

PALMA SOLA TRACE COMMUNITY DEVELOPMENT DISTRICT

DISTRICT OFFICE · 3434 COLWELL AVENUE · SUITE 200 · TAMPA, FLORIDA 33614

PALMA SOLA TRACE COMMUNITY DEVELOPMENT DISTRICT

**BOARD OF SUPERVISORS' MEETING
JUNE 28, 2012**

**PALMA SOLA TRACE
COMMUNITY DEVELOPMENT DISTRICT
AGENDA
JUNE 28, 2012 at 1:30 p.m.**

Palma Sola Trace Clubhouse
7408 Hamilton Road
Bradenton, FL 34209

District Board of Supervisors	Mac McCraw Peter Gelman Michelle Campbell James Fleming Dutch Neuweiler	Chairman Vice Chairman Assistant Secretary Assistant Secretary Assistant Secretary
District Manager	Greg Cox	Rizzetta & Company, Inc.
District Attorney	Jere Earlywine	Hopping Green & Sams, P.A.
District Engineer	Denise Greer	King Engineering Associates, Inc.

All Cellular phones and pagers must be turned off while in the meeting room.

The District Agenda is comprised of four different sections:

The meeting will begin promptly at **1:30 p.m.** with the first section which is called **Business Administration**. The Business Administration section contains items that require the review and approval of the District Board of Supervisors as a normal course of business. The second section is called **Business Items**. The business items section contains items for approval by the District Board of Supervisors that may require discussion, motion and votes on an item-by-item basis. If any member of the audience would like to speak on one of the business items, they will need to register with the District Manager prior to the presentation of that agenda item. Occasionally, certain items for decision within this section are required by Florida Statute to be held as a Public Hearing. During the Public Hearing portion of the agenda item, each member of the public will be permitted to provide one comment on the issue, prior to the Board of Supervisors' discussion, motion and vote. Agendas can be reviewed by contacting the Manager's office at (813) 933-5571 at least seven days in advance of the scheduled meeting. Requests to place items on the agenda must be submitted in writing with an explanation to the District Manager at least fourteen (14) days prior to the date of the meeting. The third section is called **Staff Reports**. This section allows the District Manager, Engineer, and Attorney to update the Board of Supervisors on any pending issues that are being researched for Board action. The final section is called **Supervisor Requests and Audience Comments**. This is the section in which the Supervisors may request Staff to prepare certain items in an effort to meet residential needs. The Audience Comment portion of the agenda is where individuals may comment on matters that concern the District. Each individual is limited to three (3) **minutes** for such comment. The Board of Supervisors or Staff is not obligated to provide a response until sufficient time for research or action is warranted. **IF THE COMMENT CONCERNS A MAINTENANCE RELATED ITEM, THE ITEM WILL NEED TO BE ADDRESSED BY THE DISTRICT MANAGER OUTSIDE THE CONTEXT OF THIS MEETING.**

Public workshops sessions may be advertised and held in an effort to provide informational services. These sessions allow staff or consultants to discuss a policy or business matter in a more informal manner and allow for lengthy presentations prior to scheduling the item for approval. Typically no motions or votes are made during these sessions.

Pursuant to provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this meeting is asked to advise the District Office at (813) 933-5571, at least 48 hours before the meeting. If you are hearing or speech impaired, please contact the Florida Relay Service at 1 (800) 955-8770, who can aid you in contacting the District Office.

Any person who decides to appeal any decision made by the Board with respect to any matter considered at the meeting is advised that this same person will need a record of the proceedings and that accordingly, the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which the appeal is to be based.

June 20, 2012

Board of Supervisors
Palma Sola Trace Community
Development District

AGENDA

Dear Board Members:

The regular meeting of the Board of Supervisors of Palma Sola Trace Community Development District will be held on Thursday, June 28, 2012 at 1:30 p.m. at the Palma Sola Trace Clubhouse located at 7408 Hamilton Road, Bradenton, FL 34209. The following is the agenda for this meeting:

- 1. CALL TO ORDER**
- 2. BUSINESS ADMINISTRATION**
 - A. Consideration of Minutes of the Board of Supervisors' Meeting held on May 24, 2012Tab 1
 - B. Consideration of Operation & Maintenance Expenditures for May 2012Tab 2
- 3. BUSINESS ITEMS**
 - A. Monthly Updates
 1. Street Light Update
 2. Pond Maintenance Update
 3. Creek Maintenance Update
 - B. Discussion Regarding Pond Repairs
 - C. Presentation of Financial Report for Fiscal Year Ended September 30, 2011Tab 3
 - C. Presentation of Unaudited Financial Statement (under separate cover)
 - D. Review of Action Item List
- 4. STAFF REPORTS**
 - A. District Counsel
 - B. District Engineer
 - C. District Manager
- 5. SUPERVISOR REQUESTS AND AUDIENCE COMMENTS**
- 6. ADJOURNMENT**

I look forward to seeing you at the meeting. In the meantime, if you have any questions, please do not hesitate to contact me at (813) 933-5571.

Very truly yours,


Greg Cox
District Manager

Tab 1

MINUTES OF MEETING

Each person who decides to appeal any decision made by the Board with respect to any matter considered at the meeting is advised that the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

**PALMA SOLA TRACE
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of Palma Sola Trace Community Development District was held on Thursday, May 24, 2012 at 1:30 p.m. at the Palma Sola Trace Clubhouse located at 7408 Hamilton Road, Bradenton, FL 34209.

Present and constituting a quorum:

Mac McCraw	Board Supervisor, Chairman
Peter Gelman	Board Supervisor, Vice Chairman
James Fleming	Board Supervisor, Assistant Secretary

Also present were:

Greg Cox	District Manager; Rizzetta & Company, Inc.
Jere Earlywine	District Counsel; Hopping Green & Sams, P.A.
Chuck Bowen	Assistant DC; Hopping Green & Sams, P.A.

Audience

FIRST ORDER OF BUSINESS

Call to Order

Mr. Cox called the meeting to order and read the roll call.

SECOND ORDER OF BUSINESS

Consideration of Minutes of the Board of Supervisors' Meeting Held on April 26, 2012

Mr. Cox presented the minutes of the Board of Supervisors' meeting held on April 26, 2012 to the Board for consideration.

On a Motion by Mr. Gelman, seconded by Mr. Fleming, with all in favor, the Board approved the Minutes of the Board of Supervisors' Meeting held on April 26, 2012 as presented for Palma Sola Trace Community Development District.

THIRD ORDER OF BUSINESS

Consideration of Operation & Maintenance Expenditures for April 2012

Mr. Cox presented the Operation and Maintenance expenditures for April 2012 (\$11,909.01) to the Board for consideration.

On a Motion by Mr. Fleming, seconded by Mr. Gelman, with all in favor, the Board approved the Operation and Maintenance expenditures for April 2012 (\$11,909.01) for Palma Sola Trace Community Development District.

FOURTH ORDER OF BUSINESS

Street Light Update

Mr. Cox indicated he's received a few reports of street lights out, one due to construction which he will forward the repair invoice to Taylor Morrison and others he will contact Bellmore Electric for fixing. The Board agreed the streetlight repair plan continues to work well.

FIFTH ORDER OF BUSINESS

Pond Maintenance Update

Mr. Cox presented and reviewed the latest pond inspection reports to the Board. He advised there is an algae bloom on pond #4 which Aquagenix has been treating lightly in order to avoid doing damage to surrounding new plant material. Mr. Gelman asked if using a blower on pond #4 would help move the algae bloom away. Mr. Fleming stated his dissatisfaction with the plantings installation in pond #7, saying he believes the amount installed was minimal and when subtracting what was lost, he can't say he has seen anyone out there adding anything to it. He also advised the north end gets the most unsightly as it is the shallowest part of the pond. Mr. Gelman reminded the Board of the 90-day warranty on the new plantings for an 80% survival rate and suggested that at the end of June an inspection be made with the vendors. Mr. Gelman added that he has a list of the plantings and would be happy to participate in the walk-through.

SIXTH ORDER OF BUSINESS

Creek Maintenance Update

Mr. Cox advised there were no items of major significance to report.

SEVENTH ORDER OF BUSINESS

**Consideration of Fiscal Year 2012/2013
Proposed Budget**

Mr. Cox presented the proposed budget for Fiscal Year 2012/2013 to the Board and reviewed it with them. Brief discussion ensued. He then presented Resolution 2012-01, Approving Fiscal Year 2012/2013 Proposed Budget, to the Board for consideration.

On a Motion by Mr. Gelman, seconded by Mr. Fleming, with all in favor, the Board approved Resolution 2012-01, Approving Fiscal Year 2012/2013 Proposed Budget, for Palma Sola Trace Community Development District.

EIGHTH ORDER OF BUSINESS

**Presentation of Unaudited Financial
Summary**

Mr. Cox presented and reviewed for the Board a summary of the most recent unaudited District financial statement. The Board asked if any construction fund monies have been transferred yet to the developer. Mr. Gelman asked how the District can hold off on paying those funds until the District is able to address construction problems it is experiencing, such as lighting installation and MES sinking. Mr. Earlywine spoke to the Board regarding project completion and compiling a punchlist of items for the developer. He advised the Board that they can make a motion to hold the construction fund monies but reminded them of the District's contractual obligations for repayment. Discussion ensued.

NINTH ORDER OF BUSINESS

Review of Action Item List

Mr. Cox presented the latest action item list and reviewed ongoing and completed tasks. General discussion ensued.

TENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

Jere Earlywine introduced Chuck Bowen, also an attorney with Hopping Green & Sams, who was traveling with Mr. Earlywine that day.

B. District Engineer

Mr. Cox advised he has had discussions about repairs to pond #8 with Rick Schappacher of Schappacher Engineering, who previously oversaw and assisted in solving issues with pond #10. Mr. Earlywine indicated the Board could authorize the use of Mr. Schappacher's services for such a project and asked that a copy of any agreement be forwarded to his office for review. The Board gave its approval.

On a Motion by Mr. Fleming, seconded by Mr. Gelman, with all in favor, the Board authorized the hiring of Schappacher Engineering's services to oversee repairs to pond #8 for Palma Sola Trace Community Development District.

C. District Manager

Mr. Cox announced the next regular meeting is scheduled to be held June 28, 2012 at 1:30 p.m.

ELEVENTH ORDER OF BUSINESS

Supervisor Requests and Audience Comments

Supervisor Requests:

Mr. Fleming expressed his request to install an aerator in pond #7 to help alleviate the algae problem. Mr. Gelman advised he has looked into solar-powered aerators for all the ponds.

Audience Comments:

One homeowner asked about rocks rolling into pond #10. Mr. Cox replied he has looked at that 5-6' gap and determined it seems that gap was purposely made there during previous construction. Mr. Gelman advised he has made inspections as well and concluded there is no erosion at that pond but suggested rip rap could be installed.

TWELFTH ORDER OF BUSINESS

Adjournment

<p>On a Motion by Mr. Gelman, seconded by Mr. Fleming, with all in favor, the Board adjourned the Board of Supervisors' Meeting at 2:51 p.m. for the Palma Sola Trace Community Development District.</p>

Secretary / Assistant Secretary

Chairman / Vice Chairman

Tab 2

PALMA SOLA TRACE COMMUNITY DEVELOPMENT DISTRICT

DISTRICT OFFICE • 3434 COLWELL AVENUE • SUITE 200 • TAMPA, FLORIDA 33614

Operation and Maintenance Expenditures May 2012 For Board Approval

Attached please find the check register listing the Operation and Maintenance expenditures paid from May 1, 2012 through May 31, 2012. This does not include expenditures previously approved by the Board.

The total items being presented: **\$15,267.15**

Approval of Expenditures:

_____ Chairman

_____ Vice Chairman

_____ Assistant Secretary

Palma Sola Trace Community Development District
Paid Operation & Maintenance Expenses
May 1, 2012 Through May 31, 2012

<u>Vendor Name</u>	<u>Check Number</u>	<u>Invoice Number</u>	<u>Invoice Description</u>	<u>Invoice Amount</u>
Aquagenix	2047	1159601	Supply and Installation of Plant Materials for Lake #7	\$ 2,005.00
Aquagenix	2053	1160129	Aquatic Service 05/12	\$ 850.00
Bellmore Electric Inc.	2042	5620	Replace Ballast, Bulb and Photo Eye	\$ 220.00
Bellmore Electric Inc.	2051	5638	Replace Ballast, Bulb and Photo Eye	\$ 660.00
Bradenton Herald	2052	Order #052087933	Acct # 001447100 Legal Advertising 05/13/12	\$ 222.30
Eco Consultants Inc.	2049	10593	Bi-Monthly Maintenance of Canal Area 04/12	\$ 1,800.00
Florida Power & Light Company	2050	21937-71157 04/12	3724 Summerwind Cir # GATE 04/12	\$ 8.73
Florida Power & Light Company	2050	75654-55537 04/12	3807 75th St W # ST LTS 04/12	\$ 743.90
Florida Power & Light Company	2050	84373-03152 04/12	4095 Overture Cir # GATE 04/12	\$ 24.84
Hopping Green & Sams	2045	64621	General/Monthly Legal Services Through 03/31/12	\$ 259.50
Hopping Green & Sams	2056	64996	General/Monthly Legal Services 04/12	\$ 2,346.22
James D. Fleming	2043	JF042612	Board of Supervisors Meeting 04/26/12	\$ 200.00
James D. Fleming	2054	JF052412	Board of Supervisors Meeting 05/24/12	\$ 200.00
Pyotr Gelman	2044	PG042612	Board of Supervisors Meeting 04/26/12	\$ 200.00
Pyotr Gelman	2055	PG052412	Board of Supervisors Meeting 05/24/12	\$ 200.00
Rizzetta & Company, Inc.	2046	13964	District Management Fees 05/12	\$ 3,666.66
Unique Gardens, LLC	2048	2012015	Paint 7 Lake Control Boxes	\$ 980.00
West Bay Landscape, Inc.	2057	29004	Monthly Lawn Service 05/12	\$ 680.00
Report Total				<u>\$ 15,267.15</u>



Remit To:
 100 N Conahan Drive
 Hazleton, PA 18201
 904-262-2001 FAX 904-262-0010
 www.dbiservices.com/aquagenix

Invoice

Number
 1159601

Date
 28-APR-12

Customer PO

Cust # 13801

Palma Sola Trace CDD
 c/o Rizzetta & Company, Inc.
 3434 Colwell Ave
 Tampa FL 33614

MAY 07 2012

Referral.
 Palma Sola Trace

Date Rec'd Rizzetta & Co., Inc.

PA approval gl Date 5/8/12

Date ordered MAY 08 2012

Fund 001 GL 53800.00 4610

Quantity	Description	Unit Price	Amount
1	50 - Canna - 1gallon	175.00	\$175.00
1	Supply and installation of plant material - LAKE #7		
	30 - Sagittaria lancifolia (Arrowhead) BR	27.00	\$27.00
1	40 - Pontederia cordata (Pickerelweed) BR	36.00	\$36.00
1	30 - Eleocharis interstincta (Spike Rush) BR	27.00	\$27.00
1	50 - Canna - 1gallon	175.00	\$175.00
1	LAKE #8		
	60 - Sagittaria lancifolia (Arrowhead) BR	54.00	\$54.00
1	80 - Pontederia cordata (Pickerelweed)	72.00	\$72.00
1	60 - Eleocharis interstincta (Spike Rush) BR	54.00	\$54.00
1	LAKE #4 - 100 canna - 1gallon	350.00	\$350.00
1	300 - Eleocharis interstincta (Spike rush)	270.00	\$270.00
1	250 - Sagittaria lancifolia (Arrowhead) BR	225.00	\$225.00
1	250 - Pontederia cordata (Pickerelweed) BR	225.00	\$225.00
1	LAKE #10 - 110 Eleocharis interstincta (Spike Rush) BR	99.00	\$99.00
1	110 - Sagittaria lancifolia (Arrow head)	99.00	\$99.00
1	130 - Pontederia cordata (pickerelweed) BR	117.00	\$117.00
	Subtotal		\$2,005.00
	Tax		\$0.00
TERMS -NET30: A Service Charge of 1 1/2% Per Month is Charged on Past Due Accounts (Annual Rate 18%)		Total	\$2,005.00

Central Florida Branch Office
 St. Cloud, FL
 (407) 892-0136

Southeast Florida Branch Office
 Fort Lauderdale, FL
 (954) 943-5118

West Central Florida Branch
 Office
 Sarasota, FL
 (941) 371-8081

Southwest Florida Branch Office
 Ft. Myers, FL
 (239) 561-1420

West Palm/Treasure Coast Office
 West Palm Beach, FL
 (561) 881-1291

Tampa Bay Area Branch Office
 Tampa, FL
 (813) 627-8710

North Florida Branch Office
 Jacksonville, FL
 (904) 262-2001

Carolinas Branch Office
 Myrtle Beach, SC
 (843) 651-9220

LAKE MANAGEMENT ~ AQUATIC SERVICES ~ ENVIROMENTAL PLANNING



Aquagenix
Managing Your Liquid Assets

Special Service Agreement

Palma Sola Trace CDD

c/o Rizzetta & Company, Inc.
3434 Colwell Ave.
Tampa, FL 33614

Contact: Greg Cox Phone: (813) 933-5571

Proposal ID	Date	Terms
60797	1/30/2012	Balance Net 30 Days

We are pleased to quote special pricing as follows

Aquagenix guarantees 80% survival of installed plants for ninety days after the planting event. However, this guarantee does not include the loss of plant material due to "acts of god" such as flood, high winds, draught, etc., or losses due to theft, vandalism and negligence by others, water level problems, failures associated with the design specifications, fish, animals or other factors outside our control.

Supply and installation of plant material at Lakes 4, 7, 8 and 10.

Quantity	Description	Taxable	Unit Price	Extended Price
	Lake #7	No		
30	Sagittaria lancifolia (Arrowhead) BR	No	\$0.90	\$27.00 ✓
40	Pontederia cordata (Pickerelweed) BR	No	\$0.90	\$36.00 ✓
30	Eleocharis interstincta (Spike Rush) BR	No	\$0.90	\$27.00 ✓
50	Canna - 1 gal.	No	\$3.50	\$175.00 ✓
	Lake #8	No		
60	Sagittaria lancifolia (Arrowhead) BR	No	\$0.90	\$54.00 ✓
80	Pontederia cordata (Pickerelweed) BR	No	\$0.90	\$72.00 ✓
60	Eleocharis interstincta (Spike Rush) BR	No	\$0.90	\$54.00 ✓
50	Canna - 1 gal.	No	\$3.50	\$175.00 ✓
	Lake #10	No		
110	Eleocharis interstincta (Spike Rush) BR	No	\$0.90	\$99.00 ✓
110	Sagittaria lancifolia (Arrowhead) BR	No	\$0.90	\$99.00 ✓
130	Pontederia cordata (Pickerelweed) BR	No	\$0.90	\$117.00 ✓
	Lake #4	No		
100	Canna - 1 gal.	No	\$3.50	\$350.00 ✓
300	Eleocharis interstincta (Spike Rush) BR	No	\$0.90	\$270.00 ✓
250	Sagittaria lancifolia (Arrowhead) BR	No	\$0.90	\$225.00 ✓
250	Pontederia cordata (Pickerelweed) BR	No	\$0.90	\$225.00 ✓
	Total			\$2,005.00

2147 Porter Lake Drive, Suite A, Sarasota, FL 34240
(941) 371-8081 • Fax (941) 378-9024

Aquagenix is a division of DeAngelo Brothers, Inc.



