

*Green Corridor Property
Assessment Clean Energy District*

December 12, 2016

Green Corridor

Property Assessment Clean Energy District

5385 N. Nob Hill Road, Sunrise, Florida 33351

Phone: 954-721-8681 - Fax: 954-721-9202

December 5, 2016

**Green Corridor
Property Assessment Clean Energy District**

Dear Board Members:

A meeting of the Board of Green Corridor Property Assessment Clean Energy District is scheduled for December 12, 2016 at 10:00 a.m. at the offices of Ygrene Energy Fund Florida, 3390 Mary Street, Suite 124, Coconut Grove, FL 33133. Following is the advance agenda for this meeting:

1. Roll Call
2. Audience Comments
3. Approval of the Minutes of the November 4, 2016 Meeting
4. Consideration of Engagement Letter with Grau & Associates to perform the Audit for Fiscal Year Ending September 30, 2016
5. Legislative Strategy Presentation from Rafael Perez
6. Staff Reports
 - A. Third Party Administrator - Authorization for Tax Roll Certification
 - B. Attorney
 - C. Manager
7. Board Members Requests
8. Financial Reports
 - A. Summary of Invoices
 - B. Balance Sheet
9. Adjournment

Enclosed for your review is a copy of the minutes of the November 4, 2016 meeting.

The fourth order of business is consideration of engagement letter with Grau & Associates 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 also enclosed for your review. 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. If you have any questions, please contact me.

Sincerely,



Paul Winkeljohn
Manager

CC: Chad Friedman Joe Spector

MINUTES OF MEETING GREEN CORRIDOR PACE DISTRICT

A meeting of the Board of Directors of the Green Corridor PACE District was held on Friday, November 4, 2016 at 10:00 a.m., at the offices of Ygrene Energy Fund Florida, 3390 Mary Street, Suite 124, Coconut Grove, Florida.

Present and constituting a quorum were:

Mayor Cindy Lerner	Pinecrest - Chairperson
Mayor Philip Stoddard	South Miami
Commissioner Herta Holly	Miami Shores
Mayor Peggy Bell	Cutler Bay
Mayor Eugene Flinn	Palmetto Bay

Also present were:

Chad Friedman, Esq.	District Counsel
Joe Spector	Ygrene Energy Fund Florida, LLC
Paul Winkeljohn	Executive Director/District Manager

FIRST ORDER OF BUSINESS

Roll Call

Mayor Lerner called the meeting to order and Mr. Winkeljohn called the roll and stated we have a quorum.

SECOND ORDER OF BUSINESS

Audience Comments

Mayor Lerner introduced the first item on the agenda which was audience comments, and stated there was no audience members present at the meeting.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the July 8, 2016 Meeting

Mayor Lerner moved to the next item which was the approval of the minutes of the July 8, 2016 meeting and asked if everybody had reviewed them and asked for any edits or changes. There not being any changes Mayor Lerner asked for a motion to approve the minutes.

On MOTION by Mayor Bell seconded by Commissioner Holly with all in favor, the Minutes of the July 8, 2016 Meeting were approved.

FOURTH ORDER OF BUSINESS

**Discussion on Wells Fargo
Opposition to the Program
and their Responses to the
Residents**

Mayor Lerner moved to the next item which was the discussion of Wells Fargo opposition to the program and their response to residents.

Mr. Winkeljohn stated a small letter was handed out showing the board members the rejections that Mr. Spector asked to be put on the agenda.

Mr. Spector stated that he wanted to bring to the attention of the board members that a lot of property owners are being intimidated by Wells Fargo, however, there may not be any need for any course of action at this time. Mr. Spector went on to say this is a state law approved by the municipalities, and Wells Fargo is starting to scare their property owners into not using the program. A notice is given to all lienholders, so anyone that has a mortgage on their property is notified 30 days in advance, however if the property owner chooses to use the program we do not ask for their consent because the state law does not require that. Mr. Spector stated that from his understanding, only Wells Fargo is sending these letters to property owners saying, we deny your request. Mr. Spector continued to explain in detail the steps that are taken when a property owner requests a response from the District. He also stated that he does not know how many people have not used the program because of the letter.

