

***Pine Air Lakes  
Community Development District***

***November 17, 2016***

# *Pine Air Lakes*

## *Community Development District*

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November 10, 2016

**Board of Supervisors  
Pine Air Lakes  
Community Development District**

Dear Board Members:

The regular meeting of the Board of Supervisors of **Pine Air Lakes Community Development District** will be held on **November 17, 2016 at 2:00 p.m. at the offices of Coleman, Yovanovich & Koester, P.A., Northern Trust Bank Building, 4001 Tamiami Trail N., Suite 300, Naples, Florida 34103.** Following is a copy of the agenda:

1. Roll Call
2. Approval of the Minutes of the July 28, 2016 Meeting
3. Update on Status of Litigation
4. Consideration of Engagement Letter and Addendum to Engagement Letter with Grau & Associates to perform the Audit for Fiscal Year Ending September 30, 2016
5. Staff Reports
  - A. Attorney
  - B. Engineer
  - C. Field Report
  - D. Manager
6. Supervisors Requests and Audience Comments
7. Financial Reports
  - A. Approval of Check Register
  - B. Balance Sheet and Income Statement
8. Adjournment

Enclosed for your review is a copy of minutes of the July 28, 2016 meeting.

The fourth order of business is consideration of engagement letter and addendum to engagement letter with Grau & Associates to perform the audit for fiscal year ending September 30, 2016. Copies of both documents are enclosed for your review.

The financials are also enclosed. The balance of the agenda is routine in nature and staff will present their reports at the meeting. Any additional documentation will be provided under separate cover or presented at the meeting. I look forward to seeing you at the meeting and in the meantime if you have any questions, please contact me.

Sincerely,



Rich Hans  
Manager

cc: Greg Urbancic    Andy Tilton    David Robson    George Fogg

**MINUTES OF MEETING  
PINE AIR LAKES  
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Pine Air Lakes Community Development District was held on Thursday, July 28, 2016 at 2:00 p.m. at Coleman, Yovanovich & Koester, P.A., Northern Trust Bank Building, 4001 Tamiami Trail North, Suite 300, Naples, Florida 34103.

Present and constituting a quorum were:

Tom Conroy	Chairman
David Stevens	Vice Chairman
Michael Durant	Assistant Secretary
Doug Nelson	Assistant Secretary
Keith Embree	Assistant Secretary

Also present were:

Rich Hans	District Manager
Greg Urbancic	District Counsel
David Robson	District Engineer
Lisa Derryberry	Governmental Management Services
George Fogg	IBIS - Field Supervisor

**FIRST ORDER OF BUSINESS**

**Roll Call**

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

**SECOND ORDER OF BUSINESS**

**Approval of the Minutes of the  
June 23, 2016 Meeting**

Mr. Hans: Moving on to item No. 2 is our minutes from the June 23rd meeting. If anyone has any comments on those we can take those, and if not a motion accepting those would be in order.

On MOTION by Mr. Conroy seconded by Mr. Stevens with all in favor, the Minutes of the June 23, 2016 Meeting were approved.

**THIRD ORDER OF BUSINESS**

**Consideration of Debt Allocation**

**FOURTH ORDER OF BUSINESS**

**Public Hearing to Adopt the Fiscal Year 2017 Budget**

- A. Motion to Open the Public Hearing
- B. Public Comment and Discussion
- C. Consideration of Resolution #2016-04 Annual Appropriation Resolution
- D. Consideration of Resolution #2016-05 Levy of Non Ad Valorem Assessments
- E. Motion to Close the Public Hearing

Mr. Hans: Item Nos. 3 and 4 we're going to hold off on until Doug gets here.

**FIFTH ORDER OF BUSINESS**

**Staff Reports**

Mr. Hans: Moving on to Item No. 5, Staff Reports, Greg?

**A. Attorney**

Mr. Urbancic: I didn't have a separate report today.

Mr. Hans: Perfect.

**B. Engineer**

Mr. Hans: Moving on to the engineer, David?

Mr. Robson: Yes, David Robson, Johnson Engineering. The one thing missed last meeting but I went through the minutes and during the discussion of the allocations and so forth, you may note of the trips and so forth that would be attributed by traffic and so forth, I checked the most recent institute of engineer's report, and the 11 trips for office space is still the same, but it has gone from 36 to 43 on the retail, so just for your information.

Mr. Conroy: Ok.

Mr. Robson: That would be the change from 2008 to today. They generally update it every 5 years is what I got out of it, so there won't be another update possibly until 2017 or 2018.

Mr. Conroy: Thank you.

Mr. Robson: That it.

Mr. Hans: So it's 43 now?

Mr. Robson: Yes 43 trips per 1,000 retail.

Mr. Hans: Ok.

Mr. Robson: They were using, there's a lot of different calculations, it's basically a spreadsheet model and our people, Leah Homes, basically based on the store combinations felt it qualified as a shopping center because it had that combination of different stores, so that could be subject to discussion if somebody had a problem with the number of trips.

Mr. Embree: Does that change our allocation at all?

Mr. Hans: It could, yes. We could use the 36 but that was what was adopted years ago.

Mr. Robson: Yes, it was part of what the old methodology was.

Mr. Hans: Right and like David said, there is a range, and if you lean towards more retail or more shopping center then you do others, I don't know if it's a significant difference.

Mr. Robson: I don't think I would recommend changing from what was there.

Mr. Hans: Ok.

Mr. Robson: This was just sort of informational, if somebody is doing development going forward and they need bond work, it might in a future bond be different.

Mr. Hans: Ok.

Mr. Conroy: Ok.

Mr. Robson: End of report, thank you.

**C. Field Report**

Mr. Hans: Moving on to field report, George?

Mr. Fogg: I will make it brief this time, partially because we have a little medical emergency in my household, my wife had to get a pacemaker put in which we weren't expecting and so I didn't quite concentrate on this as much as I should. So briefly the Costco entrance road with the royal palms that we had to take out which were 5, we found a few things for instance that the irrigation hadn't been functioning properly and in fact it was two systems that were irrigating the line. Needless to say, we're resolving that problem and when that's taken care of we will put the royal palms back in. Just for informational purposes, to replace the 5 royal palms is going to cost us about \$7,500, that's just for informational purposes, actually I have a price on it. The second thing, the problem that we've had with the irrigation around the south lake, the irrigation line that Dick's Sporting Goods tore out during their expansion of the lake, we have gotten that repaired and it is now functional and that should take care of any problems we had with the plants looking poorly or dying because of lack of water, so that's been taken care of.

Mr. Conroy: And we're going to send them a bill for the work?

Mr. Hans: Yes, I just received the invoice so we'll forward a copy to them.

Mr. Fogg: Ok.

Mr. Conroy: Ok.

Mr. Fogg: That was my recommendation and I assume we would. As part of that, they have not put in any of the trees around the new shoreline of the lake, and at the next meeting I will have a proposal in from our landscape contractor for replacing that and you can make a decision as to whether you want us to get that done and bill them, we can make that choice. That's not a crisis, we're not being hit by anybody but I will have a proposal for that.

Mr. Urbancic: We should make sure we have property rights that go along with that.