Aquagenix
Managing Your Liquid Assets

Special Service Agreement

Palma Sola Trace CDD
c/o Rizzetta & Company, Inc.
3434 Colwell Ave.
Tampa, FL 33614
Contact: Greg Cox Phone: (813) 933-5571

Proposal ID	Date	Terms
60797	1/30/2012	Balance Net 30 Days

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Aquagenix guarantees 80% survival of installed plants for ninety days after the planting event. However, this guarantee does not include the loss of plant material due to "acts of god" such as flood, high winds, draught, etc., or losses due to theft, vandalism and negligence by others, water level problems, failures associated with the design specifications, fish, animals or other factors outside our control.

Supply and installation of plant material at Lakes 4, 7, 8 and 10.

This offer is good for twenty one (21) days from date of quote. Sales Tax Not included.

DO NOT PAY FROM THIS AGREEMENT - INVOICE TO FOLLOW

Michael D. Kaighin

AQUAGENIX
Michael D. Kaighin

PRINT NAME
3/10/12

DATE

Greg Cox

CUSTOMER
Greg Cox Vice Pres.

PRINT NAME
3/8/12

DATE

2147 Porter Lake Drive, Suite A, Sarasota, FL 34240
(941) 371-8081 — Fax (941) 378-9024

Aquagenix is a division of DeAngelo Brothers, Inc.

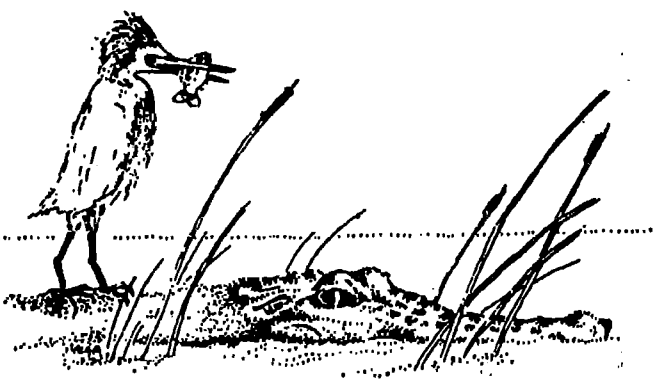
AQUAGENIX / DEANGELO BROTHERS, INC.

SERVICE REPORT

CUSTOMER Palma Sola Trace CDD
 TECHNICIAN Mike + Subcontractor
 DATE 4/4/12 ACCOUNT # w/o 60797

SITE	INSPECTION	TREATMENT	AIRBOAT #	JONBOAT #	AQUA-MULE #	ATV #	HARVESTER	TRUCK #	BACKPACK	WEEDEATER	ALGAE	GRASSES	SUBMERSED	FLOATING	CHEMISTRY	WATER LEVEL	RESTRICTION # DAYS	WEATHER CONDITIONS	
4	}	planting																	
7																			
8																			
10																			

COMMENTS: Aquatic planting in Lakes 7, 8, 10 & 4



"PRESERVING YOUR LIQUID ASSETS"

- Algae & Aquatic Weed Control Programs
- Restoration of Neglected Sites
- Fish Stocking Programs
- Water Quality Testing
- Wetland Creation, Restoration & Management
- Floating Fountains & Lighting Systems
- Lake Aeration Systems
- Mechanical Weed Removal
- Noxious Tree & Brush Control
- Monitoring & Mitigation Services
- Right-of-way Weed Control

Central Florida Branch Office Orlando, FL (407) 843-7887	Southeast Florida Branch Office Fort Lauderdale, FL (954) 943-5118	West Central Florida Branch Office Sarasota, FL (941) 371-8081	Southwest Florida Branch Office Ft. Myers, FL (941) 561-1420
West Palm/Treasure Coast Office West Palm Beach, FL (561) 881-1291	Tampa Bay Area Branch Office Tampa, FL (813) 627-8710	North Florida Branch Office Jacksonville, FL (904) 262-2001	Carolinas Branch Office Myrtle Beach, SC (843) 448-5525



Remit To:
 100 N Conahan Drive
 Hazleton, PA 18201
 904-262-2001 FAX 904-262-0010
 www.dbiservices.com/aquagenix

Invoice

Number
 1160129

Date
 01-MAY-12

Customer PO

Cust # 13801

Palma Sola Trace CDD
 c/o Rizzetta & Company, Inc.
 3434 Colwell Ave
 Tampa FL 33614

Referral.
 Palma Sola Trace
 CDD

Quantity	Description	Unit Price	Amount
1	Aquatics Service	850.00	\$850.00
	<p style="text-align: right;">MAY 11 2012</p> <p>Date Rec'd Rizzetta & Co., Inc. _____</p> <p>O/M approval <u>gpc</u> Date <u>5/16/12</u></p> <p>Date entered <u>MAY 11 2012</u></p> <p>Fund <u>001</u> GL <u>53800</u> DC <u>4802</u></p> <p>Month # _____</p>		
		Subtotal	\$850.00
		Tax	\$0.00
TERMS -NET30: A Service Charge of 1 1/2% Per Month Is Charged on Past Due Accounts (Annual Rate 18%)		Total	\$850.00

Central Florida Branch Office
 St. Cloud, FL
 (407) 892-0136

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 West Palm Beach, FL
 (561) 881-1291

Tampa Bay Area Branch Office
 Tampa, FL
 (813) 627-8710

North Florida Branch Office
 Jacksonville, FL
 (904) 262-2001

Carolinas Branch Office
 Myrtle Beach, SC
 (843) 651-9220

LAKE MANAGEMENT ~ AQUATIC SERVICES ~ ENVIROMENTAL PLANNING

Bellmore Electric Inc.
 4557 abacos Pl.
 Bradenton Fl. 34203
 (941) 779-6148
 Fax (941) 727-1958
 EC13004201

Invoice

Date	Invoice #
4/24/2012	5620

Bill To
 Palma Sola Trace CDD
 3434 COLWELL AVE, SUITE 200
 TAMPA, FL. 33614

Project	Terms
STREET LIGHT	Due on receipt

Description	Amount	Quantity	Total
REPLACE BALLAST, BULB AND PHOTO EYE 250 WATT M/H	220.00		220.00
<p style="text-align: center;">RECEIVED</p> <p>Date Rec'd Rizzetta & Co., Inc. <u>APR 26 2012</u></p> <p>D/M approval <u>ge</u> Date <u>5/2/12</u></p> <p>Date entered <u>MAY 01 2012</u></p> <p>Fund <u>001</u> GL <u>54100</u> OC <u>46013</u></p> <p>Check # _____</p>			
Thank you for your business.	Total		\$220.00

Bellmore Electric Inc.
 4557 abacos Pl.
 Bradenton Fl. 34203
 (941) 779-6148
 Fax (941) 727-1958
 EC13004201

Invoice

Date	Invoice #
5/17/2012	5638

Bill To
 Palma Sola Trace CDD
 3434 COLWELL AVE, SUITE 200
 TAMPA, FL. 33614

Project	Terms
STREET LIGHTS	Due on receipt

Description	Amount	Quantity	Total
REPLACE BALLAST, BULB AND PHOTO EYE 250 WATT M/H	220.00	3	660.00
<p style="text-align: center;">RECEIVED</p> <p>Date Rec'd Rizzetta & Co., Inc. <u>MAY 21 2012</u></p> <p>D/M approval <u>RL</u> Date <u>5/25/12</u></p> <p>Date entered <u>MAY 21 2012</u></p> <p>Fund <u>001 GL54100 004613</u></p> <p>Check # _____</p>			
Thank you for your business.	Total		\$660.00

BRADENTON HERALD

CLASSIFIED ADVERTISING

Order:	052087933	Pubs:	1,9	Rate:	LE
Phone:	8139335571	Class:	4995	Charges:	\$ 0.00
Account:	14471	Start Date:	05/13/2012	List Price:	\$ 222.30
Name:	PALMA,	Stop Date:	05/14/2012	Payments:	\$ 0.00
Firm:	PALMA SOLA TRACE CDD	Insertions:	3	Balance:	\$ 222.30

**NOTICE OF PUBLIC MEETING
PALMA SOLA TRACE COMMUNITY
DEVELOPMENT DISTRICT**

The Board of Supervisors of the Palma Sola Trace Community Development District will hold its regular monthly meeting on Thursday, May 24, 2012 at 1:30 p.m. at the Palma Sola Trace Clubhouse located at 7408 Hamilton Road, Bradenton, FL 34209. The purpose of the meeting is to consider organizational matters related to the District and any other business which may properly come before it.

The meeting will be open to the public and will be conducted in accordance with the provisions of Florida law for community development districts. The meeting may be continued in progress without additional published notice to a time, date and location stated on the record at the meeting.

