPAs



AICPA Peer Review Program
Administered in Florida by the
Florida Institute of CPAs

February 17, 2011

Antonio Jose Grau Jr., CPA
Grau & Associates
2700 N. Military Trl., Ste. 350
Boca Raton, FL 33431

Dear Mr. Grau:

It is my pleasure to notify you that on February 17, 2011 the Florida Peer Review Committee accepted the report on the most recent system peer review of your firm. The due date for your next review is December 31, 2013. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Sincerely,

A handwritten signature in cursive script that reads "Paul N. Brown".

Paul N. Brown
Director of Technical Services
brownp@ficpa.org

cc: Daniel Hevia, CPA

Firm Number: 4390114

Review Number: 313142



HEVIA, BEAGLES & COMPANY, P. A.
PROFESSIONAL CONSULTING GROUP
CERTIFIED PUBLIC ACCOUNTANTS

System Review Report

October 21, 2010

To the Owners of Grau & Associates
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 Grau & Associates (the firm) in effect for the year ended June 30, 2010. 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. 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. 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. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Grau & Associates in effect for the year ended June 30, 2010, 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*. Grau & Associates has received a peer review rating of *pass*.

Hevia Beagles & Company
Certified Public Accountants

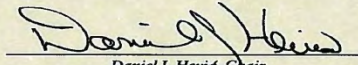


PEER REVIEW PROGRAM

is proud to present this
Certificate of Recognition
to

GRAU & ASSOCIATES

For having a system of quality control for its accounting and auditing practice in effect for the year ended June 30, 2010, which has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA, and which was complied with during the year then ended to provide the firm with reasonable assurance of conforming with professional standards.


Daniel J. Hevick, Chair
AICPA Peer Review Board
2010

12508-302

A I C P A PEER REVIEW PROGRAM

is proud to present this

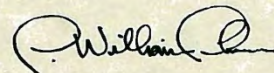
Certificate of Recognition

to

GRAU & ASSOCIATES

For having a system of quality control for its accounting and auditing practice in effect for the year ended June 30, 2007 which has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA and which was complied with during the year then ended to provide the firm with reasonable assurance of conforming with professional standards.




G. William Graham, Chair
AICPA Peer Review Board
2008

ISO Certified

1098-392 1/08

PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

You will have two partners available and our consultant for any technical assistance. In addition, an audit manager will be available for the engagement and a senior will be assigned to the engagement that will perform the majority of fieldwork. Additional staff are available to assist with the engagement should the need arise.

Name	Years performing government audits	CPE within last 3 years	Professional memberships
ANTONIO J. GRAU, CPA (Partner)	Over 25	Government Accounting, Auditing: 60 hours Accounting, Auditing and Other: 180 hours	AICPA FICPA FGFOA GFOA
ANTONIO S. GRAU, CPA (Concurring Review Consultant)	Over 32	Government Accounting and Auditing: 87 hours Accounting, Auditing and Other: 46 hours	AICPA FICPA ICPA
C. MICHELLE BLACKSTOCK, CPA/CITP (Partner)	Over 20	Government Accounting and Auditing: 74 hours Information Technology: 35 Accounting, Auditing and Other: 74 hours	AICPA FICPA FGFOA GFOA
RACQUEL MCINTOSH, CPA (Manager)	Over 7	Government Accounting and Auditing hours:60 Accounting, Auditing and Other: 98 hours	AICPA FICPA

Continuity

We would like to emphasize our commitment to maintaining professional staff continuity in servicing this engagement. Many of our clients rely on having the same resources available to them because it reflects a commitment to their organization and a deeper understanding of what their organization is trying to achieve. Our staff builds a relationship based upon integrity, trust, and mutual respect, which is a primary reason that we maintain long-term professional relationships.

In assigning staff to engagements, we place high importance on maintaining continuity of staff from one year to the next. This is important from both a client service as well as an engagement efficiency perspective. **As our staff gains familiarity with a client, they are able to complete the engagement more efficiently and are able to identify recommendations for improvement within our client's operations.**

As with any accounting firm, it does at times become necessary to replace a member of the engagement team. When this occurs they are replaced with someone of comparable skills and experience. While we strive to maintain continuity, the turnover that is inherent in today's environment provides for staff rotation and the additional benefit of a fresh approach. We have been very successful over the years in appropriately staffing our jobs and this has resulted in high client retention rates and tremendous growth for the firm.

Grau & Associates understands that the District retains the right to approve or reject replacements.

Position Descriptions

Engagement Partner

The engagement will be performed under the direct supervision of an Engagement Partner. The Engagement Partner will participate extensively during the various stages of the engagement and has direct responsibility for engagement policy, direction, supervision, quality control, security, confidentiality of information of the engagement and communication with client personnel.

The Engagement Partner will also be involved in:

- ❖ coordinating all services;
- ❖ directing the development of the overall audit approach and plan;
- ❖ performing an overriding review of work papers;
- ❖ resolving technical accounting and reporting issues;
- ❖ reviewing, approving and signing reports, management letters, and other audit engagement products; and,
- ❖ ascertaining client satisfaction with all aspects of our engagement, such as services and the personnel assigned.



Concurring Review and Advisory Consultant

A Concurring Review Consultant will be available as a sounding board to advise in those areas where problems are encountered. He will also perform a second review of all reports to be issued by Grau & Associates.

Audit Manager and Senior

The assigned personnel will work closely with the partner and the District to ensure that the financial statements and all other reports are prepared in accordance with professional standards and firm policy. Responsibilities will include:

- ❖ planning the audit;
- ❖ preparing or modifying audit programs, as needed;
- ❖ evaluating internal control and assessing risk;
- ❖ communicating with the client and the partners the progress of the audit; and
- ❖ determining that financial statements and all reports issued by the firm for accuracy, completeness and that they are prepared in accordance with professional standards and firm policy.

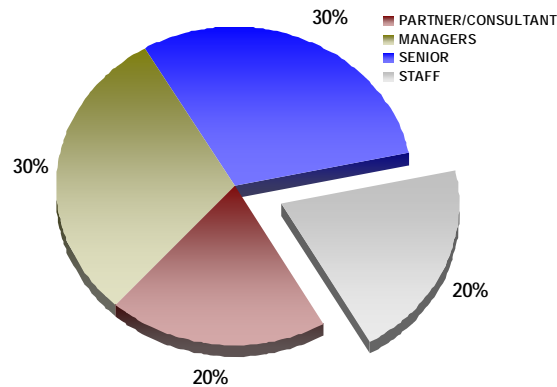
Information Technology Consultants and Personnel

In addition to the assigned personnel above, Grau and Associates has staff with significant IT auditing experience that will assist in the evaluation and testing of internal controls. Because our staff has both a financial audit and IT background, they are able to communicate effectively all IT related concerns to management. In addition, Grau contracts with an outside group of IT management consultants to assist with matters including, but not limited to; network and database security, internet security and vulnerability testing.

Composition of Engagement Team

In contrast to the majority of both national and local firms, Grau's proposed engagement team is comprised of an exceptionally large percentage of high-level audit professionals. This gives us the ability to quickly recognize problems and be more efficient as a result of our Team's **DECADES** of governmental auditing experience.

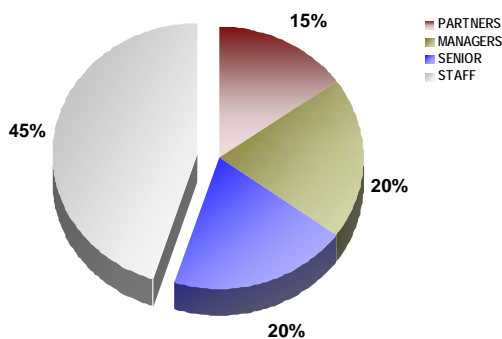
Grau & Associates



**80 percent of engagement will be performed by
*Partners, Management and Senior Staff***

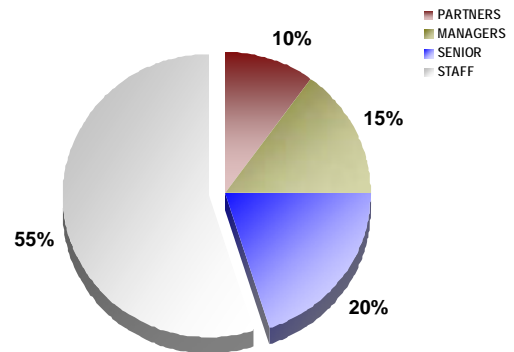
VS.

Typical Local CPA Firm:



55 percent of engagement is performed by "Management"

Typical National CPA Firm



45 percent of engagement is performed by "Management"

Resumes

The resumes and licenses of your engagement team can be found on the following pages.

Antonio J. Grau, CPA, Owner/Partner

e-mail: tgrau@graucpa.com / 561-939-6672

Education

Bachelor of Arts, Business Administration, 1983 University of South Florida; Accredited in Business Valuation by the AICPA, 1998; Personal Financial Specialist, 1997

Professional History

CPA, in Florida since February 28, 1985, Certificate No. 15330

Grau & Associates	Partner	2006-Present
Grau & Company	Partner	1995-2005
Grau & Company	Audit Manager	1987-1995
International Firm	Auditor	1985-1986
Grau & Company	Staff Accountant	1983-1984

Clients Served (partial list)

(>250) Various Special Districts	Hispanic Human Resource Council
Brevard Workforce Board	Mae Volen Senior Center, Inc.
Broward Education Foundation	North Lauderdale Academy High School
City of Cooper City	Orlando Housing Authority
City of Lauderdale Lakes	Palm Beach County Workforce Development Board
City of Lauderhill	Peninsula Housing Programs
City of Lauderhill General Pension	School Board of Broward County
City of North Lauderdale	School Board of Miami-Dade County
City of Oakland Park	School Board of Palm Beach County
Delray Beach Housing Authority	South Florida Water Management District
East Central Regional Wastewater Treatment Fac.	Southwest Florida Workforce Development Board
Florida Community College at Jacksonville	Town of Davie
Florida Department of Management Services	Town of Hypoluxo
Greater Boca Raton Park & Beach District	West Palm Beach Housing Authority
Highland County School District	

Professional Education (over the last three years)

<u>Course</u>	<u>Hours</u>
Government Accounting and Auditing	87
Accounting, Auditing and Other	241
Total Hours	<u>328</u>

Other Qualifications

As a member of the Government Finance Officers Association Special Review Committee, Mr. Grau participated in the review process for awarding the GFOA Certificate of Achievement in Financial Reporting. Mr. Grau was the review team leader for the Quality Review of the Office of Management Audits of School Board of Miami-Dade County.

Professional Associations/Memberships

American Institute of Certified Public Accountants	Florida Government Finance Officers Association
Florida Institute of Certified Public Accountants	Government Finance Officers Association

Antonio S. Grau, CPA, Concurring Review Consultant

e-mail: asgrau@graucpa.com

Education

Bachelor Degree, Business Administration, 1966, University of Miami, Certificate of Educational Achievement from the AICPA in Governmental and Not-For-Profit Accounting and Auditing, 1994/1995.

Professional History

CPA in Florida since April 29, 1970, Certificate No. 2623

Grau & Company	Partner	1977-2004
Public Company	Financial Officer	1972-1976
International Firm	Auditor	1966-1972

Clients Served (partial list)

Mr. Grau was the head of the governmental audit department of Grau & Company, and performs the concurring review and advises on all the governmental audits of the firm.

Atlanta Housing Authority	Hispanic Human Resource Council
Brevard Workforce Board	Mae Volen Senior Center, Inc.
Broward County Housing Authority	Miami Beach Housing Authority
City of Dania Beach	North Lauderdale Academy High School
City of Lauderdale Lakes	Palm Beach County Workforce Development Board
City of Lauderhill	School Board of Miami-Dade County
City of Lauderhill General Pension	South Florida Water Management District
City of Miami Springs	Southwest Florida Workforce Board
City of Oakland Park	Town of Hypoluxo
City of Sweetwater Pension	Town of Miami Lakes
Florida Community College at Jacksonville	Town of Southwest Ranches
Highland County School District	Village of Biscayne Park
Downtown Development Authority of the City of Miami / Community Development Block Grants	West Palm Beach Housing Authority

Professional Education (over the last three years)

<u>Course</u>	<u>Hours</u>
Government Accounting and Auditing	87
Accounting, Auditing and Other	46
Total Hours	<u>133</u>

Other Qualifications

Mr. Grau was the review team leader for the Quality Review of the Office of Management Audits of School Board of Miami-Dade County.

Professional Associations / Memberships

American Institute of Certified Public Accountants	Florida Institute of Certified Public Accountants
Institute of Certified Public Accountants (1996-1997)	Institute of Certified Public Accountants (1991 - 1993)
Past member, State and Local Government Committee, Florida	
Past member, Quality Review Acceptance Committee, Florida	
Past member of BKR International Committee on Government and Non-Profit Accounting and Auditing	

C. Michelle Blackstock, CPA/CITP, Partner

e-mail: mblackstock@graucpa.com / 561-939-6668

Education

University of Central Florida, Orlando, Florida
Bachelor of Science – Accountancy May 1988

Professional History

Grau & Associates	Partner	2009-Present
Grau & Associates	Audit Manager	2006-2009
Grau & Company	Audit Manager	2003-2006
Other Public Experience		1988-2003

Clients Served (partial list)

(>250) Various Special Districts	Greater Boca Raton Chamber of Commerce
Aid to Victims of Domestic Abuse	Highland County School District
Bentley's Luggage 401(k) Plan	Hispanic Human Resource Council
Canaveral Port Authority	Jacksonville Police & Fire Pension Fund
Central County Water Control District	Mae Volen Senior Center, Inc.
Citrus County Mosquito Control District	North Lauderdale Academy High School
City of Cooper City	San Carlos Park Fire Protection & Rescue District
City of North Lauderdale	School Board of Palm Beach County
City of Parkland Police Officer's Retirement Plan	Siboney Contracting Company
City of Sebastian	South Florida Water Management District
Cobb County Health Department	South Indian River Water Control District
CPM & Rosmurgy 401(k) Plan	South Trail Fire & Rescue District
Florida Public Utilities 401(k) & Pension Plans	Sunshine Water Control District
Florida Transit Association Finance Corporation	The Breakers Health & Welfare Plan
Floyd County, Georgia	Town of Davie
	Town of Hypoluxo

Professional Education (over the last three years)

<u>Course</u>	<u>Hours</u>
Government Accounting and Auditing	104
Accounting, Auditing and Other	108
Certified Information Technology Professional	35
Total Hours	<u>247</u>

Other Qualifications

As a member of the Government Finance Officers Association Special Review Committee, Ms. Blackstock participates in the review process for awarding the GFOA Certificate of Achievement in Financial Reporting.

Professional Associations/Memberships

American Institute of Certified Public Accountants
Florida Institute of Certified Public Accountants
Florida Government Finance Officers Association and Government Finance Officers Association
Big Brothers Big Sisters of Broward County, Past President and past Treasurer of the Board of Directors

Racquel C. McIntosh, CPA, Manager

e-mail: rmcintosh@graucpa.com / 561-939-6669

Education

Master of Accounting, MACC; Florida Atlantic University, December 2004; Bachelor of Arts – Majors: Accounting and Finance; Florida Atlantic University, May 2003

Professional History

<i>Grau & Associates</i>	<i>Manager</i>	<i>2009-Present</i>
<i>Grau & Associates</i>	<i>Senior Auditor</i>	<i>2007-2009</i>
<i>Grau & Associates</i>	<i>Staff Auditor</i>	<i>2006-2007</i>
<i>Grau & Company</i>	<i>Staff Auditor</i>	<i>2005-2006</i>
<i>FAU Foundation</i>	<i>Graduate Assistant</i>	<i>2002-2004</i>

Clients Served (partial list)

(>250) Various Special Districts	Key Largo Wastewater Treatment Plant
Brevard Workforce Development Board	Pinetree Water Control District
Broward Education Foundation	San Carlos Park Fire Protection & Rescue District
Central Broward Water Control District	Southwest Florida Workforce Development Board
City of Cooper City	Sun N Lake of Sebring Improvement District
City of Pompano Beach (Joint Venture)	Town of Hypoluxo
East Central Regional Wastewater Treatment Fac.	Town of Lantana
Greater Boca Raton Beach & Park District	Town of Mangonia Park
	Village of Wellington

Professional Education (over the last three years)

<u>Course</u>	<u>Hours</u>
<i>Government Accounting and Auditing</i>	<i>80</i>
<i>Accounting, Auditing and Other</i>	<i>119</i>
<i>Total Hours</i>	<u><i>199</i></u>

Professional Associations/ Memberships

American Institute of Certified Public Accountants
Florida Institute of Certified Public Accountants
FICPA Young CPAs Committee
FICPA Accounting Careers Committee

PRIOR ENGAGEMENTS WITH THE DISTRICT

Within the last five years, Grau & Associates has not had any engagements with the District.

SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES

We have included three references of government engagements that require compliance with laws and regulations, follow fund accounting, and have financing requirements, which we believe are similar to the District. Please refer to the Supplemental Information Section, Page 27 for a partial list of clients.

Harmony Community Development District

Scope of Work	Financial audit
Hours	65
Engagement Partner	Antonio J. Grau
Dates	Annually since 2001
Client Contact	Steven Bloom 210 North University Drive, Suite 702 Coral Springs, Florida 33071 561-630-4922

Beeline Community Development District

Scope of Work	Financial audit
Hours	35
Engagement Partner	Antonio J. Grau
Dates	Annually since 2003
Client Contact	Peter L. Pimentel 2501 A Burns Road Palm Beach Gardens, Florida 33410 561-630-4922

Sterling Hill Community Development District

Scope of Work	Financial audit
Hours	34
Engagement Partner	Antonio J. Grau
Dates	Annually since 2004
Client Contact	William Rizzetta 3434 Colwell Avenue, Suite 200 Tampa, Florida 33614 813-933-5571

SPECIFIC AUDIT APPROACH

We recognize the District is an important entity and its responsibilities create a challenging and dynamic organization. We are confident our firm is eminently qualified to meet the challenges of this engagement and deliver quality audit services. **You would be a valued client of our firm and we pledge to commit all firm resources to provide the level and quality of services (as described below) which not only meet the requirements set forth in the RFP but will exceed those expectations.** Our audit will follow the Auditing Standards of the AICPA, Generally Accepted Government Auditing Standards, issued by the comptroller General of the United States, and the Rules of the Auditor General of the State of Florida and any other applicable Federal, State or Local regulations. **Grau & Associates fully understands the scope of professional services and work products requested. We will deliver our reports in accordance with your requirements.**

a. Proposed segmentation of the engagement

Phase I - Preliminary Planning (October 2013)

- Kickoff meeting(s) with the District's stakeholders to identify any issues or suggestions that arose with the previous firm.
- Develop audit plans to incorporate the consideration of financial statement assertions, specific audit objectives, and appropriate audit procedures to achieve the specified objectives.
- Discuss and resolve any accounting, auditing and reporting matters which have been identified.

