



Reserve

Community Development District #2

<http://www.Reserve2cdd.com>

Peter Perry, Chairman

James Burchell, Vice Chairman

Frank Martínez, Assistant Secretary

Jerry Lorenzo, Assistant Secretary

Eugene Antuna, Assistant Secretary

November 17, 2016



Reserve

Community Development District #2

5385 N. Nob Hill Road, Sunrise, Florida 33351
Phone: 954-721-8681 - Fax: 954-721-9202

November 9, 2016

Board of Supervisors Reserve Community Development District #2

Dear Board Members:

The regular meeting of the Board of Supervisors of the **Reserve Community Development District #2** is scheduled for **November 17, 2016 at 9:30 a.m. at 2160 NW Reserve Park Trace, Port St. Lucie, Florida**. Following is the advance agenda for the meeting.

1. Roll Call
2. Approval of the Minutes of the July 21, 2016 Meeting
3. Consideration of Engagement Letter and Addendum to Engagement Letter with Grau & Associates to perform the Audit for Fiscal Year Ending September 30, 2016
4. Staff Reports
 - A. Attorney
 - B. District Consultant
 - C. Manager
5. Supervisors Requests and Audience Comments
6. Financial Reports
 - A. Approval of Check Register
 - B. Balance Sheet and Income Statement
7. Adjournment

Enclosed for your review are the minutes from the July 21, 2016 meeting.

The third 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 items 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: Daniel Harrell Robert Fromm Bob Lawson Mary Danielsen Rhonda Mossing

**MINUTES OF MEETING
RESERVE
COMMUNITY DEVELOPMENT DISTRICT #2**

The regular meeting of the Board of Supervisors of the Reserve Community Development District #2 was held on July 21, 2016 at 9:30 a.m. at 2160 NW Reserve Park Trace, Port St. Lucie, Florida.

Present and constituting a quorum were:

Peter Perry	Chairman
James Burchell	Vice Chairman
Jerry Lorenzo	Assistant Secretary
Frank Martinez	Assistant Secretary
Eugene Antuna	Assistant Secretary

Also present were:

Lisa Derryberry	District Manager
Rich Hans	GMS
Bob Fromm	District Consultant

FIRST ORDER OR BUSINESS

Roll Call

Ms. Derryberry called the meeting to order and called the roll.

SECOND ORDER OF BUSINESS

**Approval of the Minutes of the
April 21, 2016 Meeting**

Ms. Derryberry: The next item is Approval of the Minutes of the April 21, 2016 Meeting. If there are any comments or corrections I will take those at this time.

On MOTION by Mr. Martinez seconded by Mr. Burchell with all in favor the Minutes of the April 21, 2016 Meeting were approved.

THIRD ORDER OF BUSINESS

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

A. Motion to Open the Public Hearing

Ms. Derryberry: This meeting was advertised as a public hearing to adopt the budget for fiscal year 2017 so at this time I will need a motion to open our public hearing.

On MOTION by Mr. Lorenzo seconded by Mr. Antuna with all in favor the public hearing was opened.

B. Public Comment and Discussion

C. Consideration of Resolution #2016-02 Annual Appropriation Resolution

Ms. Derryberry: There being no members of the general public here for comment and discussion, we can move on to Resolution #2016-02 Annual Appropriation Resolution. This resolution shows the appropriations between the collections of the general fund and debt service fund. If there are any questions, I can take those at this time. Otherwise a motion to approve Resolution #2016-02 would be in order.

On MOTION by Mr. Perry seconded by Mr. Burchell with all in favor Resolution #2016-02 Annual Appropriation Resolution was approved.

D. Consideration of Resolution #2016-03 Levy of Non Ad Valorem Assessments

Ms. Derryberry: Then behind tab D we have Resolution #2016-03 Levy of Non Ad Valorem Assessments. It lists the assessments on all of the properties in the district. If there are no questions, a motion to approve Resolution #2016-03 would be in order.

On MOTION by Mr. Antuna seconded by Mr. Burchell with all in favor Resolution #2016-03 Levy of Non Ad Valorem Assessments was approved.

E. Motion to Close the Public Hearing

Ms. Derryberry: And if there is no further business, a motion to close our public hearing is in order.

