

***Coral Keys Homes
Community Development District***

October 18, 2016

Coral Keys Homes

Community Development District

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

October 11, 2016

Board of Supervisors
Coral Keys Homes
Community Development District

Dear Board Members:

The regular meeting of the Board of Supervisors of **Coral Keys Homes Community Development District** is scheduled for **October 18, 2016 at 10:30 a.m. at 15500 New Barn Road, Suite 104, Miami Lakes Florida 33014**. Following is the advance agenda:

1. Roll Call
2. Approval of the Minutes of the September 20, 2016 Meeting
3. Consideration of **Resolution #2017-01** Authorizing District Counsel to File a Petition with Miami-Dade County to Contract the Boundaries of the District
4. Consideration of Engagement Letter with Carr, Riggs, & Ingram to perform the Audit for Fiscal Year Ending September 30, 2016
5. Staff Reports
 - A. Attorney
 - B. Engineer
 - C. Manager
6. Supervisors Requests and Audience Comments
7. Financial Reports
 - A. Approval of Check Run Summary
 - B. Approval of Combined Balance Sheet
8. Adjournment

Enclosed for your review is a copy of the minutes from the September 20, 2016 meeting.

The third order of business is consideration of **Resolution #2017-01** Authorizing District Counsel to File a Petition with Miami-Dade County to Contract the Boundaries of the District. A copy of the resolution is enclosed for your review.

The fourth order of business is consideration of engagement letter with Carr, Riggs, & Ingram to perform the audit for fiscal year ending September 30, 2016. A copy of the engagement letter is enclosed for your review.

The financials are enclosed also for your review. The balance of the agenda is routine in nature and staff will present their reports at the meeting. Any other support documentation will be provided under separate cover as it becomes available 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,



Luis Hernandez
Manager

CC: Dennis Lyles

Juan Alvarez

**MINUTES OF MEETING
CORAL KEYS HOMES
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Coral Keys Homes Community Development District was held on September 20, 2016 at 10:30 a.m. at 15500 New Barn Road, Suite 104, Miami Lakes, Florida.

Present and constituting a quorum were:

Alicio Pina	Chairman
Peter Pessoa	Vice Chairman
Reinaldo Villar	Assistant Secretary
Luis Villar	Assistant Secretary
Ruben Bertran	Assistant Secretary

Also present were:

Luis Hernandez	District Manager
Ginger Wald	District Counsel
Rene Rodriguez	Realtor
Maritza Meitner-Rodriguez	Realtor
Helena Adames	Potential Buyer (by phone)

FIRST ORDER OF BUSINESS

Roll Call

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

SECOND ORDER OF BUSINESS

**Approval of the Minutes of the
May 17, 2016 Meeting**

Mr. Hernandez: Item #2 is Approval of the Minutes of the May 17, 2016 Meeting. This would be the time to make any comments, changes, corrections, additions or deletions. If there are none, a motion to approve them would be in order.

On MOTION by Mr. Reinaldo Villar seconded by Mr. Bertran with all in favor the Minutes of the May 17, 2016 Meeting were approved.

THIRD ORDER OF BUSINESS

**Discussion of Potential
Amendments to the District's
Boundaries and Any Other
Related Items**

Mr. Hernandez: Moving forward, the next item on the agenda is Discussion of Potential Amendments to the District's Boundaries and Any Other Related Items. So trying to bring everyone up-to-speed and the purpose of today's meeting, let me just describe the portion I know. It is my understanding that there is a potential buyer for a portion of the district and contemplating the possibility to be excluded from the district's boundaries for that property.

Mr. Pina: Right. They have expressed a desire to not be part of the CDD. We understand the process may not be finalized by the closing, but we need to take a vote from the board to do this. That is my understanding.