We involve our clients in this phase of the audit by providing relevant documents as to organization, structure and policies and procedures. We also set appointments to discuss information technology (IT) general controls, transaction processing and fraud inquiries. We would then request a planning meeting to discuss any concerns that management has or is aware of that should be addressed during the audit, set a timeline for the audit and establish your specific audit protocol.

Phase II – Execution of Audit Plan (November 2013)

The audit team will complete a major portion of transaction testing and audit requirements during this phase. The procedures performed during this period will enable us to identify any matter that may impact the completion of our work or require the attention of management. Tasks to be performed in Phase II include, but are not limited to the following:

- Apply analytical procedures to further assist in the determination of the nature, timing, and extent of auditing procedures used to obtain evidential matter for specific account balances or classes of transactions.
- Perform tests of account balances and transactions through sampling, vouching, confirmation and other analytical procedures.
- Perform tests of compliance.

Also, during the engagement, we will identify the major programs to be audited pursuant to OMB Circular A-133 and the Florida Single Audit Act. As required, the determination will be based on the dollar amount of federal and state expenditures and the associated program risk. Further, as appropriate, our audit will be planned to provide for a low level of assessed control risk.

During this phase of the audit we ask our clients for their assistance obtaining the necessary supporting documentation, answering questions on analytical procedures, providing the necessary support for compliance regarding the Single Audit testing and work with us to resolve any issues and potential journal entries that have been identified. As with our other governmental clients, we will create a schedule with you so that staff has time to plan accordingly in order to avoid adding to their workload.

Phase III - Completion and Delivery (December 2013)

In this phase of the audit, we will complete the tasks related to year-end balances and financial reporting. All reports will be reviewed with management before issuance and delivery, and the partners will be available to meet and discuss our report and address any questions you may have. Tasks to be performed in Phase III include, but are not limited to the following:

- Perform final analytical procedures.
- Review information and make inquiries for subsequent events.
- Meeting with Management to discuss preparation of draft financial statements and any potential findings or recommendations.

Clients assist us during this time with final inquiries regarding subsequent events, commitments and contingencies; review and approval of any journal entries discovered during the audit work performed; providing comments on any findings; reviewing draft audit report and providing necessary or requested changes; and providing the management representation letter.

You should expect more from your accounting firm than a signature in your annual financial report. Our concept of truly proactive and responsive professional service emphasizes taking an active interest in the issues of concern to our clients and serving as an effective resource in identifying and dealing with those issues. In following this approach, we not only audit financial information with hindsight but also consider the foresight you apply in managing the District's daily operations.

Application of this approach in developing our management letter is particularly important given the increasing financial pressures and public scrutiny facing local governments today. We will prepare the management letter at the completion of our final procedures.

In preparing this management letter, we will initially review any draft comments or recommendations with management. In addition, we will take necessary steps to ensure that matters are communicated to those charged with governance.

We will discuss with Management each of the following:

- The auditor's responsibility under generally accepted auditing standards;
- Significant accounting policies;
- Management assumptions, judgments and accounting estimates;
- Significant audit adjustments;
- Other information in documents containing audited financial statements;
- Potential disagreements with management;
- Management consultation with other accountants;
- Major issues discussed with management prior to retention; and
- Any difficulties encountered in performing the audit.

Any critique of operations will be confidential and constructive, and whenever recommendations have been already identified by District staff, the letter will highlight. Our findings will contain a statement of condition describing the District's comprehensive position and identify any areas that needs strengthening, what should be corrected and why. Our suggestions will withstand our basic tests of corrective action:

- The recommendation must be cost effective;
- The recommendations are to be the simplest to effectuate in order to correct a problem;
- The recommendation must go to the heart of the problem and not just correct symptomatic matter; and
- The corrective action must take into account why the deficiency occurred.

- We wish to assist you in identifying and solving problems before they become critical. Our personnel's diverse experience, and their independent and objective views, ensures valuable and meaningful comments, observations, and conclusions as presented in our management letters.

b. Level of staff to be assigned to each proposed segment of the engagement

	Partners	Managers	Seniors	Staff	Total
Preliminary Planning	5	5			10
Perform Audit Plan		10	20	20	50
Completion and Delivery	5	5			10
Total	10	20	20	20	70

c. Sample size and the extent to which statistical sampling is to be used in the engagement

Our professionals will utilize sampling methodologies designed to ensure effective audit procedures are applied in the most efficient manner.

Sampling Techniques

We will utilize representative audit sampling procedures with respect to tests of transactions and tests of controls, where a sample of documentation is to be tested as the principal evidence of a control. During tests of controls, the tests will generally consist of a combination of corroborative inquiry and either observation, examination of documents or re-performance. We will use attribute sampling to test documentary evidence as documentation will be the prime corroborative evidence of identified controls.

Statistical and Non-statistical Sampling

Tests of transactions and tests of controls can be performed using either statistically or non-statistically based techniques. Statistical approaches will be based on our calculation of risk factors. If a non-statistical approach is deemed appropriate, we will design our procedures to obtain levels of assurance that we judge to be equivalent to those required when using statistically based techniques.

Sample Sizes

For tests of controls, sample size will be based on the planned or supported assessed level of control risk and the number of planned or actual deviations expected. For transactions testwork, sample size will be a function of population, materiality, and risk factors.

Approach to be taken in drawing audit samples for purposes of tests of compliance

Tests of compliance with laws and regulations are included with the tests of transactions and controls, when practical. Additional samples are sometimes necessary to test specific laws and regulations as well as for testing federal and state awards. Sample sizes for compliance testing are determined based on the number of transactions and the relative significance of the requirement.

d. Extent of use of electronic data processing software in the engagement

We are actively committed to using computer-based audit techniques. Our knowledge of information systems (IS) and the use of personal computers yield significant savings in the time required to complete an audit. Today's marketplace provides firms, large and small, national and local, with sophisticated computer-aided audit tools necessary to perform data analysis and report generation. Software products, such as Audit Command Language (ACL) for Windows, are used to analyze data and produce reports.

A client's IS environment influences the nature, timing, and extent of planned auditing procedures. Because most of our clients utilize computerized accounting systems, our professional team is experienced with various IS systems and software. As computers have become more integral to the financial management system, we have met the challenge by incorporating new audit techniques into the audit process. Staff members are trained on new software and are skilled in a wide variety of computerized applications.

Each team member possesses their own laptop computer equipped with pertinent audit-related software. We utilize ProSystem fx Engagement, Thomson Reuters/PPC audit guides and programs, ActiveData, ACL for Windows, database programs and spreadsheet applications for auditing purposes. Our IS expertise, combined with extensive auditing and consulting experience mean that we understand the technical intricacies of complex information systems in the context of real-world application.

Utilizing this expertise we will be able to:

- evaluate IS general controls within the computer environment;
- document critical transaction processing systems;
- identify key processes and controls within these transaction processing systems;
- evaluate the effectiveness of identified controls;
- advise the audit team on results of the evaluation and effect on planned audit procedures;
- design, develop and execute computer-assisted audit techniques using computer audit software packages; and
- assess the internal controls

e. Type and extent of analytical procedures to be used in the engagement

Statement of Auditing Standards on *Analytical Procedures* provides guidance on the use and extent of analytical procedures in all audits. Analytical procedures are required in the planning and overall review stages of the audit, and are used in the following areas:

Audit Planning

Analytical procedures can provide great insight in planning an audit. These analyses can enhance our understanding of transactions and events that may have occurred during the year under audit.

Substantive Tests

Analytical procedures can be used as effective substantive tests in certain circumstances, for example, testing certain payroll related expenditures, such as payroll taxes, which are a specific percent of wages.

Overall Review

Analytical procedures used at the conclusion of the audit are designed to assess the conclusions reached and evaluate the overall financial statement presentation.

f. Approach to be taken to gain and document an understanding of the District's internal control structure

The internal control segment is the foundation for the entire audit and involves an extensive understanding and evaluation of operating and management information systems and all related internal controls. The results of this evaluation will influence the nature, timing and extent of our substantive audit procedures. This approach ensures that we achieve maximum efficiency and provides valuable feedback to management regarding the effectiveness of controls being relied upon throughout the year.

Once we have obtained an understanding of the design of relevant policies and procedures, we will determine whether such procedures have been placed in operation and assess control risk. This begins by asking your staff to complete simple questionnaires, holding interviews with personnel and evaluating the internal system and accounting documentation. We will then prepare documentation of the major systems. To the extent it is available we will also use internal control documentation you may have. Our goal is to learn as much about your internal controls as possible while also respecting your staff's valuable time.

g. Approach to be taken in determining laws and regulations that will be subject to audit test work

Your auditor must consider laws and regulations that have a direct and material effect on the financial statements. Further, your auditor designs audit procedures to provide reasonable assurance that your financial statements are free of material misstatements resulting from violations of these laws and regulations that have a direct and material impact on the financial statements. Identifying applicable laws and regulations is fundamental to fulfilling the responsibility of understanding their effects. We will obtain this knowledge from various sources including:

- Discussion of compliance requirements with management and the governing body.
- Identification of compliance matters in statutes, financial ordinances, policies, contracts, and agreements.
- Our existing knowledge of federal, state and local laws.

In addition, we will obtain and read grant documents and will make inquiries of your personnel about restrictions, limitations, terms and conditions under which grants were provided.

h. Approach to be taken in drawing audit samples for purposes of tests of compliance

Tests of compliance with laws and regulations are included with the tests of transactions and controls, when practical. Additional samples are sometimes necessary to test specific laws and regulations as well as for testing federal and state awards. Sample sizes for compliance testing are determined based on the number of transactions and the relative significance of the requirement.

IDENTIFICATION OF ANTICIPATED POTENTIAL AUDIT PROBLEMS

We are aware of the uniqueness of the District and will anticipate any issues by addressing them at their early stages.

We do not anticipate any potential audit problems. We want to help you solve problems before they become critical and this is why we will be involved throughout the entire year, at no extra cost, providing assistance in current and new evolving issues.

REPORT FORMAT

Please refer to Attachment 1, Page 22 for a sample report.

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Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

Attachment 1

**XXXX
COMMUNITY DEVELOPMENT DISTRICT
XXXX COUNTY, FLORIDA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2012**

**XXXX COMMUNITY DEVELOPMENT DISTRICT
XXXX COUNTY, FLORIDA**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
XXXX Community Development District
XXXX County, Florida

We have audited the accompanying financial statements of the governmental activities and the major fund of XXXX Community Development District, XXXX County, Florida (the "District") as of and for the fiscal year ended September 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 the major fund of the District as of September 30, 2012, and the respective changes in financial position thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated XXXX, 2013, 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, contracts, agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information 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.

XXXX, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of XXXX Community Development District, XXXX County, Florida ("District") provides a narrative overview of the District's financial activities for the fiscal year ended September 30, 2012. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year resulting in a net asset balance of \$6,017.
- The change in the District's total net assets in comparison with the prior fiscal year was (\$183), a decrease. The key components of the District's net assets and change in net assets are reflected in the table in the government-wide financial analysis section.
- At September 30, 2012, the District's governmental fund reported an ending fund balance of \$6,017, a decrease of (\$183) in comparison with the prior fiscal year. The entire fund balance is unassigned fund balance which is available for spending at the District's discretion.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as the introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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 assets presents information on all the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 Developer revenues. The District does not have any business-type activities. The governmental activities of the District include general government (management) 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.

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

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 District'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 one governmental fund. 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, which is a major fund.

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 the 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

As noted earlier, net assets may serve over time as a useful indicator of an entity's financial position. In the case of the District, assets exceeded liabilities at the close of the fiscal year ended September 30, 2012. The entire balance of net assets is unrestricted.

Key components of the District's net assets are reflected in the following table:

	NET ASSETS SEPTEMBER 30,	
	2012	2011
Assets, excluding capital assets	\$ 12,242	\$ 7,762
Total assets	12,242	7,762
Liabilities, excluding long-term liabilities	6,225	1,562
Total liabilities	6,225	1,562
Net assets		
Unrestricted	6,017	6,200
Total net assets	\$ 6,017	\$ 6,200

The District's net assets decreased during the most recent fiscal year. The decrease represents the degree to which ongoing expenses surpassed program revenues.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Key elements of the change in the District's net assets are reflected in the following table:

	CHANGES IN NET ASSETS FOR THE FISCAL YEAR ENDED SEPTEMBER 30,	
	2012	2011
Revenues:		
Program revenues		
Operating grants and contributions	\$ 13,422	\$ 11,852
Total revenues	<u>13,422</u>	<u>11,852</u>
Expenses:		
General government	13,605	11,982
Total expenses	<u>13,605</u>	<u>11,982</u>
Change in net assets	<u>(183)</u>	<u>\$ (130)</u>
Net assets - beginning	6,200	6,330
Net assets - ending	<u>\$ 6,017</u>	<u>\$ 6,200</u>

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2012 was \$13,605. The costs of the District's activities were paid by program revenues which were comprised entirely of Developer contributions for both the 2012 and 2011 fiscal years.

GENERAL BUDGETING 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. The legal level of budgetary control, the level at which expenditures may not exceed budgeted amounts, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2012.

Actual general fund expenditures for the fiscal year ended September 30, 2012 were less than appropriations due primarily to anticipated costs which were not incurred in the current fiscal year. Accordingly, Developer contributions were less than budgeted amounts.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND OTHER EVENTS

The District anticipates that the general operations of the District will remain fairly constant.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, land owners, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact the XXXX Community Development District's Finance Department at 475 West Town Place, Suite 114, St. Augustine, Florida 32092.

**XXXX COMMUNITY DEVELOPMENT DISTRICT
 XXXX COUNTY, FLORIDA
 STATEMENT OF NET ASSETS
 SEPTEMBER 30, 2012**

	Governmental Activities
ASSETS	
Cash	\$ 6,017
Due from Developer	6,225
Total assets	12,242
 LIABILITIES	
Accounts payable	6,225
Total liabilities	6,225
 NET ASSETS	
Unrestricted	6,017
Total net assets	\$ 6,017

See notes to the financial statements

**XXXX COMMUNITY DEVELOPMENT DISTRICT
XXXX COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues Operating Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Assets Governmental Activities</u>
Governmental activities:			
General government	\$ 13,605	\$ 13,422	\$ (183)
Total governmental activities	<u>13,605</u>	<u>13,422</u>	<u>(183)</u>
			(183)
			6,200
			<u>\$ 6,017</u>

See notes to the financial statements

**ANTIGUA AT ST AUGUSTINE DEVELOPMENT DISTRICT
 XXXX COUNTY, FLORIDA
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2012**

	Major Fund General	Total Governmental Funds
ASSETS		
Cash	\$ 6,017	\$ 6,017
Due from Developer	6,225	6,225
Total assets	\$ 12,242	\$ 12,242
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 6,225	\$ 6,225
Total liabilities	6,225	6,225
Fund balances:		
Unassigned, reported in:		
General fund	6,017	6,017
Total fund balances	6,017	6,017
Total liabilities and fund balances	\$ 12,242	\$ 12,242

See notes to the financial statements

**ANTIGUA AT ST AUGUSTINE DEVELOPMENT DISTRICT
 XXXX COUNTY, FLORIDA
 STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012**

	Major Fund General	Total Governmental Funds
REVENUES		
Developer contributions	\$ 13,422	\$ 13,422
Total revenues	13,422	13,422
EXPENDITURES		
Current:		
General government	13,605	13,605
Total expenditures	13,605	13,605
Excess (deficiency) of revenues over (under) expenditures	(183)	(183)
Fund balances - beginning	6,200	6,200
Fund balances - ending	\$ 6,017	\$ 6,017

See notes to the financial statements

**XXXX COMMUNITY DEVELOPMENT DISTRICT
XXXX COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY

XXXX Community Development District ("District") was created October 6, 2005 by Ordinance 2005-33 of the City of St. Augustine, Florida, 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, power to borrow money and issue bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

The District was established for the purposes 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 ("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. PCA Antigua, LLC ("Developer") owns all of the land within the District. At September 30, 2012, all of the Board members are affiliated with the Developer.

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") Statement 14, and Statement 39, an amendment of GASB Statement 14. 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 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide and Fund Financial Statements

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

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

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. (Operating-type special assessments for maintenance and debt service are treated as charges for services.); and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not included among program revenues are reported instead as *general revenues*.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government 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

Assessments are non-ad valorem assessments on benefitted property within the District. Operating and Maintenance Assessments are based upon adopted budget may be levied annually at a public hearing of the District. The District has not previously levied assessments but rather the budget is Developer funded. Debt Service Assessments are levied when Bonds are issued and assessed and collected on an annual basis. No Bonds have been issued and thus no Debt Service Assessments have been certified for collection by the District. 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 mailed by County Tax Collector on November 1 and due on or before March 31 of each year.

Assessments and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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.

During the fiscal year ended September 30, 2012, there were no assessments.

The District reports the following major governmental funds:

General Fund

The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first for qualifying expenditures, then unrestricted resources as they are needed.

Assets, Liabilities and Net Assets or Equity

Restricted Assets

These assets represent cash and investments set aside pursuant to Bond covenants or other contractual restrictions.

As of September 30, 2012, there were no restricted assets.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Assets or Equity (Continued)

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand and demand deposits (interest and non-interest bearing).