A copy of the agenda may be obtained at the office of the District Manager, Rizzetta & Company, Inc., located at 3434 Colwell Avenue, Suite 200, Tampa, Florida 33614, (813) 933-5571, during normal business hours.

There may be occasions when one or more Supervisors will participate by telephone.

Pursuant to provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this meeting is asked to advise the District Office at least forty-eight (48) hours before the meeting by contacting the District Manager at (813) 933-5571. If you are hearing or speech impaired, please contact the Florida Relay Service at 1-(800) 955-8770, who can aid you in contacting the District Office.

A person who decides to appeal any decision made at the meeting with respect to any matter considered at the meeting is advised that person will need a record of the proceedings and that accordingly, the person may need to ensure that a verbatim record of the proceedings is made including the testimony and evidence upon which the appeal is to be based.

Palma Sola Trace Community Development District
Greg Cox, District Manager
05/13/12

Rizzetta & Co., Inc.
 Approved *lc* Date *5/23/12*
 Date entered **MAY 21 2012**
 Ad # *001* CI. *51300* 004801

BRADENTON HERALD

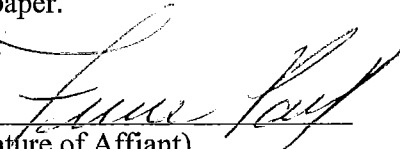
WWW.BRADENTON.COM
P.O. Box 921
Bradenton, FL 34206-0921
102 Manatee Avenue West
Bradenton, FL 34205-8894
941-745-7065

Bradenton Herald
Published Daily
Bradenton, Manatee County, Florida

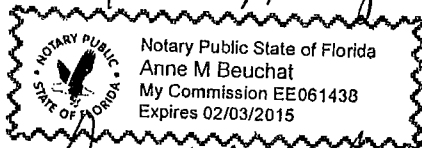
STATE OF FLORIDA
COUNTY OF MANATEE

Before the undersigned authority personally appeared Francine Paikoff, who, on oath, says that she is a Legal Advertising Representative of The Bradenton Herald, a daily newspaper published at Bradenton in Manatee County, Florida; that the attached copy of the advertisement, being a Legal Advertisement, Notice Of Public Meeting in said newspaper in the issue (s) of **05/13/2012 and 05/14/2012**

Affidavit further says that the said publication is a newspaper published at Bradenton, in said Manatee County, Florida, and that the said newspaper has heretofore been continuously published in said Manatee County, Florida, each day and has been entered as second-class mail matter at the post office in Bradenton, in said Manatee County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement; and affiant further says that she has neither paid nor promised any person, firm or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper.


(Signature of Affiant)

Sworn to and subscribed before me this
14 Day of May, 2012




SEAL & Notary Public

Personally Known _____ OR Produced Identification _____
Type of Identification Produced _____



Invoice

1523 8th Ave. W, Suite B, Palmetto, FL 34221
 Telephone 941.722.0901 Fax 941.722.4931
 Email: Accounting@ecoconsultants.net

Date	Invoice #
5/11/2012	10593

Bill To
Palma Sola Trace CDD Attn: Accounts Payable C/O Rizetta & Company 3434 Colwell Avenue Suite 200 Tampa, FL 33614

Terms	Project
Due on receipt	Palma Sola Trace

Date	Description	Qty	Rate	Amount
4/24/2012	Palma Sola Trace CDD: Bi - Monthly Maintenance of Canal - Palma Sola Trace CDD Ditch Maintenance Herbicide and Manual Treatment of Nuisance Vegetation	1	1,800.00	1,800.00

Date Rec'd Rizetta & Co., Inc. _____
 C/M approval ge Date 5/14/12
 Date entered **MAY 15 2012**
 Fund 001 A/C 53800 004607

Thank you for your business.	Total	\$1,800.00
	Balance Due	\$1,800.00



Florida Power & Light Company
 PO Box 025576
 Miami, FL 33102

/ 27

5205219377115733780000000

Please request changes on the back.
 Notes on the front will not be detected.

B 5,8 5205 3



AUTO **CO 1459
 1 144215

PALMA SOLA
 TRACE CDD
 3434 COLWELL AVE STE 200
 TAMPA FL 33614-8390

Make check payable to FPL in U.S. funds
 and mail along with this coupon to:

FPL
 GENERAL MAIL FACILITY
 MIAMI FL 33188-0001



Account number	Total amount you owe	New charges due by	Amount enclosed
21937-71157	\$8.73	May 29 2012	\$

Your electric statement

Account number: 21937-71157

For: Apr 06 2012 to May 07 2012 (31 days)

Statement date: May 07 2012
 Next meter reading: Jun 07 2012

Customer name: PALMA SOLA
 Service address: 3724 SUMMERWIND CIR # GATE

Amount of your last bill	Payments (-)	Additional activity (+ or -)	Balance before new charges (=)	New charges (+)	Total amount you owe (=)	New charges due by
8.83	8.83 CR	0.00	0.00	8.73	\$8.73	May 29 2012

Meter reading - Meter 7C83032

Current reading 00749
 Previous reading - 00737
 kWh used 12

Amount of your last bill 8.83
 Payment received - Thank you 8.83 CR
 Balance before new charges \$0.00

Energy usage

	Last Year	This Year
kWh this month	17	12
Service days	29	31
kWh per day	1	0

New charges (Rate: GS-1 GENERAL SVC NON-DEMAND / BUSINESS)

Electric service amount 8.01**
 Storm charge 0.02
 Gross receipts tax 0.21
 Franchise charge 0.49
 Total new charges \$8.73

****The electric service amount includes the following charges:**

Customer charge: \$6.89
 Fuel: \$0.44
 (\$0.036880 per kWh)
 Non-fuel: \$0.68
 (\$0.056620 per kWh)

Total amount you owe

\$8.73

- Payment received after July 30, 2012 is considered LATE; a late payment charge of 1% will apply.

Approved by qe Date 5/16/12
 Date entered MAY 14 2012
 Fund 001 of 53100 00 4301



Florida Power & Light Company
 PO Box 025576
 Miami, FL 33102

Please have your account number ready when contacting FPL.
 Customer service: 1-800-375-2434
 Outside Florida: 1-800-226-3545
 To report power outages: 1-800-4OUTAGE (468-8243)
 Hearing/speech impaired: 711 (Relay Service)
 Online at: www.FPL.com

Florida Power & Light Company
 PO Box 025576
 Miami, FL 33102

52027565455537 0934700000

Please request changes on the back.
 Notes on the front will not be detected.

A A 5,8

5202



AUTO **CO 1459
 1 144219

PALMA SOLA TRACE COMM DEV
 DISTRICT
 3434 COLWELL AVE STE 200
 TAMPA FL 33614-8390

Make check payable to FPL in U.S. funds
 and mail along with this coupon to:

FPL
 GENERAL MAIL FACILITY
 MIAMI FL 33188-0001



Account number	Total amount you owe	New charges due by	Amount enclosed
75654-55537	\$743.90	May 23 2012	\$

Your electric statement

Account number: 75654-55537

For: Apr 03 2012 to May 02 2012 (29 days)
 Customer name: PALMA SOLA TRACE COMM DEV
 Service address: 3807 75TH ST W # ST LTS

Statement date: May 02 2012
 Next bill date: Jun 04 2012

Amount of your last bill	Payments (-)	Additional activity (+ or -)	Balance before new charges (=)	New charges (+)	Total amount you owe (=)	New charges due by
713.87	713.87 CR	0.00	0.00	743.90	\$743.90	May 23 2012

Total kWh used **9991**
Energy usage

	Last Year	This Year
kWh this month	9991	9991
Service days	29	29
kWh per day	345	345

**The electric service amount includes the following charges:
 Non-fuel energy charge:

Fuel charge: \$0.030380 per kWh
 \$0.032400 per kWh

Amount of your last bill	713.87
Payment received - Thank you	713.87 CR
Balance before new charges	\$0.00
New charges (Rate: SL-1 STREET LIGHTING SERVICE)	
Electric service amount	626.99**
Storm charge	98.31
Gross receipts tax	18.60
Total new charges	\$743.90

Total amount you owe

- Payment received after **July 24, 2012** is considered **LATE**; a late payment charge of 1% will apply.
- Charges and energy usage are based on the facilities contracted. Facility, energy and fuel costs are available upon request.
- The number of days included in your bill can vary month to month. So even if you use the same amount of energy per day, your bill may be higher next month due to greater number of service days. Visit www.FPL.com for more information.

Bill approved: *[Signature]*
 Date entered: **MAY 11 2012**
 Fund: **001** of **53100** of **4307**

Please have your account number ready when contacting FPL.
 Customer service: 1-800-375-2434
 Outside Florida: 1-800-226-3545
 To report power outages: 1-800-4OUTAGE (468-8243)
 Hearing/speech impaired: 711 (Relay Service)
 Online at: www.FPL.com

Florida Power & Light Company
 PO Box 025576
 Miami, FL 33102



Florida Power & Light Company
 PO Box 025576
 Miami, FL 33102

2 144219

Detail of Rate Schedule Charges for
 Street Lights

5202 000357

PALMA SOLA TRACE COMM DEV
 DISTRICT
 3434 COLWELL AVE STE 200
 TAMPA FL 33614-8390

Account Number: 75654-55537
 Service From: 04-03-2012
 Service To: 05-02-2012
 Service Days: 29
 KWH/Day: 345

Service Address: 3807 75TH ST W # ST LTS, BRADENTON FL 34209

COMPONENT CODE	WATTS	LUMENS	* OWNER/ MAINT	QUANTITY	RATE/ UNIT	KWH USED	AMOUNT	
103 KWH Energy			E	97	2.800000	9,991	271.60	
Energy sub total							271.60	
Sub total							9,991	271.60
Energy conservation cost recovery							14.89	
Capacity payment recovery charge							12.89	
Environmental cost recovery charge							3.90	
Storm charge							98.31	
Fuel charge							323.71	
Electric service amount							725.30	
Gross receipts tax							18.60	
Total							9,991	743.90

* F - FPL OWNS & MAINTAINS E - CUSTOMER OWNS & MAINTAINS R - CUSTOMER OWNS, FPL RELAMPS

Print Date: May 02, 2012



Florida Power & Light Company
 PO Box 025576
 Miami, FL 33102

Florida Power & Light Company
 PO Box 025576
 Miami, FL 33102

2 144215

/ 27

5205843730315224842000000

Please request changes on the back.
 Notes on the front will not be detected.