Ms. Wald: First we would need action from the board, as you just indicated. It would be from the CDD board and they would have to move forward with a resolution approving the specific parcel or parcels of property within the district boundaries right now to move forward with the process to have those removed and proceed with the filing with the county. That would be the first step. The second part of that would be authorizing District Counsel to move forward with filing a petition with the county for the removal of those parcels from the district's boundaries. It is purely statutory. It is very similar to when the CDD itself was created. It is only subtracting two items but it is a similar process. There is also a cost of \$1,500 with a check that someone will have to pay to the county directly. The county also requires the city or municipality in which the district is located for the removal of the property by resolution to also approve the removal of these parcels from the CDD properties. So that is also going to be required and we would have to prepare the petition to the both the county and the city and go in front of their councils to have them approve that. The county is going to require us to get the city's approval before they will even review any type of petition we file. So it is going require a resolution to be approved by the district, approval by Florida City, a check in the amount of \$1,500, the legal descriptions of the parcels being removed, the boundaries and surveys

of the parcels being removed, which I don't think in this case has been done yet, and any type of debt or other obligations on those portions of the property will have to be taken care of, and if any improvements were done by the CDD, those also have to be provided. And then you have to go to the county. So that in a very short nutshell is the process of removing a parcel from a community development district.

Mr. Reinaldo Villar: What happens to the existing improvements on the land?

Mr. Pina: We transfer them to the city.

Mr. Hernandez: There is a document that exists between the district and the developer and whatever the apportionment is for that piece of property you are selling will have to be released from that obligation.

Mr. Reinaldo Villar: Does that amount get completely wiped out for the developer to recoup?

Mr. Hernandez: The engineer would have to define that. It would have to be based on the portion of the land received. To make the process short, I know there was a document describing this. Although I have not looked at those documents for a very long time, I believe it was for water and sewer and those types of improvements for those types of units to be able to be open. Now if that affects the entire community or not, I am not sure, so we would have check on that to see and based on that define how the allocation would be made.

Mr. Pina: So when is the next board meeting?

Mr. Hernandez: October 18, 2016.

Mr. Pina: Would it be possible for that meeting to bring a resolution to the board that we can vote on and authorize the sale of a portion of the land, authorize District Counsel to remove the parcels from the CDD; subject to the buyer closing on the property? We want to have the ability that if for some reason they don't close on the property that everything stays the same.

Mr. Hernandez: Yes, the process would be contingent to that.

Mr. Pina: So at that point the next step is to go to the city.

Ms. Wald: Right. We would prepare the actual petition to contract the boundaries of the district and provide that to the city. We would have to get on their agenda for resolution with them saying they have no objections to us proceeding because the count requires that to be done. And then once we receive that and all of the other documents I previously mentioned, we would formally file that with the county. Then we would have to get on the county's agenda for an ordinance. The timing is the most difficult part and getting on to the county commission agenda for not only a first reading, but also a second one. The county requires six weeks in between both readings.

Mr. Hernandez: It is understandable that when someone is not familiar with a CDD and the process of a CDD that they get skeptical as to how the process works. Once it is determined the district is going to do everything in its power to make this happen, developers sometimes sign an agreement for the one that is being excluded will be compensated for any levies not received by the CDD if anything needs to be charged to that particular parcel. By indicating that at this point all the CDD has is administrative costs at a minimal level. So if it helps the process, there can be an agreement between the two developers to guarantee no levies will be made to the wrong owner.

Ms. Wald: And as I said before, the timing where it gets slowed down is when it gets to the county level and getting it on the agenda. Once you get it on the agenda for the first reading, then you know you have six weeks before you can get it on the second reading and final approval. After that period you have to wait 10 days for the effect of the ordinance and after that you no longer have that parcel as part of the district. So the key is having your lobbyists get it on to the agenda of the county.

Mr. Pina: Helena, any questions?

Ms. Adames: No, I think I am pretty clear. Can you just clarify what it is we are adding to the resolution? It is if there is anything we are waiting for from the county we will be responsible for it?

Mr. Pina: No, you will not be responsible. Unless you want to be.

Ms. Wald: So it looks like we are getting direction from the board to start the process in getting the documentation put together and we will need to get the District

Engineer’s perspective as to making sure everything is handled correctly. Who is the District Engineer? It is Juan, right?

Mr. Hernandez: Yes. I will talk to him. All right, unless the board has anything else to discuss for this item, I believe we have received direction to start the process.

FOURTH ORDER OF BUSINESS Staff Reports

A. Attorney

There not being any report, the next item followed.

B. Engineer

There not being any report, the next item followed.

C. Manager – Number of Registered Voters in the District - 76

Mr. Hernandez: Under Manager, we have the number of registered voters in the district as 76. The reason and the importance of that number is that once the district reaches six years of establishment and 250 registered voters, the election of the supervisors is passed on to the Miami-Dade County Supervisor of Elections office. At this time, we still have not met the 250 registered voters requirement and it just means that we are still under landowner elections.