Mr. Hans: We're not the ones that would get hit by that because that's not owned by us. The ownership is the owner of that parcel who will get the notice. We have an easement for drainage over that lake, so I don't know, by us putting stuff in there and then try to bill somebody, it's going to be hard to collect, so I would wait for the person who owns that property to get noticed.

Mr. Robson: And that northeast shoreline is outside of the easement now.

Mr. Hans: True.

Mr. Conroy: Who's got to notice them George, Swift Mud or Army Corps, or who would notice them?

Mr. Fogg: That would be the county.

Mr. Robson: Right, the county because if somebody raises a complaint and makes an issue, and it's hard to imagine that happening, and that's the only way South Florida Water Management would step in, but the actual tree came with the permit from Collier County for the Dick's Sporting Goods plan, what they submitted site plan wise. It shows on their plantings, we looked at the drawings way back when they were building the place, but they got their C.O.

Mr. Conroy: I was going to say, they got their C.O. a year ago.

Mr. Robson: Right, and the county signed off on it, without the trees.

Mr. Fogg: I can virtually assure you that somebody sooner or later is going to come and demand that we have, and I'll at least have a price available and if we decide we want to do something fine, if we don't that's fine too.

Mr. Conroy: What kind of trees would be going around there?

Mr. Fogg: I haven't completely made up my mind. We have two options, one of them is to continue with the native plants, but since this is on the, we'll call it the road side of things, I have a feeling that I would like to see us put in some flowering trees along that bank.

Mr. Conroy: Let me rephrase the question, do we know off hand what kind of trees were scheduled on their site plan?

Mr. Robson: At the next meeting we can bring those site plans to the meeting. George and I can look at it and tell.

Mr. Fogg: We can look at it, I haven't seen the plans so I don't know what they are. I think I know what they did, I think they put all of their trees in one little cluster instead of spreading them out along the lakeshore and it's one of those things where we might encourage whoever is going to develop that little piece of land on the way into Dick's to put in a handful of trees. They might be the ones that will get caught for that. Somebody is going to get caught, so all I'm trying to do is be a little ahead of the steps that I'm behind.

Mr. Conroy: Why don't we find out what they have to do, and whether they've complied properly or not, if they said 20 trees and they put them in a clump, and they got their 20 trees, then where are we?

Mr. Fogg: They might be able to get away with it. Some of those trees by the way have died and I'll come back with a report on that next meeting because I'm not quite sure what we want to do. As a point of information, we do have a problem with some of the royal poincianas on Naples Blvd. that seem to be not having wintered over too well, maybe the same problem of the wrong soil or something, but in any case I will have a price for replacing those. We don't have any choice, we must replace the trees. I'm not quite sure whether they're gone or whether they're going, one or the other, they won't be there long.

Mr. Embree: How long have those been there?

Mr. Fogg: They've been in probably 15 years now. I'm the designer and they typically do well, we've had the county extension agent in, we've had the contractor's horticulturalist in, I've looked at them, nobody can figure out why they're not doing well. We've had to replace 4 or 5 of them in the past, and the replacements seemed to be doing fine. It is presumed and I think incorrectly that the original planting was pot bound, in other words the roots were wrapped around, but I looked at all those trees when they were put in and I didn't notice that. So just to say it simply that nobody



really knows what's causing the problem, there doesn't seem to be any disease, so we just don't know.

Mr. Conroy: Ok.

Mr. Fogg: We do have an annoying problem that seems to be developing and this is just for informational purposes, the trash can at our little park bench area on the Airport lake, by the access road to Lowe's and Costco, it got filled to overflowing with garbage, not trash type stuff, and I've instructed our maintenance people to make sure it's dumped regularly. We received a complaint in from a county person and we're also monitoring it, and if we get it filled up again we might want to look at the possibility of just eliminating the trash can, because somebody is using it at least once for their dumpster.

Mr. Conroy: For their business or something?

Mr. Fogg: There's nobody near it. So it's one of those things that we had to put in order to get our lake permit through.

Mr. Conroy: Ok.

Mr. Durant: We still might have that requirement.

Mr. Fogg: Not the dumpster, the sitting area, the dumpster was something that whenever you have a bench you put in a trash can because somebody is going to leave their trash around, that's just a standard.

Mr. Conroy: But the bench is never used.

Mr. Fogg: Nobody here, it's not in any permit that it has to be there, it's a convenience so that trash isn't spread around and we'll monitor it and get back to you if you I think it's a problem but right now it's an annoyance more than anything else. We have one other thing, I think I reported at the last meeting, we have made a determination to go along with the board's recommendation that we reconsider replacing the drip irrigation with spray irrigation and all the costs and so what we've done now is as necessary we're increasing the capacity of the drip irrigation that's now 15 years old and we're gradually replacing that with new drip irrigation that's more efficient. That's just again, miscellaneous things, we did find out though when we were

doing that and got a price for the replacement of the irrigation with the spray irrigation, that nobody has been taking care of monitoring and cleaning the filters and repairing or maintaining the lake pump for all of our irrigation water, and I will have a proposal for you at the next meeting for the annual maintenance of the pump and pump system. The contractor that I brought in to give an alternate estimate for the irrigation changeover also does that type of work and I want to make sure before the next meeting that he's willing to stick by his \$1,600 a year cost for taking care of the pump system which is beginning to get to the point where it will need some repair along the way. So at the next meeting I will have a proposal for that for your consideration. I think it's a good idea, and I also want to make sure that they'll stick with it, they broke out the price but whether they would do it separate from all the other work I don't know and I just want to make sure that when I set a proposal in front of you that it's a solid one that they'll stick by.

Mr. Conroy: Thank you.

Mr. Embree: Is there any difference in the water usage between the drip and the spray?

Mr. Fogg: Yes significantly. Just for your information, drip irrigation was originally developed in Israel for irrigating in their desert environment and it was the most water efficient system and everybody put it in, but the manufacturers didn't necessarily know quite how to do it, and we all jumped on the bandwagon and it's now been perfected so that it can get more water where you need it, and more efficiently and it's much better than going to the spray irrigation which is far more water required. We have our own water source, and we're not in that crisis situation but from a conservation standpoint I prefer to have as little use of water as we can do and still have good results.

Mr. Conroy: And your timing is perfect, anything else George or are we done?

Mr. Fogg: That's it.

Mr. Conroy: Perfect, thank you George. Shall we go back to the other items?

**THIRD ORDER OF BUSINESS****Consideration of Debt Allocation  
(Cont.)**

Mr. Hans: Yes and just for the record Doug Nelson is here now and we'll move back up to item No. 3 which is consideration of our debt allocation. This is something that we did talk about at our prior meeting, there's a copy of this allocation report in your agenda packages, and basically we assume it's following what was in the methodology report that as property gets assigned development rights, the debt goes on those properties based on the development rights that have been assigned, and whatever is left is spread out on a per acre basis, and it got to a point where the developer went on to it, the bank took over properties and there's these last 3 parcels that the assignment of development rights by the developer stopped happening, and it's been allocated on a per acre basis to those remaining 3 parcels, and that's what this report is showing. So if there are any discussions or questions we can go over those, and that's for the debt and then our O&M we just follow along the same way with our O&M as of now, which that one might be easier to address because we can reallocate the O&M once we know the exact development that's actually been built, so with the O&M that will work, but we can't increase the debt on the existing parcels based on the current methodology and when the bonds were issued. There should be a true up payment that would have been required by the developer who is no longer there, and who the rightful entity is, and did the bank step into the developer's shoes when they took over the parcel or not I guess is the argument you could make. So for now we're at a position where I think the only thing we have left is to allocate it as we have been doing on a per acre basis.