The District has elected to proceed under the Alternative Investment Guidelines as set forth in Section 218.415 (17) Florida Statutes. The District may invest any surplus public funds in the following:

- a) The Local Government Surplus Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Inter-local Cooperation Act;
- b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
- c) Interest bearing time deposits or savings accounts in qualified public depositories;
- d) Direct obligations of the U.S. Treasury.

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due.

The District records all interest revenue related to investment activities in the respective funds and reports investments at fair value.

As of September 30, 2012, there were no investments.

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.

Capital Assets

Capital assets which include property, plant and equipment, and infrastructure assets (e.g., roads, sidewalks and similar items) are reported in the government activities columns 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 (amount not rounded) 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 estimated fair market 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.

In the governmental fund financial statements, amounts incurred for the acquisition of capital assets are reported as fund expenditures. Depreciation expense is not reported in the governmental fund financial statements.

As of September 30, 2012, did not own or maintain capital assets.

Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Assets or Equity (continued)

Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized ratably over the life of the Bonds. Bonds payable are reported net of applicable premiums or discounts.

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

As of September 30, 2012, there are no long-term obligations.

Fund Equity/Net Assets

In the fund financial statements, governmental funds report non spendable and restricted fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subject to change.

The District can establish limitations on the use of fund balance as follows:

Committed fund balance – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board of Supervisors. Commitments may be changed or lifted only by the Board of Supervisors taking the same formal action (resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Assigned fund balance – Includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted nor committed. The Board may also assign fund balance as it does when appropriating fund balance to cover differences in estimated revenue and appropriations in the subsequent year's appropriated budget. Assignments are generally temporary and normally the same formal action need not be taken to remove the assignment.

The District first uses committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net assets in the government-wide financial statements are categorized as invested in capital assets, net of related debt, restricted or unrestricted. Invested in capital assets, net of related debt represents net assets related to infrastructure and property, plant and equipment, net of any related debt. Restricted net assets represent the assets restricted by the District's Bond covenants or other contractual restrictions.

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 3 – BUDGETARY INFORMATION

The District is required to establish a budgetary system and an approved Annual Budget. Annual Budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end.

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

- a) Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
- b) A public hearing is conducted to obtain comments.
- c) Prior to October 1, the budget is legally adopted by the District Board.
- d) All budget changes must be approved by the District Board.
- e) The budgets are adopted on a basis consistent with generally accepted accounting principles.
- f) Unused appropriation for annually budgeted funds lapse at the end of the year.

NOTE 4 – 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.

NOTE 5 – DEVELOPER TRANSACTIONS

The Developer has agreed to fund the general operations of the District, in lieu of assessments. In connection with that agreement, Developer contributions to the general fund were \$13,422 which includes a receivable of \$6,225 at September 30, 2012.

NOTE 6 – CONCENTRATION

The District's activity is dependent upon the continued involvement of the Developer, the loss of which could have a material adverse effect on the District's operations.

NOTE 7 – CONTINGENCY

The District expects to access the public bond market to provide for the financing of certain capital improvements, facilities, and services to benefit the lands within the District. Costs totaling \$29,245 have been incurred for services performed related to work done in connection with the issuance of Bonds. However, it has been determined that the District does not need to pay for these services until such time as Bonds are issued or a final decision is made by the District not to issue Bonds that could be evidenced by a petition to dissolve the District or by obtaining conventional financing to finance the capital improvements, facilities, and/or infrastructure of the District. As of XXXX, 2013, Bonds have not been issued.

NOTE 8 – MANAGEMENT COMPANY

The District has contracted with a management company to perform management advisory services, which include financial and accounting services. Certain employees of the management company also serve as non-voting officers of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, computer and other administrative costs.

NOTE 9 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District opted to not obtain commercial insurance from independent third parties to mitigate the costs of these risks for the fiscal year ended September 30, 2012.

**XXXX COMMUNITY DEVELOPMENT DISTRICT
XXXX COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012**

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original & Final</u>	<u>Actual Amounts</u>	
REVENUES			
Developer contributions	\$ 14,475	\$ 13,422	\$ (1,053)
Total revenues	<u>14,475</u>	<u>13,422</u>	<u>(1,053)</u>
EXPENDITURES			
Current:			
General government	14,475	13,605	870
Total expenditures	<u>14,475</u>	<u>13,605</u>	<u>870</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	(183)	<u>\$ (183)</u>
Fund balance - beginning		<u>6,200</u>	
Fund balance - ending		<u>\$ 6,017</u>	

See notes to required supplementary information

**XXXX COMMUNITY DEVELOPMENT DISTRICT
XXXX COUNTY, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

The District is required to establish a budgetary system and an approved Annual Budget for the general fund. The District's budgeting process is based on estimates of cash receipts and cash expenditures which are approved by the Board. The budget approximates a basis consistent with accounting principles generally accepted in the United States of America (generally accepted accounting principles).

The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2012.

Actual general fund expenditures for the fiscal year ended September 30, 2012 were less than appropriations due primarily to anticipated costs which were not incurred in the current fiscal year. Accordingly, Developer contributions were less than budgeted amounts.

**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
XXXX Community Development District
XXXX County, Florida

We have audited the financial statements of the governmental activities and the major fund of XXXX Community Development District, XXXX County, Florida ("District") as of and for the fiscal year ended September 30, 2012, which collectively comprise the District's basic financial statements and have issued our report thereon dated XXXX, 2013. 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.

Internal Control Over Financial Reporting

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the 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 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, and 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*.

This report is intended for the information of the management, Board of Supervisors of XXXX Community Development District, XXXX County, Florida and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

XXXX, 2013

**MANAGEMENT LETTER PURSUANT TO THE RULES OF
THE AUDITOR GENERAL FOR THE STATE OF FLORIDA**

To the Board of Supervisors
XXXX Community Development District,
XXXX County, Florida

We have audited the accompanying basic financial statements of XXXX Community Development District, XXXX County, Florida ("District") as of and for the fiscal year ended September 30, 2012, and have issued our report thereon dated XXXX, 2013.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Florida Auditor General. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In addition, we have issued our Report on Internal Control over Financial Reporting and Compliance and Other Matters based on an audit of the financial statements performed in accordance with *Government Auditing Standards* dated XXXX, 2013. Disclosures in that report should be considered in conjunction with this management letter.

The purpose of this letter is to comment on those matters required by Chapter 10.550 of the Rules of the Auditor General for the State of Florida. Accordingly, in connection with our audit of the financial statements of the District, as described in the first paragraph, we report the following:

- I. Current year findings and recommendations.**
- II. Status of prior year findings and recommendations.**
- III. Compliance with the Provisions of the Auditor General of the State of Florida.**

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. This letter is intended for the information and use of management, Board of Supervisors of XXXX Community Development District, XXXX County, Florida and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank XXXX Community Development District, XXXX County, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements, and the courtesies extended to us.

XXXX, 2013

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None

III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2011.

2. A statement as to whether or not the local governmental entity complied with Section 218.415, Florida Statutes, regarding the investment of public funds.

The District complied with Section 218.415, Florida Statutes, regarding the investment of public funds.

3. Any recommendations to improve the local governmental entity's financial management.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2012.

4. Violations of 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 more than inconsequential.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2012.

5. For matters that have an inconsequential effect on the financial statements, considering both quantitative and qualitative factors, the following may be reported based on professional judgment:

- a. Violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse.

- b. Deficiencies in internal control that are not significant deficiencies.

There were no such matters discovered by, or that came to the attention of, the auditor, that, in our judgment, are required to be reported, for the fiscal year ended September 30, 2012.

6. The name or official title and legal authority of the District are disclosed in the notes to the financial statements.

REPORT TO MANAGEMENT (Continued)

7. The financial report filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes agrees with the September 30, 2012 financial audit report.
8. The District has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.
9. We applied financial condition assessment procedures pursuant to Rule 10.556(7) and no deteriorating financial conditions were noted. It is management's responsibility to monitor 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.

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Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

Supplemental Information

- INSURANCE CERTIFICATES
- PARTIAL CLIENT LIST
- ADDITIONAL SERVICES

INSURANCE - GENERAL / AUTO LIABILITY



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
12/11/2012

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Premier Agents Group 900 S. Pine Island Road #300 Plantation FL 33324		CONTACT NAME: Middle Unit 1 PHONE (A/C No. Ext): (954) 382-4350 FAX (A/C. No): (954) 382-2810 E-MAIL ADDRESS: dannys@setnorbyer.com	
INSURED ANTONIO J GRAU, CPA, PA GRAU & ASSOCIATES 2700 N. MILITARY TRAIL #350 BOCA RATON FL 33431		INSURER(S) AFFORDING COVERAGE INSURER A: Hartford Casualty Ins Co NAIC #: 29424 INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	

COVERAGES CERTIFICATE NUMBER: 1/1/13 REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR (GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC			21SBARM5295	1/1/2013	1/1/2014	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COM/PROP AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			21SBARM5295	1/1/2013	1/1/2014	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			21SBARM5295	1/1/2013	1/1/2014	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				WC STATUTORY LIMITS <input type="checkbox"/> DTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

CERTIFICATE HOLDER (561) 994-5823 fstanford@graucpa.com Antonio J Grau, CPA, PA dba Grau & Associates 2700 N Military Trail Suite 350 Boca Raton, FL 33431	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Daniel Saunders/DANNY
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INSURANCE - PROFESSIONAL LIABILITY



DECLARATIONS

ACCOUNTANTS PROFESSIONAL LIABILITY INSURANCE POLICY

Policy Number: FLL104335-07

Effective Date: 01/01/2013 at 12:01 A.M. Standard time at the address shown below
Expiration Date: 01/01/2014 at 12:01 A.M. Standard time at the address shown below
Retroactive Date: 01/01/2006

Item 1 - Named Insured: Antonio J. Grau, CPA, P.A. d/b/a Grau and Associates

Item 2 - Business Address: 2700 N. Military Trail, Suite 350

Boca Raton, FL 33431

Item 3 - Limits of Liability: \$2,000,000 Per Claim
\$2,000,000 Policy Aggregate

Item 4 - Deductibles: \$5,000 Per Claim Deductible

Item 5a - Total Premium:

Item 5b - FL Hurricane Catastrophe Fund Surcharge:

Item 5c - Total Amount:

Item 6 - The policy consists of this Declarations page, and the following policy forms and endorsements:

PL-1000-A	Accountants Professional Liability Insurance Policy
PL-1043-A	Supplemental Policy Benefits and Liberalization
PL-2037-A (FL)	State Endorsement - Florida
PL-1015-A	Separate Defense Limit
PL-1026-A	Limited Coverage for Known Claims
PL-1007-A	Exclusion - Claims Following Insureds Suit for Fees
PL-1038-A	Privacy And Client Network Damage Endorsement

NOTICE OF TERRORISM INSURANCE COVERAGE: Coverage for acts of terrorism as defined under the Terrorism Risk Insurance Act of 2002 ("TRIA") is already included in your current policy. You should know that, effective November 26, 2002, under your existing coverage, any losses caused by certified acts of terrorism would be partially reimbursed by the United States under a formula established by federal law. Under this formula, the United States pays 90% of covered terrorism losses exceeding the statutorily established deductible paid by CAMICO Mutual Insurance Company. The portion of your annual premium that is attributable to coverage for acts of terrorism is: \$0.

PLEASE READ THESE DECLARATIONS, THE POLICY AND ENDORSEMENTS CAREFULLY.

CAMICO Mutual Insurance Company

Authorized Representative

PL-1001-A

(rev. 03/08)

INSURANCE - WORKERS COMPENSATION



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
06/14/13

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Aon Risk Services, Inc of Florida 1001 Brickell Bay Drive, Suite #1100 Miami, FL 33131-4937		CONTACT NAME: Aon Risk Services, Inc of Florida PHONE (A/C, No, Ext): 800-743-8130 EMAIL: ADP.COI.Center@Aon.com ADDRESS:		FAX (A/C, No): 800-522-7514
INSURED ADP TotalSource FL XVI, Inc. 10200 Sunset Drive Miami, FL 33173 ALTERNATE EMPLOYER Antonio J Grau CPA PA DBA Grau & Associates 2700 N Military Trl, #350 Boca Raton, FL 33431		INSURER(S) AFFORDING COVERAGE		NAIC #
		INSURER A: Illinois National Insurance Co.		23817
		INSURER B:		
		INSURER C:		
		INSURER D:		
		INSURER E:		
		INSURER F:		

COVERAGES **CERTIFICATE NUMBER:** 622702 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS. LIMITS SHOWN ARE AS REQUESTED.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COM/PROP AGG \$ \$ \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ \$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB DEC RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$ \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	WC 015685235 FL	7/1/2013	7/1/2014	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 2,000,000 E.L. DISEASE - EA EMPLOYEE \$ 2,000,000 E.L. DISEASE - POLICY LIMIT \$ 2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
 All worksite employees working for the above named client company, paid under ADP TOTALSOURCE, INC.'s payroll, are covered under the above stated policy. The above named client is an alternate employer under this policy.

CERTIFICATE HOLDER GRAU & ASSOCIATES / ANTONIO J GRAU CPA PA 2700 N MILITARY TRAIL, #350 BOCA RATON, FL 33431	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>Aon Risk Services, Inc of Florida</i>
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Partial List of Clients

The following is a partial list of clients served and related experience:

COMMUNITY DEVELOPMENT DISTRICTS	Governmental Audit	Utility Audit	Current Client	Year End
Aberdeen Community Development District	✓			9/30
Allen Plantation Community Development District	✓			9/30
Amelia Concourse Community Development District	✓		✓	9/30
Amelia National Community Development District	✓			9/30
Amelia Walk Community Development District	✓			9/30
Anthem Park Community Development District	✓			9/30
Antigua at St. Augustine Community District	✓		✓	9/30
Aqua Isles Community Development District	✓		✓	9/30
Arlington Ridge Community Development District	✓		✓	9/30
Ave Maria Stewardship Community District	✓		✓	9/30
Bahia Lakes Community Development District	✓		✓	9/30
Ballantrae Community Development District	✓		✓	9/30
Bartram Springs Community Development District	✓		✓	9/30
Bay Creek Community Development District	✓		✓	9/30
Bay Laurel Community Development District	✓	✓	✓	9/30
Bay Tree Community Development District	✓		✓	9/30
Bayside Community Development District	✓		✓	9/30
Baywinds Community Development District	✓		✓	9/30
Beach Community Development District	✓		✓	9/30
Beacon Tradeport Community Development District	✓			9/30
Beeline Community Development District	✓		✓	9/30
Bella Verda East Community Development District	✓			9/30
Bella Verda Lake Community Development District	✓			9/30
Bella Vida Community Development District	✓		✓	9/30
Belmont Community Development District	✓		✓	9/30
Belmont Lakes Community Development District	✓		✓	9/30
Blackburn Creek Community Development District	✓		✓	9/30
Bluewaters Community Development District	✓		✓	9/30
Boggy Creek Community Development District	✓			9/30
Bonnett Creek Community Development District	✓			9/30
Bonita Village Community Development District	✓		✓	9/30
Brandy Creek Community Development District	✓			9/30
Bridgewater Community Development District	✓			9/30
Bridgewater of Wesley Chapel Community Development District	✓		✓	9/30
Briger Community Development District	✓		✓	9/30

COMMUNITY DEVELOPMENT DISTRICTS

(Continued)

	Governmental Audit	Utility Audit	Current Client	Year End
Brooks of Bonita Springs I Community Development District	✓		✓	9/30
Brooks of Bonita Springs II Community Development District	✓		✓	9/30
Candler Hills East Community Development District	✓		✓	9/30
Capital Region Community Development District	✓			9/30
Captain's Key Dependent District	✓		✓	9/30
Caribe Palm Community Development District	✓		✓	9/30
Cascades at Groveland Community Development District	✓			9/30
Catalina at Winkler Preserve Community Development District	✓		✓	9/30
CBL/BM Port Orange West Community Development District	✓			9/30
Cedar Pointe Community Development District	✓		✓	9/30
Celebration Point Community Development District	✓		✓	9/30
Century Gardens Community Development District	✓			9/30
Century Gardens at Tamiami Community Development District	✓		✓	9/30
Century Parc Community Development District	✓		✓	9/30
CFM (Coolidge Fort Myers) Community Development District	✓			9/30
Chapel Creek Community Development District	✓			9/30
Champions Gate Community Development District	✓		✓	9/30
City Center Community Development District	✓			9/30
City Place Community Development District	✓		✓	9/30
Clearwater Cay Community Development District	✓			9/30
Coastal Lake Community Development District	✓			9/30
Coconut Cay Community Development District	✓		✓	9/30
Concorde Estates Community Development District	✓			9/30
Concorde Station Community Development District	✓		✓	9/30
Connerton West Community Development District	✓			9/30
Copper Creek Community Development District	✓		✓	9/30
Copper Oaks Community Development District	✓		✓	9/30
Copperstone Community Development District	✓		✓	9/30
Coral Bay Community Development District	✓		✓	9/30
Coral Keys Homes Community Development District	✓		✓	9/30
Coral Town Park Community Development District	✓		✓	9/30
Coronado Community Development District	✓		✓	9/30
Country Club of Mount Dora Community Development District	✓			9/30
Country Greens Community Development District	✓		✓	9/30
Country Walk Community Development District	✓		✓	9/30
Covington Park Community Development District	✓		✓	9/30
Creeside Community Development District	✓		✓	9/30
Cross Country Home Services Community Development District	✓			9/30
Cross Creek Community Development District	✓		✓	9/30

COMMUNITY DEVELOPMENT DISTRICTS

(Continued)