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

There not being any, the next item followed.

SIXTH ORDER OF BUSINESS Financial Reports

A. Approval of Check Run Summary

B. Balance Sheet and Income Statement

Mr. Hernandez: Next we have the Financial Reports as Section VI. Tab A contains the check run summary and tab B has the balance sheet and income statement. Unless anyone has any questions or comments, a motion to approve them would be in order.

On MOTION by Mr. Reinaldo Villar seconded by Mr. Bertran with all in favor the Check Run Summary, the Balance Sheet and Income Statement were approved.

SEVENTH ORDER OF BUSINESS Adjournment

Mr. Hernandez: And if there is no other district business to discuss, a motion to adjourn would be in order.

On MOTION by Mr. Bertran seconded by Mr. Reinaldo Villar with all in favor the meeting was adjourned.

Secretary / Assistant Secretary

Chairman / Vice Chairman

RESOLUTION NO. 2017-01

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE CORAL KEYS HOMES COMMUNITY DEVELOPMENT DISTRICT AUTHORIZING DISTRICT COUNSEL TO FILE A PETITION WITH MIAMI-DADE COUNTY, FLORIDA TO CONTRACT THE BOUNDARIES OF THE DISTRICT, PURSUANT TO SECTION 190.046, FLORIDA STATUTES; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Coral Keys Homes Community Development District (the "District") currently encompasses a total of approximately 43.27 acres located entirely within the boundaries of the Florida City (the "City") and Miami-Dade County, Florida (the "County")

WHEREAS, the District Board of Supervisors ("Board") has determined that it is in the best interests of the District and its residents to contract the boundaries of the District to remove approximately 16.9 gross acres described in **Exhibit "A"** attached hereto (the "Contraction Parcel"); and

WHEREAS, after the contraction of the boundaries of the District, the District will continue to exercise its powers and functions subject to, not inconsistent with and in compliance with all comprehensive planning, land development regulations, laws and policies of the City and the County and any applicable licenses, permits and development orders pursuant to Section 190.003 (3) and (4), Florida Statutes; and

WHEREAS, the community development services and facilities of the District will continue to be compatible with the capacity and use of existing local and regional community development services and facilities after the contraction; and

WHEREAS, the land uses and services within the District will continue to not be inconsistent with applicable elements and portions of the applicable comprehensive plans after the contraction; and

WHEREAS, the District acknowledges that the Contraction Parcel is currently under an agreement for purchase and sale and that the seller is responsible for any District fees or assessments that may be levied and imposed upon the Contraction Parcel prior to the adoption of the Ordinance removing the Contraction Parcel from the boundaries of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE CORAL KEYS HOMES COMMUNITY DEVELOPMENT DISTRICT, THAT:

SECTION 1. The foregoing recitals clauses are true and correct and are hereby incorporated into this Resolution by reference.

SECTION 2. The District hereby authorizes, ratifies and confirms the filing of a petition to contract the boundaries of the District to exclude the Contraction Parcel in accordance with Section 190.046, Florida Statutes, with the Florida City and Miami-Dade County.

SECTION 3. The proper District officials are hereby authorized and directed to take all steps necessary to effectuate the intent of this Resolution.

SECTION 4. All Resolutions or parts of Resolutions in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 5. If any clause, section or other part or application of this Resolution is held by court of competent jurisdiction to be unconstitutional or invalid, in part or as applied, it shall not affect the validity of the remaining portions or applications of this Resolution.

SECTION 6. This Resolution shall take effect upon adoption.

THIS RESOLUTION WAS PASSED AND ADOPTED THIS _____ DAY OF _____, 2016.