B 5,8 5205 2

PALMA SOLA
 TRACE CDD
 3434 COLWELL AVE STE 200
 TAMPA FL 33614-8390

Make check payable to FPL in U.S. funds
 and mail along with this coupon to:

FPL
 GENERAL MAIL FACILITY
 MIAMI FL 33188-0001

Account number	Total amount you owe	New charges due by	Amount enclosed
84373-03152	\$24.84	May 29 2012	\$

Your electric statement

Account number: 84373-03152

For: Apr 06 2012 to May 07 2012 (31 days)

Statement date: May 07 2012

Customer name: PALMA SOLA

Next meter reading: Jun 07 2012

Service address: 4095 OVERTURE CIR # GATE

Amount of your last bill	Payments (-)	Additional activity (+ or -)	Balance before new charges (=)	New charges (+)	Total amount you owe (=)	New charges due by
25.05	25.05 CR	0.00	0.00	24.84	\$24.84	May 29 2012

Meter reading - Meter 7C83024

Current reading 06209
 Previous reading - 06041
 kWh used 168

Amount of your last bill 25.05
 Payment received - Thank you 25.05 CR
 Balance before new charges \$0.00

Energy usage

	Last Year	This Year
kWh this month	114	168
Service days	29	31
kWh per day	4	5

New charges (Rate: GS-1 GENERAL SVC NON-DEMAND / BUSINESS)

Electric service amount 22.61**
 Storm charge 0.23
 Gross receipts tax 0.59
 Franchise charge 1.41
 Total new charges \$24.84

****The electric service amount includes the following charges:**

Customer charge: \$6.89
 Fuel: \$6.20
 (\$0.036880 per kWh)
 Non-fuel: \$9.52
 (\$0.056620 per kWh)

Total amount you owe

\$24.84

- Payment received after July 30, 2012 is considered LATE; a late payment charge of 1% will apply.

RECEIVED

Date Rec'd Rizzetta & Co., Inc. MAY 10 2012

D/M approval ge Date 5/14/12

Date entered MAY 14 2012

Fund 001 GL 53100 OC 4301

Check # _____

Please have your account number ready when contacting FPL.

Customer service: 1-800-375-2434
 Outside Florida: 1-800-226-3545
 To report power outages: 1-800-4OUTAGE (468-8243)
 Hearing/speech impaired: 711 (Relay Service)
 Online at: www.fpl.com

Florida Power & Light Company
 PO Box 025576
 Miami, FL 33102

Hopping Green & Sams

Attorneys and Counselors

119 S. Monroe Street, Ste. 300
P.O. Box 6526
Tallahassee, FL 32314
850.222.7500

===== STATEMENT =====

April 19, 2012

Palma Sola Tracé Community Development District
c/o Accounts Payable
3434 Colwell Avenue
Suite 200
Tampa, FL 33614

Bill Number 64621
Billed through 03/31/2012

General Counsel/Monthly Meeting

PALMA 00001 JLE

FOR PROFESSIONAL SERVICES RENDERED

02/20/12	RVW	Revise notice of qualifying period for elections.	0.10 hrs
02/28/12	KEM	Research 2012 election information.	0.10 hrs
03/02/12	JLE	Review and revise annual assessment resolutions to reflect changes in the law; analyze legal issues regarding the same.	0.20 hrs
03/06/12	JLE	Confer with Cox regarding auditor question relating to conveyance of property; research correspondence relating to the same.	0.40 hrs
03/20/12	AHJ	Prepare correspondence regarding upcoming elections.	0.20 hrs
03/22/12	RVW	Process notice of elections.	0.10 hrs
03/25/12	JLE	Prepare revisions to applicable assessment resolutions.	0.10 hrs
Total fees for this matter			\$259.50

MATTER SUMMARY

Jaskolski, Amy H. - Paralegal	0.20 hrs	125 /hr	\$25.00
Earlywine, Jere L.	0.70 hrs	250 /hr	\$175.00
Manning, Katherine - Paralegal	0.10 hrs	125 /hr	\$12.50
Van Wyk, Roy	0.20 hrs	235 /hr	\$47.00

TOTAL FEES \$259.50

TOTAL CHARGES FOR THIS MATTER. \$259.50

BILLING SUMMARY

Jaskolski, Amy H. - Paralegal	0.20 hrs	125 /hr	\$25.00
Earlywine, Jere L.	0.70 hrs	250 /hr	\$175.00

Manning, Katherine - Paralegal	0.10 hrs	125 /hr	\$12.50
Van Wyk, Roy	0.20 hrs	235 /hr	\$47.00
TOTAL FEES			\$259.50
TOTAL CHARGES FOR THIS BILL			\$259.50

Please include the bill number on your check.

Handwritten notes and stamps:
- "APR 27 2012" stamp
- "001" handwritten number
- "51400" handwritten number
- "3107" handwritten number
- "Date 5/2/12" handwritten note
- "Approval" handwritten signature

Hopping Green & Sams

Attorneys and Counselors

119 S. Monroe Street, Ste. 300
P.O. Box 6526
Tallahassee, FL 32314
850.222.7500

===== STATEMENT =====

May 17, 2012

Palma Sola Trace Community Development District
c/o Accounts Payable
3434 Colwell Avenue
Suite 200
Tampa, FL 33614

Bill Number 64996
Billed through 04/30/2012

General Counsel/Monthly Meeting

PALMA 00001 JLE

FOR PROFESSIONAL SERVICES RENDERED

04/13/12	JLE	Prepare budget documents.	0.30 hrs
04/20/12	JSA	Review response to auditor letter.	0.40 hrs
04/20/12	MEL	Prepare and coordinate response to auditor letter; forward same to auditor.	0.70 hrs
04/26/12	JLE	Confer with Cox regarding various agenda items; prepare for, travel to and from, and attend Board meeting.	5.10 hrs
04/27/12	JLE	Analyze issue regarding bridge ownership; confer with Cox regarding the same.	0.30 hrs
04/27/12	JEM	Research sovereign submerged lands issues relating to bridge crossing; review completion materials of district relating to completion and transfer of roadway improvements.	2.40 hrs
Total fees for this matter			\$2,228.00

DISBURSEMENTS

Copying Charges	2.00
Long Distance	0.63
Postage	0.45
Travel	115.14
Total disbursements for this matter	\$118.22

MATTER SUMMARY

Merritt, Jason E.	2.40 hrs	245 /hr	\$588.00
Earlywine, Jere L.	5.70 hrs	250 /hr	\$1,425.00
Alves, James	0.40 hrs	345 /hr	\$138.00
Goodson, Melanie - Legal Asst	0.70 hrs	110 /hr	\$77.00

TOTAL FEES	\$2,228.00
TOTAL DISBURSEMENTS	\$118.22

TOTAL CHARGES FOR THIS MATTER

\$2,346.22

BILLING SUMMARY

Merritt, Jason E.	2.40 hrs	245 /hr	\$588.00
Earlywine, Jere L.	5.70 hrs	250 /hr	\$1,425.00
Alves, James	0.40 hrs	345 /hr	\$138.00
Goodson, Melanie - Legal Asst	0.70 hrs	110 /hr	\$77.00

TOTAL FEES \$2,228.00

TOTAL DISBURSEMENTS \$118.22

TOTAL CHARGES FOR THIS BILL \$2,346.22

Please include the bill number on your check.

Attorney Richard Rizzetta & Co., Inc.

Client approval gje Date 5/30/12

Date entered MAY 29 2012

Fund 001 GL 51400 OC 3107

Check # _____

**PALMA SOLA TRACE COMMUNITY DEVELOPMENT DISTRICT
SUPERVISOR PAY REQUEST**

MEETING DATE: April 26, 2012

Name of Board Supervisor	Check if present	Check if to be paid
Mac McCraw	✓	
Peter Gelman*	✓	compensated
Michelle Campbell	—	
James Fleming*	✓	compensated
Dutch Neuweiler	—	

*Supervisors who are paid

District Manager _____

G. B. H.

RECEIVED

Date Rec'd Rizzetta & Co., Inc. APR 27 2012

D/M approval *see above Date 5/2/12

Date entered APR 27 2012

Fund 001 GI 51100 OC 1101

Check # _____

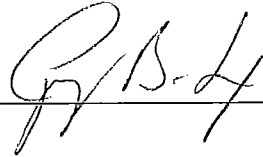
**PALMA SOLA TRACE COMMUNITY DEVELOPMENT DISTRICT
SUPERVISOR PAY REQUEST**

MEETING DATE: May 24, 2012

Name of Board Supervisor	Check if present	Check if to be paid
Mac McCraw	✓	
Peter Gelman*	✓	compensated
Michelle Campbell	—	
James Fleming*	✓	compensated
Dutch Neuweiler	✓	

*Supervisors who are paid

District Manager _____



RECEIVED

MAY 25 2012

Date Rec'd Rizzetta & Co. Inc. _____

D/M approval *see above Date 5/30/12

Date entered MAY 29 2012

Fund 001 GL 51100 OC 1101

Check # _____

RIZZETTA & COMPANY, INC.

