

**HARMONY COMMUNITY  
DEVELOPMENT DISTRICT**

**MAY 30, 2013**

**AUDIT COMMITTEE  
AGENDA PACKAGE**

# Harmony Community Development District

Steve Berube, Chairman  
Ray Walls, Vice Chairman  
David Farnsworth, Supervisor  
Kerul Kassel, Supervisor  
Mark LeMenager, Supervisor

Gary L. Moyer, District Manager  
Tim Qualls, District Counsel  
Steve Boyd, District Engineer  
Todd Haskett, Project Coordinator

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May 23, 2013

Board of Supervisors  
Harmony Community Development District

Dear Board Members:

An Audit Committee meeting of the Board of Supervisors of the Harmony Community Development District will be held on **Thursday, May 30, 2013** at **9:00 A.M.** at 7251 Five Oaks Drive, Harmony, Florida. Following is the advance agenda for the meeting:

- 1. Roll Call**
- 2. Ratification of Evaluation Criteria**
- 3. Ratification of Staff's Actions in Advertising the RFP**
- 4. Ranking of the Auditing Proposals**
- 5. Recommendation to the Harmony CDD Board**
- 6. Other Business**
- 7. Adjournment**

I look forward to seeing you at the meeting. In the meantime, if you have any questions, please contact me.

Sincerely,

Gary Moyer/ir  
District Manager

## **Second Order of Business**

# HARMONY COMMUNITY DEVELOPMENT DISTRICT

## AUDITOR SELECTION EVALUATION CRITERIA Option A

**1. Ability of Personnel. (30 Points)**

(e.g., geographic locations of the firm's headquarters or permanent office in relation to the project; capabilities and experience of key personnel; present ability to manage this project; evaluation of existing work load; proposed staffing levels, etc.)

**2. Proposer's Experience. (20 Points)**

(e.g., past record and experience of the Proposer in similar projects; volume of work previously performed by the firm; past performance for other Community Development Districts in other contracts; character, integrity, reputation, of respondent, etc.)

**3. Understanding of Scope of Work. (10 Points)**

Extent to which the proposal demonstrates an understanding of the District's needs for the services requested.

**4. Ability to Furnish the Required Services. (20 Points)**

Extent to which the proposal demonstrates the adequacy of Proposer's financial resources and stability as a business entity necessary to complete the services required. (e.g., the existence of any natural disaster plan for business operations)

**5. Price. (20 Points)**

Points will be awarded based upon the price bid for the rendering of the services and reasonableness of the price to the services.

## **Third Order of Business**

***HARMONY COMMUNITY DEVELOPMENT DISTRICT  
REQUEST FOR PROPOSALS FOR ANNUAL AUDIT SERVICES***

The Harmony Community Development District hereby requests proposals for annual financial auditing services. The proposal must provide for the auditing of the District's financial records for the fiscal year ending September 30, 2013, with an option for two additional annual renewals. The District is a local unit of special-purpose government created under Chapter 190, Florida Statutes, for the purpose of financing, constructing, and maintaining public infrastructure. The District is located in Osceola County and is approximately 1,020.2 acres in area. The District has an annual operating budget of approximately 1.4 million dollars, including debt service. The first year's review should include a focused review of the levying of special assessments and accounting for revenues derived from said assessment.

The Auditing entity submitting a proposal must be duly licensed under Chapter 473, Florida Statutes and be qualified to conduct audits in accordance with "Government Auditing Standards", as adopted by the Florida Board of Accountancy Audits shall be conducted in accordance with Florida Law and particularly Section 218.39, Florida Statutes, and the rules of the Florida Auditor General.

Proposal packages, which include evaluation criteria and instructions to proposers, are available from the District's Management Company at the address and telephone number listed below.

Proposers must provide ten (10) copies of their proposal to Severn Trent Management Services, Attn: Auditing Services, 210 North University Drive, Suite 702, Coral Springs, Florida 33071, telephone 954-753-5841, in an envelope marked on the outside "Auditing Services, Harmony Community Development District." Proposals must be received by **2:00 p.m. on Friday, May 17, 2013** at the offices listed above. Please direct all questions regarding this Notice to the District Manager, Gary Moyer, Severn Trent Management Services, 610 Sycamore Street, Suite 140, Celebration, Florida 43737, phone 407-566-1935.