ATTEST:

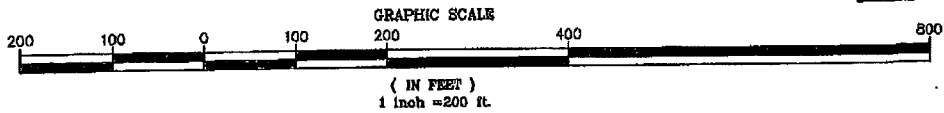
**CORAL KEYS HOMES COMMUNITY
DEVELOPMENT DISTRICT**

By: _____
Secretary/Assistant Secretary

By: _____
Chairperson/Vice Chairperson

Exhibit "A"

SKETCH OF DESCRIPTION



THIS DOCUMENT IS NEITHER
FULL NOR COMPLETE WITHOUT
ALL SHEETS

LEGAL DESCRIPTION:

A portion of Tracts 23, 24, 25; Tracts 26 and 27, of REVISED PLAT FLORIDA CITY PARK, according to the plat thereof, as recorded in Plat Book 33, Page 48, of the Public Records of Miami-Dade County, Florida and a portion of Tract 15, Block 3, in Section 19, Township 57 South, Range 39 East, MIAMI LAND AND DEVELOPMENT COMPANY, according to the plat thereof, as recorded in Plat Book 5, Page 10, of the Public Records of Miami-Dade County, Florida, being more particularly described as follows:

Commence at the South 1/4 corner of Section 19, Township 57 South, Range 39 East; thence North 00°29'38" West along the East line of the Southwest 1/4 of said Section 19, a distance of 275.00; thence South 89°30'38" West, a distance of 25.00 feet to the **Point of Beginning**; thence South 89°30'38" West, a distance of 996.20 feet; thence North 00°32'30" West along the West line of Tracts 25, 26 and 27 of REVISED PLAT FLORIDA CITY PARK, according to the plat thereof, as recorded in Plat Book 33, Page 48, of the Public Records of Miami-Dade County, Florida, a distance of 723.83 feet; thence North 89°26'05" East along the North line of said Tract 27, a distance of 1006.81 feet; thence South 00°29'38" East along a line 15.00 feet of and parallel with the East line of said Section 19, a distance of 330.00 feet; thence South 89°26'05" West along the South line of said Tract 15, a distance of 10.00 feet; thence South 00°29'38" East along a line 25.00 feet of and parallel with the East line of said Section 19, a distance of 395.15 feet to the **Point of Beginning**.

As partially replatted into Declaration of Condominium for Floridian Key Homes Condominium No. 1 recorded February 11, 2008 in Official Records Book 26209, Page 3479, of the Public Records of Miami-Dade County, Florida; LESS and EXCEPT Unit 103 in Building 28, Units 103 and 105 in Building 29, Units 101 and 102 in Building 30, Unit 101 in Building 33, and Units 101 and 105 in Building 34.

LESS AND EXCEPT that parcel conveyed by Warranty Deed recorded July 30, 2008 in Official Records Book 26501, Page 4044, of the Public Records of Miami-Dade County, Florida.

LESS AND EXCEPT that parcel conveyed by Warranty Deed recorded August 3, 2010 in Official Records Book 27403, Page 2047, of the Public Records of Miami-Dade County, Florida.

TOGETHER WITH:


Non-exclusive drainage easement rights contained in that Grant of Drainage Easement recorded August 6, 2012 in Official Records Book 28216, Page 3935.

SHEET 2 OF 3



Tri-County Engineering, Inc.
Architecture - Engineering - Surveying & Mapping
Construction Management
AA-2777 - EB-6706 - LB-6507 - QB-63862
7729 NW 146th Street Miami Lakes, FL 33016
PH: 305-823-3737 Fax: 305-823-3737

NOTE: NOT VALID WITHOUT THE
SIGNATURE AND ORIGINAL SEAL OF A
FLORIDA REGISTERED SURVEYOR AND
MAPPER


JOSE M. LOPEZ, P.L.S. N° 4849
STATE OF FLORIDA
FOR THE FIRM



Carr, Riggs & Ingram, LLC
Certified Public Accountants
500 Grand Boulevard
Suite 210
Miramar Beach, Florida 32550

(850) 837-3141
(850) 654-4619 (fax)
CRlcpa.com

October 10, 2016

Coral Keys Homes Community Development District
c/o Governmental Management Services - South Florida
5385 N Nob Hill Road
Sunrise, Florida 33351

We are pleased to confirm our understanding of the services we are to provide Coral Keys Homes Community Development District for the year ended September 30, 2016. We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of Coral Keys Homes Community Development District as of and for the year ended September 30, 2016. 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 Coral Keys Homes Community Development 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 Coral Keys Homes Community Development 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 Coral Keys Homes Community Development 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 Coral Keys Homes Community Development District's financial statements. Our report will be addressed to the Board of Supervisors of Coral Keys Homes Community Development District. We cannot provide assurance that unmodified

opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If circumstances occur related to the condition of your records, the availability of sufficient, appropriate audit evidence, or the existence of a significant risk of material misstatement of the financial statements caused by error, fraudulent financial reporting, or misappropriation of assets, which in our professional judgement prevent us from completing the audit or forming an opinion on the financial statements, we retain the right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the 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 entity'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 entity'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 Coral Keys Homes Community Development 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.