3434 Colwell Avenue

Suite 200

Tampa, FL 33614

Invoice

DATE	INVOICE NO.
5/1/2012	13964

BILL TO
PALMA SOLA TRACE COMMUNITY DEVELOPMENT DISTRICT 3434 Colwell Avenue, Suite 200 Tampa, Florida 33614

TERMS	PROJECT
Due Upon Rec't	390 - CDD

ITEM	DESCRIPTION	QTY	RATE	AMOUNT
	PROFESSIONAL FEES:			
DM	District Management Services		1,562.50	1,562.50
ADMIN	Administrative Services		520.83	520.83
ACTG	Accounting Services		1,250.00	1,250.00
FC	Financial Consulting Services		333.33	333.33
	Services for the period May 1, 2012 through May 31, 2012			
	<i>lp</i> MAY 07 2012 001 51300 3101 3100 3201 3111			

Total	\$3,666.66
--------------	------------

Unique Gardens, llc

design & installation

Palma sola trace CDD
75 th street W
Bradenton Fl.

Sunday, March 25 2012

invoice: 2012015

Painting 7 lake controle boxes

\$ 980.=

If you have any questions, please call us on 941-284-0475.

Wilfert Verweij
Unique Gardens, llc
2533 Webber pl.
Sarasota Fl. 34232

RECEIVED

Date Rec'd Rizzetta & Co., Inc. MAY 09 2012

D/M approval gve Date 5/9/12

Date entered MAY 09 2012

Fund 021 GL 57900 OC 6404

Check # _____

licensed & insured

WEST BAY LANDSCAPE, INC.

6009 15th St. E.
 Bradenton, FL 34203
 941-753-8225

INVOICE NO.

29004

INVOICE

ACCT. NO: Palma Sola Trace C.D.D.
 SOLD TO: 3434 Colwell Avenue St#200
 Tampa, FL 33614

SHIP TO:

SALES NO.	PURCHASE ORDER NO.	SHIP VIA	COL	PPD	DATE SHIPPED	TERMS	INVOICE DATE
Ron					5/1/2012		5/1/2012

QTY. ORDERED	QTY. SHIPPED	BACK ORDERED	ITEM NO.	DESCRIPTION	UNIT PRICE	EXTENDED PRICE
--------------	--------------	--------------	----------	-------------	------------	----------------

1			Monthly Lawn Service Contract	Monthly Service	680.00	680.00
---	--	--	-------------------------------	-----------------	--------	--------

APR 27 2012

Date Rec'd Rizzotta & Co., Inc. _____
 GM approval *gr* Date *5/2/12*
 Date entered APR 27 2012
 Card 001 GL 53800000 46052

SALE AMOUNT

TAXABLE TOTAL
 SALES TAX
 FREIGHT
 TOTAL

\$680.00

Thank You

Tab 3

**PALMA SOLA TRACE
COMMUNITY DEVELOPMENT DISTRICT
CITY OF BRADENTON, FLORIDA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

**PALMA SOLA TRACE COMMUNITY DEVELOPMENT DISTRICT
CITY OF BRADENTON, FLORIDA**

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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

INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Palma Sola Trace Community Development District
City of Bradenton, Florida

We have audited the accompanying financial statements of the governmental activities and each major fund of Palma Sola Trace Community Development District, City of Bradenton, Florida (the "District") as of and for the fiscal year ended September 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2011, and the respective changes in financial position thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2012, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

June 6, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Palma Sola Trace Community Development District, City of Bradenton, Florida ("District") provides a narrative overview of the District's financial activities for the fiscal year ended September 30, 2011. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

FINANCIAL HIGHLIGHTS

- The liabilities of the District exceeded its assets at the close of the most recent fiscal year resulting in a net asset deficit balance of \$(3,421,557).
- The change in the District's total net assets in comparison with the prior year was (\$671,567), a decrease. The key components of the District's net assets and change in net assets are reflected in the table in the following section.
- At September 30, 2011, the District's governmental funds reported combined ending fund balances of \$737,397, an increase of \$55,330 in comparison with the prior year. A portion of fund balance is restricted for debt service and capital projects, non-spendable for prepaid items, assigned to future capital expenditures, and the remainder is unassigned fund balance which is available for spending at the District's discretion.

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements include all governmental activities that are principally supported by special assessment revenues. The District does not have any business-type activities. The governmental activities of the District include the general government (management) and maintenance functions.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has one fund category: governmental funds.

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflow of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund and capital projects fund, all of which are considered major funds.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with the budget.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of an entity's financial position. In the case of the District, liabilities exceeded assets at the close of the most recent fiscal year.

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

NET ASSETS		
SEPTEMBER 30,		
	2011	2010
Assets, excluding capital assets	\$ 901,415	\$ 852,466
Capital assets	1,159,333	1,214,081
Total assets	<u>2,060,748</u>	<u>2,066,547</u>
Liabilities, excluding long-term liabilities	109,629	111,460
Long-term liabilities	5,372,676	4,705,077
Total liabilities	<u>5,482,305</u>	<u>4,816,537</u>
Net assets		
Invested in capital assets, net of related debt	(4,052,938)	(3,287,493)
Restricted for debt service	186,430	187,287
Unrestricted	444,951	350,216
Total net assets (deficit)	<u>\$ (3,421,557)</u>	<u>\$ (2,749,990)</u>

The District's net assets reflects its investment in capital assets (e.g. land, land improvements, and infrastructure); less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to residents; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The restricted portion of the District's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the District's other obligations.

The District's net assets decreased during the most recent fiscal year. The majority of the decrease represents the extent to which the cost of operations and depreciation expense exceeded ongoing program revenues.

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

	2011	2010
Revenues:		
Program revenues	\$ 657,141	\$ 623,599
General revenues	4,403	1,018
Total revenues	<u>661,544</u>	<u>624,617</u>
Expenses:		
General government	104,023	84,271
Infrastructure and maintenance costs	169,225	155,258
Interest	263,875	269,410
Other project costs	795,988	195,077
Total expenses	<u>1,333,111</u>	<u>704,016</u>
Change in net assets	(671,567)	(79,399)
Net Assets (deficit) - beginning	(2,749,990)	(2,670,591)
Net Assets (deficit) - ending	<u>\$ (3,421,557)</u>	<u>\$ (2,749,990)</u>

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2011 was \$1,333,111. The costs of the District's activities were primarily funded by program revenues. Program revenues in the current and prior year were comprised primarily of assessment revenues. During the current fiscal year, the District also received funds from the Developer to reimburse certain expenditures incurred by the District for street lighting and landscaping which are included in program revenues. In total, expenses, including depreciation, increased from the prior fiscal year. The majority of the increase was attributable to the recognition of certain accrued obligations in the current year.

GENERAL BUDGETING HIGHLIGHTS

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2011.

The variance between budgeted and actual general fund revenues for the 2011 fiscal year is attributable primarily to Developer reimbursement to the District for certain street lighting and landscaping expenditures incurred by the District which were not budgeted. The actual general fund expenditures for the 2011 fiscal year were lower than budgeted amounts due primarily to anticipated costs which were not incurred in the current fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2011, the District had \$1,341,828 invested in stormwater system and street lights for its governmental activities. In the government-wide financial statements depreciation of \$182,495 has been taken, which resulted in a net book value of \$1,159,333. More detailed information about the District's capital assets is presented in the notes to the financial statements.

Capital Debt

At September 30, 2011, the District had \$4,425,000 in Bonds outstanding for its governmental activities. In addition, the District had a Due to the Developer of \$947,676 at September 30, 2011. More detailed information about the District's capital debt is presented in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND OTHER EVENTS

The District does not anticipate any major projects or significant changes to its infrastructure maintenance program for the subsequent fiscal year. In addition, it is anticipated that the general operations of the District is not expected to change significantly from the prior year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, landowners, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact the Palma Sola Trace Community Development District's Finance Department at 3434 Colwell Avenue, Suite 200, Tampa, Florida, 33614.