Mr. Embree: And this asterisk down here is what you had added last time?

Mr. Hans: Exactly.

Mr. Embree: So it specifically states that we were doing it.

Mr. Hans: Yes, that's showing based on a per acre, if you distributed the remaining square footage, on a per acres basis for those parcels, I'm showing that

would be, but we're not making an official assignment of development rights by adopting this report, you will have that ability.

Mr. Nelson: Just the fact that we've not gotten information saying 43 versus the 36 that we had been using, create any problems legally? We've been using the 36 but apparently that's been revised now and we have information that's the new, 43 versus 36 trips?

Mr. Urbancic: No I think it's ok, we adopted a methodology both engineer and assessment methodology and what we're doing is just following through with that methodology and being consistent. I think at the last meeting we said we may go ahead once the development on these properties is certain, we may re-look at this and then finalize it that way once the development is certain, but in terms of what we've done, I think we followed the methodologies the best we possibly can with this scenario.

Mr. Robson: Dave Robson, it would almost be like you'd change it going back and reallocating the old ones and that is not going to work.

Mr. Urbancic: Right.

Mr. Nelson: This is the same allocation we talked about that was presented at the last meeting.

Mr. Conroy: Yes.

Mr. Urbancic: With the additional language that Tom had requested.

Mr. Conroy: Should we formally say for the record that Dave and I are abstaining I assume?

Mr. Urbancic: Yes, you'll abstain, and you guys will abstain and we'll make that for the record and do you want them to make a motion to accept this allocation?

Mr. Hans: Yes we would need a motion to that nature.

Mr. Nelson: I want to make sure Keith, you and I were here at the last meeting when we went through it, I just wanted to make sure that Keith's on board with it too.

Mr. Embree: Correct, I'm ok with it.

Mr. Hans: So we did have a second by Doug and if there is no more discussion, we're going to take a vote noting that we have David and Tom abstaining from the vote.

On MOTION by Mr. Durant seconded by Mr. Nelson with all in favor, accepting the debt allocation as presented was approved.

Mr. Hans: I'm going to have to give you, there's a memorandum that you both will need to fill out basically just stating what your conflict is, and it just gets filed in the District's records, a copy of that.

Mr. Conroy: Perfect, ok.

**FOURTH ORDER OF BUSINESS**

**Public Hearing to Adopt the Fiscal Year 2017 Budget (Cont.)**

**A. Motion to Open the Public Hearing**

Mr. Hans: Ok the next item is item No. 4 which is the public hearing to adopt the fiscal year 2017 budget. So this was advertised as a public hearing and we set this date by resolution a few meetings ago, so just a motion to open the public hearing would be in order.

On MOTION by Mr. Conroy seconded by Mr. Embree with all in favor, opening the Public Hearing was approved.

**B. Public Comment and Discussion**

**C. Consideration of Resolution #2016-04 Annual Appropriation Resolution**

Mr. Hans: Then for the record there is no public here for any comments, so we'll just move into the actual budget that's being proposed. We looked at this budget more than 60 days ago when it was presented, it's keeping our assessment level about the same level that it was prior without increasing anything. Most of our line items are pretty consistent with what they've been over the years.

Mr. Stevens: Rich I saw the FICA expense drop by almost 50% which would be tied into payroll, why is that?

Mr. Hans: That's correct.

Mr. Stevens: Your budget for 2016 was \$17,500 and the budget for 2017 is \$10,000, that's the only thing that has a significant percentage built in there.

Mr. Hans: Yes, and I think we're off by a row, I think our supervisor fees are \$4,800 and \$367 was the FICA, and the \$17,500 was engineering.

Mr. Stevens: Oh you're right and you re-budgeted that for \$10,000.

Mr. Hans: Yes, for the meetings. Is there any other discussion or questions?

Mr. Stevens: No that's it.

Mr. Hans: Then resolution #2016-04 the annual appropriation resolution, when you approve that resolution it approves this budget, so just a motion approving resolution #2016-04 would be in order.

On MOTION by Mr. Conroy seconded by Mr. Embree with all in favor, Resolution #2016-04 the Annual Appropriation Resolution was approved.

**D. Consideration of Resolution #2016-05 Levy of Non Ad Valorem Assessments**

**E. Motion to Close the Public Hearing**

Mr. Hans: Then the next item is resolution #2016-05 which is the levy of our annual assessments to pay for the budget we just approved, and a motion approving that would be in order.

On MOTION by Mr. Embree seconded by Mr. Durant with all in favor, Resolution #2016-05 Levy of Non Ad Valorem Assessments was approved.

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

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

**D. Manager**

- 1) Consideration of Proposed Fiscal year 2017 Meeting Schedule**
- 2) Discussion of Financial Disclosure Report from the Commission on Ethics**

Mr. Hans: Then we're down to manager's report, back to item No. 5, we just finished the field report, and under manager's report, our meeting schedule for the upcoming fiscal year. It's going to be the same schedule, the fourth Thursday of each month at this location, and then we'll advertise for every month and then if we don't have the need for a meeting we'll just cancel it, so if that's good with everybody leaving this the same, a motion to approve the meeting schedule would be in order.

Mr. Stevens: I have a question, when I read this it said the next meeting was October, is that accurate? Where did I see that?

Mr. Robson: The next fiscal year schedule would be starting in October.

Mr. Stevens: Ok that's why, ok.

Mr. Hans: Yes and August and September are still a part of this current fiscal year, so if we need those meetings, and we may not need them, so we may not have them.

Mr. Stevens: Ok.

Mr. Hans: So just a motion to authorize staff to go ahead and advertise this meeting schedule would be in order.

On MOTION by Mr. Stevens seconded by Mr. Embree with all in favor, accepting the proposed Fiscal Year 2017 Meeting Schedule and authorizing staff to advertise was approved.

Mr. Hans: Then just a discussion on your financial disclosure reports, this is from last week, I don't know if Doug or David, you filed your financial forms?

Mr. Steven: More than a week ago.

Mr. Hans: Ok, we'll double check online but this was printed when they put the books together.

Mr. Durant: I mailed my Monday.

Mr. Hans: Ok so we'll confirm that they were received and get you guys off that list. Just also under manager's report, if you remember, I think it was about two meetings ago, we approved the renewal of our landscape contract, and one of the conditions were that they have to follow the Collier County specification for Naples Blvd., and the comment was that those were old specs, and if there are any changes to them then they agreed that they would abide by the new specs that came out and they added that to the agreement, so I have a copy of that just to be executed today, so that's just for informational purposes, and I just need Tom to sign it so we're good.

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

Mr. Hans: Supervisors requests, anything from our supervisors today? Not hearing any we can just let the record reflect we have no audience here for any comments.