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 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. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our

attention, unless clearly inconsequential, and of any material abuse that comes to our attention. 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 Coral Keys Homes Community Development 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*.

Other Services

We will also assist in preparing the financial statements and related notes of Coral Keys Homes Community Development District 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*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgement, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

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 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.

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.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any

significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

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.

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. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

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.

We will provide copies of our reports to District; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Carr, Riggs & Ingram, LLC 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 the Florida Auditor General 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 CRI 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.

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 (except as required by regularion or professional standard to maintain such records) 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:

**Governmental Management Services - South Florida
5385 N Nob Hill Road
Sunrise, Florida 33351
TELEPHONE: (954) 721-8681
EMAIL: ppowers@gmssf.com**

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by the Florida Auditor General. 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.

We expect to begin our audit on approximately November 1 and to issue our reports no later than the following June 30th. Alan Jowers is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be at our standard hourly rates except that we agree that our fee will not exceed \$3,500. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 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 before we incur the additional costs.

Dispute Resolution

In the event of a dispute between the parties which arises out of or relates to this contract or engagement letter, the breach thereof or the services provided or to be provided hereunder, and, if the dispute cannot be settled through negotiation, the parties agree that before initiating arbitration, litigation or some other dispute resolution procedure, they will first to try in good faith to resolve the dispute through non-binding mediation. The mediation will be administered by the American Arbitration Association under its Dispute Resolution Rules for Professional Accounting and Related Services Disputes. The costs of any mediation proceedings shall be shared equally by all parties.

Electronic Data Communication and Storage and Use of Third Party Service Provider

In the interest of facilitating our services to your company, we may send data over the Internet, securely store electronic data via computer software applications hosted remotely on the Internet, or allow access to data through third-party vendors' secured portals or clouds. Electronic data that is confidential to your company may be transmitted or stored using these methods. We may use third-party service providers to store or transmit this data, such as, but not limited to, providers of tax return preparation software. In using these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to keep such communications and data access secure in accordance with our obligations under applicable laws and professional standards. We also require our third-party vendors to do the same.

You recognize and accept that we have no control over the unauthorized interception or breach of any communications or data once it has been sent or has been subject to unauthorized access, notwithstanding all reasonable security measures employed by us or our third-party vendors. You consent to our use of these electronic devices and applications and submission of confidential client information to third-party service providers during this engagement.

To enhance our services to you, we will use a combination of remote access, secure file transfer, virtual private network or other collaborative, virtual workspace or other online tools or environments. Access

through any combination of these tools allows for on-demand and/or real-time collaboration across geographic boundaries and time zones and allows CRI and you to share data, engagement information, knowledge, and deliverables in a protected environment. In order to use certain of these tools and in addition to execution of this acknowledgement and engagement letter, you may be required to execute a separate client acknowledgement or agreement and agree to be bound by the terms, conditions and limitations of such agreement. You agree that CRI has no responsibility for the activities of its third-party vendors supplying these tools and agree to indemnify and hold CRI harmless with respect to any and all claims arising from or related to the operation of these tools. While we may back up your files to facilitate our services, you are solely responsible for the backup of your files and records; therefore, we recommend that you also maintain your own backup files of these records.

We appreciate the opportunity to be of service to Coral Keys Homes 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,

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC
Certified Public Accountants

RESPONSE:

This letter correctly sets forth the understanding of Coral Keys Homes Community Development District.