FINANCIAL STATEMENTS

**PALMA SOLA TRACE COMMUNITY DEVELOPMENT DISTRICT
CITY OF BRADENTON, FLORIDA
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2011**

	Governmental Activities
ASSETS	
Cash	\$ 427,747
Investments	2,810
Other receivables	5,675
Prepays	12,332
Restricted assets:	
Temporarily restricted	
Investments	292,446
Deferred charges	160,405
Capital assets:	
Depreciable, net	1,159,333
Total assets	2,060,748
LIABILITIES	
Accounts payable	3,613
Accrued interest payable	106,016
Non-current liabilities:	
Due within one year	90,000
Due in more than one year	5,282,676
Total liabilities	5,482,305
NET ASSETS	
Invested in capital assets, net of related debt	(4,052,938)
Restricted for debt service	186,430
Unrestricted	444,951
Total net assets (deficit)	\$ (3,421,557)

See notes to the financial statements

**PALMA SOLA TRACE COMMUNITY DEVELOPMENT DISTRICT
CITY OF BRADENTON, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:				
Governmental activities:				
General government	\$ 104,023	\$ -	\$ -	\$ -
Maintenance and operations	169,225	43,180	1	35,585
Interest on long-term debt	263,875	4	-	84,433
Other project costs	795,988	-	-	(795,988)
Total governmental activities	1,333,111	613,956	43,184	(675,970)

General revenues:	651
Unrestricted investment earnings (loss)	3,752
Miscellaneous	4,403
Total general revenues	(671,567)
Change in net assets	(2,749,990)
Net assets (deficit) - beginning	\$ (3,421,557)
Net assets (deficit) - ending	

See notes to the financial statements

**PALMA SOLA TRACE COMMUNITY DEVELOPMENT DISTRICT
CITY OF BRADENTON, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2011**

	Major Funds		Total Governmental Funds
	General	Debt Service	
ASSETS			
Cash	\$ 427,747	\$ -	\$ 427,747
Investments	2,810	292,446	295,256
Other receivables	5,675	-	5,675
Prepays and deposits	12,332	-	12,332
Total assets	<u>\$ 448,564</u>	<u>\$ 292,446</u>	<u>\$ 741,010</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 3,613	\$ -	\$ 3,613
Total liabilities	<u>3,613</u>	<u>-</u>	<u>3,613</u>
Fund balances:			
Nonspendable:			
Prepaid items	12,332	-	12,332
Restricted for:			
Debt service	-	292,446	292,446
Assigned to:			
Capital reserves	104,482	-	104,482
Unassigned	328,137	-	328,137
Total fund balances	<u>444,951</u>	<u>292,446</u>	<u>737,397</u>
Total liabilities and fund balances	<u>\$ 448,564</u>	<u>\$ 292,446</u>	<u>\$ 741,010</u>

See notes to the financial statements

**PALMA SOLA TRACE COMMUNITY DEVELOPMENT DISTRICT
CITY OF BRADENTON, FLORIDA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2011**

Amounts reported for governmental activities in the statement of net assets are different because:

Fund balance - governmental funds		\$ 737,397
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The statement of net assets includes those capital assets in the net assets of the government as a whole.		
Cost of capital assets	1,341,828	
Accumulated depreciation	<u>(182,495)</u>	1,159,333
Bond issue costs are not financial resources and, therefore, are not reported as assets in the governmental funds. The statements of net assets includes these costs, net of amortization.		
Bond issue costs	204,774	
Less: accumulated amortization	<u>(44,369)</u>	160,405
Liabilities not due and payable from current available resources are not reported as liabilities in the governmental fund statements. All liabilities, both current and long-term, are reported in the government-wide financial statements.		
Accrued interest	(106,016)	
Bonds payable	(4,425,000)	
Due to Developer	<u>(947,676)</u>	<u>(5,478,692)</u>
Net assets of governmental activities		<u>\$ (3,421,557)</u>

See notes to the financial statements

**PALMA SOLA TRACE COMMUNITY DEVELOPMENT DISTRICT
CITY OF BRADENTON, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

	Major Funds			Total Governmental Funds
	General	Debt Service	Capital Projects	
REVENUES				
Assessments	\$ 265,652	\$ 348,304	\$ -	\$ 613,956
Developer contributions	43,180	-	-	43,180
Interest income	651	4	1	656
Miscellaneous	3,752	-	-	3,752
Total revenues	<u>313,235</u>	<u>348,308</u>	<u>1</u>	<u>661,544</u>
EXPENDITURES				
Current:				
General government	104,023	-	-	104,023
Maintenance and operations	114,477	-	-	114,477
Debt service:				
Principal	-	85,000	43,389	128,389
Interest	-	259,325	-	259,325
Total expenditures	<u>218,500</u>	<u>344,325</u>	<u>43,389</u>	<u>606,214</u>
Excess (deficiency) of revenues over (under) expenditures	94,735	3,983	(43,388)	55,330
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	-	(7,116)	7,116	-
Total other financing sources (uses)	<u>-</u>	<u>(7,116)</u>	<u>7,116</u>	<u>-</u>
Net change in fund balances	94,735	(3,133)	(36,272)	55,330
Fund balances - beginning	<u>350,216</u>	<u>295,579</u>	<u>36,272</u>	<u>682,067</u>
Fund balances - ending	<u>\$ 444,951</u>	<u>\$ 292,446</u>	<u>\$ -</u>	<u>\$ 737,397</u>

See notes to the financial statements

**PALMA SOLA TRACE COMMUNITY DEVELOPMENT DISTRICT
CITY OF BRADENTON, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 55,330
Depreciation of capital assets is not recognized in the governmental fund statements but is reported as an expense in the statement of activities.	(54,748)
Amortization of deferred charges is not recognized in the governmental fund statements but is reported as an expense in the statement of activities.	(6,826)
Repayment of long-term liabilities are reported as expenditures in the governmental fund statement but such repayments reduce liabilities in the statement of net assets.	128,389
Certain accrued obligations not normally expected to be liquidated with expendable available financial resources unless they are due for payment in the current period are not reported in the fund financial statements but are recognized in the government-wide financial statements.	(795,988)
The change in accrued interest on long-term liabilities between the current and prior fiscal year is recorded in the statement of activities but not in the fund financial statements.	2,276
Change in net assets of governmental activities	<u>\$ (671,567)</u>

See notes to the financial statements

**PALMA SOLA TRACE COMMUNITY DEVELOPMENT DISTRICT
CITY OF BRADENTON, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY

Palma Sola Trace Community Development District (the "District") was established by City of Bradenton Ordinance 2763 enacted on October 4, 2004 pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes. The Act provides, among other things, the power to manage basic services for community development, power to borrow money and issue bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure. The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of a portion of the infrastructure necessary for community development within the District.

The District is governed by the Board of Supervisors ("Board"), which is composed of five members. At present, the Supervisors are elected on an at large basis by the owners of the property within the District. Ownership of land within the District entitles the owner to one vote per acre. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes. Three Board members are associated with Taylor Woodrow Homes-Central Florida Division, LLC ("Developer") at September 30, 2011.

The Board has the final responsibility for, among other things:

1. Allocating and levying assessments.
2. Approving budgets.
3. Exercising control over facilities and properties.
4. Controlling the use of funds generated by the District.
5. Approving the hiring and firing of key personnel.
6. Financing improvements.

The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statement 14, and Statement 39, an amendment of GASB Statement 14. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the District Board of Supervisors is considered to be financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that, if excluded, the financial statements of the District would be considered incomplete or misleading. There are no entities considered to be component units of the District; therefore, the financial statements include only the operations of the District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide and Fund Financial Statements

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

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment. Operating-type special assessments for maintenance and debt service are treated as charges for services, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not included among program revenues are reported instead as *general revenues*.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Assessments

Assessments, including debt service assessments and operations and maintenance assessments, are non-ad valorem assessments imposed on all lands located within the District and benefitted by the District's activities. Operation and maintenance assessments are levied by the District prior to the start of the fiscal year which begins on October 1 and ends on September 30. Operation and maintenance special assessments are imposed upon all benefitted lands in the District. Debt service special assessments are imposed upon certain lots and lands as described in each resolution imposing the special assessment for each series of Bonds issued by the District.

Assessments and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. The portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The District reports the following major governmental funds:

General Fund

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

Debt Service Fund

The debt service fund is used to account for the accumulation of resources for the annual payment of principal and interest on long-term debt.

Capital Projects Fund

This fund accounts for the financial resources to be used for the acquisition or construction of major infrastructure within the District.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

Restricted Assets

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Assets or Equity

Deposits and Investments

The District's cash on hand and demand deposits are considered to be cash and cash equivalents.

The District has adopted a written investment policy, which complies with the requirements of Section 218.415 Florida Statutes. All investments comply with the requirements of the written investment policy. The District may invest any surplus public funds in the following:

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

In addition, surplus funds may be deposited into certificates of deposits which are insured. Any unspent proceeds are required to be held in investments as specified in the Bond Indenture.

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

Inventories and Prepaid Items

Inventories in governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads, sidewalks and similar items) are reported in the government activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Stormwater system	25
Street lights	20

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Assets or Equity (Continued)

Deferred Charges

In a prior year, in connection with the issuance of certain debt, the District incurred costs totaling \$204,774. In the government-wide financial statements that amount has been capitalized and amortized over the estimated life of the Bonds. At September 30, 2011 the District reported accumulated amortization of \$44,369.

Deferred Revenue

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

Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method, which does not result in a material difference from the effective interest method. Bonds payable are reported net of applicable premiums or discounts.

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

Fund Equity/Net Assets

In the fund financial statements, governmental funds report non spendable and restricted fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subject to change. Under GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances are required to be reported according to the following classifications:

Non-spendable fund balance – Amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. "Not in spendable form" includes items that are not expected to be converted to cash (such as inventories and prepaid amounts) and items such as long-term amount of loans and notes receivable, as well as property acquired for resale. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.

Restricted fund balance – Amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

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

Assigned fund balance – Includes spendable fund balance amounts established by the Board of Supervisor that are intended to be used for specific purposes that are neither considered restricted nor committed.

Unassigned fund balance – Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Assets or Equity (Continued)

Fund Equity/Net Assets (Continued)

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

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

Other Disclosures

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 3 – BUDGETARY INFORMATION

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

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

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

NOTE 4 – DEPOSITS AND INVESTMENTS

Deposits

The District's cash balances were entirely covered by federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", requires all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. Governmental and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

Investments

The District's investments were held as follows at September 30, 2011:

	Fair Value	Credit Risk	Weighted Average Maturities
First American Treasury Obligations Fund Class Z	\$ 292,446	S&P AAAM	52 days
Investment in Local Government Surplus Funds Trust Fund (Florida PRIME)	1,581	S&P AAAM	38 days
Local Government Surplus Funds Trust Fund B	1,229	Not rated	4.82 years
Total	<u>\$ 295,256</u>		

Custodial risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The District has no formal policy for custodial risk. The District's investments are not evidenced by securities that exist in physical or book entry form.