**SEVENTH ORDER OF BUSINESS                      Financial Reports**

- A. Approval of Check Register
- B. Balance Sheet and Income Statement

Mr. Hans: Moving on to our financials reports.

Mr. Nelson: I'll just provide the comment that I work for an unrelated business in Bonita Springs, and I love being here, it's the most fulfilling thing between 2:00 and 3:00 every Thursday but there was somebody more interested in this group, and I'm just laying it out there.

Mr. Conroy: We need you Doug.

Mr. Nelson: So I would be glad to give up my chair.

Mr. Hans: Alright. Under the financial reports we have the check register and the balance sheet and income statement. If there are any questions or discussion, we can take those and if not a motion approving that would be in order.



On MOTION by Mr. Embree seconded by Mr. Durant with all in favor, the Check Register, and the Balance Sheet and Income Statement were approved.

**EIGHTH ORDER OF BUSINESS      Adjournment**

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

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

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Secretary / Assistant Secretary

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Chairman / Vice Chairman



**Grau & Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

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August 1, 2016

Board of Supervisors  
Attn: Patti Powers  
Pine Air Lakes Community Development District  
5385 N. Nob Hill Road  
Sunrise, FL 33351

We are pleased to confirm our understanding of the services we are to provide Pine Air Lakes Community Development District, Collier County, Florida ("the District") for the fiscal year ended September 30, 2016. We will audit the financial statements of the governmental activities, including the related notes to the financial statements, which collectively comprise the basic financial statements of Pine Air Lakes Community Development District as of and for the fiscal year ended September 30, 2016. In addition, we will examine the District's compliance with the requirements of Section 218.415 Florida Statutes. This letter serves to renew our agreement and establish the terms and fee for the 2016 audit.

Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Budgetary comparison schedule

**Audit Objectives**

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the District and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the District's financial statements. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add emphasis-of-matter or other-matter paragraphs. If our opinion on the financial statements is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or issue a report, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the District is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

### Examination Objective

The objective of our examination is the expression of an opinion as to whether the District is in compliance with Florida Statute 218.415 in accordance with Rule 10.556(10) of the Auditor General of the State of Florida. Our examination will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and will include tests of your records and other procedures we consider necessary to enable us to express such an opinion. We will issue a written report upon completion of our examination of the District's compliance. The report will include a statement that the report is intended solely for the information and use of management, those charged with governance, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add emphasis-of-matter or other-matter paragraphs. If our opinion on the District's compliance is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the examination or are unable to form or have not formed an opinion, we may decline to express an opinion or issue a report, or may withdraw from this engagement.

### Management Responsibilities

Management is responsible for the financial statements and all accompanying information as well as all representations contained therein. Further, management is responsible for compliance with Florida Statute 218.415 and will provide us with the information required for the examination. The accuracy and completeness of such information is also management's responsibility. As part of the audit, we will assist with preparation of your financial statements and related notes in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. In addition, you will be required to make certain representations regarding compliance with Florida Statute 218.415 in the management representation letter. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. As part of our engagement, we may propose standard adjusting, or correcting journal entries to your financial statements. You are responsible for reviewing the entries and understanding the nature of the proposed entries and the impact they have on the financial statements.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

With regard to using the audit's report, you understand that you must obtain our prior written consent to reproduce or use our report in bond offering official statements or other documents.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

#### **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

#### **Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

#### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

#### **Engagement Administration, Fees, and Other**

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

The audit documentation for this engagement is the property of Grau & Associates and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a cognizant or oversight agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Grau & Associates personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies. Notwithstanding the foregoing, the parties acknowledge that various documents reviewed or produced during the conduct of the audit may be public records under Florida law. The District agrees to notify Grau & Associates of any public record request it receives that involves audit documentation.

Our fee for these services will not exceed \$3,700 for the September 30, 2016 audit, unless there is a change in activity by the District which results in additional audit work or if additional Bonds are issued.

We will complete the audit within prescribed statutory deadlines, with the understanding that your employees will provide information needed to perform the audit on a timely basis.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. Invoices will be submitted in sufficient detail to demonstrate compliance with the terms of this agreement. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate.


This agreement may be renewed each year thereafter subject to the mutual agreement by both parties to all terms and fees. The fee for each annual renewal will be agreed upon separately.

We will provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2013 peer review report accompanies this letter.

We appreciate the opportunity to be of service to Pine Air Lakes Community Development District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Grau & Associates



\_\_\_\_\_  
Antonio J. Grau

RESPONSE:

This letter correctly sets forth the understanding of Pine Air Lakes Community Development District.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



## PEER REVIEW PROGRAM

is proud to present this

### Certificate of Recognition

to

## **GRAU & ASSOCIATES**

*For having a system of quality control for its accounting and auditing practice in effect for the year ended June 30, 2013 which has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA, and which was complied with during the year then ended to provide the firm with reasonable assurance of conforming with professional standards.*

A handwritten signature in cursive script, reading "Rick Reeder". The signature is written in black ink and is positioned above a horizontal line.

**Rick Reeder, Chair  
AICPA Peer Review Board  
2013**



**ADDENDUM TO ENGAGEMENT LETTER BETWEEN  
GRAU AND ASSOCIATES AND Pine Air Lakes Community Development  
District (CDD) \_\_\_\_\_  
(DATED \_\_\_\_\_, 201\_\_)**

**Public Records.** Auditor shall, pursuant to and in accordance with Section 119.0701, Florida Statutes, comply with the public records laws of the State of Florida, and specifically shall:

- a. Keep and maintain public records required by the District to perform the services or work set forth in this Agreement; and
- b. Upon the request of the District's custodian of public records, provide the District with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law; and
- c. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the Agreement if the Auditor does not transfer the records to the District; and
- d. Upon completion of the Agreement, transfer, at no cost to the District, all public records in possession of the Auditor or keep and maintain public records required by the District to perform the service or work provided for in this Agreement. If the Auditor transfers all public records to the District upon completion of the Agreement, the Auditor shall destroy any duplicate public records that are exempt or confidential and exempt from public disclosure requirements. If the Auditor keeps and maintains public records upon completion of the Agreement, the Auditor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the District, upon request from the District's custodian of public records, in a format that is compatible with the information technology systems of the District.

Auditor acknowledges that any requests to inspect or copy public records relating to this Agreement must be made directly to the District pursuant to Section 119.0701(3), Florida Statutes. If notified by the District of a public records request for records not in the possession of the District but in possession of the Auditor, the Auditor shall provide such records to the District or allow the records to be inspected or copied within a reasonable time. Auditor acknowledges that should Auditor fail to provide the public records to the District within a reasonable time, Auditor may be subject to penalties pursuant to Section 119.10, Florida Statutes.