(At this point there was a lengthy question and answer session between the Board members and Mr. Spector related to this item)

FIFTH ORDER OF BUSINESS

Appointment of Audit Selection Committee

Audit Selection Committee Meeting

- A. Opening the Audit Selection Committee Meeting**
- B. Roll Call**
- C. Ratification of Criteria for Evaluation**
- D. Ratification of RFP**
- E. Ranking of Respondents to the RFP**
- F. Adjournment**

Mayor Lerner introduced the next item, appointment of audit selection committee.

Mr. Winkeljohn gave a brief background and explanation relating to this item stating that all Districts in the State of Florida for auditing procedures have to have a separate entity that conducts an evaluation of the proposed auditors. Mr. Winkeljohn went on to explain the basic steps of the audit selection committee and stated that the committee is usually made up of the current board members. He then asked the board for a motion to open the audit selection committee meeting.

Mr. Friedman stated this is a very common practice for local governments and didn't see any issues with the board members going forward with this procedure. He also stated that it's legally acceptable for the board to sit as their own auditing committee and said that the function of the audit committee is to select an independent auditor to prepare an audit for the District, and that this auditor will come in and audit the District on an annual basis.

Mayor Lerner asked for a motion if everyone was comfortable with the entire board serving as the audit selection committee.

On MOTION by Mayor Flinn seconded by Commissioner Holly with all in favor, appointing the entire Green Corridor Board to serve as the Audit Selection Committee was approved.

Mr. Winkeljohn then called to order the audit selection committee meeting and stated the roll call stands in the minutes as previously stated. He then went on to inform the committee it would be necessary to ratify a couple of preliminary steps staff had

taken. One was to ratify the criteria for evaluation and the other was to ratify the RFP. Mr. Winkeljohn then gave a brief explanation of these items, and asked for a motion from the committee to ratify the criteria for evaluation.

On MOTION by Mayor Flinn seconded by Commissioner Holly with all in favor, ratifying the criteria for evaluation was approved.

Mr. Winkeljohn then asked for a motion to ratify the RFP which included the advertisement.

On MOTION by Mayor Flinn seconded by Commissioner Bell with all in favor, ratifying the RFP was approved.

Mr. Winkeljohn then went on to explain the audit proposal score sheet to the committee and stated there were four respondents to the RFP. Mr. Winkeljohn commented that all four respondents are usually the ones who do respond, and that they are all highly qualified in terms of District audits. He went on to explain how to handle the evaluation score sheet, stating that one person on the committee can take the lead verbally and give their input on all the firms, then rank them accordingly giving each respondent so many points for each category, then the other committee members can comment verbally and state whether or not they would agree or disagree with that ranking. So in the end there would be one score sheet that has all the scores for all the respondents from everyone on the committee.

(At this point there was a brief question and answer session between the committee members and Mr. Winkeljohn relating to this procedure)

Mr. Friedman then added some additional comments relating to the procedure, informing the committee members they would be able to add other factors of criteria for

evaluation if they felt it was relevant to do so, but that they would need to rank the firms #1, #2 and #3. Once the committee ranked the #1 firm, the executive director, Mr. Winkeljohn, on behalf of the District would go out and negotiate an agreement with that firm. If he is not able to negotiate an agreement with that firm, then he would go to the next ranked firm, that being #2, and so on.

(At this point a brief discussion took place among the committee members relating to the different auditing firms and also the evaluation criteria)

Mr. Friedman then added one additional comment stating that in the statute if compensation is one of the factors, it cannot be the sole predominant factor used to evaluate the proposals.

Mr. Winkeljohn stated that what often happens after the committee members review all the proposals, the respondents usually all score a maximum number of points in all four categories and it's usually the last category of price where there is a difference, so in reality it actually does meet the statute requirements.