Credit risk – For investments, credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investment ratings by investment type are included in the preceding summary of investments.

Concentration risk – The District places no limit on the amount the District may invest in any one issuer.

Interest rate risk – The District does not have a formal policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

The Bond indenture limits the type of investments held using unspent Bond proceeds.

NOTE 5 – INTERFUND TRANSFERS

Interfund transfers for the fiscal year ended September 30, 2011 were as follows:

	Transfer in	Transfer Out
Debt service fund	\$ -	\$ 7,116
Capital projects fund	7,116	-
Total	<u>\$ 7,116</u>	<u>\$ 7,116</u>

Transfers were to move excess amounts in the revenue and reserve accounts in the debt service fund to the deferred cost account in the capital projects fund in accordance with the Bond Indenture.

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2011 was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
<u>Governmental activities</u>				
Capital assets, being depreciated				
Stormwater system	\$ 1,234,283	\$ -	\$ -	\$ 1,234,283
Street lights	107,545	-	-	107,545
Total capital assets, being depreciated	1,341,828	-	-	1,341,828
Less accumulated depreciation for:				
Stormwater system	115,199	49,371	-	164,570
Street lights	12,547	5,377	-	17,924
Total accumulated depreciation	127,747	54,748	-	182,495
Total capital assets, being depreciated, net	1,214,081	(54,748)	-	1,159,333
Governmental activities capital assets, net	\$ 1,214,081	\$ (54,748)	\$ -	\$ 1,159,333

In connection with the 2005 project, the project has been certified complete and the District established a deferred cost account reported in the capital projects fund. In the event there are excess 2005 reserves or excess amounts on deposit in the Revenue trust account, they are to be transferred from the debt service to the capital projects fund and used to repay funds advanced for the project or for the purchase of additional components. The District has determined that the Developer is owed \$991,065 for completed improvements previously acquired by the District; since the repayment of this amount is contingent on there being excess monies the amount has been accrued only on the government-wide financial statements herein. During the current fiscal year, the District repaid \$43,389 to the Developer. See Note 7 for more information.

Depreciation expense was charged to the maintenance and operations function.

NOTE 7 – LONG TERM LIABILITIES

Series 2005

On April 7, 2005, the District issued \$4,885,000 of Capital Improvement Revenue Bonds, Series 2005 Bonds due on May 1, 2035 with a fixed interest rate of 5.75%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. Interest is payable semiannually on each May 1 and November 1. Principal on the Series 2005 Bonds is to be paid serially commencing May 1, 2006 through May 1, 2035.

The Series 2005 Bonds are subject to redemption at the option of the District prior to their maturity. The Bonds are subject to extraordinary mandatory redemption prior to their selected maturity in the manner determined by the Bond Registrar if certain events occur as outlined in the Bond Indenture.

The Bond Indenture established a debt service reserve requirement as well as other restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agrees to collect special assessments in annual installments adequate to provide payment of debt service and to meet the reserve requirements. The District was in compliance with the requirements at September 30, 2011.

NOTE 7 – LONG TERM LIABILITIES (Continued)

Developer Advances

For the capital projects fund, there is an agreement between the District and the Developer whereby the Developer advanced certain funds to the District for construction. In accordance with the agreement, the advances are subject to reimbursement and are intended to be reimbursed when and if funds become available from the Bonds. At September 30, 2011, there was \$158,804 in the Reserve account. In accordance with the Bond Indenture, as the reserve requirement is reduced, the excess funds in the reserve account are to be transferred to the deferred cost account and paid to the Developer along with any excess funds in the Revenue account, as determined by the Trustee, but only up to the amount of deferred costs owing. The District is unable to estimate what excess funds may occur in the Revenue account; however, if debt service payments are made per the trust indenture, the \$158,804 in the reserve accounts will, over the life of the bonds, be used to pay a portion of the deferred costs. The balance owed at September 30, 2011 of \$947,676 is not included in the maturity schedule below. See Note 6 for more information.

Changes in long-term liability activity for the fiscal year ended September 30, 2011 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Bonds payable:					
Series 2005	\$ 4,510,000	\$ -	\$ 85,000	\$ 4,425,000	\$ 90,000
Due to Developer	195,077	795,988	43,389	947,676	
Total	\$ 4,705,077	\$ 795,988	\$ 128,389	\$ 5,372,676	\$ 90,000

At September 30, 2011, the scheduled debt service requirements on the long - term debt were as follows:

Year ending September 30:	Governmental Activities		
	Principal	Interest	Total
2012	\$ 90,000	\$ 254,438	\$ 344,438
2013	95,000	249,263	344,263
2014	100,000	243,800	343,800
2015	105,000	238,050	343,050
2016	110,000	232,013	342,013
2017-2021	660,000	1,057,425	1,717,425
2022-2026	875,000	843,813	1,718,813
2027-2031	1,175,000	559,475	1,734,475
2032-2035	1,215,000	179,400	1,394,400
Total	\$ 4,425,000	\$ 3,857,677	\$ 8,282,677

NOTE 8 – NET ASSET (DEFICIT)

The District has a government-wide net asset deficit of \$(3,421,557) as of September 30, 2011. There is no such deficit reflected in the governmental fund financial statements. The deficit in the government-wide statement of net assets primarily relates to the excess of the amount of long-term debt outstanding over the amount of capital assets. In a prior year, various infrastructure improvements necessary to complete the District were financed through the issuance of long-term debt but were conveyed to other entities. Those capital assets are not included in the assets of the District; however, the long-term debt associated with those assets remains a liability of the District.

NOTE 9 – DEVELOPER TRANSACTIONS

The Developer owns a portion of land within the District; therefore, assessment revenues in the general and debt service funds include the assessments levied on those lots owned by the Developer.

In a prior fiscal year, the Developer advanced certain funds for the capital infrastructure project of the District – see Note 6. During the current fiscal year, the District paid \$43,389 to the Developer for reimbursement of certain previously contributed amounts.

During the current fiscal year, the Developer agreed to reimburse the District for repairs to various streetlights throughout the District and certain landscaping improvements. In conjunction with the reimbursement agreement, the Developer funded \$43,180, of which \$5,675 was receivable at year end.

NOTE 10 – CONCENTRATION

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

NOTE 11 – MANAGEMENT COMPANY

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

NOTE 12 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. The District filed one claim of approximately \$3,800, which does not exceed limits, under this commercial coverage during the last three years.

**PALMA SOLA TRACE COMMUNITY DEVELOPMENT DISTRICT
CITY OF BRADENTON, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011**

	Budgeted Amount Original & Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Assessments	\$ 261,339	\$ 265,652	\$ 4,313
Developer contributions		43,180	43,180
Interest income	-	651	651
Miscellaneous		3,752	3,752
Total revenues	<u>261,339</u>	<u>313,235</u>	<u>51,896</u>
EXPENDITURES			
Current:			
General government	101,639	104,023	(2,384)
Maintenance and operations	159,700	114,477	45,223
Total expenditures	<u>261,339</u>	<u>218,500</u>	<u>42,839</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	94,735	<u>\$ 94,735</u>
Fund balance - beginning		<u>350,216</u>	
Fund balance - ending		<u>\$ 444,951</u>	

See notes to required supplementary information

**PALMA SOLA TRACE COMMUNITY DEVELOPMENT DISTRICT
CITY OF BRADENTON, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

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

The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2011.

The variance between budgeted and actual general fund revenues for the 2011 fiscal year is attributable primarily to Developer reimbursement to the District for certain street lighting and landscaping expenditures incurred by the District which were not budgeted. The actual general fund expenditures for the 2011 fiscal year were lower than budgeted amounts due primarily to anticipated costs which were not incurred in the current fiscal year.



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Supervisors
Palma Sola Trace Community Development District
City of Bradenton, Florida

We have audited the financial statements of the governmental activities and each major fund of Palma Sola Trace Community Development District, City of Bradenton, Florida ("District") as of and for the fiscal year ended September 30, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 6, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, and agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

June 6, 2012



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

To the Board of Supervisors
Palma Sola Trace Community Development District
City of Bradenton, Florida

We have audited the accompanying basic financial statements of Palma Sola Trace Community Development District ("District") as of and for the fiscal year ended September 30, 2011, and have issued our report thereon dated June 6, 2012.

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

In addition, we have issued our Report on Internal Control over Financial Reporting and Compliance and Other Matters dated June 6, 2012. Disclosures in that report should be considered in conjunction with this management letter.

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

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

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

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

June 6, 2012

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None

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

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

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

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2010.

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

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

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

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2011.

4. Violations of provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2011.

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

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

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

There were no such matters discovered by, or that came to the attention of, the auditor, that, in our judgment, are required to be reported, for the fiscal year ended September 30, 2011.

6. The name or official title and legal authority of the District are disclosed in the notes to the financial statements.
7. The financial report filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes agrees with the September 30, 2011 financial audit report.

REPORT TO MANAGEMENT (Continued)

8. The District has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.
9. We applied financial condition assessment procedures pursuant to Rule 10.556(7) and no deteriorating financial conditions were noted. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.