On MOTION by Mr. Burchell seconded by Mr. Martinez with all in favor the public hearing was closed.

FOURTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There not being any report, the next item followed.

B. District Consultant

There not being any report, the next item followed.

C. Manager

1) Number of Registered Voters in the District - 687

Ms. Derryberry: Under Manager's report, I am going to report that the number of registered voters in the district is 687.

Mr. Hans: And we report that because once you get to 250 registered voters, which we did a long time ago, and have been around for six years then we go to general election like we will have this year in November. No one is opposing any of our board members so you will automatically be back in office.

2) Consideration of Proposed Fiscal Year 2017 Meeting Schedule

Ms. Derryberry: Behind the second blank tab we have the proposed fiscal year 2017 meeting schedule. There are four dates listed for the third Thursday of the month at 9:30 a.m. at this location.

On MOTION by Mr. Perry seconded by Mr. Lorenzo with all in favor the proposed fiscal year 2017 meeting schedule was approved.

3) Discussion of Financial Disclosure Report from Commission on Ethics - everyone has filed

Ms. Derryberry: Behind the next tab is the financial disclosure report from the Commission on Ethics that shows that everyone on the board has filled the required annual form as of July 1st and we are just reporting that to show that your paperwork was received.

Mr. Lorenzo: When is our next election?

Mr. Hans: Every two years. You serve a four year term and two come up this year, and then three more in another two years.

Ms. Derryberry: This year we have two, James and Frank. Then it will be Peter, Jerry, and Gene in 2018.

FIFTH ORDER OF BUSINESS

Supervisors Requests and Audience Comments

Ms. Derryberry: Are there any supervisors requests?

Mr. Perry: When we set up our website, do we have specific e-mail addresses?

Mr. Hans: You do. It would be your first initial, last name at CDD supervisor dot com or something like that. It is a generic one. Anything that comes in would automatically go to someone at GMS and they will monitor it.

Mr. Perry: Oh, okay. I was just wondering because I hadn't set it up on my iPhone or computer yet.

Mr. Hans: You don't need to. It is just so it is that you don't have a personal one out there on the website. I will send out an e-mail to you all with them so you have them. They were created because we have to have one on the website for you and don't want to put your personal ones on there so you don't get tons of spam. Anything that does come in is automatically forwarded to a person at GMS and they look at it. If it is spam they will get rid of it, but if it is something that needs to be responded to, we will copy the board member who it was sent to. And we will send out your addresses to you later.

SIXTH ORDER OF BUSINESS

Financial Reports

A. Approval of Check Register

B. Balance Sheet and Income Statement

Ms. Derryberry: Next we have financial reports. You have the check register behind tab A, and then the balance sheet and income statement behind tab B. If there are any questions or discussion, and if not, a motion approving those would be in order.

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

SEVENTH ORDER OF BUSINESS

Adjournment

Ms. Derryberry: If there is no further district business to discuss, a motion to adjourn would be in order.

On MOTION by Mr. Antuna seconded by Mr. Martinez with all in favor the meeting was adjourned.

Secretary / Assistant Secretary

Chairman / Vice Chairman



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

2700 North Military Trail • Suite 350
Boca Raton, Florida 33431
(561) 994-9299 • (800) 299-4728
Fax (561) 994-5823
www.graucpa.com

August 1, 2016

Board of Supervisors
Attn: Patti Powers
Reserve #2 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 Reserve #2 Community Development District, St. Lucie 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 Reserve #2 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 \$3,200 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.

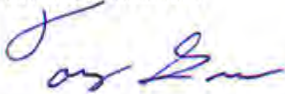
This agreement may be renewed each year thereafter subject to the mutual agreement by both parties to all terms and fees. The fee for each annual renewal will be agreed upon separately.

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 Reserve #2 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 Reserve #2 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 black ink, reading "Rick Reeder", written over a horizontal line.