Mayor Stoddard commented on the statute stating that based on his experience of the three firms that he knew of, that they were fully qualified firms and he had no specific basis to choose between them. The difference in price from the highest to the lowest is very small and all are very avoidable, and at this time he sees no difference between the qualifications of the firms.

Hearing no further questions or discussion, Mayor Stoddard made a motion to rank the firms as follows, #1 as Grau & Associates, #2 as Berger, Toombs, Elam, Gaines & Frank and #3 as Carr, Riggs & Ingram.

<p>On MOTION by Mayor Stoddard seconded by Mayor Flinn with all in favor, ranking the respondents of the RFP as #1 Grau & Associates, #2 as Berger, Toombs, Elam, Gaines & Frank and #3 as Carr, Riggs & Ingram as stated on the record was approved.</p>

Mr. Winkeljohn then stated the audit committee meeting was adjourned at this time.

SIXTH ORDER OF BUSINESS

Selection of Audit Firms

Mr. Winkeljohn introduced item No. 6, stating this was the last part of the audit process. Now the board members were back representing the Green Corridor District and commenting that the audit committee had identified Grau & Associates as the #1 ranked firm, Berger, Toombs, Elam, Gaines & Frank as #2 ranked firm, and Carr, Riggs & Ingram as #3. Mr. Winkeljohn then asked the board for a motion authorizing the execution of an engagement with the #1 ranked firm of Grau & Associates.

Mayor Lerner asked if there were any questions or discussion on the item.

(At this point there was a question regarding the negotiation of price. Mr. Friedman commented the price was set, but the terms could be negotiated)

Mayor Lerner asked if there were any further questions, before calling for the vote. There were no further questions.

On MOTION by Mayor Stoddard seconded by Commissioner Holly with all in favor, authorizing staff to bring back an engagement letter with the #1 ranked auditing firm of Grau & Associates, and also authorizing the proper District officials to execute the document as stated on the record was approved.

SEVENTH ORDER OF BUSINESS

Consideration to Amendment to GMS Contract

Mr. Winkeljohn introduced item No. 7, stating this was an item he wanted to bring to the agenda, commenting that over the last year he has presented as the District manager and has had the pleasure of working with the Green Corridor board members, and it was at the request of the board members to do a 1 year contract when GMS was hired. Mr. Winkeljohn then stated, referring to his memorandum in the agenda book that

he was able to evaluate and identify over the last several months what it actually costs GMS to continue to serve as District manager. Mr. Winkeljohn commented that he didn't need to ask for a larger administrative overhead cost, it is really just a scalable reimbursement for the work of the contract executions and notaries. He then asked the board for a motion to consider an amendment to the 1 year GMS contract with the fee structure in the memorandum and would be open to a 3 year agreement this time around as opposed to 1 year.

Mr. Spector stated from the administrator's point of view that he can fully support that, and the only thing he would ask is about the \$1.50 per contract, would that be negotiable as the District moves forward with electronic signatures.

Mr. Winkeljohn agreed and stated he would be open to that if it gets down to not being much of an effort, that would be fine but as long as GMS is signing and notarizing, the risk is about \$1.50, and certainly if it were to be completely simple he would agree to change the fee if it was warranted.

(At this point there was a brief question and answer session between the Board members and Mr. Winkeljohn relating to this item)

Mayor Lerner asked if there were any further questions, before calling for the vote. There were no further questions.

On MOTION by Mayor Flinn seconded by Commissioner Holly with all in favor, accepting the Amendment to the GMS Contract related to the contingency stated in the original agreement of re-evaluating and adjusting the contract fee, also entering into a 3 year agreement with GMS, authorizing a retroactive payment based upon the re-evaluation of demand of the program, and also a re-evaluation of the \$1.50 per executed contract once electric filing becomes the standard practice as stated on the record by District Counsel was approved.

EIGHTH ORDER OF BUSINESS

Consideration of Resolution #2017-01 Amending the Fiscal Year 2016 General Fund Budget

Mr. Winkeljohn introduced item No. 8, and stated that in order to meet the standards for an audit the District's budget needs to reflect exactly what happens, and resolution #2017-01 essentially amends the fiscal year 2016 general fund budget to reflect actuals. Mr. Winkeljohn asked for a motion to accept resolution #2017-01 as stated.