	Governmental Audit	Utility Audit	Current Client	Year End
Cutler Cay Community Development District	✓		✓	9/30
Cypress Cove Community Development District	✓		✓	9/30
Cypress Grove Community Development District	✓		✓	9/30
Cypress Lakes Community Development District	✓		✓	9/30
Cypress Shadows Community Development District	✓		✓	9/30
Deer Island Community Development District	✓		✓	9/30
Deer Run Community Development District	✓		✓	9/30
Diamond Hill Community Development District	✓		✓	9/30
Double Branch Community Development District	✓		✓	9/30
Dove Pond Community Development District	✓		✓	9/30
Dunes Community Development District	✓	✓	✓	9/30
Dupree Lakes Community Development District	✓			9/30
Eagle Point Community Development District	✓		✓	9/30
East Bonita Bridge Road Community Development District	✓		✓	9/30
East Park Community Development District	✓		✓	9/30
Easton Park Community Development District	✓		✓	9/30
Enclave at Black Point Marina Community Development District	✓			9/30
Encore Community Development District	✓		✓	9/30
Enterprise Community Development District	✓	✓		9/30
Estates at Cherry Lake Community Development District	✓			9/30
Falcon Trace Community Development District	✓		✓	9/30
Fallschase Community Development District	✓		✓	9/30
Fiddler's Creek Community Development District	✓		✓	9/30
Fishhawk I Community Development District	✓			9/30
Fishhawk II Community Development District	✓		✓	9/30
Fishhawk III Community Development District	✓		✓	9/30
Fleming Island Plantation Community Development District	✓		✓	9/30
Founder's Ridge Community Development District	✓		✓	9/30
Fountainbleau Lakes Community Development District	✓		✓	9/30
Forest Creek Community Development District	✓			9/30
Gardens at Millenia Community Development District	✓		✓	9/30
Glen St. Johns Community Development District	✓		✓	9/30
Gramercy Farms Community Development District	✓		✓	9/30
Grand Hampton Community Development District	✓		✓	9/30
Grand Haven Community Development District	✓		✓	9/30
Greater Lakes/Sawgrass Community Development District	✓			9/30
Greyhawk Landing Community Development District	✓			9/30
Groves Community Development District	✓			9/30
Habitat Community Development District	✓		✓	9/30

COMMUNITY DEVELOPMENT DISTRICTS

(Continued)

	Governmental Audit	Utility Audit	Current Client	Year End
Hamal Community Development District	✓		✓	9/30
Hammocks Community Development District	✓		✓	9/30
Harbor Bay Community Development District	✓			9/30
Harbour Isles Community Development District	✓		✓	9/30
Harbourage at Braden River Community Development District	✓			9/30
Harmony Community Development District	✓		✓	9/30
Harrison Ranch Community Development District	✓			9/30
Hawk's Point Community Development District	✓		✓	9/30
Heritage Greens Community Development District	✓		✓	9/30
Heritage Harbor Community Development District	✓			9/30
Heritage Harbour Market Place Community Development District	✓			9/30
Heritage Harbour South Community Development District	✓			9/30
Heritage Isles at Viera Community Development District	✓			9/30
Heritage Isles Community Development District	✓			9/30
Heritage Landing Community Development District	✓			9/30
Heritage Oak Park Community Development District	✓		✓	9/30
Heritage Park Community Development District	✓		✓	9/30
Heritage Springs Community Development District	✓		✓	9/30
Heron Isles Community Development District	✓			9/30
Hickory Hammock Community Development District	✓		✓	9/30
High Ridge/Quantum Community Development District	✓		✓	9/30
Highlands Community Development District	✓		✓	9/30
Homestead 50 Community Development District	✓		✓	9/30
Hypoluxo-Haverhill Community Development District	✓		✓	9/30
Independence Park Community Development District	✓			9/30
Indigo Community Development District	✓		✓	9/30
Indigo East Community Development District	✓		✓	9/30
Islands at Doral III Community Development District	✓		✓	9/30
Islands at Doral (NE) Community Development District	✓		✓	9/30
Islands at Doral (SW) Community Development District	✓		✓	9/30
Islands at Doral Townhomes Community Development District	✓		✓	9/30
Journey's End Community Development District	✓		✓	9/30
Julington Creek Plantation Community Development District	✓		✓	9/30
Kendall Breeze Community Development District	✓		✓	9/30
Kendall Breeze West Community Development District	✓		✓	9/30
Keys Cove Community Development District	✓		✓	9/30
Keys Cove II Community Development District	✓			9/30
Laguna Estates Community Development District	✓		✓	9/30
Laguna Lakes Community Development District	✓		✓	9/30
Lake Ashton Community Development District	✓			9/30

COMMUNITY DEVELOPMENT DISTRICTS

(Continued)

	Governmental Audit	Utility Audit	Current Client	Year End
Lake Powell Residential Golf Community Development District	✓		✓	9/30
Lakes by the Bay South Community Development District	✓		✓	9/30
Lakeshore Ranch Community Development District	✓			9/30
Lakeside Community Development District	✓			9/30
Lakeside Landings Community Development District	✓		✓	9/30
Lakeside Plantation Community Development District	✓			9/30
Lakewood Ranch 1 Community Development District	✓		✓	9/30
Lakewood Ranch 2 Community Development District	✓		✓	9/30
Lakewood Ranch 3 Community Development District	✓			9/30
Lakewood Ranch 4 Community Development District	✓		✓	9/30
Lakewood Ranch 5 Community Development District	✓		✓	9/30
Lakewood Ranch 6 Community Development District	✓			9/30
Legacy Springs Community Development District	✓			9/30
Legends Bay Community Development District	✓			9/30
Lexington Community Development District	✓		✓	9/30
Live Oak No. 1 Community Development District	✓		✓	9/30
Longleaf Community Development District	✓			9/30
Lucaya Community Development District	✓			9/30
Madeira Community Development District	✓		✓	9/30
Magnolia Park Community Development District	✓		✓	9/30
Magnolia West Community Development District	✓			9/30
Main Street Community Development District	✓			9/30
Mainstreet Community Development District	✓			9/30
Majorca Isles Community Development District	✓		✓	9/30
Maple Ridge Community Development District	✓		✓	9/30
Marsh Harbour Community Development District	✓		✓	9/30
Marshall Creek Community Development District	✓		✓	9/30
Mayfair Community Development District	✓			9/30
Meadow Pines Community Development District	✓		✓	9/30
Meadow Point III Community Development District	✓		✓	9/30
Meadow Point IV Community Development District	✓			9/30
Meadow Woods Community Development District	✓			9/30
Mediterra North Community Development District	✓		✓	9/30
Mediterra South Community Development District	✓		✓	9/30
Mediterranea Community Development District	✓			9/30
Middle Village Community Development District	✓		✓	9/30
Miromar Lakes Community Development District	✓			9/30
Montecito Community Development District	✓		✓	9/30
Monterey/Congress Community Development District	✓		✓	9/30

COMMUNITY DEVELOPMENT DISTRICTS

(Continued)

	Governmental Audit	Utility Audit	Current Client	Year End
Moody River Estates Community Development District	✓		✓	9/30
Myrtle Creek Community Development District	✓			9/30
Naples Heritage Community Development District	✓		✓	9/30
Narcoossee Community Development District	✓		✓	9/30
Newport Tampa Bay Community Development District	✓			9/30
North Dade Community Development District	✓		✓	9/30
Northern Riverwalk Community Development District	✓		✓	9/30
Northwood Community Development District	✓		✓	9/30
Oak Creek Community Development District	✓			9/30
Oakridge Community Development District	✓		✓	9/30
Oakstead Community Development District	✓		✓	9/30
Orchid Grove Community Development District	✓		✓	9/30
Osprey Oaks Community Development District	✓		✓	9/30
OTC Community Development District	✓		✓	9/30
Pal Mar Water Control District	✓		✓	9/30
Palm Bay Community Development District	✓		✓	9/30
Palm Beach Plantation Community Development District	✓		✓	9/30
Palm Coast Park Community Development District	✓		✓	9/30
Palm Glades Community Development District	✓		✓	9/30
Palma Sola Trace Community Development District	✓		✓	9/30
Pan American West Community Development District	✓			9/30
Panther Trace I Community Development District	✓			9/30
Parker Road Community Development District	✓		✓	9/30
Parklands Lee Community Development District	✓		✓	9/30
Parklands West Community Development District	✓		✓	9/30
Parkway Center Community Development District	✓		✓	9/30
PBR Community Development District	✓			9/30
Pebblewalk Village Community Development District	✓		✓	9/30
Pelican Marsh Community Development District	✓			9/30
Pembroke Harbor Community Development District	✓		✓	9/30
Pentathlon Community Development District	✓		✓	9/30
Pine Air Lakes Community Development District	✓		✓	9/30
Pine Island Community Development District	✓			9/30
Pine Island South Community Development District	✓			9/30
Piney-Z Community Development District	✓			9/30
Pioneer Community Development District	✓		✓	9/30
Poinciana Community Development District	✓			9/30
Poinciana West Community Development District	✓		✓	9/30
Portico Community Development District	✓			9/30
Portofino Cove Community Development District	✓		✓	9/30

COMMUNITY DEVELOPMENT DISTRICTS

(Continued)

	Governmental Audit	Utility Audit	Current Client	Year End
Portofino Isles Community Development District	✓		✓	9/30
Portofino Landings Community Development District	✓		✓	9/30
Portofino Shores Community Development District	✓			9/30
Portofino Springs Community Development District	✓		✓	9/30
Portofino Vineyards Community Development District	✓			9/30
Portofino Vista Community Development District	✓		✓	9/30
Preserve at Wilderness Lake Community Development District	✓		✓	9/30
Principal One Community Development District	✓		✓	9/30
Quantum Community Development District	✓		✓	9/30
Quantum Park Overlay Community Development District	✓		✓	9/30
Randal Park Community Development District	✓		✓	9/30
Remington Community Development District	✓			9/30
Renaissance Independent Development District	✓		✓	9/30
Reserve Community Development District	✓			9/30
Reserve 2 Community Development District	✓			9/30
Reunion East Community Development District	✓			9/30
Reunion West Community Development District	✓			9/30
River Bend Community Development District	✓		✓	9/30
River Hall Community Development District	✓		✓	9/30
River Place on the St. Lucie Community Development District	✓			9/30
River Ridge Community Development District	✓		✓	9/30
Rivercrest Community Development District	✓		✓	9/30
Rivers Edge Community Development District	✓		✓	9/30
Sail Harbour Community Development District	✓		✓	9/30
Sampson Creek Community Development District	✓		✓	9/30
Sausalito Bay Community Development District	✓		✓	9/30
Seven Oaks I Community Development District	✓			9/30
Seven Oaks II Community Development District	✓			9/30
Six Mile Creek Community Development District	✓			9/30
Somerset Community Development District	✓			9/30
Sonoma Bay Community Development District	✓		✓	9/30
South Bay Community Development District	✓		✓	9/30
South-Dade Venture Development District	✓		✓	9/30
South Fork Community Development District	✓			9/30
South Fork East Community Development District	✓		✓	9/30
South Kendall Community Development District	✓		✓	9/30
South Village Community Development District	✓		✓	9/30
Southern Hills Plantation I Community Development District	✓			9/30
Southern Hills Plantation II Community Development District	✓			9/30
Southern Hills Plantation III Community Development District	✓			9/30

COMMUNITY DEVELOPMENT DISTRICTS

(Continued)

	Governmental Audit	Utility Audit	Current Client	Year End
Spicewood Community Development District	✓		✓	9/30
Split Pine Community Development District	✓			9/30
Springridge Community Development District (formerly Killarney)	✓		✓	9/30
St. John's Forest Community Development District	✓			9/30
Sterling Hill Community Development District	✓		✓	9/30
Stonebrier Community Development District	✓		✓	9/30
Stonegate Community Development District	✓		✓	9/30
Stoneybrook Community Development District	✓		✓	9/30
Stoneybrook Oaks Community Development District	✓		✓	9/30
Summerville Community Development District	✓		✓	9/30
Sunny Hills Units 12-15 Dependent District	✓			9/30
SWI Community Development District	✓			9/30
Talis Park Community Development District	✓		✓	9/30
Tampa Palms Open Space and Transport Community Development District	✓		✓	9/30
Tara Community Development District	✓		✓	9/30
Terra Bella Community Development District	✓		✓	9/30
Tesoro Community Development District	✓			9/30
Thousand Oaks Community Development District	✓		✓	9/30
Tison's Landing Community Development District	✓		✓	9/30
Tolomato Community Development District	✓			9/30
Tomoka Community Development District	✓		✓	9/30
Town Center at Palm Coast Community Development District	✓		✓	9/30
Tradition Community Development District	✓			9/30
Trails at Monterey Community Development District	✓		✓	9/30
Trails Community Development District	✓		✓	9/30
Tree Island Estates Community Development District	✓		✓	9/30
Treeline Preserve Community Development District	✓		✓	9/30
Triple Creek Community Development District	✓			9/30
Turnbull Creek Community Development District	✓			9/30
Turtle Run Community Development District	✓			9/30
Tuscany Reserve Community Development District	✓		✓	9/30
Twelve Oaks Community Development District	✓		✓	9/30
Two Creeks Community Development District	✓		✓	9/30
University Place Community Development District	✓		✓	9/30
University Square Community Development District	✓			9/30
Urban Orlando Community Development District	✓			9/30
Valencia Acres Community Development District	✓		✓	9/30
Vasari Community Development District	✓		✓	9/30
Venetian Community Development District	✓		✓	9/30
Venetian Isles Community Development District	✓		✓	9/30

COMMUNITY DEVELOPMENT DISTRICTS

(Continued)

	Governmental Audit	Utility Audit	Current Client	Year End
Verandah East Community Development District	✓		✓	9/30
Verandah West Community Development District	✓		✓	9/30
Verandahs Community Development District	✓			9/30
Verano Center Community Development District	✓		✓	9/30
Verona Walk Community Development District	✓			9/30
Villa Portofino East Community Development District	✓		✓	9/30
Villa Portofino West Community Development District	✓		✓	9/30
Villa Vizcaya Community Development District	✓		✓	9/30
Village Walk of Bonita Springs Community Development District	✓			9/30
Villages at Bloomingdale Community Development District	✓		✓	9/30
Village at Gulfstream Park Community Development District	✓		✓	9/30
Villages of Westport Community Development District	✓		✓	9/30
Vista Community Development District	✓		✓	9/30
Vista Lakes Community Development District	✓		✓	9/30
Vizcaya in Kendall Community Development District	✓		✓	9/30
Walnut Creek Community Development District	✓			9/30
Waterchase Community Development District	✓		✓	9/30
Waterford Estates Community Development District	✓			9/30
Waterlefe Community Development District	✓			9/30
Water's Edge Community Development District	✓			9/30
Waterset North Community Development District	✓			9/30
Waterstone Community Development District	✓		✓	9/30
Wentworth Estates Community Development District	✓			9/30
West Lake Community Development District	✓			9/30
West Villages Independent District	✓		✓	9/30
Westchase Community Development District	✓		✓	9/30
Westchester Community Development District	✓			9/30
Westridge Community Development District	✓			9/30
Willow Creek Community Development District	✓			9/30
Winston Trails Community Development District	✓		✓	9/30
Winter Garden Village at Fowler Groves Community Development District	✓			9/30
Woodlands Community Development District	✓		✓	9/30
World Commerce Community Development District	✓		✓	9/30
Wynnfield Lakes Community Development District	✓		✓	9/30
Wyndam Park Community Development District	✓		✓	9/30
TOTAL	351	3	230	

SPECIAL DISTRICTS

	Governmental Audit	Single Audit	Utility Audit	Current Client	Year End
Belle Fontaine Improvement District	✓				9/30
Central Broward Water Control District	✓			✓	9/30
Central County Water Control District	✓			✓	9/30
Citrus County Mosquito Control District	✓			✓	9/30
East Central Regional Wastewater Treatment Facility	✓		✓	✓	9/30
East Naples Fire Control and Rescue District	✓			✓	9/30
Greater Boca Raton Beach and Park District	✓			✓	9/30
Greenway Improvement District	✓				9/30
Hobe-St. Lucie Conservancy District	✓			✓	9/30
Homestead Educational Facilities Benefits District	✓			✓	9/30
Horizons Improvement District	✓				9/30
Key Largo Waste Water Treatment District	✓	✓	✓	✓	9/30
Lake Padgett Estates Independent Special District	✓				9/30
Lakewood Ranch Inter-District Authority	✓			✓	9/30
Lost Rabbit Public Improvement District	✓			✓	9/30
Loxahatchee Groves Water Control District	✓			✓	9/30
Myakka City Fire Control District	✓				9/30
Pal Mar Water Control District	✓			✓	9/30
Palm Beach Soil and Water Conservation District	✓			✓	9/30
Pinellas Park Water Management District	✓			✓	9/30
Pinetree Water Control District	✓			✓	9/30
Renaissance Improvement District	✓			✓	9/30
San Carlos Park Fire Protection and Rescue Service District	✓			✓	9/30
South Indian River Water Control District	✓	✓		✓	9/30
South Trail Fire Protection & Rescue District	✓			✓	9/30
St. Lucie West Special District	✓			✓	9/30
Sun 'N Lake of Sebring Improvement District	✓		✓		9/30
Sunshine Water Control District	✓			✓	9/30
Twelve Oaks Improvement District	✓			✓	9/30
West Lakeland Water Control District	✓				9/30
West Villages Independent District	✓			✓	9/30
TOTAL	31	2	3	24	

MUNICIPALITIES OR RELATED COMPONENT UNITS	Attestation Services	Consulting Services	Governmental Audit	Single Audit	Utility Audit	CAFR	Current Client	Year End
City of Cooper City			✓		✓	✓	✓	9/30
City of Lauderhill			✓	✓	✓	✓		9/30
City of North Lauderdale			✓		✓	✓	✓	9/30
City of North Palm Beach (Internal Audit)	✓							9/30
City of Pompano Beach (Joint Venture, 40%)			✓	✓		✓		9/30
Town of Cloud Lake			✓				✓	9/30
Town of Davie			✓	✓	✓	✓	✓	9/30
Town of Glen Ridge			✓				✓	9/30
Town of Haverhill			✓				✓	9/30
Town of Hillsboro Beach			✓				✓	9/30
Town of Hypoluxo		✓	✓				✓	9/30
Town of Lantana			✓			✓	✓	9/30
Town of Lauderdale by the Sea			✓		✓	✓	✓	9/30
Town of Mangonia Park			✓		✓			9/30
Village of Wellington			✓			✓	✓	9/30
TOTAL	1	1	14	3	6	8	11	