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

**ADDENDUM TO ENGAGEMENT LETTER BETWEEN
GRAU AND ASSOCIATES AND Reserve #2 Community Development
District (CDD)
(DATED _____, 201__)**

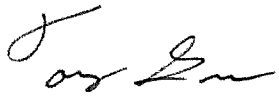
Public Records. Auditor shall, pursuant to and in accordance with Section 119.0701, Florida Statutes, comply with the public records laws of the State of Florida, and specifically shall:

- 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@GMSSEF.COM**



Auditor: _____

District: _____

Title: President

Title: _____

Date: 10/12/2016

Date: _____

Reserve
Community Development District #2

Check Run Summary
November 17, 2016

<u>Date</u>	<u>Check Numbers</u>	<u>Amount</u>
08/05/16	927-931	\$3,893.14
09/08/16	932-934	\$8,619.26
10/19/16	935-938	\$3,605.30
11/10/16	939-941	\$4,123.82
Total		<u><u>\$20,241.52</u></u>

*** CHECK DATES 07/13/2016 - 11/10/2016 ***

GF - RESERVE CDD #2

BANK A RESERVE CDD #2 GF

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
8/05/16	00004	7/19/16	54847158	201607 310-51300-42000		*	164.46		
				DELIVERIES THRU 07/19/16					
					FEDEX			164.46	000927
8/05/16	00005	7/31/16	1439-001	201607 310-51300-31500		*	189.00		
				JUL 2016 - LEGAL SERVICES					
					GONANO & HARRELL			189.00	000928
8/05/16	00028	8/01/16	132	201608 310-51300-34000		*	2,684.17		
				AUG 2016 - MGMT FEES					
		8/01/16	132	201608 310-51300-35100		*	20.83		
				AUG 2016 - COMPUTER TIME					
		8/01/16	132	201608 310-51300-44000		*	200.00		
				AUG 2016 - RENT					
		8/01/16	132	201608 310-51300-35101		*	41.67		
				AUG 2016 - WEBSITE ADMIN					
		8/01/16	132	201608 310-51300-51000		*	17.50		
				AUG 2016 - OFFICE SUPPLY					
		8/01/16	132	201608 310-51300-42000		*	1.86		
				AUG 2016 - POSTAGE/DEL					
		8/01/16	132	201608 310-51300-42500		*	66.75		
				AUG 2016 - COPIES					
					GMS - SO FLORIDA, LLC			3,032.78	000929
8/05/16	00009	8/01/16	AUG-16	201608 310-51300-44001		*	200.00		
				RENT UNIT 1-AUG 2016					
					RESERVE CDD			200.00	000930
8/05/16	00015	7/05/16	1077337	201607 310-51300-48000		*	306.90		
				NOTICE OF RG & PH MEETING					
					TREASURE COAST NEWSPAPERS			306.90	000931
9/08/16	00044	8/10/16	4574	201609 300-15500-10000		*	5,457.00		
				FY 2017 INSURANCE					
					EGIS INSURANCE ADVISORS LLC			5,457.00	000932
9/08/16	00028	9/01/16	133	201609 310-51300-34000		*	2,684.17		
				SEPT 2016 - MGMT FEES					
		9/01/16	133	201609 310-51300-35100		*	20.83		
				SEPT 2016 - COMPUTER TIME					
		9/01/16	133	201609 310-51300-44000		*	200.00		
				SEPT 2016 - RENT					
		9/01/16	133	201609 310-51300-35101		*	41.67		
				SEPT 2016 - WEBSITE ADMIN					
		9/01/16	133	201609 310-51300-42000		*	4.19		
				SEPT 2016 - POSTAGE/DEL					