Mayor Lerner asked if there were any questions or discussion, before calling for the vote.

On MOTION by Mayor Bell seconded by Commissioner Holly with all in favor, Resolution #2017-01 amending the Fiscal Year 2016 General Fund Budget was approved.

NINTH ORDER OF BUSINESS

Staff Reports

A. Third Party Administrator

Mr. Winkeljohn introduced the next item of staff reports and deferred to Mr. Spector for his monthly report.

Mr. Spector made a comment on the opening of the new state of the art call center located west of the airport near Doral in unincorporated Miami-Dade County before he gave his update on his monthly report to the board.

(At this point there was a lengthy discussion with comments and questions related to this item and Amendment 1 between the Board, District Counsel and Mr. Spector)

Mr. Spector then asked the board for a motion to approve other cities and counties outside of what was originally approved (Palm Beach, Broward and Dade Counties) so that more cities and counties will be able to participate and join in the program.

On MOTION by Mayor Bell seconded by Commissioner Holly with all in favor, authorizing those specific cities and counties outside of Palm Beach, Broward and Miami-Dade Counties to be able to join the program as stated on the record was approved.

B. Attorney

Mr. Winkeljohn commented that some items on Mr. Friedman's report would overlap his, so Mr. Winkeljohn stated he would introduce the topics and Mr. Friedman would chime in on the items when necessary.

C. Manager

Mr. Winkeljohn stated that under the manager's report he had two items he wanted to bring to the board. One was discovered when they were going through the records which was that the initial set up of the District Board of Directors were all appointed to 4 year terms, so it would be appropriate to have the board re-confirm everyone's terms for another 4 years. Mr. Winkeljohn then requested a motion from the board to re-confirm the existing board members for another 4 year term. He also stated that he had sent a letter to the Village of Key Biscayne advising them they still have an opportunity to participate on the board if they wanted to appoint someone. Mr. Winkeljohn commented that it's his understanding the city manager of Key Biscayne is going to be appointed to be a District board member in the future, and hopefully the District will hear from the city manager for the next Green Corridor meeting as he wasn't available for today's meeting. Mr. Winkeljohn then asked the board for the motion to re-confirm the board's seats for 4 more years.

Mr. Friedman commented that it would be good if the terms were all on a schedule that coincides with the November terms.

On MOTION by Mayor Bell seconded by Mayor Flinn with all in favor, accepting and re-confirming all existing Board members to 4 year terms was approved.

Mr. Winkeljohn stated another item he had was essentially an open topic which may not require a motion, depending on how the board sees it. In the check writing process there are only 4 or 5 expenditures per month typically, and unfortunately 1 or 2 of them are small vendors, specifically couriers, and the two week period to get two signers on the checks since everyone's schedules are so busy, it's a little bit cumbersome. Mr. Winkeljohn asked the board if they would entertain some sort of threshold, such as checks under \$500 just having one signature from an officer, then staff would just be able to execute those, then they can be approved as part of the financials at the next meeting. Above that, GMS fees and Mr. Friedman's fees would always come to a two signature board member only, or something like that, just to make the process a little bit easier.

(At this point there was a brief question and answer session between the Board members and Mr. Friedman relating to this item)

Mr. Friedman stated that every city has different thresholds that their manager can issue, so it's really the comfort of the board from a policy legislative perspective.

Mr. Winkeljohn stated in the District industry world, most boards delegate all check signing so they don't have to be obligated to investigate what they're signing. They delegate that to staff so there's no liability for them to know what they're signing. It's a little bit different in cities and some associations which don't usually do that, but GMS typically gives the boards a treasurer and a secretary to execute that process, then the internal audit standards are met by having segregation of duties. There also could be a middle tier as well, where just one of the board members is a signature, and then a GMS staff person as a second signature. Mr. Winkeljohn stated that the decision can actually be for another meeting, he just wanted to mention that to the board for their consideration.