OTHER GOVERNMENTAL ENTITIES	Attestation Services	Consulting Services	Governmental Audit	Single Audit	CAFR	Current Client	Year End
Broward County School District (Joint Venture) (Assessment of Maintenance Operations)		✓					N/A
Broward County School District (Joint Venture, 20%)			✓	✓	✓		6/30
Florida Community College at Jacksonville (Internal Audit)	✓						6/30
Florida Transit Association Finance Corporation		✓	✓			✓	6/30
Highland County School District (Internal Funds Audit)			✓				6/30
Palm Beach County School District (Assessment of maintenance for Facility and Property Management) (Internal Funds Audit)		✓	✓				6/30
Palm Beach County School District (Joint Venture, 20%)			✓	✓	✓		6/30
Migrant Health Services of Palm Beach County			✓	✓			N/A
South Florida Water Management District				✓			9/30
South Florida Water Management District CERP Program Management Services (Joint Venture)	✓						N/A
State of Florida Department of Management Services (Construction)			✓				N/A
State of Florida Department of Transportation (Overhead Audits - Various)			✓			✓	N/A
TOTAL	1	3	9	4	3	2	

NON-PROFIT CLIENTS SERVED AND RELATED EXPERIENCE	Attestation Services	Financial Audit	Consulting Services	Governmental Audit	Single Audit	Tax Services	Current Client	Year End
Aid to Victims of Domestic Abuse, Inc.		✓		✓	✓	✓	✓	6/30
Alliance for Human Services, Inc.		✓				✓		6/30
Brevard Workforce Development Board, Inc.				✓	✓		✓	6/30
Broward County Human Rights Board/Division (Joint Venture, 30%)	✓		✓					N/A
Broward Education Foundation		✓		✓	✓	✓	✓	6/30
Christian Manor	✓	✓	✓	✓	✓	✓		12/31
Delray Beach Community Land Trust				✓		✓		9/30
Family Promise	✓						✓	12/31
Hispanic Human Resources Council	✓	✓	✓	✓	✓	✓	✓	9/30
Mae Volen Senior Center	✓	✓		✓	✓	✓	✓	6/30
National Board for Registration of Registrars		✓				✓		3/31
National Cancer Registration Board		✓				✓		6/30
North Lauderdale Academy High School	✓			✓				6/30
Northwood Development Corporation	✓	✓	✓	✓	✓	✓		9/30
Palm Beach Community College Foundation			✓	✓		✓		6/30
Palm Beach County Workforce Development Board (Joint Venture, 25%)	✓							6/30
Southwest Florida Workforce Development Board				✓	✓			6/30
Urban League of Palm Beach County				✓	✓			6/30
TOTAL	8	9	5	12	9	11	6	

RETIREMENT PLANS	Financial Audit	ERISA/DOL	Current Client	Year End
Campbell Property Management 401(k)	✓	✓	✓	12/31
City of Cooper City General Employee Retirement Plan	✓		✓	9/30
City of Lauderhill General Employee Retirement Plan	✓			9/30
City of Parkland Police Pension Fund	✓		✓	9/30
1ross County Home Services and Affiliates 401(k) Plan	✓	✓		9/30
Danmar Corporation 401(k) Plan	✓	✓		12/31
Florida Public Utilities 401(k) and Pension Plans	✓	✓		12/31
Jacksonville Police and Fire Pension Fund	✓		✓	9/30
Pinetree Water Control District Defined Contribution Retirement Plan	✓			9/30
Town of Davie General Employees Retirement Plan	✓		✓	9/30
Town of Hypoluxo Defined Contribution Retirement Plan	✓		✓	9/30
TOTAL	12	4	6	

Additional Services

CONSULTING / MANAGEMENT ADVISORY SERVICES

Grau & Associates also provide a broad range of other management consulting services. Our expertise has been consistently utilized by Governmental and Non-Profit entities throughout Florida. Examples of engagements performed are as follows:

- Accounting systems
- Development of budgets
- Organizational structures
- Financing alternatives
- IT Auditing
- Fixed asset records
- Cost reimbursement
- Indirect cost allocation
- Grant administration and compliance
- Appropriations and Transactions

ARBITRAGE

The federal government has imposed complex rules to restrict the use of tax-exempt financing. Their principal purpose is to eliminate any significant arbitrage incentives in a tax-exempt issue. We have determined the applicability of these requirements and performed the rebate calculations for more than 150 bond issues, including both fixed and variable rate bonds. Please find a partial list of clients served on the following pages.

***GRAU HAS PROVIDED ARBITRAGE SERVICES FOR
GOVERNMENTAL CLIENTS INCLUDING:***

- Aberdeen Community Development District
- Amelia Walk Community Development District
- Arlington Ridge Community Development District
- Bartram Park Community Development District
- Bartram Springs Community Development District
- Bayside Improvement District
- Baywinds Community Development District
- Beacon Lakes Community Development District
- Beacon Tradeport Community Development District
- Bobcat Trail Community Development District
- Boynton Village Community Development District
- Brandy Creek Community Development District
- Briger Community Development District
- Brighton Lakes Community Development District
- Brooks of Bonita Springs Community Development District
- Candler Hills East Community Development District
- Capital Region Community Development District
- Cedar Pointe Community Development District
- Championsgate Community Development District
- Chevel West Community Development District
- City Place Community Development District
- Coconut Cay Community Development District
- Colonial Country Club Community Development District
- Cory Lakes Community Development District
- Country Greens Community Development District
- Creekside Community Development District
- Double Branch Community Development District
- Dunes Community Development District
- Durbin Crossing Community Development District
- East Bonita Beach Road Plantation Comm. Development District
- East Homestead Community Development District
- East Park Community Development District
- Enclave at Black Point Marina Community Development District
- Falcon Trace Community Development District
- Fiddler's Creek Community Development District I
- Fiddler's Creek Community Development District II
- Fleming Island Plantation Comm. Dev. District
- Grand Haven Community Development District
- Griffin Lakes Community Development District
- Habitat Community Development District
- Hamal Community Development District
- Hammocks Community Development District
- Harbour Lakes Estates Comm. Development District
- Harmony Community Development District
- Heritage Bay Community Development District
- Heritage Palms Community Development District
- Heritage Pines Community Development District
- Heritage Springs Community Development District
- Huntington Community Development District
- Indigo East Community Development District
- Islands of Doral III Community Development District
- Julington Creek Plantation Comm. Dev. District
- Laguna Lakes Community Development District
- Lake Ashton Community Development District
- Lake Ashton II Community Development District
- Lake Powell Residential Golf Community Dev. District
- Lakes By The Bay South Community Dev. District
- Lakewood Ranch 1 Community Development District
- Landmark at Doral Community Development District
- Jurlington Creek Plantation Community Dev. District
- Lakewood Ranch 2 Community Development District
- Lakewood Ranch 3 Community Development District
- Lakewood Ranch 4 Community Development District
- Lakewood Ranch 5 Community Development District
- Lakewood Ranch 6 Community Development District
- Legacy Springs Improvement District No. 1
- Live Oak Community Development District
- Main Street Community Development District
- Marshall Creek Community Development District
- Meadow Pointe II Community Development District
- Mediterra North Community Development District
- Mediterra South Community Development District
- Mediterranea Community Development District
- Midtown Miami Community Development District
- Moody River Community Development District
- Monterra Community Development District
- Narcossee Community Development District
- North Springs Improvement District
- Oakstead Community Development District
- Old Palm Community Development District
- Orchid Grove Community Development District
- OTC Community Development District
- Overoaks Community Development District
- Palm Glades Community Development District
- Parklands Lee Community Development District
- Parklands West Community Development District
- Parkway Center Community Development District
- Pine Air Lakes Community Development District
- Pine Island Community Development District
- Pine Ridge Plantation Community Development District

ARBITRAGE SERVICES (Continued)

- Portofino Cove Community Development District
- Portofino Isles Community Development District
- Portofino Landings Community Development District
- Portofino Shores Community Development District
- Portofino Vista Community Development District
- Reunion East Community Development District
- Reunion West Community Development District
- Ridgewood Trails Community Development District
- River Place on the St. Lucie Community Dev. District
- Rolling Hills Community Development District
- Sampson Creek Community Development District
- South Dade Venture Community Development District
- South Village Community Development District
- Spicewood Community Development District
- Split Pine Community Development District
- Stonegate Community Development District
- Stoneybrook Community Development District
- Stoneybrook West Community Development District
- The Crossings at Fleming Island Comm. Dev. District
- Tison's Landing Community Development District
- Treeline Preserve Community Development District
- Turnbull Creek Community Development District
- Tuscany Reserve Community Development District
- University Place Community Development District
- Urban Orlando Community Development District
- Vasari Community Development District
- Verandah East Community Development District
- Verandah West Community Development District
- Verano Center Community Development District
- Villa Portofino East Community Development District
- Villa Vizcaya Community Development District
- Villages of Westport Comm. Development District
- Villasol Community Development District
- Vista Lakes Community Development District
- Vizcaya Community Development District
- Vizcaya in Kendall Community Development District
- Walnut Creek Community Development District
- Waterchase Community Development District
- Waterford Estates Community Development District
- Waterstone Community Development District
- Wentworth Estates Community Development District
- Westchester Community Development District #1
- Woodlands Community Development District
- Wynnfield Lakes Community Development District

**Grau provides value and services
above and beyond
the traditional auditor's "product"**

We look forward to providing the **Miromar Lakes Community Development District with our resources and experience to accomplish not only those minimum requirements set forth in your Request for Proposal, but to exceed those expectations!**

**For even more information on Grau & Associates
please visit us on www.graucpa.com.**



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

Dollar Cost Proposal to Provide Audit Services

MIROMAR LAKES

COMMUNITY DEVELOPMENT DISTRICT

Proposal Due: June 26, 2013, 11:00AM

Submitted to:

Miromar Lakes Community Development District
513 Northeast 13th Avenue
Fort Lauderdale, Florida 33301

Submitted by:

Antonio J. Grau, Partner
Grau & Associates
2700 North Military Trail, Suite 350
Boca Raton, Florida 33431
Tel (561) 994-9299 / (800) 229-5728
Fax (561) 994-5823
tony@graucpa.com / www.graucpa.com



June 26, 2013

Miromar Lakes Community Development District
513 Northeast 13th Avenue
Fort Lauderdale, Florida 33301

To Whom It May Concern:

Grau & Associates (Grau) is presenting our cost proposal to perform an audit of Miromar Lakes Community Development District (District) as of and for the year ending September 30, 2013, with annual options through the fiscal year ending 2017.

I certify that Antonio Grau, Jr. is entitled to represent Grau & Associates, is empowered to submit a bid and is authorized to sign a contract with the District.

The fees below include all services, including but not limited to Out-of-Pocket expenses, meals and lodging, transportation, printing and binding, telephone, fax, copies:

<u>Year Ended September 30,</u>	<u>Fee</u>
2013	\$4,000
2014	\$4,200
2015	\$4,400
2016	\$4,600
<u>2017</u>	<u>\$4,800</u>
<u>TOTAL ALL YEARS</u>	<u>\$22,000</u>

The above fees are based on the assumption that the District maintains its current level of operations. Should conditions change or additional Bonds are issued the fees would be adjusted accordingly upon approval from all parties concerned.

Very truly yours,

Grau & Associates

Antonio J. Grau.

CRI

Helping You Shine
by Illuminating Solutions



professional services

PROPOSAL FOR

**Miromar Lakes Community
Development District**

June 26, 2013

PROPOSER

Carr, Riggs & Ingram, LLC
500 Grand Boulevard, Suite 210
Miramar Beach, FL 32550
(850) 837-3141



CRI CARR
RIGGS &
INGRAM
CPAs and Advisors

CRICpa.com | blog.cricpa.com

SUBMITTED BY

Stephen C. Riggs, IV
Engagement Partner
SCRiggs@cricpa.com

K. Alan Jowers
Concurring Partner
AJowers@cricpa.com



Dear Audit Selection Committee:

Carr, Riggs & Ingram, LLC (CRI) appreciates the opportunity to propose on auditing services to Miromar Lakes Community Development District (the “District”). We are genuinely excited about the prospect of serving you and establishing a long-term relationship. We pride ourselves on getting to know our clients and illuminating solutions by providing innovative **IDEAS** to move them from compliance to providing them a competitive advantage.

I **vestment in You.** We believe in developing long-term, mutually beneficial relationships and quickly demonstrating value with a fee structure and service solutions that provide immediate and continued savings. Our investment starts on “Day 1” as your assigned team begins with our proven, streamlined process that minimizes your time and disruption during the service provider change and continues throughout the relationship.

D **edicated Team.** CRI’s team consists of more than 800 professionals, which allows us to tailor your service team by aligning their industry, service, and specialty skills with the needs of your business. Our dedicated teams deliver the highest level of business acumen and knowledge to your organization; our commitment to consistent staffing allows you to maximize savings and remain focused on your business.

E **quilibrium.** CRI delivers big firm expertise with small firm service. Of approximately 30,000 public accounting firms in the United States, CRI currently ranks among the top 30. Additionally, as a part of Moore Stephens International Limited, we have access to international resources as – and when – needed. Leveraging these resources while maintaining local decision-making authority means that simplified solutions are only a phone call away. And we believe that’s the best of both worlds for our clients.

A **ctive Partner Participation.** Collectively, our partners deliver expertise derived from more than 4,000 years of business experience. With this level of talent, we thoughtfully choose a partner that aligns with your business’ needs and industry. Our hands-on, working partners “show up” to convey our genuine commitment to your success. They strive to earn trusted advisor roles by digging in, proactively learning your business, and producing long-term value for you.

S **implified Solutions.** Having partners with approximately 200 cumulative partner certifications and designations is an impressive statistic, but we measure our success by our ability to translate complex concepts into easily understandable solutions for our clients. While accounting is the language of business, we’re here to decipher the jargon and help you make educated decisions.

We welcome the opportunity to demonstrate to you the same teamwork, expertise, and responsiveness that have made us one of the fastest growing public accounting firms in the United States over the past ten years. Please contact me with any questions. Again, we appreciate your consideration.

Sincerely,

Stephen Riggs IV



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UNDERSTANDING & MEETING YOUR NEEDS

From the RFP, we understood your team to express the following needs, requests, and/or issues. We've detailed our proposed solutions below and are happy to discuss other related projects as they arise and upon request.

NEEDS & ISSUES		SOLUTIONS & SERVICES
Technical	The District is required to have independent audits performed on its financial statements.	Perform external audit services in accordance with auditing standards generally accepted in the United States of America (GAAS), in order to express an opinion on the District's financial statements.
Relational	The District's Board of Supervisors and management expect open and continuous communication with their CPA firm in order to avoid surprise findings at the end of the audit.	<ul style="list-style-type: none">• Communicate contemporaneously and directly with management regarding the results of our procedures.• Anticipate and respond to concerns of management and/or the Audit Committee (if/when formed).

YOUR SERVICES & FEES



See the attached envelope for pricing.



FIRM PROFILE

1997

Year Founded

31

Offices

140

Partners

800+

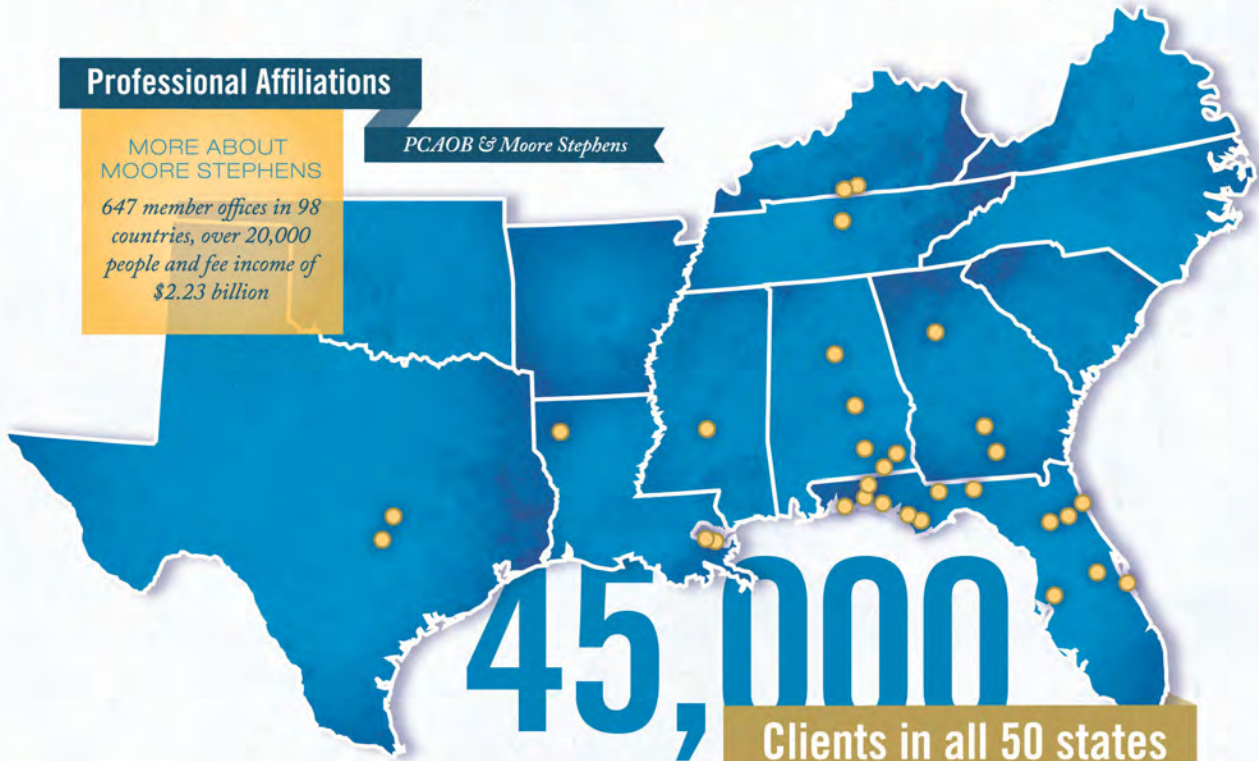
Professionals

Professional Affiliations

MORE ABOUT MOORE STEPHENS

647 member offices in 98 countries, over 20,000 people and fee income of \$2.23 billion

PCAOB & Moore Stephens



45,000

Clients in all 50 states

plus Canada, Puerto Rico, and overseas military installations

Professional Organization Membership

- American Institute of Certified Public Accountants (AICPA) Alliance for CPA firms
- AICPA Private Companies Practice Section
- Center for Audit Quality (CAQ)
- Employee Benefit Plan Audit Quality
- Center of the AICPA
- Governmental Audit Quality Center of the AICPA
- Information Systems Audit and Control Association (ISACA)
- Institute of Internal Auditors (IIA)
- Public Accounting Oversight Board

183

Total Partner Designations

24 are different

- CPA CFE CISA
- CIE PFS CTGA
- ABV CVA CGFM
- CFE CMA FAHM
- CFF CAM MCSE
- AEP MCP Cr.FA
- CFE CITP CGEIT
- CFP CFSA CCIFP

Current Rankings: 3rd in the South and 29th in the U.S.