**IF THE AUDITOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE AUDITOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT/CONTRACT, THE AUDITOR MAY CONTACT THE CUSTODIAN OF PUBLIC RECORDS FOR THE DISTRICT AT:**

**GMS-SF, LLC  
5385 N NOB HILL ROAD  
SUNRISE, FL 33351  
TELEPHONE: 954-721-8681  
EMAIL: RHANS@GMSSF.COM**



**Auditor:** \_\_\_\_\_

**District:** \_\_\_\_\_

**Title:** President

**Title:** \_\_\_\_\_

**Date:** 10/12/2016

**Date:** \_\_\_\_\_

**PINE AIR LAKES**  
**Community Development District**

**Check Run Summary - General Fund**  
**November 17, 2016**

<b>Date</b>	<b>Check Numbers</b>	<b>Amount</b>
<b><u>Accounts Payable</u></b>		
08/03/16	1743-1746	\$15,673.77
08/26/16	1747-1755	\$20,984.55
09/12/16	1756-1760	\$17,747.90
10/18/16	1761-1768	\$11,170.16
11/02/16	1769-1772	\$17,986.46
11/08/16	1773-1775	\$10,555.77
<b>Total</b>		<b>\$94,118.61</b>

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED TO YRMO	DPT	ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
8/03/16	00045	6/24/16	200580	201606	320	54100	46803		MONTHLY WATER USE	*	400.00		
								CARDNO				400.00	001743
8/03/16	00003	7/26/16	5-492-78	201607	310	51300	42000		DELIVERIES THRU-07/26/16	*	132.76		
								FEDEX				132.76	001744
8/03/16	00021	7/26/16	74241-26	201607	320	54100	48200		SERVICE THRU-JULY 26	*	197.70		
		7/26/16	98770-16	201607	320	54100	48200		SERVICE THRU-JULY 26	*	373.31		
								FLORIDA POWER & LIGHT				571.01	001745
8/03/16	00022	7/01/16	14411788	201607	320	54100	46200		LANDSCAPE MAINTENANCE	*	4,650.00		
		7/20/16	14421832	201607	320	54100	46202		MISC. ENCH. PROJECT	*	230.00		
		7/20/16	14441831	201607	320	54100	35000		ISLAND MAINLINE-IRRI. REP	*	730.00		
		7/20/16	14441831	201607	320	54100	35000		IRRIGATION REP.	*	1,860.00		
		7/20/16	14441831	201607	320	54100	35000		LAKE MAINLINE INSTALL	*	7,100.00		
								VALLEY CREST				14,570.00	001746
8/26/16	00016	8/01/16	00003478	201608	320	54100	46800		MONTHLY LAKE SERVICES	*	554.00		
								AQUATIC SYSTEMS, INC.				554.00	001747
8/26/16	00045	7/29/16	203475	201607	320	54100	46803		MONTHLY WATER PERMIT	*	400.00		
								CARDNO				400.00	001748
8/26/16	00054	8/10/16	4596	201608	300	15500	10000		POLICY RENEWAL	*	6,042.00		
								EGIS INSURANCE ADVISORS,LLC				6,042.00	001749
8/26/16	00030	8/01/16	132	201608	310	51300	34000		MANAGEMENT FEES	*	3,022.08		
		8/01/16	132	201608	310	51300	31600		DISSEMINATION	*	166.67		
		8/01/16	132	201608	310	51300	31400		ASSESSMENT ROLL	*	25.00		
		8/01/16	132	201608	310	51300	35101		WEBSITE ADMIN	*	41.67		

PAL PINE AIR LAKES SROSINA

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED TO YRMO	DPT	ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
		8/01/16	132	201608	310	51300	51000			*	20.00		
			OFFICE SUPPLIES										
		8/01/16	132	201608	310	51300	42000			*	5.12		
			POSTAGE										
		8/01/16	132	201608	310	51300	42500			*	92.20		
			COPIES										
									GOVERNMENTAL MANAGEMENT SERVICES -			3,372.74	001750
8/26/16	00017	7/31/16	37	201607	320	54100	47600			*	3,750.00		
			MAINTENANCE OVERSIGHT										
									IBIS			3,750.00	001751
8/26/16	00009	7/29/16	113	201607	310	51300	31100			*	150.00		
			ERP CONDITIONS REVIEW										
									JOHNSON ENGINEERING			150.00	001752
8/26/16	00005	8/02/16	1208904	201608	310	51300	48000			*	329.48		
			NOTICE OF MEETING-9/6										
									NAPLES DAILY NEWS			329.48	001753
8/26/16	00022	8/01/16	14411748	201608	320	54100	46200			*	4,950.00		
			LANDSCAPE MAINTENANCE										
		8/08/16	14422001	201608	320	54100	46500			*	1,071.00		
			INSTALLED PLANT MATERIAL										
		8/09/16	14442001	201608	320	54100	35000			*	287.33		
			IRRIGATION REPAIRS										
									VALLEY CREST			6,308.33	001754
8/26/16	00052	8/11/16	88001534	201608	320	54100	46800			*	78.00		
			FOUNTAIN SERVICE CALL										
									VERTEX WATER FEATURES			78.00	001755
9/12/16	00016	9/01/16	00003506	201609	320	54100	46800			*	554.00		
			LAKE AND WETLAND SERVICES										
									AQUATIC SYSTEMS, INC.			554.00	001756
9/12/16	00068	8/19/16	14422053	201608	320	54100	46202			*	7,548.00		
			REMOVE/INSTALL PLANT MT'L										
		9/01/16	14411748	201609	320	54100	46200			*	4,950.00		
			LANDSCAPE MAINTENANCE										
									BRIGHTVIEW LANDSCAPE SERVICES			12,498.00	001757
9/12/16	00021	8/26/16	74241-26	201608	320	54100	48200			*	154.10		
			SERVICE THRU-8/26										
		8/26/16	98770-16	201608	320	54100	48200			*	363.16		
			SERVICE THRU-8/26/16										
									FLORIDA POWER & LIGHT			517.26	001758

PAL PINE AIR LAKES SROSINA

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED TO YRMO	DPT	ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
9/12/16	00030	9/01/16	133	201609	310	51300	34000		MANAGEMENT FEES	*	3,022.08		
		9/01/16	133	201609	310	51300	31600		DISSEMINATION	*	166.67		
		9/01/16	133	201609	310	51300	31400		ASSESSMENT ROLL	*	25.00		
		9/01/16	133	201609	310	51300	35101		WEBSITE ADMIN	*	41.67		
		9/01/16	133	201609	310	51300	51000		OFFICE SUPPLIES	*	5.98		
		9/01/16	133	201609	310	51300	42000		POSTAGE	*	10.64		
		9/01/16	133	201609	310	51300	42500		COPIES	*	81.60		
GOVERNMENTAL MANAGEMENT SERVICES -											3,353.64	001759	
9/12/16	00009	8/14/16	114	201608	310	51300	31100		SERVICE THRU-8/14	*	825.00		
JOHNSON ENGINEERING											825.00	001760	
10/18/16	00016	10/01/16	353594	201610	320	54100	46800		OCT 16-LAKE & WETLAND SVC	*	554.00		
		10/01/16	354952	201610	320	54100	46800		QTRLY FOUNTAIN MAINT	*	200.00		
AQUATIC SYSTEMS, INC.											754.00	001761	
10/18/16	00068	9/21/16	14422231	201609	320	54100	47700		PAINT WATER BACKFLOW	*	250.00		
		9/26/16	14442273	201609	320	54100	35000		SEP 16-WET CHECK 2016	*	355.34		
		10/01/16	14411748	201610	320	54100	46200		OCT 16-LANDSCAPE MAINT	*	4,950.00		
BRIGHTVIEW LANDSCAPE SERVICES											5,555.34	001762	
10/18/16	00045	9/16/16	207015	201608	320	54100	46803		SERVICE THRU 08/26/16	*	400.00		
CARDNO											400.00	001763	
10/18/16	00002	10/03/16	38926	201610	310	51300	54000		FY 17 ANNUAL DISTRICT FEE	*	175.00		
DEPARTMENT OF ECONOMIC OPPORTUNITY											175.00	001764	
10/18/16	00003	9/20/16	5-552-01	201609	310	51300	42000		DELIVERIES THRU 09/20/16	*	14.32		
FEDEX											14.32	001765	