RES2 RESERVE 2 IARAUJO

*** CHECK DATES 07/13/2016 - 11/10/2016 ***

GF - RESERVE CDD #2
BANK A RESERVE CDD #2 GF

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED TO... YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
9/01/16		133	201609 310-51300-42500	SEPT 2016 - COPIES	GMS - SO FLORIDA, LLC	*	11.40	2,962.26	000933
9/08/16	00009	9/01/16	SEPT-16	201609 310-51300-44001	RESERVE CDD	*	200.00	200.00	000934
10/19/16	00005	9/30/16	1439-001	201609 310-51300-31500	GONANO & HARRELL	*	42.00	42.00	000935
10/19/16	00028	10/03/16	134	201610 310-51300-34000	GMS - SO FLORIDA, LLC	*	2,684.17	2,959.35	000936
				OCT 16 - MGMT FEES		*	20.83		
		10/03/16	134	201610 310-51300-35100		*	200.00		
				OCT 16 - COMPUTER TIME		*	41.67		
		10/03/16	134	201610 310-51300-44000		*	1.40		
				OCT 16 - RENT		*	11.28		
		10/03/16	134	201610 310-51300-35101		*			
				OCT 16 - WEBSITE ADMIN		*			
		10/03/16	134	201610 310-51300-42000		*			
				OCT 16 - POSTAGE/DELIVERY		*			
		10/03/16	134	201610 310-51300-42500		*			
				OCT 16 - COPIES		*			
10/19/16	00022	10/15/16	10152016	201610 310-51300-31400	ROBERT L. FROMM & ASSOCIATES	*	500.00	500.00	000937
				MGMT & OVERVIEW DRAINAGE		*	103.95	103.95	000938
10/19/16	00015	9/06/16	1212380	201609 310-51300-48000	TREASURE COAST NEWSPAPERS	*	175.00	175.00	000939
				NOTICE OF MEETING DATES		*			
11/10/16	00026	10/03/16	38925	201610 310-51300-54000	DEPARTMENT OF ECONOMIC OPPORTUNITY	*			
				SPECIAL DISTRICT FEE FY17		*			
11/10/16	00028	11/01/16	135	201611 310-51300-34000		*	2,684.17		
				NOV 16 - MGMT FEES		*	20.83		
		11/01/16	135	201611 310-51300-35100		*	200.00		
				NOV 16 - COMPUTER TIME		*	41.67		
		11/01/16	135	201611 310-51300-44000		*			
				NOV 16 - RENT		*			
		11/01/16	135	201611 310-51300-35101		*			
				NOV 16 - WEBSITE ADMIN		*			

RES2 RESERVE 2 IARAUJO

*** CHECK DATES 07/13/2016 - 11/10/2016 ***

GF - RESERVE CDD #2

BANK A RESERVE CDD #2 GF

CHECK DATE	VEND#	INVOICE DATE	INVOICE	YRMO	DPT	ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
11/01/16		135		2016	11	310-51300-42000				*	1.40		
			NOV 16 - POSTAGE										
11/01/16		135		2016	11	310-51300-42500				*	.75		
			NOV 16 - COPIES										

								GMS - SO FLORIDA, LLC				2,948.82	000940
11/10/16	00022	11/10/16	11102016	2016	11	310-51300-31400				*	1,000.00		
			BUDGET PREP SVC 11/10/16										

								ROBERT L. FROMM & ASSOCIATES				1,000.00	000941

TOTAL FOR BANK A											20,241.52		
TOTAL FOR REGISTER											20,241.52		

RESERVE
COMMUNITY DEVELOPMENT DISTRICT #2
COMBINED BALANCE SHEET
 October 31, 2016

	<u>Major Funds</u>		<u>Total Governmental Funds</u>
	<u>General</u>	<u>Debt Service</u>	
ASSETS:			
Cash	\$20,458	---	\$20,458
Investments:			
<u>SERIES 2010</u>			
Reserve A	---	\$27,542	\$27,542
Revenue A	---	\$62,718	\$62,718
TOTAL ASSETS	<u>\$20,458</u>	<u>\$90,260</u>	<u>\$110,718</u>
LIABILITIES:			
Accounts Payable	\$175	---	\$175
TOTAL LIABILITIES	<u>\$175</u>	<u>\$0</u>	<u>\$175</u>
FUND BALANCES:			
Nonspendable:			
Restricted:			
Debt Service	---	\$90,260	\$90,260
Assigned	\$26,122	---	\$26,122
Unassigned	(\$5,838)	---	(\$5,838)
TOTAL FUND BALANCES	<u>\$20,283</u>	<u>\$90,260</u>	<u>\$110,543</u>
TOTAL LIABILITIES & FUND EQUITY	<u>\$20,458</u>	<u>\$90,260</u>	<u>\$110,718</u>

RESERVE

COMMUNITY DEVELOPMENT DISTRICT #2

GENERAL FUND

Statement of Revenues, Expenditures, and Changes in Fund Balance
For The Period Ending October 31, 2016