GOVERNMENTAL CREDENTIALS

Audit **200+** *governmental entities*
across the South with **\$20** *billion*
annual revenues totaling

Our
GOVERNMENTAL
stats

900+ *years*
combined governmental partner expertise



Municipality **\$550** *million in annual*
clients of up to *total revenues*

CPA
CGFM
CITP
CFE
9

Different Governmental Partner Designations

Perform Single Audits for approximately
40% *of all*
governmental clients



CMA
CISA
CGEIT
CTGA
CFF

During the 7 years we have worked with Carr, Riggs & Ingram, I have found that their team has tremendous expertise in local government financial operations. They have demonstrated a keen understanding of our risks and worked with our city officials to develop sensible solutions to mitigate those risks. Moreover, they have provided us with a number of suggested “best practices” in day-to-day operations and have helped document the way we do things. I can say without question that Carr, Riggs & Ingram has truly made a measurable difference for the City of Moultrie and its finance department. I would recommend them for any work for which they are under consideration.

*– Gary McDaniel, Finance Director
City of Moultrie, Georgia*



ABOUT CRI

CRI is an independent certified public accounting firm with respect to the Miromar Lakes Community Development District and its component units as defined by generally accepted auditing standards and the most current applicable U.S. General Accounting Office's *Government Auditing Standards*.

In the past five (5) years we have been engaged as the District's independent auditors. This relationship by its very nature requires independence and does not constitute a conflict of interest relative to performing the proposed audit. In addition, we affirm that we will give written notice of any professional relationships entered into during the period of this agreement.

CRI is licensed to practice in the State of Florida under license AC#4776466. Additionally, all key professional staff assigned to the District audit are licensed in the State of Florida as Certified Public Accountants.

Established in 1997, Carr, Riggs & Ingram, LLC (CRI) is a regional certified public accounting and consulting firm with roots going back to 1972. CRI has over 800 professionals in 31 offices throughout Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, Tennessee and Texas. CRI provides a wide variety of high-quality, cost-effective accounting, assurance, tax and consulting services to individuals, businesses (both publicly and privately held), governmental entities, and non-profit organizations throughout the United States.

We are proud members of the following organizations:

- The American Institute of Certified Public Accountants (AICPA)
- The Governmental Audit Quality Center of the AICPA
- AICPA Private Companies Practice Section
- Employee Benefit Plan Audit Quality Center of the AICPA
- The Center for Audit Quality of the AICPA
- The Public Company Accounting Oversight Board

Members of the above voluntary organizations are select CPA firms recognized in the profession to be of the highest caliber. As a result, we are subject to stricter quality control standards than firms that choose not to take this voluntary step to improve the quality of their practices.

OFFICE PROFILE



CRI has 15 office locations in Florida with over 300 employees. These offices house a team of accountants with extensive experience auditing governmental entities, utility companies, and homeowner associations. CRI's Florida offices work as a team on many engagements. The Miromar Lakes Community Development District audit will be staffed with team members primarily from its Destin office. Specialists and consulting partners will be utilized from other offices of CRI as described throughout this proposal.

The Destin office, from which you will be served, will assign three audit managers and a pool of senior and staff accountants to your account. They will perform the majority of fieldwork. You will also have three partners working with you, an engagement partner, a quality control review partner and a consulting partner. All staff in this engagement will be employed on a full-time basis. All resumes and applicable certifications are included in this proposal.

We understand that engagement partners, managers other supervisory staff and specialists may be changed if those personnel leave the Firm, are promoted or are assigned to another office, or for other reasons with the express prior written permission of the District. However, the District retains the right to approve or reject replacements. Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

The engagement team on the following pages has taken a significant amount of continuing professional education relating to the implementation of GASBS No. 63 and will be consulting with several others who will implement in the same year.

A copy of the report on our most recent external quality control review is included in this proposal at Exhibit A. The quality control review did include a review of specific local government engagements.

CRI meets all specific requirements, rules and regulations imposed by state and federal law. The Firm has not been the subject of any disciplinary actions, nor are we aware of any actions pending, involving any regulatory bodies or professional organizations. Further, CRI is not the subject of any current or pending litigation as it relates to the services the Firm provides in the regular course of business. The Firm's governmental audit work is subject to normal, recurring peer and state regulatory reviews. No adverse findings have resulted from those reviews.



RELEVANT EXPERIENCE

CRI delivers a depth of resources that ensures our understanding of your challenges and innovative solutions for overcoming them. Our governmental team’s 900+ years of combined experience is derived from providing audit and accounting outsourcing services to a client base that includes:

- 200+ governmental entity clients across the South totaling approximately \$20 billion in total revenues,
- Perform single audits for approximately 40% of all governmental clients,
- Municipality clients of up to \$550 million in total revenues, and
- Audit clients expending nearly \$6 billion in federal funds annually.

We parlay this vast experience and derived best practices into proven solutions that benefit you.

Below we share specific, relevant client references; we encourage you to consult with them.

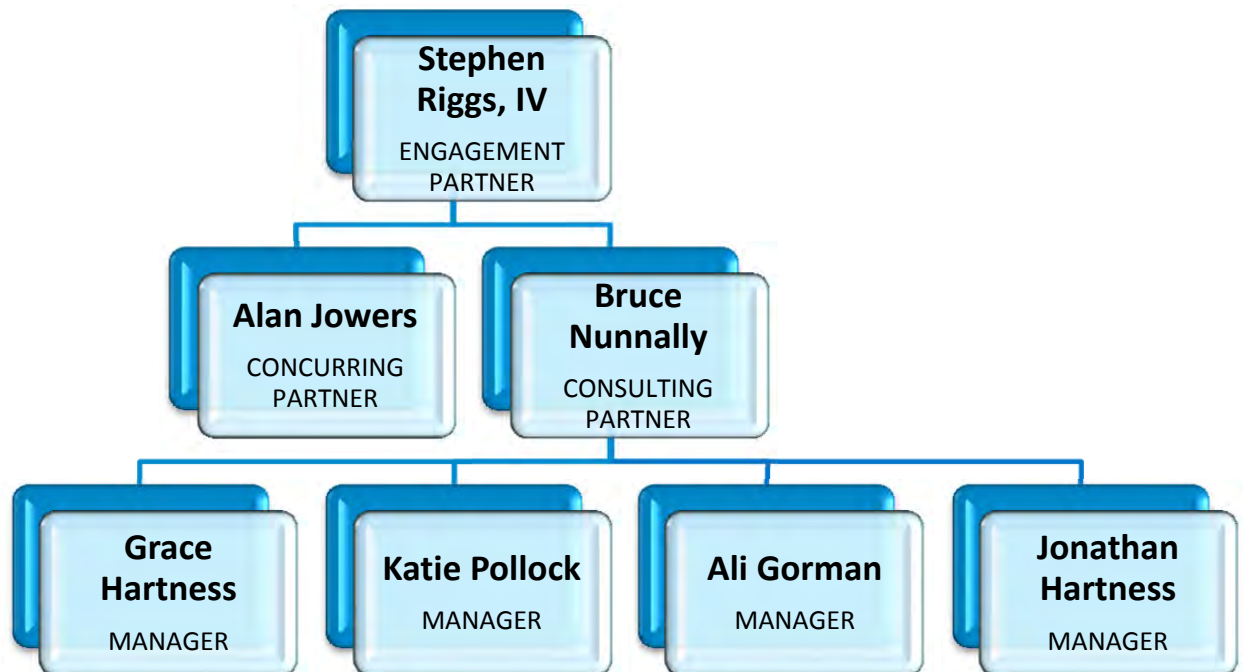
RELATIONSHIP	TIMELINE	SERVICE DESCRIPTION	RELEVANT POINTS TO CONSIDER
Rizzetta & Company Shawn Wildermuth 3434 Colwell Avenue Suite 200 Tampa, FL 33614 813.933.5571	2006 – Present	Annual Financial Statement Audits of Multiple CDDs	<ul style="list-style-type: none"> • Client service experience • Responsiveness to client needs • Long-term relationship • CDD management co.
GMS, LLC Dave DeNagy 14785 Old St. Augustine Road, Suite 4 Jacksonville, FL 32258 904.288.9130	2006 – Present	Annual Financial Statement Audits of Multiple CDDs	<ul style="list-style-type: none"> • Client service experience • Responsiveness to client needs • Long-term relationship • CDD management co.
DMS Brian Lamb 5680 W. Cypress Street Suite 5680A Tampa, FL 33607 813.873.7300	2006 – Present	Annual Financial Statement Audits of Multiple CDDs	<ul style="list-style-type: none"> • Client service experience • Responsiveness to client needs • Long-term relationship • CDD management co.
Wrathell, Hart, Hunt & Associates, LLC Jeffrey Pinder 6131 Lyons Road Suite 100 Coconut Creek, FL 33073 877.276.0889	2006 – Present	Annual Financial Statement Audits of Multiple CDDs	<ul style="list-style-type: none"> • Client service experience • Responsiveness to client needs • Long-term relationship • CDD management co.
Fishkind & Associates Jennifer Glasgow 12051 Corporate Blvd. Orlando, FL 32817 407.382.3256	2007 – Present	Annual Financial Statement Audits of Multiple CDDs	<ul style="list-style-type: none"> • Client service experience • Responsiveness to client needs • Long-term relationship • CDD management co.



YOUR SOLUTION TEAM

We have assembled a team of professionals who will ensure the highest level of personal dedication and professional excellence to you. Our team delivers exceptional services through a balanced blend of skills (service-driven, industry-specific, technical, and business) and experience that we know are important to you.

Brief profiles of each member of the team identified below follow on subsequent pages.





Stephen Riggs Engagement Partner

(850) 337-3548 phone
(850) 855-7789 mobile

SCRiggs@cricpa.com

Representative Clients

- Bainebridge CDD
- CFM CDD
- Gramercy Farms CDD
- Heritage Harbour North CDD
- River Hall CDD
- Tern Bay CDD
- Waterlefe CDD
- City of Key West, Florida – Internal Audit and Forensic
- Okaloosa County Sheriff's Office
- Bahama Conch Community Land Trust – Internal Audit and Forensic

Experience

Stephen has over 10 years accounting and audit experience, including three years with the international public accounting firm, Ernst & Young, LLP. His experience includes numerous clients in industries including governmental, not-for-profit, healthcare, SEC and privately held corporations.

Stephen is licensed to practice as a certified public accountant in Florida. He is a member of the State and local Governmental section of the Florida Institute of Certified Public Accountants and exceeds all continuing professional education requirements related to *Government Auditing Standards*.

He is currently a partner on engagements for many special districts in the State of Florida, including community development districts, fire districts and school districts. In addition to his public accounting experience, Stephen has served on the Board of Directors for a Community Development District and a non-profit organization.

Education, Licenses & Certifications

- Masters of Accountancy, University of West Florida
- BA, Economics, University of Florida
- Certified Public Accountant

Professional Affiliations

- American Institute of Certified Public Accountants (AICPA)
- Florida Institute of Certified Public Accountants (FICPA)
- Past President, Emerald Coast Chapter of Florida Institute of Certified Public Accountants (FICPA)



K. Alan Jowers Concurring Partner

(850) 337-3213 phone
(850) 855-3503 mobile

AJowers@cricpa.com

Representative Clients

- Boggy Creek Improvement District
- Brighton Lakes CDD
- Capital Region CDD
- Celebration CDD
- Durbin Crossing CDD
- Hammock Bay CDD
- Lakeside Plantation CDD
- New River CDD
- Pier Park CDD
- Shingle Creek CDD
- University Square CDD
- Okaloosa Gas District
- Santa Rosa Island Authority
- City of Destin, Florida
- Okaloosa County District School Board
- Santa Rosa County District School Board

Experience

Alan has almost 20 years' experience in public accounting, primarily in financial statement attestation engagements. He is responsible for audits, reviews, and compilations of local governmental entities, condominium and homeowner associations, non-profit organizations and nonpublic companies. Prior to CRI, Alan worked in the Atlanta office of a large regional accounting firm.

Alan is licensed to practice as a certified public accountant in the states of Florida and Georgia. He is a member of the State and Local Governmental section and the Common Interest Realty Association section of the Florida Institute of Certified Public Accountants and exceeds all continuing professional education requirements related to *Government Auditing Standards*. He is currently a partner on engagements for over 75 governmental engagements in the State of Florida, including community development districts, fire districts and school districts.

Alan has been with CRI since 1999.

Education, Licenses & Certifications

- Masters of Accountancy, University of Alabama
- BS, Accounting, Florida State University
- Certified Public Accountant

Professional Affiliations

- American Institute of Certified Public Accountants (AICPA)
- Florida Institute of Certified Public Accountants (FICPA)
- Governmental Finance Officers Association (GFOA)



Bruce Nunnally Consulting Partner

(850) 337-3203 phone
(850) 855-7686 mobile

BNunnally@cricpa.com

Representative Clients

- Escambia County Internal Audit
- Okaloosa County Sheriff's Office
- Okaloosa County School District
- City of Destin, Florida
- City of Mary Esther, Florida
- Regional Utilities
- CHELCO

Experience

Bruce Nunnally, Firm Director of Auditing for CRI, has over 20 years of public accounting experience, including over 10 years with the international public accounting firm, Ernst & Young, LLP.

Currently, Bruce serves as Engagement Partner on 11 significant governmental audit engagements which encompass more than 50% of his client responsibility time, and, as Firm Director of Audits, Bruce holds the ultimate responsibility for the technical aspects of the Firm's financial statement audits. Bruce has extensive experience in reviewing financial and internal controls of governmental entities, and serves as technical reviewer on over 50 governmental audits.

Bruce is a nationally sought-after lecturer and serves as an instructor of accounting and auditing issues for the American Institute of Certified Public Accountants. He has presented accounting and auditing continuing education classes for a quarter of the top 30 CPA firms in the U.S. Before Bruce was recognized as a national speaker, he was awarded by the Florida Institute of Certified Public Accountants as the "Outstanding Discussion Leader" in 2000.

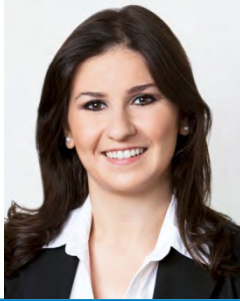
Bruce has been a partner with CRI since its inception.

Education, Licenses & Certifications

- BS, Accounting, summa cum laude, Harding University
- Certified Public Accountant

Professional Affiliations

- American Institute of Certified Public Accountants (AICPA)
- Florida Institute of Certified Public Accountants (FICPA)
- Governmental Finance Officers Association (GFOA)
- Florida Government Finance Officers Association (FGFOA)



Grace Hartness
Manager

(850) 337-3243 phone

GHartness@cricpa.com

Representative Service Areas

- Community Development Districts
- Condominium and Homeowner Associations
- Utility Services
- School Districts
- County and Local Governments
- Non-Profit Organizations

Experience

Grace has over six years accounting and audit experience with CRI. She has worked on several major construction companies, government entities, community development districts, condominium and homeowner associations and non-profit organizations. In addition, she has been involved in special audit projects for the Miami-Dade Airport Authority.

Grace is licensed to practice as a certified public accountant in Florida and exceeds all continuing professional education requirements related to Government Auditing Standards. In addition, Grace fluently speaks several languages including French and Arabic.

Grace currently supervises engagements for many special districts in the State of Florida including community development districts and school districts. She is active in our firm's condominium and homeowner association practice.

Grace started with CRI in August 2006, upon completion of her master's degree, and was promoted to manager in 2011.

Education, Licenses & Certifications

- MAcc, Accounting, University of West Florida
- Certified Public Accountant
- Community Association Manager, Licensed in Florida

Professional Affiliations

- American Institute of Certified Public Accountants (AICPA)
- Florida Institute of Certified Public Accountants (FICPA)
- American Society of Women Accountants (ASWA)



Katie Pollock
Manager

(850) 337-3206 phone

KPollock@cricpa.com

Representative Service Areas

- Community Development Districts
- Condominium and Homeowner Associations
- County and Local Governments
- Non-Profit Organizations
- Privately-held corporations

Experience

Katie has over four years accounting and audit experience with CRI. She is in-charge of fieldwork on audits of clients in a variety of industries including governmental entities, condominium and homeowner associations, non-profit organizations and privately-held corporations.

Katie is licensed to practice as a certified public accountant in Florida. She is a member of the Florida Institute of Certified Public Accountants and exceeds all continuing professional education requirements related to Government Auditing Standards.

Katie currently supervises engagements for many special districts in the State of Florida including community development districts, fire districts, utility districts and school districts. She is active in our firm's condominium and homeowner association practice and also assists in operating and accounting for her family's restaurant locations.

Education, Licenses & Certifications

- BSBA, Professional Accountancy, University of West Florida
- Certified Public Accountant

Professional Affiliations

- American Institute of Certified Public Accountants (AICPA)
- Florida Institute of Certified Public Accountants (FICPA)

YOUR SOLUTION TEAM



Ali Gorman
Manager

(850) 337-3254 phone

AGorman@cricpa.com

Representative Service Areas

- Community Development Districts
- Condominium and Homeowner Associations
- Utility Services
- School Districts
- County and Local Governments
- Non-Profit Organizations

Experience

Ali has over six years auditing and accounting experience in both the Tallahassee and Destin offices of CRI. She is an audit manager with primary responsibility for fieldwork and reporting on audits of clients in a variety of industries including local governmental and non-profit entities as well as financial institutions and commercial businesses. She is currently the audit manager for over 25 community development districts, and works with several CDD management companies in the State of Florida.