PAL PINE AIR LAKES SROSINA

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED TO YRMO	DPT	ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
10/18/16	00021	9/27/16	74241-26	201609	320	54100	48200			*	208.19		
		9/27/16	98770-16	201609	320	54100	48200		5875 NAPLES BLVD FOUNTAIN 5875 AIRPORT RD N # PMP	*	376.18		
FLORIDA POWER & LIGHT												584.37	001766
10/18/16	00030	10/03/16	134	201610	310	51300	34000		OCT 16-MGMT FEES	*	3,022.08		
		10/03/16	134	201610	310	51300	31600		OCT 16-DISSEMINATION SVCS	*	166.67		
		10/03/16	134	201610	310	51300	31400		OCT 16-ASSESSMNT ROLL	*	25.00		
		10/03/16	134	201610	310	51300	35101		OCT 16-WEBSITE ADMIN	*	41.67		
		10/03/16	134	201610	310	51300	42000		OCT 16-POSTAGE	*	6.51		
		10/03/16	134	201610	310	51300	42500		OCT 16-COPIES	*	25.20		
GOVERNMENTAL MANAGEMENT SERVICES-												3,287.13	001767
10/18/16	00050	9/08/16	5846.1A	201609	320	54100	35000		PUMP STATION MAINT	*	400.00		
STAHLMAN-ENGLAND												400.00	001768
11/02/16	00045	10/19/16	209948	201610	320	54100	46803		SERVICE THRU-9/30/16	*	400.00		
		10/19/16	209948	201610	320	54100	46803		SERVICE THRU-9/30/16	V	400.00-		
		10/19/16	209948	201609	320	54100	46803		SERVICE THRU-9/30/16	*	400.00		
CARDNO												400.00	001769
11/02/16	00029	10/01/16	100116	201610	300	36300	10000		ASSESSMENT FY 2016-2017	*	3,763.41		
		10/01/16	100116	201610	300	20300	20000		ASSESSMENT FY 2016-2017	*	8,804.79		
		10/01/16	100116	201610	300	20300	20100		ASSESSMENT FY 2016-2017	*	4,457.26		
		10/01/16	100116	201610	700	36300	10000		ASSESSMENT FY 2016-2017	*	4,457.26		
		10/01/16	100116	201610	700	13100	10000		ASSESSMENT FY 2016-2017	*	4,457.26-		
		10/01/16	100116	201610	700	36300	10000		ASSESSMENT FY 2016-2017	*	8,804.79		
		10/01/16	100116	201610	700	13100	10000		ASSESSMENT FY 2016-2017	*	8,804.79-		
COLLIER COUNTY PROPERTY APPRAISER												17,025.46	001770
PAL PINE AIR LAKES SROSINA													

AP300R  
 \*\*\* CHECK NOS. 001743-050000

YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER RUN 11/09/16  
 PINE AIR LAKES - GF  
 BANK A PINE AIR LAKES CDD

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED TO YRMO	DPT	ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
11/02/16	00021	10/26/16	74241-26	201610	320	54100	48200		ELECTRIC SVC 9/27-9/26	*	216.99		
		10/26/16	98770-16	201610	320	54100	48200		ELECTRIC SVC 9/27-10/26	*	344.01		
FLORIDA POWER & LIGHT												561.00	001771
11/02/16	00009	10/21/16	115	201610	310	51300	31100		SERVICE THRU-10/16/16	*	1,780.00		
JOHNSON ENGINEERING												1,780.00	001772
11/08/16	00016	11/01/16	356513	201611	320	54100	46800		NOV 16 - LAKE SERVICES	*	554.00		
AQUATIC SYSTEMS, INC.												554.00	001773
11/08/16	00068	11/01/16	14411748	201611	320	54100	46200		NOV 16 - LANDSCAPE MAINT	*	4,950.00		
BRIGHTVIEW LANDSCAPE SERVICES												4,950.00	001774
11/08/16	00030	11/01/16	135	201611	310	51300	34000		NOV 16 - MGMT FEES	*	3,022.08		
		11/01/16	135	201611	310	51300	31600		NOV 16 - DISSEMINATION	*	166.67		
		11/01/16	135	201611	310	51300	31400		NOV 16 - ASSESSMENT ROLL	*	25.00		
		11/01/16	135	201611	310	51300	35101		NOV 16 - WEBSITE ADMIN	*	41.67		
		11/01/16	135	201611	310	51300	42000		NOV 16 - POSTAGE	*	11.55		
		11/01/16	135	201611	310	51300	42500		NOV 16 - COPIES	*	4.80		
GOVERNMENTAL MANAGEMENT SERVICES -												3,271.77	001775
TOTAL FOR BANK A											94,118.61		
TOTAL FOR REGISTER											94,118.61		