Mr. Friedman stated the only other thing he had to bring up was that the chairperson had signed a new indenture which was a bond indenture which was exactly identical to the last one the District did. There was a resolution a couple of months ago that said that when Ygrene goes out and they secure ties, their bonds are not involved with the District, and some of their new investors require a separate indenture just for them. If that indenture is identically the same as the previous one, and the only thing that's changing is the name, based upon the bond attorney's opinion if that being the case the chairperson can sign without having to bring it to the board. I know that Mayor Lerner did do that last week and I just wanted to bring that to the board's attention. It was nothing substantive, it was just a change in the name.

TENTH ORDER OF BUSINESS

Financial Reports

A. Summary of Invoices

B. Balance Sheet

Mr. Winkeljohn introduce the next item, financial reports, stating that in the agenda package were the summary of invoices and balance sheet for the District, and just asked for a motion to accept those into the record.

Mayor Lerner requested a motion to accept the financial reports as a matter of record, if there were no questions from the board. There were no questions.

On MOTION by Mayor Bell seconded by Commissioner Holly with all in favor, the summary of Invoices and the Balance Sheet were approved.
--

ELEVENTH ORDER OF BUSINESS

Board Members Requests

Mayor Lerner asked the board members for any requests.

Mayor Stoddard requested to have an evaluation of economics of waiving fees on the solar installations, and if that was possible to have a resolution at the next meeting to do so. The second item from Mayor Stoddard was a question of whether storm flood prevention improvements qualify for PACE financing.

Mr. Spector stated that the current answer to that question is that it has been determined by working with the attorneys involved that it does not include flood mitigation, however, PACE could be used for that if the state legislature decided to add it.

Mayor Bell addressed the solar incentives, stating it was a good idea to take any extra money in the account and use it for incentives probably after Amendment 1 is passed. She also stated she would like to see it done as a "pilot" program to give some urgency in getting it done.

Mayor Stoddard stated that it could be done as a 6 month trial for solar discount.

Mr. Friedman stated he would speak to bond counsel to see if there is a way to structure the request and see if it's feasible. He also stated that the next PACE meeting is scheduled for February but if the board wants to have a legislative platform the board will have to meet before that, so a special meeting may need to be set in December sometime.

Mr. Winkeljohn suggested that early in December would probably work for that and he will have staff follow up with a specific date in the near future.

TWELVTH ORDER OF BUSINESS

Adjournment

Mayor Lerner asked for motion to adjourn the meeting.

On MOTION by Mayor Bell seconded by Mayor Flinn 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

November 9, 2016

RECEIVED NOV 14 2016

Board of Supervisors
Attn: Patti Powers
Green Corridor P.A.C.E District
5385 N. Nob Hill Road
Sunrise, FL 33351

We are pleased to confirm our understanding of the services we are to provide Green Corridor P.A.C.E District, Miami-Dade County, Florida (the "District") for the fiscal year ended September 30, 2016 with an option for four annual renewals. We will audit the financial statements of the governmental activities and each major fund, including the related notes to the financial statements, which collectively comprise the basic financial statements of Green Corridor P.A.C.E District as of and for the fiscal year ended September 30, 2016 with an option for four annual renewals. In addition, we will examine the District's compliance with the requirements of Section 218.415 Florida Statutes.

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

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 for us 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 Controls

Our audit will include obtaining an understanding of the District 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, if applicable. 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*.

Audit Administration, Fees, and Other

We understand that your employees will prepare all 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.

This is a one year agreement with the option for four annual renewals. Our fee for these services will not exceed \$3,000 for the September 30, 2016 audit. The fees for fiscal years 2017, 2018, 2019 and 2020 will not exceed \$3,100, \$3,200, \$3,300 and \$3,400, respectively, unless there is a change in activity by the District which results in additional audit work or if 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.

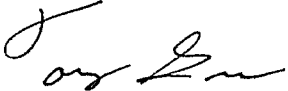
This agreement may be renewed each year thereafter subject to the mutual agreement by both parties to all terms and fees. The fee for each annual renewal will be agreed upon separately.