Ali is licensed to practice as a Certified Public Accountant in Florida. She is a member of the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants. She exceeds all continuing professional education requirements related to *Government Auditing Standards*.

Ali currently supervises engagements for many governmental entities in the State of Florida including community development districts, municipalities, utility districts, and other special governments. She is active in our firm's governmental industry line as well as the condominium and homeowner association practice. In addition, Ali has performed many single audits of federal grants under OMB Circular A-133.

Education, Licenses & Certifications

- BS, Accounting, Florida State University
- Certified Public Accountant

Professional Affiliations

- American Institute of Certified Public Accountants (AICPA)
- Florida Institute of Certified Public Accountants (FICPA)



Jonathan Hartness
Manager

(850) 337-3569 phone

JHartness@cricpa.com

Representative Service Areas

- Community Development Districts
- Condominium and Homeowner Associations
- Utility Services
- School Districts
- County and Local Governments
- Non-Profit Organizations

Experience

Jonathan has over six years auditing and accounting experience with CRI. He is an audit manager with primary responsibility for fieldwork and reporting on audits of clients in a variety of industries including local governments, utility companies, condominium and homeowner associations, and small businesses. He is currently the audit manager for over 20 community development districts and works with several CDD management companies in the State of Florida.

Jonathan is licensed to practice as a Certified Public Accountant in Florida. He is a member of the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants. He exceeds all continuing professional education requirements related to *Government Auditing Standards*.

Jonathan currently supervises engagements for many governmental entities in the State of Florida including community development districts. He is active in our firm's governmental industry line as well as our condominium and homeowner association practice. Jonathan is an integral part of our community development district practice.

Education, Licenses & Certifications

- MAcc, Accounting, University of West Florida
- Certified Public Accountant

Professional Affiliations

- American Institute of Certified Public Accountants (AICPA)
- Florida Institute of Certified Public Accountants (FICPA)



DELIVERING QUALITY TO YOU

TECHNICAL TRAINING CRI'S CPE WEEK

You expect your service team to be up-to-date regarding hot topics in the following service areas:

- Accounting
- Attestation & Auditing
- Business Consulting
- Tax

Our firm professionals gather annually for "CPE Week," a continuing professional education series designed to provide needed technical updates to keep our teams informed of the latest from the various and relevant standard setters. Additionally, it provides a forum for our professionals to share best practices – ensuring that you receive the benefit of expertise from our firm's professionals.

LEADERSHIP TRAINING CRI'S LEADERSHIP ACADEMY

In today's world of constant communication, business skills are as important as technical expertise. Building the next generation of leaders is key to our success and essential for excellent client service. Therefore, we make a unique investment in our professionals through the CRI Leadership Academy, which is designed to provide training on the "soft skills" of business leadership including, but not limited to, teamwork, time and project management, business writing, communication, presentation, and our core values of client service, respect, and integrity.

OUR PEOPLE

The quality of a professional services firm is determined by its people and the firm's investment in them. To ensure the highest possible level of quality for every client, we employ carefully designed protocols for recruiting, developing, promoting, and supervising our staff. Our comprehensive, formalized training programs focus on five areas of development training: technical, leadership, ongoing, role/responsibility, and specialty.

ONGOING TRAINING

By virtue of the profession, accounting is an apprenticeship model. CRI's senior level management embraces this approach by leading and utilizing engagements teams that provide the proper mix of industry, service, and overall experience. This model ensures that all supervising, mentoring, and coaching are tailored to each individuals' requirements and needed timetable.

SPECIALTY TRAINING

Just as every business is different, so are the accounting best practices for each industry and specialty service. Because of these differences, we deliver progressive training courses that address the current accounting issues affecting our clients served by our industry and specialty service teams, such as:

- Business Valuations
- International Accounting & Tax
- IT Audit & Assurance
- Employee Benefit Plan (EBP) Audits
- Forensic Accounting
- Service Organization Controls (SOC)
- SEC/PCAOB
- Financial Institutions & Insurance
- Construction
- Governmental & Not-for-Profits
- Healthcare

ROLE/RESPONSIBILITY TRAINING

In addition to basic technical and leadership skills, we know that our team requires specialized training for their individual responsibilities. So CRI has developed role-based training scenarios that include service-specific training and tools presented in a case study format. Our goal is to prepare all team members for their new level of responsibilities.

DELIVERING QUALITY TO YOU



AUDIT METHODOLOGY

Our audit, tax, consulting, and client accounting services documentation is maintained electronically. Compliance with our methodology is regularly reviewed and evaluated as part of our internal quality program, which is further discussed in this section under [INTERNAL QUALITY CONTROL REVIEWS AND EXTERNAL REVIEWS](#). Comprehensive policies and procedures governing all of our practices and addressing professional and regulatory standards and implementation issues are constantly updated for new professional developments and emerging issues. See [PAGES 21 – 24](#) for a more detailed description of the relevant approach and methodology.

ENGAGEMENT QUALITY REVIEW PARTNER (CONCURRING PARTNER)

Each audit has an assigned engagement quality review (EQR) partner with the appropriate experience. This role is one of the most important elements of our quality assurance process, as it provides for a timely, independent review of all key accounting and auditing issues. The EQR partner also reviews the financial statements and related supporting documentation—including the disclosures—to evaluate their fair presentation under accounting principles generally accepted in the United States of America (GAAP).

INTERNAL QUALITY CONTROL REVIEWS AND EXTERNAL REVIEWS

Experienced partners and professional staff of our firm conduct quality control reviews of our audits. Our partners' work is reviewed annually, and the inspection process includes periodic testing of the effectiveness of our quality controls and a continuous improvement program.

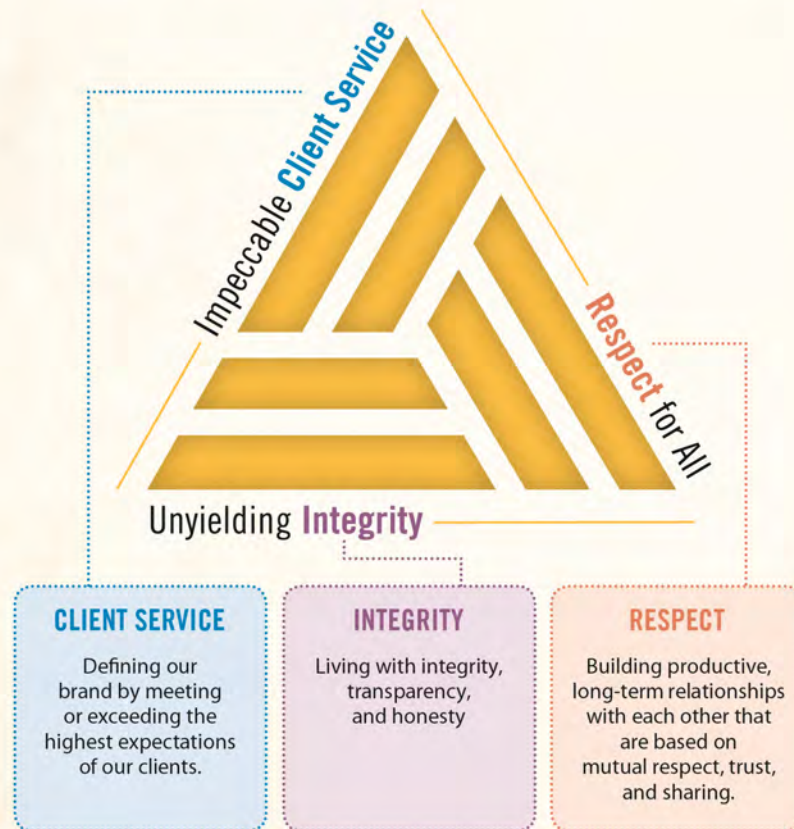
Peer reviews are performed every three years by another independent public accounting firm. The most recent review of our firm was performed in 2010 by EideBailly, whose report was the most favorable possible.

In addition, we are registered with the PCAOB and our 2006 and 2009 PCAOB inspection reports were also the most favorable possible—no audit deficiencies or quality control defects identified. The 2009 PCAOB report can be viewed at www.pcaob.com/inspections/public_reports/2009/Carr_Riggs.pdf.



SHARING CRI'S VALUES WITH YOU

We are proud of our hands-on, service-centric, and results-oriented approach. Combining that approach with quality controls and superior talent allows us to help you achieve your goals and strengthen your management systems and processes. This approach is further emphasized through our three core values which guide our team's behavior and function as the foundation for interactions with our clients and each other.



CRI CARES

Additionally, using a separate 501 (c) 3, CRI aids team members during emergencies or hardships beyond control. What does it mean to our clients? CRI lives our values. We demonstrate respect and service to our team – just as we do for our clients.



JOINING OUR CONVERSATION



WEBSITE (CRIcpa.com)

CRI's website features financial calculators, current tax and estate tax guides, a record retention schedule, glossary of common financial terms, and hundreds of articles with topics ranging from current legislation to industry-specific news.



BLOG SITE (blog.CRIcpa.com)

Featuring articles and videos, CRI's interactive blog site provides helpful tips for readers both personally and professionally. Written by our partners from their perspective and experiences, these plain English explanations of current regulations and trends exemplify our commitment to open dialogue.



CRInsights (CRIcpa.com)

We understand that just because a topic makes perfect sense to a CPA doesn't mean that it will to our clients. That's why we developed CRInsights, our in-depth yet down-to-earth explanations of complex topics.



NEWSLETTER (Sign up at CRIcpa.com)

Our team is dedicated to keeping our clients informed, and we prove it by creating a custom monthly e-newsletter with widely-applicable topics. The articles are designed to help you improve your business and personal finances. Popular recent topics include:

- Reportable Health Care Coverage on W-2s
- Navigating Alternative Minimum Tax (AMT)
- Key Considerations of Health Care Law
- Six Commandments of Estate Planning



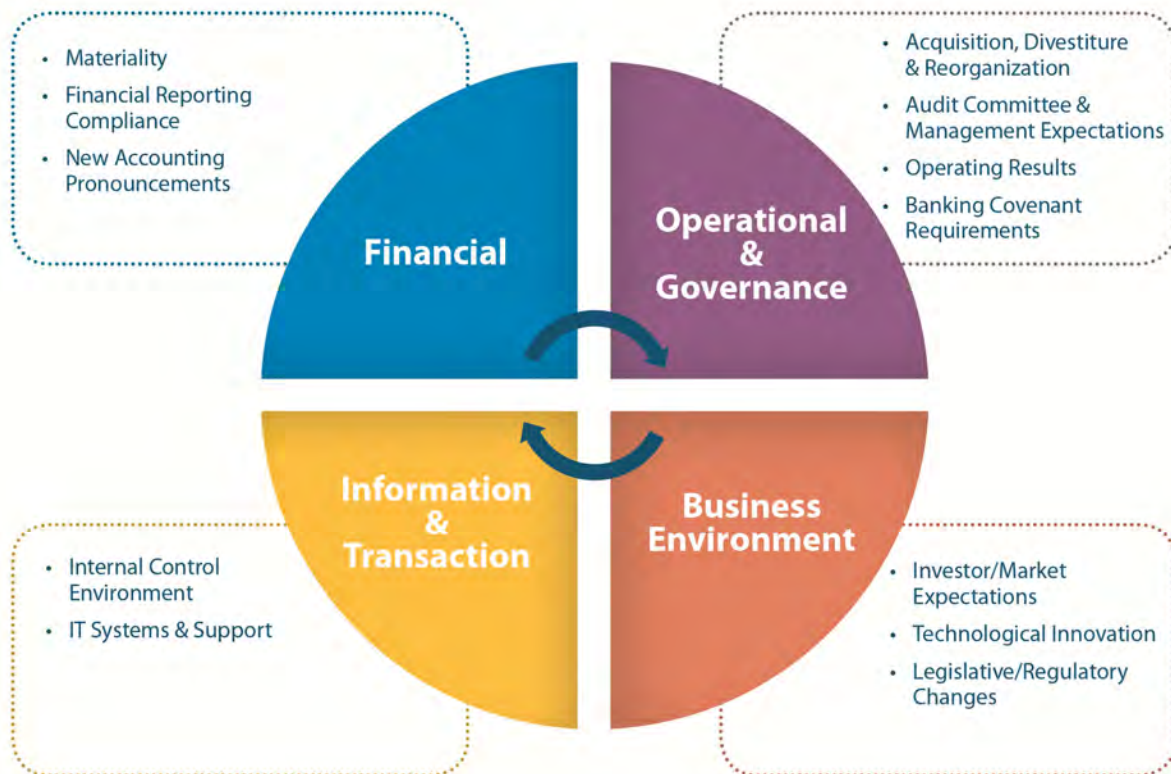
CRI AUDIT FRAMEWORK

Our proposed services require a coordinated effort between us and Miromar Lakes Community Development District's team. Planning and continual communication are essential to developing the appropriate procedures, working collaboratively to resolve any identified issues, and meeting your timelines.

CRI's audit approach occurs within a framework of our client's business and industry; therefore, we assess risk by:

- Understanding management's perspectives and goals, and
- Considering business conditions and threats that could prevent management from achieving its business objectives.

We assess risks in the following areas:



CRI AUDIT FRAMEWORK



Our ultimate intent is to drill down from these broad risks to specific financial reporting risks. We understand both these risks and management's processes and procedures for mitigating them (i.e. internal controls) in order to develop our procedures to carry out our audit responsibilities.

Although our audits are conducted through a structured, risk-based model, we focus on understanding the client's needs, requirements, and expectations. We work collaboratively with management and the Audit Committee (or similar function) to develop a communication and work plan to continuously improve client service, by doing so we help in moving your team from simple **compliance** to providing you with a **competitive advantage**.

In planning, we concentrate on "key risks," (items with a greater risk of a material misstatement, a material weakness in internal controls, or other matters resulting in the issuance of an inappropriate audit report). We focus on "material" items (i.e. those items that would be important to the user of your financial statements). When evaluating materiality of identified misstatements, certain quantitative and qualitative factors must be considered—which may include:

- Impact on operating trends (revenue/income, expenses, net income, etc).
- Nature of the misstatement (i.e., did the misstatement result from an unlawful transaction?).
- Impact on liquidity, capital/surplus, earnings capacity, etc.
- Impact to loan covenants and contractual and regulatory requirements.

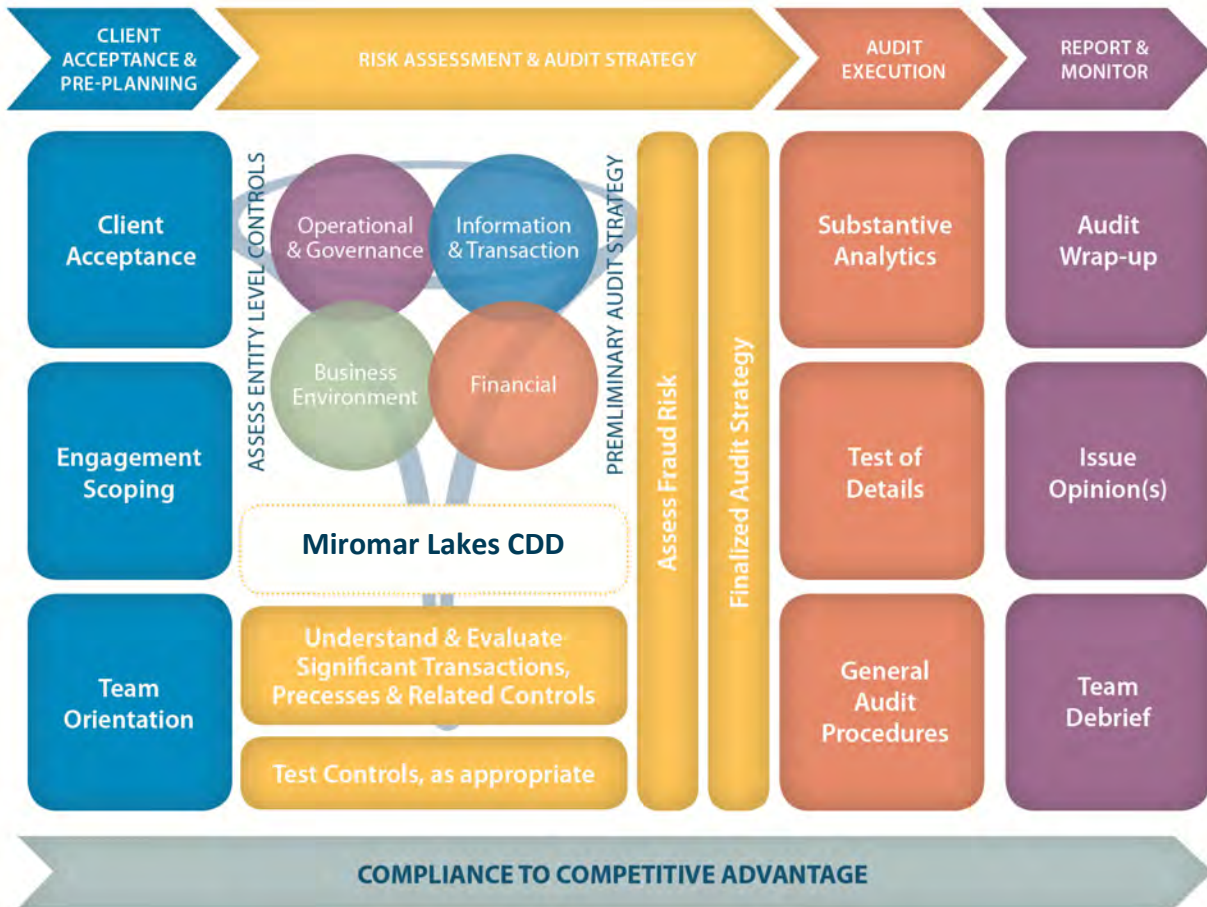
Consistent communication is a key to completion of the audit. By ensuring constant involvement, we are in a better position to respond to your issues timely and efficiently. Therefore, we plan to meet with your management to:

- Set-up the audit by reviewing the mapping of Miromar Lakes Community Development District's financial information (financial statements and notes) to significant processes and IT systems to ensure that all significant account balances, transactions, procedures, and systems are tested as deemed necessary.
- Discuss ongoing changes—specifically new accounting pronouncements and key business transactions in their early stages, enabling us to agree on the resolution of various complex business issues on a timely basis.