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____

Coral Keys Homes
Community Development District
Summary of Check Register
09/13/2016 - 10/10/2016

<i>Check Date</i>	<i>Check #'s</i>	<i>Total Amount</i>
<i>9/28/2016</i>	<i>260</i>	<i>\$427.60</i>
<i>Total</i>		<i>\$427.60</i>

AP300R

YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER

RUN 10/10/16

PAGE 1

*** CHECK DATES 09/13/2016 - 10/10/2016 ***

CORAL KEYS HOMES - GENERAL
BANK A CORAL KEYS HOMES CDD

CHECK DATE	VEND#INVOICE..... DATE INVOICE	...EXPENSED TO... YRMO DPT ACCT# SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNTCHECK.... AMOUNT #
9/28/16	00003	8/31/16 136254	201608 310-51300-31500		BILLING, COCHRAN, LYLES, MAURO &	*	427.60	427.60 000260
-----							TOTAL FOR BANK A	427.60
							TOTAL FOR REGISTER	427.60

CKEY --CORAL KEYS-- IARAUJO

Coral Keys Homes
 Community Development District
 Tax Collections
 Fiscal Year Ending September 30, 2016

\$ 53,473.68 Gross

<i>Date Received</i>	<i>Collections Period</i>	<i>Gross Tax Received</i>	<i>Total Commissions</i>	<i>Discounts/ Penalties</i>	<i>Interest</i>	<i>Net Amount Received</i>
12/9/2015	11/21/15-11/30/15	\$ 435.45	\$ 4.18	\$ 17.40	\$ -	\$ 413.87
12/22/2015	12/01/15-12/10/15	\$ 22,985.49	\$ 220.66	\$ 919.19	\$ -	\$ 21,845.64
2/4/2016	Interest	\$ -	\$ -	\$ -	\$ 1.77	\$ 1.77
6/8/2016	05/01/16-05/31/16	\$ 29,965.66	\$ 308.65	\$ (898.97)	\$ -	\$ 30,555.98
6/29/2016	06/13/16-06/14/16	\$ 87.09	\$ 0.91	\$ (3.92)	\$ -	\$ 90.10
7/28/2016	04/01/16-06/30/16	\$ -	\$ -	\$ -	\$ 3.24	\$ 3.24
TOTALS		\$ 53,473.69	\$ 534.40	\$ 33.70	\$ 5.01	\$ 52,910.60

Percentage Collected

100%

**CORAL KEYS HOMES
COMMUNITY DEVELOPMENT DISTRICT
COMBINED BALANCE SHEET
September 30, 2016**

	<u>General Fund</u>
<u>ASSETS:</u>	
CASH	\$19,546
PREPAID EXPENSES	\$5,457
TOTAL ASSETS	<u><u>\$25,003</u></u>
 <u>LIABILITIES:</u>	
ACCOUNTS PAYABLE	\$15,667
 FUND BALANCES:	
NONSPENDABLE	\$5,457
UNASSIGNED	\$3,879
TOTAL LIABILITIES & FUND EQUITY & OTHER CREDITS	<u><u>\$25,003</u></u>

Coral Keys Homes
Community Development District
General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Period Ended September 30, 2016

	Adopted Budget	Prorated Budget Thru 09/30/2016	Actual Thru 09/30/2016	Variance
REVENUES:				
Maintenance Assessments	\$50,800	\$50,800	\$52,911	\$2,111
TOTAL REVENUES	\$50,800	\$50,800	\$52,911	\$2,111
EXPENDITURES:				
ADMINISTRATIVE:				
Engineering Fees	\$1,200	\$1,200	\$0	\$1,200
Attorney Fees	\$7,000	\$7,000	\$5,293	\$1,707
Annual Audit	\$3,500	\$3,500	\$3,500	\$0
Management Fees	\$24,000	\$24,000	\$24,000	\$0
Computer Time	\$500	\$500	\$500	(\$0)
Website Compliance	\$500	\$500	\$500	(\$0)
Postage	\$100	\$100	\$16	\$84
Insurance	\$5,794	\$5,794	\$5,350	\$444
Printing & Binding	\$341	\$341	\$186	\$156
Legal Advertising	\$500	\$500	\$271	\$229
Contingencies	\$500	\$500	\$397	\$103
Dues, Licenses, Subscriptions	\$175	\$175	\$175	\$0
1st Qtr Operating	\$6,690	\$6,690	\$0	\$6,690
TOTAL ADMINISTRATIVE EXPENDITURES	\$50,800	\$50,800	\$40,187	\$10,613
EXCESS REVENUES/(EXPENDITURES)	\$0		\$12,724	
Fund Balance - Beginning	\$0		(\$3,388)	
Fund Balance - Ending	<u>\$0</u>		<u>\$9,336</u>	