PAL PINE AIR LAKES SROSINA

**PINE AIR LAKES**  
**COMMUNITY DEVELOPMENT DISTRICT**  
Special Assessment Receipts  
Fiscal Year 2016

									\$250,894.88	\$586,987.26	\$297,149.33	\$1,135,031.47
									ASSESSED THROUGH COUNTY			
									22.10%	51.72%	26.18%	100.00%
DATE	DESCRIPTION	AMOUNT	DISCOUNTS/PENALTIES	COMMISSIONS	PROPERTY APPRAISER	INTEREST	NET RECEIPTS	O&M Portion	2012 DSF Portion	2008 DSF Portion	Total	
10/01/15	INVOICE	\$0.00	\$0.00	\$0.00	\$16,676.96	\$0.00	(\$16,676.96)	(\$3,686.39)	(\$8,624.57)	(\$4,366.00)	(\$16,676.96)	
10/27/15	CK#300074703	\$21,884.25	\$1,148.93	\$414.71	\$0.00	\$0.00	\$20,320.61	\$3,303.76	\$17,016.85	\$0.00	\$20,320.61	
11/16/15	CK#300074802	\$42,132.63	\$1,685.31	\$808.95	\$0.00	\$0.00	\$39,638.37	\$10,407.32	\$29,231.05	\$0.00	\$39,638.37	
11/30/15	CK#300075007	\$207,179.86	\$8,287.19	\$3,977.85	\$0.00	\$0.00	\$194,914.82	\$31,180.26	\$28,553.31	\$135,181.25	\$194,914.82	
12/17/15	CK#300075316	\$399,654.44	\$15,986.18	\$7,673.37	\$0.00	\$0.00	\$375,994.89	\$118,888.33	\$256,430.21	\$676.35	\$375,994.89	
01/06/16	INTEREST	\$0.00	\$0.00	\$0.00	\$0.00	\$21.88	\$21.88	\$21.88	\$0.00	\$0.00	\$21.88	
01/29/16	CK#300076601	\$11,276.73	\$338.30	\$218.77	\$0.00	\$0.00	\$10,719.66	\$1,742.82	\$8,976.84	\$0.00	\$10,719.66	
03/04/16	CK#300076799	\$181,151.64	\$1,811.52	\$3,586.80	\$0.00	\$0.00	\$175,753.32	\$28,513.05	\$147,240.27	\$0.00	\$175,753.32	
04/08/16	ck#300076923	\$79,025.49	\$0.00	\$1,580.51	\$0.00	\$0.00	\$77,444.98	\$14,700.54	\$62,744.44	\$0.00	\$77,444.98	
04/28/16	INTEREST	\$0.00	\$0.00	\$0.00	\$0.00	\$27.62	\$27.62	\$27.62	\$0.00	\$0.00	\$27.62	
04/29/16	CK#300077024	\$192,725.39	(\$5,443.46)	\$3,963.38	\$0.00	\$0.00	\$194,205.47	\$30,773.45	\$9,253.97	\$154,178.06	\$194,205.47	
07/14/16	INTEREST	\$0.00	\$0.00	\$0.00	\$0.00	\$37.73	\$37.73	\$37.73	\$0.00	\$0.00	\$37.73	
10/25/16	CK#300077239	\$0.00	\$0.00	(\$8,650.24)	\$0.00	\$0.00	\$8,650.24	\$1,902.50	\$4,443.88	\$2,303.86	\$8,650.24	
<b>TOTAL</b>		<b>\$1,135,030.43</b>	<b>\$23,813.97</b>	<b>\$13,574.10</b>	<b>\$16,676.96</b>	<b>\$87.23</b>	<b>\$1,081,052.63</b>	<b>\$237,812.87</b>	<b>\$555,266.25</b>	<b>\$287,973.51</b>	<b>\$1,081,052.63</b>	

Assessed on Roll:

	GROSS AMOUNT ASSESSED	PERCENTAGE	ASSESSMENTS COLLECTED	ASSESSMENTS TRANSFERRED	AMOUNT TO BE TFR.
O & M	\$250,894.88	22.1047%	\$237,812.87	\$ (237,812.87)	\$0.00
2012 DEBT SERVICE	\$586,987.26	51.7155%	\$555,266.25	\$ (550,822.37)	\$4,443.88
2008 DEBT SERVICE	\$297,149.33	26.1798%	\$287,973.51	\$ (285,669.66)	\$2,303.85
<b>TOTAL</b>	<b>\$1,135,031.47</b>	<b>100.00%</b>	<b>\$1,081,052.63</b>	<b>(\$1,074,304.90)</b>	<b>\$6,747.74</b>

100.00%	Gross Collections
\$1.04	Balance to Collect

TRANSFERS TO DEBT SERVICE:

DATE	CHECK #	2012 DSF	2008 DSF
11/09/15	1654	\$ 8,392.28	\$ -
12/22/15	1672/1673	\$ 57,784.36	\$ 130,815.25
01/20/16	1684/1685	\$ 256,430.21	\$ 676.35
02/17/16	1696	\$ 8,976.84	\$ -
03/10/16	1703	\$ 147,240.28	\$ -
04/19/16	1714	\$ 62,744.44	\$ -
05/20/16	1726/1725	\$ 9,253.96	\$ 154,178.06
<b>TOTAL</b>		<b>\$ 550,822.37</b>	<b>\$ 285,669.66</b>
Amount due:		\$ 4,443.88	\$ 2,303.85



**PINE AIR LAKES**  
**COMMUNITY DEVELOPMENT DISTRICT**  
**COMBINED BALANCE SHEET**  
September 30, 2016

	<u>Major Funds</u>		<u>Total Governmental Funds</u>
	<u>General</u>	<u>Debt Service</u>	
<b><u>ASSETS:</u></b>			
Cash	\$27,612	---	\$27,612
Assessments Receivable	\$1,903	\$6,748	\$8,650
Investment - State Board Surplus	\$75,703	---	\$75,703
Investment - State Board Reserves	\$331,864	---	\$331,864
Investments:			
<b><u>Series 2008</u></b>			
Reserve	---	\$253,936	\$253,936
Revenue	---	\$177,776	\$177,776
Bond Redemption	---	\$4,564	\$4,564
<b><u>Series 2012</u></b>			
Reserve	---	\$500,000	\$500,000
Revenue	---	\$193,708	\$193,708
Prepaid Expenses	\$6,042	---	\$6,042
Deposits	\$1,024	---	\$1,024
<b>TOTAL ASSETS</b>	<u>\$444,147</u>	<u>\$1,136,732</u>	<u>\$1,580,879</u>
<b><u>LIABILITIES:</u></b>			
Accounts Payable	\$6,154	---	\$6,154
<b>TOTAL LIABILITIES</b>	<u>\$6,154</u>	<u>\$0</u>	<u>\$6,154</u>
<b><u>FUND BALANCES:</u></b>			
Nonspendable:			
Prepaid Items and Deposits	\$7,066	---	\$7,066
Restricted:			
Debt Service	---	\$1,136,732	\$1,136,732
Assigned to:			
Maintenance Reserves	\$331,864	---	\$331,864
Unassigned	\$99,063	---	\$99,063
<b>TOTAL FUND BALANCES</b>	<u>\$437,993</u>	<u>\$1,136,732</u>	<u>\$1,574,725</u>
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<u>\$444,147</u>	<u>\$1,136,732</u>	<u>\$1,580,879</u>

**PINE AIR LAKES**  
**COMMUNITY DEVELOPMENT DISTRICT**  
**GENERAL FUND**

Statement of Revenues, Expenditures, and Changes in Fund Balance  
For The Period Ending September 30, 2016

	ADOPTED BUDGET	PRORATED BUDGET THRU 9/30/16	ACTUAL THRU 9/30/16	VARIANCE
<b>REVENUES:</b>				
Maintenance Assessments	\$232,705	\$232,705	\$237,813	\$5,108
Interest Income	\$500	\$500	\$2,361	\$1,861
Miscellaneous Income	\$0	\$0	\$935	\$935
<b>TOTAL REVENUES</b>	<b>\$233,205</b>	<b>\$233,205</b>	<b>\$241,108</b>	<b>\$7,903</b>