CRI AUDIT APPROACH

Our audit approach is a four stage approach, as depicted in the summary below. Our client acceptance and risk assessment procedures (as noted on the previous page) occur during detailed conversations and observations with your team. The results of those procedures allow us to tailor an audit program to your specific risks and needs. We then execute the audit, report the results, and evaluate continuous improvement opportunities for ongoing service and benefit to you.





CRI AUDIT APPROACH

Stage 1: Client Acceptance & Pre-planning

- Perform client acceptance procedures where necessary.
- Collaborate with management to agree to expectations and scope.
- Assign appropriate staff to engagement based on client needs and assessed risk.

Stage 2: Risk Assessment & Audit Strategy

- Interview client personnel and others, as necessary to understand client-specific objectives and risks.
- Assess environmental and other external risks and potential impact on the audit planning.
- Assess entity level controls including: control environment, risk assessment, information & communication, and monitoring controls.
- Assess management's fraud and IT risk assessment models. Develop independent fraud and IT risk assessment.
- Assess IT General Computer (ITGC) controls, such as IT Environment, Developing & Delivering IT, and Operating IT & Monitoring IT.
- Assess materiality.
- Perform preliminary analytical procedures.
- Map financial statements to significant transactions, processes, IT systems and related controls.
- Develop understanding of significant processes and related controls.
- Determine existence of/reliance on SSAE 16 (formerly SAS 70(s)).
- Test controls including ITGC, as and if deemed appropriate. Tests will include a mix of:
 - inquiry,
 - observation,
 - examination and
 - re-performance.
- Determine reliance on Internal Audit, if applicable (e.g. controls or detailed tests).
- Determine reliance on specialist(s), if applicable (e.g. valuations, pension costs, etc.).
- Finalize risk assessments and develop final audit strategy.

Stage 3: Audit Execution

- Where possible, develop detailed analytical procedures to use as substantive tests to reduce tests of details. Examples include:
 - ratio analysis,
 - regression analysis,
 - trend analysis,
 - predictive tests or
 - reasonableness tests.
- Where possible utilize Computer-Assisted Audit Techniques (CAATs), such as IDEA or ACL to automate testing for more coverage and less disruption to the client.
- Where possible, perform targeted testing (also known as “coverage” testing) of account balances to tests large portions of account balances.
- Perform tests of details, including sampling, if applicable or necessary.
- Perform general audit procedures, as and if applicable, such as tests related to:
 - commitments and contingencies,
 - legal letters,
 - management representations,
 - reviews of Board minutes,
 - related party transactions,
 - debt covenants and
 - going concern.
- Perform other tests for compliance such as Yellow Book or Single Audit Tests.

Stage 4: Report & Monitor

- Continually monitor the audit and provide feedback as agreed during scoping or more frequently, as deemed appropriate.
- Conclude the audit (i.e. issue opinions and/or reports).
- Develop and present required communications, including management letter comments.
- Perform an internal team de-briefing to identify areas for improvement.
- Welcome the opportunity for an external de-briefing with our clients to improve.



CRI AUDIT APPROACH

The following is an outline of our work plan, including information required by the RFP on our audit approach.

CRI will accomplish the work stated above by dividing the audit into the following four segments: Client Acceptance & Pre-planning; Risk Assessment & Audit Strategy; Audit Execution; and Reporting & Monitoring.

CLIENT ACCEPTANCE & RISK ASSESSMENT

Substantial amounts of the partners' and managers' time are devoted in the first two segments of the engagement. Our planning process leads to the development of our audit strategy, which in turn encompasses decisions concerning the nature, timing, and extent of our audit procedures. Planning helps the engagement team make the most effective use of available manpower and is essential in maximizing audit efficiency. Planning actually goes on continuously throughout the audit, although, the term "planning" is usually used to signify those steps which lead up to the requirements of the principal auditing procedures.

Preparatory Work

Preparatory work is necessary before an audit begins. In the early stages of planning, a meeting is held by the Engagement Partner to make such arrangements as are necessary for the conduct of the engagement and to assist in gaining an understanding of the District's internal accounting procedures.

Determining Our Audit Strategy

It is in this phase of planning that we obtain our understanding of and document the District's internal accounting procedures. This area of planning will be performed by the Engagement Partner and Audit Manager.

We read the reports of governmental or regulatory auditors as they pertain to governmental funds. We give consideration to the manner in which the District's data processing system influences its accounting control objectives and the possible effects of such matters on the nature, timing, and extent of our audit procedures. We then evaluate the environmental factors that might influence the following:

- The probability of material financial statement misstatements.
- The nature, timing, and extent of substantive procedures.

At this point, we consider the following:

- Sensitive areas, which could lead to, increased audit risks
- Design of procedures to search for and identify significant related parties, unusual transactions, and material fraud or illegal acts
- Key audit areas
- Anticipated reliance on internal accounting and administrative controls
- Dollar amounts of materiality
- Audit areas to be tested using statistical sampling

Based on the preceding planning, the Engagement Partner and Audit Manager work together to assemble and prepare the engagement audit work plan and communicate that audit work plan to the engagement team as well as District personnel.



CRI AUDIT APPROACH

Internal Control Systems Approach

- Obtain an understanding of the District’s control environment, risk assessments, control activities, information and communication and monitoring systems as they relate to operations.
- This understanding is obtained through review of the existing policies and procedures, flowcharts, inquiries of personnel, inspection of documents and records, and observation of the activities and operations. This understanding would include accounting and administrative controls in place to ensure that the District complies with applicable laws and regulations and internal accounting policies and procedures.
- Document that understanding by summarizing key internal controls that we intend to place reliance on for substantive testing
- Utilize a transactional walk-through to determine whether a policy or procedure has been placed in operation.
- Assess control risk by evaluating the effectiveness of the District’s internal control structure policies and procedures in preventing or detecting material misstatements in the financial statements.
- Review internal control structure policies and procedures relevant to specific assertions that are likely to prevent or detect material misstatements in those assertions.
- Perform dual tests of controls and transactions (accounting and administrative) to evaluate the effectiveness of such policies and procedures.

Auditing Computer-Related Activities

- Develop an overall understanding of the data processing function.
- Ensure the proper development and implementation of applications.
- Ensure the integrity of program and data files.
- Ensure the completeness and accuracy of the accounting records.
- Ensure the integrity of computer operations.

As part of the Management Letter, we will report, if appropriate, specific comments in the above areas for the District’s computer systems, overall conditions of internal control in computer environment, and any significant weakness in internal control in data processing.

CRI is a leader in systems review, evaluation, and documentation. We have been engaged to write detailed policy and procedure manuals for clients, as well as evaluate their existing policies and procedures in an effort to streamline the flow and strengthen the internal controls.

AUDIT EXECUTION

The third segment of our Audit Life Cycle will be the testing or “fieldwork” phase. Fieldwork will commence immediately after presentation of the audit plan. The bulk of this work is performed by senior and staff accountants under the overall supervision of the Audit Manager and Engagement Partner. The Audit Manager fields all questions from staff and answers or directs the relevant questions to appropriate client personnel.

Our testing will consist of primarily substantive tests to provide evidence as to completeness, accuracy or validity of the information contained in the financial statements. Our procedures include the use of detailed items for both financial and compliance assertions. Our approach to these tests is described below.



Sampling Extent & Sample Size

The sample selection would be developed using a combination of the Firm's Sampling Plan and Microsoft Excel.

CRI's Sampling Plan is a comprehensive and systematic plan, which focuses directly on the assessment of audit risk and integrates statistical theory with the use of audit judgment. Since our firm uses dual-purpose testing (tests of controls and substantive tests), the sample sizes may be larger than those for single-purpose tests. Sample sizes range from a low of 15 transactions to a high of 60 transactions based on the quantitative decisions made.

Laws & Regulations Testing

The District's compliance with governing laws, regulations, rules and other finance-related legal requirements is the responsibility of the District's management. As part of our audit of the financial statements, we will perform tests of compliance with certain provisions of laws, regulations, rules, and other finance-related legal requirements. It is important to note that the independent auditor's role in compliance auditing is one of the most significant environmental differences between governmental and private sector auditing.

The objectives of our substantive test of legal compliance follow:

- To determine material events of noncompliance.
- To provide a basis of reporting on the District's compliance with such laws and regulations.

Analytical Procedures

Throughout the audit, we will use analytical procedures such as historical trend comparisons, and prior-year actual to current-year actual comparisons on selected, related groups of accounts. These are invaluable audit procedures that assist us in streamlining our audit work while "zeroing" in on major issues for management's consideration. Thus, this approach provides advantages for both the District as well as the auditors.

All workpapers have a detailed review performed by either the Audit Manager or Engagement Partner, whichever is appropriate.

EDP Software

We will make use of the latest audit technologies and techniques in the performance of your audit. We utilize a paperless computer audit software program and a number of standard applications such as Adobe Acrobat and Microsoft Excel and Word. All of our auditors are equipped with laptop computers and are well-trained in the use of our computer software applications. In addition, if determined to be advantageous as part of our planning procedures, we can also make use of certain data analysis software to quickly and accurately import, analyze, sample and extract financial accounting information.



REPORTING & MONITORING

The last segment of the Audit Life Cycle is the reporting phase. At this point, our main concern will be focused on the fair presentation of the final amounts and information appearing in your report. This phase effectively utilizes all levels of staff as audit staff and senior staff in the field are primarily responsible for gathering the basic data for reporting, and the Audit Manager, Engagement Partner, and Concurring Partners are responsible for the proper presentation and disclosure of that information in the financial statements. We will also prepare special reports including a schedule of findings and other benchmarking reports, as requested by the District. These are begun at the audit staff level and are reviewed by the Audit Manager, Engagement Partner, and Concurring Partners.

Specifically in the reporting phase, we focus on internal control findings noted in the system evaluation and testing phase of the engagement and other matters brought to our attention during the substantive testing phase of the engagement.

Management Letter

CRI considers the management letter one of the most important aspects of an audit engagement. Every client is different, and we write our management letters to meet the specific needs of each client. Our sole goal is to make our clients aware of opportunities to improve operating efficiency or effectiveness.

Our management letter will include all items noted in the District's request for proposal, if applicable. In addition, we will make an immediate written report to the District of all significant misstatements and any illegal acts, as they become known to us.

Management Letter comments typically pertain to the following:

- Findings other than those relating to internal control.
- Other matters that are not reportable conditions but are nonetheless worthy of mention.

Our Management Letter comments generally fall into three categories:

- Specific recommendations - the course of action is relatively clear.
- Alternative approaches - the appropriate corrective action varies.
- Symptoms of possible problems - an investigation is recommended to determine whether the problem exists or will occur in the future.

The identification of potential management letter comments is the responsibility of every engagement team member.

CRI feels that management letter comments add a voluntary, constructive dimension to our services and provide tangible evidence of our concern for the District's welfare. Also, when they accompany comments on significant deficiencies, management letter comments can provide the District with a more complete analysis of our observations.

Our approach to the management letter includes evaluating cost/benefit relationships of any comment suggested. Our efforts are focused on constructive suggestions about significant operational matters. We believe it is more effective to develop specific comments in a few areas rather than many comments of a general nature.



CRI AUDIT APPROACH

Our “no surprises” approach to management letter comments has led to a good working relationship between our clients and our engagement team. During fieldwork, we will verbally inform the District of any exceptions noted, in order to provide District personnel the opportunity to resolve open issues. We will also provide our comments in writing to the District prior to the scheduled exit conference. At the exit conference, we will review the comments in detail and consider management’s responses about whether they believe conditions are practicable to correct, areas in which changes have already been made to correct known conditions, as well as situations that appear to be isolated instances. At this stage, certain comments may be communicated verbally to management. Once the final points have been determined, we provide management the opportunity to incorporate responses to the management letter comments.

SEGMENTATION OF THE ENGAGEMENT

We will segment the engagement by assigning each of the elements of the annual work plan to one of our Audit Managers. The Audit Manager and Engagement Partner will plan the engagement based on the risk assessment audit standards using such information as the District’s budget, organizational chart and other information derived from the District’s information systems. The Audit Manager will then determine the staffing needs and assign the appropriate number and level of staff accountants and/or senior staff. All work will be reviewed and approved by the Engagement Partner and the Review Partner before delivering required reports to the District. As shown more fully below, we anticipate the audit managers, as well as the staff and senior accountants, will be assigned 37 hours on the fieldwork portion of the audit. The partners will work 9 hours, primarily in planning the audit, reviewing fieldwork, and reporting.

LEVEL OF STAFF FOR EACH PROPOSED SEGMENT

	<u>Partner/ Specialist</u>	<u>Manager</u>	<u>Senior Accountant</u>	<u>Staff Accountant</u>	<u>Total</u>
Pre planning	1	3			4
Risk assessment	1	3			4
Fieldwork	3	10	8	16	37
Reporting	4	4			8
	<u>9</u>	<u>20</u>	<u>8</u>	<u>16</u>	<u>53</u>

IDENTIFICATION OF ANTICIPATED POTENTIAL AUDIT PROBLEMS

We do not anticipate any potential audit problems.

REPORT FORMAT

Sample formats for required reports are following.

APPENDIX A – PEER REVIEW



System Review Report

To the Partners of Carr, Riggs & Ingram LLC
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Carr, Riggs & Ingram LLC (the firm) applicable to non-SEC issuers in effect for the year ended June 30, 2010. 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. 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. 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. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.apicap.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*, audits of employee benefit plans, and audits performed under FDICIA.

In our opinion, the system of quality control for the accounting and auditing practice applicable to non-SEC issuers of Carr, Riggs & Ingram LLC in effect for the year ended June 30, 2010, 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*. Carr, Riggs & Ingram LLC has received a peer review rating of *pass*.

Eide Bailly LLP

Minneapolis, Minnesota
October 14, 2010

www.eidebailly.com

5601 Green Valley Dr., Ste. 700 | Minneapolis, MN 55437-1145 | T 952.944.6166 | F 952.944.8496 | EOE

APPENDIX B – SAMPLE DOCUMENTS



Board of Supervisors
Miromar Lakes Community Development District

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Miromar Lakes Community Development District as of and for the year ended September 30, 2013, 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

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 of 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 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 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Miromar Lakes Community Development District, as of September 30, 2013, and the respective changes in financial



APPENDIX B – SAMPLE DOCUMENTS

position, thereof 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 as listed in the table of contents 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 our report dated December xx, 2013, on our consideration of the Miramar Lakes Community Development District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Carr, Riggs & Ingram, L.L.C.

Miramar Beach, Florida
December xx, 2013



APPENDIX B – SAMPLE DOCUMENTS

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

Board of Supervisors
Miromar Lakes Community Development District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Miromar Lakes Community Development District ("District"), as of and for the year ended September 30, 2013, which collectively comprise the District's basic financial statements and have issued our report thereon dated December xx, 2013. Our report includes a reference to other auditors. 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.

Internal Control Over Financial Reporting

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the 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 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



APPENDIX B – SAMPLE DOCUMENTS

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

This report is intended solely for the information and use of management, Board of Supervisors, others within the entity, the State of Florida, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

Miramar Beach, Florida
December xx, 2013



APPENDIX B – SAMPLE DOCUMENTS

MANAGEMENT LETTER

Board of Supervisors
Miromar Lakes Community Development District

We have audited the financial statements of the Miromar Lakes Community Development District ("District") as of and for the fiscal year ended September 30, 2013, and have issued our report thereon dated December xx, 2013.

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. Disclosures in that report, which is dated December xx, 2013, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports or schedule:

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 annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial report.

Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the District complied with Section 218.415, Florida Statutes.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)4., Rules of the Auditor General, requires that we address violations of 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 more than inconsequential. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts or abuse; and (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)6., 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



APPENDIX B – SAMPLE DOCUMENTS

disclosed in this management letter, unless disclosed in the notes to the financial statements. The District's name and legal authority are disclosed in the notes to the financial statements.

Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described by Section 218.503(1), Florida Statutes.

Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the District for the year ended September 30, 2013, 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 year ended September 30, 2013. In connection with our audit, we determined that these two reports were in agreement.

Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. 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.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management, the Board of Supervisors, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

Miramar Beach, Florida
December xx, 2013

YOUR SERVICES & FEES



We value creating mutually-rewarding, long-term relationships with our clients. Our goal is to provide high quality, responsive service that yields returns far greater than your investment in our professional fees. Please find below our proposal of fees to provide the requested services for the upcoming three respective fiscal years.

The person signing the proposal is entitled to represent the firm, empowered to submit the proposal, and authorized to sign a contract with the District.

SERVICE	CRI FEES
	2013 - 2017
Perform external audit services in accordance with auditing standards generally accepted in the United States of America (GAAS)	\$6,950 Per Year

If the District requests additional services outside of this proposal, professional fee hourly rates are as follows, but may be negotiated depending on the project request:

CLASSIFICATION	HOURLY RATE
Partner	\$225
Manager	\$140
Senior	\$100
Staff	\$80
IT Specialist	\$200
Fraud Specialist	\$200

APPENDIX A

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

AUDITED FINANCIAL STATEMENTS

Fee shall include all services, including but not limited to Out-of Pocket expenses, meals and lodging, transportation, printing and binding, telephone, fax, copies.

Fiscal Year 2013	<u>\$6,950</u>
Fiscal Year 2014	<u>\$6,950</u>
Fiscal Year 2015	<u>\$6,950</u>
Fiscal Year 2016	<u>\$6,950</u>
Fiscal Year 2017	<u>\$6,950</u>
TOTAL ALL YEARS	<u>\$34,750</u>