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 Green Corridor P.A.C.E 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 Green Corridor P.A.C.E 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 Green Corridor P.A.C.E. District
(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: 11/9/16

Date: _____

Green Corridor

P.A.C.E. District

Summary of Invoices

December 12, 2016

Fund	Date	Check No.s	Amount
<i>General</i>	12/2/16	3-4	\$ 21,546.89
Total Invoices for Approval			\$ 21,546.89

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED TO YRMO DPT ACCT# SUB SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
12/02/16	00001	11/01/16	11	201611 310-51300-34000		*	1,000.00		
			NOV 16	- MGMT FEES					
11/01/16		11	201611 310-51300-49500			*	41.67		
			NOV 16	- WEBSITE ADMIN					
11/01/16		11	201611 310-51300-51000			*	25.00		
			NOV 16	- OFFICE SUPPLIES					
11/01/16		11	201611 310-51300-42000			*	.93		
			NOV 16	- POSTAGE					
11/01/16		11	201611 310-51300-42500			*	79.00		
			NOV 16	- COPIES					
12/02/16		13	201608 310-51300-34100			*	12,007.50		
			MAR-AUG 16	- CNTR PROC'G					
								13,154.10	000003

12/02/16	00009	8/17/16	182235	201607 310-51300-31500		*	8,392.79		
			JUL 16	- GENERAL COUNSEL					
								8,392.79	000004

							TOTAL FOR BANK A	21,546.89	
							TOTAL FOR REGISTER	21,546.89	

GREEN CORRIDOR

P.A.C.E DISTRICT

BALANCE SHEET

October 31, 2016

	<u>General Fund</u>
<u>ASSETS:</u>	
CASH - SunState Bank	\$3,699
CASH - Wells Fargo	\$69,652
Prepaid Expenses	\$0
	<hr/>
TOTAL ASSETS	\$73,352
	<hr/> <hr/>
 <u>LIABILITIES:</u>	
ACCOUNTS PAYABLE	\$20,400
 <u>FUND EQUITY AND OTHER CREDITS:</u>	
RETAINED EARNINGS UNRESERVED	\$52,951
	<hr/>
TOTAL LIABILITIES & FUND EQUITY & OTHER CREDITS	\$73,352
	<hr/> <hr/>

GREEN CORRIDOR

P.A.C.E DISTRICT

General Fund

Statement of Revenues & Expenditures

For The Period Ending October 31, 2016

<u>Description</u>	<u>ADOPTED BUDGET</u>	<u>PRORATED BUDGET THRU 10/31/16</u>	<u>ACTUAL THRU 10/31/16</u>	<u>VARIANCE</u>
<u>Income</u>				
District Recovery Fees	\$75,000	\$6,250	\$0	(\$6,250)
Interest Income	\$0	\$0	\$1	\$1
Total Income	\$75,000	\$6,250	\$1	(\$6,249)
<u>Expenditures</u>				
<u>Administrative</u>				
Attorney	\$5,000	\$417	\$0	\$417
Annual Audit	\$4,000	\$0	\$0	\$0
Management Fees	\$12,000	\$1,000	\$1,000	\$0
Telephone	\$50	\$4	\$0	\$4
Postage	\$125	\$10	\$0	\$10
Insurance	\$5,500	\$5,500	\$5,100	\$400
Printing & Binding	\$750	\$63	\$3	\$59
Legal Advertising	\$3,500	\$292	\$0	\$292
Other Current Charges	\$500	\$500	\$24	\$476
Website Compliance	\$500	\$42	\$42	(\$0)
Office Supplies	\$100	\$8	\$0	\$8
Dues, Licenses & Subscriptions	\$175	\$0	\$0	\$0
Total Expenses	\$32,200	\$7,419	\$6,169	\$1,666
Excess Revenues/Expenses	\$42,800		(\$6,169)	
Retain Earnings - Beginning			\$59,120	
Retain Earnings - Ending			\$52,951	