	ADOPTED BUDGET	PRORATED BUDGET THRU 10/31/2016	ACTUAL THRU 10/31/2016	VARIANCE
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REVENUES:

Assessment - Levy	\$70,010	\$5,834	\$0	(\$5,834)
TOTAL REVENUES	\$70,010	\$5,834	\$0	(\$5,834)

EXPENDITURES:

ADMINISTRATIVE:

Supervisor Fees	\$4,000	\$333	\$0	\$333
FICA Expense	\$306	\$26	\$0	\$26
Engineering	\$500	\$42	\$0	\$42
Attorney	\$1,500	\$125	\$0	\$125
Trustee Fees	\$3,750	\$313	\$0	\$313
Property Appraiser	\$7,345	\$612	\$0	\$612
Collection Agent	\$6,000	\$500	\$500	\$0
Assessment Roll	\$2,500	\$208	\$0	\$208
Annual Audit	\$3,200	\$267	\$0	\$267
Management Fees	\$32,210	\$2,684	\$2,684	(\$0)
Computer Time	\$250	\$21	\$21	\$0
Telephone	\$50	\$4	\$0	\$4
Postage	\$1,000	\$83	\$1	\$82
Printing & Binding	\$250	\$21	\$11	\$10
Rentals & Leases	\$2,400	\$200	\$200	\$0
Meeting Room Rental	\$2,400	\$200	\$0	\$200
Insurance	\$5,885	\$5,885	\$5,457	\$428
Legal Advertising	\$1,250	\$104	\$0	\$104
Other Current Charges	\$360	\$30	\$27	\$3
Contingency	\$5,000	\$417	\$0	\$417
Office Supplies	\$150	\$13	\$0	\$13
Dues, Licenses & Subscriptions	\$175	\$175	\$175	\$0
Operating Reserve	\$15,151	\$1,263	\$0	\$1,263
Website Compliance	\$500	\$42	\$42	(\$0)

TOTAL EXPENDITURES	\$96,131	\$13,566	\$9,118	\$4,448
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EXCESS REVENUES (EXPENDITURES)	(\$26,121)		(\$9,118)	
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FUND BALANCE - Beginning	\$26,122		\$29,401	
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FUND BALANCE - Ending	<u>\$0</u>		<u>\$20,283</u>	
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RESERVE

COMMUNITY DEVELOPMENT DISTRICT #2

DEBT SERVICE FUND

SERIES 2010

Statement of Revenues, Expenditures, and Changes in Fund Balance
For The Period Ending October 31, 2016

	ADOPTED BUDGET	PRORATED THRU 10/31/2016	ACTUAL THRU 10/31/2016	VARIANCE
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REVENUES:

Interest Income	\$0	\$0	\$18	\$18
Assessments	\$275,197	\$0	\$0	\$0
TOTAL REVENUES	\$275,197	\$0	\$18	\$18

EXPENDITURES:

Series 2010

Interest - 11/1	\$45,644	\$0	\$0	\$0
Interest - 5/1	\$44,899	\$0	\$0	\$0
Principal - 5/1	\$185,000	\$0	\$0	\$0
TOTAL EXPENDITURES	\$275,543	\$0	\$0	\$0

FUND BALANCE - Beginning

\$62,744

\$90,242

FUND BALANCE - Ending

\$62,398

\$90,260

**RESERVE #2
 COMMUNITY DEVELOPMENT DISTRICT
 Long Term Debt Report
 FY 2017**

<i>Series 2010A, Special Assessment Bonds</i>	
<i>Interest Rate:</i>	<i>4.41%</i>
<i>Maturity Date:</i>	<i>5/1/2025</i>
<i>Reserve Fund Requirement:</i>	<i>10% of Maximum Annual Debt Service</i>
<i>Bonds outstanding - 9/30/2016</i>	<i>\$2,205,000.00</i>
<i>Less:</i>	
<i>May 01, 2016 (Mandatory)</i>	<i>(\$180,000.00)</i>
<i>Current Bonds Outstanding</i>	<i>\$2,025,000.00</i>
<i>Total Current Bonds Outstanding</i>	<i>\$2,025,000.00</i>