**EXPENDITURES:**

**ADMINISTRATIVE:**

Supervisors Fees	\$4,800	\$4,800	\$4,800	\$0
FICA Expense	\$367	\$367	\$367	\$0
Engineering	\$17,500	\$17,500	\$3,705	\$13,795
Arbitrage Services	\$1,200	\$1,200	\$1,200	\$0
Attorney	\$15,000	\$15,000	\$1,593	\$13,408
Attorney-Special Counsel	\$25,000	\$25,000	\$683	\$24,318
Annual Audit	\$3,600	\$3,600	\$3,600	\$0
Management Fees	\$36,265	\$36,265	\$36,265	\$0
Disclosure Report	\$2,000	\$2,000	\$2,000	(\$0)
Trustee Fees	\$7,250	\$7,250	\$7,217	\$33
Assessment Roll	\$300	\$300	\$300	\$0
Telephone	\$50	\$50	\$2	\$48
Postage	\$1,250	\$1,250	\$1,077	\$173
Printing & Binding	\$950	\$950	\$574	\$376
Insurance	\$6,663	\$6,663	\$5,923	\$740
Legal Advertising	\$1,250	\$1,250	\$2,150	(\$900)
Other Current Charges	\$300	\$300	\$433	(\$133)
Office Supplies	\$150	\$150	\$128	\$22
Dues, Licenses & Subscriptions	\$175	\$175	\$175	\$0
Website Compliance	\$500	\$500	\$500	(\$0)
<b>Total Administrative</b>	<b>\$124,570</b>	<b>\$124,570</b>	<b>\$72,692</b>	<b>\$51,878</b>

**Maintenance**

Landscape Maintenance	\$60,800	\$60,800	\$56,400	\$4,400
Preserve Maintenance	\$1,600	\$1,600	\$0	\$1,600
Preserve Monitoring	\$4,000	\$4,000	\$4,131	(\$131)
Tree Pruning & Replacement	\$7,000	\$7,000	\$5,306	\$1,694
Irrigation Repairs & Maintenance	\$3,500	\$3,500	\$13,883	(\$10,383)
Annual Plantings	\$5,000	\$5,000	\$14,372	(\$9,372)
Electricity	\$7,500	\$7,500	\$5,691	\$1,809
Lake Maintenance	\$7,976	\$7,976	\$7,471	\$505
Management Fee (IBIS)	\$22,800	\$22,800	\$21,000	\$1,800
Reporting-SFWMD	\$4,800	\$4,800	\$4,800	\$0
Contingency	\$10,437	\$10,437	\$2,931	\$7,506
<b>Total Maintenance</b>	<b>\$135,413</b>	<b>\$135,413</b>	<b>\$135,985</b>	<b>(\$573)</b>

<b>TOTAL EXPENDITURES</b>	<b>\$259,983</b>	<b>\$259,983</b>	<b>\$208,677</b>	<b>\$51,306</b>
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<b>EXCESS REVENUES (EXPENDITURES)</b>	<b>(\$26,778)</b>	<b>\$32,431</b>		
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FUND BALANCE - Beginning	\$26,778	\$405,562		
FUND BALANCE - Ending	<u>\$0</u>	<u>\$437,993</u>		

# PINE AIR LAKES

## COMMUNITY DEVELOPMENT DISTRICT

### DEBT SERVICE FUND

#### Series 2008

#### Statement of Revenues, Expenditures, and Changes in Fund Balance

#### For The Period Ending September 30, 2016

	ADOPTED BUDGET	PRORATED THRU 9/30/16	ACTUAL THRU 9/30/16	VARIANCE
<b><u>REVENUES:</u></b>				
Interest Income	\$25	\$25	\$676	\$651
Special Assessments	\$275,606	\$275,606	\$287,974	\$12,368
<b>TOTAL REVENUES</b>	<b>\$275,631</b>	<b>\$275,631</b>	<b>\$288,649</b>	<b>\$13,018</b>
<b><u>EXPENDITURES:</u></b>				
Interest - 11/1	\$109,181	\$109,181	\$109,181	\$0
Interest - 5/1	\$109,181	\$109,181	\$109,181	\$0
Principal - 5/01	\$55,000	\$55,000	\$55,000	\$0
<b>TOTAL EXPENDITURES</b>	<b>\$273,363</b>	<b>\$273,363</b>	<b>\$273,363</b>	<b>\$0</b>
<b>EXCESS REVENUES (EXPENDITURES)</b>	<b>\$2,269</b>		<b>\$15,287</b>	
<b>FUND BALANCE - Beginning</b>	<b>\$163,103</b>		<b>\$423,293</b>	
<b>FUND BALANCE - Ending</b>	<b>\$165,372</b>		<b>\$438,580</b>	

# PINE AIR LAKES

## COMMUNITY DEVELOPMENT DISTRICT

### DEBT SERVICE FUND

Series 2012

Statement of Revenues, Expenditures, and Changes in Fund Balance

For The Period Ending September 30, 2016

	ADOPTED BUDGET	PRORATED THRU 9/30/16	ACTUAL THRU 9/30/16	VARIANCE
<b>REVENUES:</b>				
Interest Income	\$2,000	\$2,000	\$2,955	\$955
Special Assessments	\$544,520	\$544,520	\$555,266	\$10,746
<b>TOTAL REVENUES</b>	<b>\$546,520</b>	<b>\$546,520</b>	<b>\$558,221</b>	<b>\$11,701</b>
<b>EXPENDITURES:</b>				
Interest - 11/1	\$94,575	\$94,575	\$94,575	\$0
Interest - 5/1	\$94,575	\$94,575	\$94,575	\$0
Principal - 5/1	\$360,000	\$360,000	\$360,000	\$0
<b>TOTAL EXPENDITURES</b>	<b>\$549,150</b>	<b>\$549,150</b>	<b>\$549,150</b>	<b>\$0</b>
<b>EXCESS REVENUES (EXPENDITURES)</b>	<b>(\$2,630)</b>		<b>\$9,071</b>	
FUND BALANCE - Beginning	\$175,910		\$689,081	
FUND BALANCE - Ending	\$173,280		\$698,152	

**PINE AIR LAKES  
COMMUNITY DEVELOPMENT DISTRICT  
Long Term Debt Report  
FY 2016**

<i>Series 2008, Special Assessment Bonds</i>		
Interest Rate:	6.75%	
Maturity Date:	5/1/2039	
Reserve Fund Requirement:	Maximum Annual Debt Assessment	
Bonds outstanding - 9/30/2015		\$3,235,000.00
Less:	May 1, 2016 (Mandatory)	(\$55,000.00)
<b>Current Bonds Outstanding</b>		<b>\$3,180,000.00</b>
<i>Series 2012, Special Assessment Bonds</i>		
Interest Rate:	3.90%	
Maturity Date:	5/1/2026	
Bonds outstanding - 9/30/2015		\$4,850,000.00
Less:	May 1, 2016 (Mandatory)	(\$360,000.00)
<b>Current Bonds Outstanding</b>		<b>\$4,490,000.00</b>
<b>Total Current Bonds Outstanding</b>		<b>\$7,670,000.00</b>

**PINE AIR LAKES**  
**Community Development District**  
**Maintenance Reserves**

	<i>FY 2015 AMOUNT ON RESERVE</i>	<i>FY16 BUDGET RESERVE LINE ITEMS</i>	<i>FUNDS SPENT IN FY 2016</i>	<i>FY 2016 AMOUNT ON RESERVE</i>
<i>Shrub Replacement Reserve</i>	\$127,252	\$0	\$0	\$127,252
<i>Irrigation Reserve</i>	\$82,636	\$0	\$10,383	\$72,252
<i>Lake Fountain Reserve</i>	\$54,305	\$0	\$0	\$54,305
<b>TOTALS</b>	<b>\$264,192</b>	<b>\$0</b>	<b>\$10,383</b>	<b>\$253,809</b>