Severn Trent Management Services  
District Management

## **Fourth Order of Business**

Harmony Community Development District  
Summary Sheet for Auditing Proposals

Firm Name <sup>(1)</sup>	Ability of Personnel  (30 points)	Proposer's Experience  (20 points)	Understanding of Scope of Work  (10 points)	Ability to Furnish the Required Services  (20 points)	Price  (20 points)
Berger, Toombs, Elam, Gaines, & Frank	Firm has 58 years of experience. Work performed from Fort Pierce office. References, resumes, peer review and professional organizations/ associations provided in proposal.	Providing auditing services for over 50 CDDs throughout Florida; other clients include cities and counties. Experience includes over 300 CDDs, and over 800 municipalities, counties and other governmental entities.	The proposal demonstrated a clear understanding of the scope of CDD audits.	Professional staff of 27; 11 with experience serving governmental entities. Firm has 5 partners and 1 principal. Disaster Recovery Plan addressed. Firm supports ongoing training of staff (CPEs).	FY13-\$5,975**
Brimmer, Burek & Keelan, LLP	Founded in 1961, the company's governmental practice team is among the elite class of industry-focused experts with high standards of practice in audit, accounting, and quality control.	Throughout the past 20 years, the firm has provided audit services to governmental special districts, specifically in the Tampa Bay area.	The proposal demonstrated a clear understanding of the scope of CDD audits.	The proposal indicated the audit engagement would involve the partner and one staff member.	FY13 - \$6,100 FY14 - \$6,300 FY15 - \$6,500 ----- Total - \$18,900
Carr, Riggs & Ingram, LLC	Established in 1997 with roots going back to 1972. Over 35 years of governmental auditing experience in Florida. Ranked 29th largest accounting firm in US. Membership in 9 professional organizations. Provided references, team profiles & peer review.	Providing auditing services for over 70 special purpose developments in AL and FL including over 65 Florida CDDs. Other clients include school districts, utility districts, fire districts and multiple cities and counties.	Proposal included a four stage (risk-based) approach to the audit process and demonstrated a clear understanding of the scope of CDD audits.	Audit engagement team – 7 member professional staff & 3 partners. 31 offices in seven states with a support staff of over 800 employees (7 CPAs on staff). Firm supports ongoing training of staff (CPEs).	FY13 - \$5,000 FY14 - \$5,100 FY15 - \$5,200 ----- Total - \$15,300
Grau & Associates	Established in 1978; offices in Boca Raton and Tampa. Membership in 6 professional governmental and accounting organizations. Provided references, team profiles and peer review.	Providing auditing services for over 250 special districts throughout Florida. Last year, performed in excess of 19,000 hours of services for Public Sector. 100% of work is either audit or work related to government and non-profit entities.	Proposal included a three phase approach to the audit process and demonstrated a clear understanding of the scope of CDD audits.	Professional staff of 12 including 2 partners and 10 professionals (9 CPAs on staff). Firm provides in-house training (CPEs). Disaster recovery plan addressed.	FY13 - \$4,500 FY14 - \$4,700 FY15 - \$4,900 ----- Total - \$14,100

\*\* The fees for fiscal years 2014 and 2015 will be agreed upon separately.

Notes

(1) Firms are listed alphabetically.



Harmony Community Development District  
Ranking Sheet for Auditing Proposals

Firm Name <sup>(1)</sup>	Ability of Personnel  (30 points)	Proposer's Experience  (20 points)	Understanding of Scope of Work  (10 points)	Ability to Furnish the Required Services  (20 points)	Price  (20 points)
McDimit Davis & Company, LLC	Organized in the State of Florida in August 1984 and serves Central Florida from its centrally located office in Orlando, Florida. Firm has over 28 years of experience. Proposal includes references, peer review, profiles and memberships in several professional accounting organizations.	Currently providing auditing services to 56 CDDs and 12 other governmental entities. Assisted 9 governmental entities in receiving the GFOA "Certificate of Achievement for Excellence in Financial Reporting".	Proposal provided detailed approach to audit process. The proposal demonstrated a clear understanding of the scope for CDD audits.	Professional staff of 22 including 4 partners and 3 managers. Two partners, Elden McDimit and Kelly Leary, will supervise the audit. Firm supports ongoing training of staff (CPEs).	FY13 - \$4,900 FY14 - \$5,000 FY15 - \$5,100 ----- Total - \$15,000
Stroemer & Company, PA	Firm has been practicing in the area for over 20 years; offices in Fort Myers and Aventura. Membership in 5 professional governmental and accounting organizations. Provided references, team profiles and peer review.	Their government client list (past and present) includes auditing services for 17 governmental entities.	The proposal demonstrated a clear understanding of the scope of CDD audits	The professional staff to be assigned to this audit would be one partner, one manager, and two auditors.	FY13 - \$7,350 FY14 - \$7,350 FY15 - \$7,350 ----- Total - \$22,050
Stuart Angelo & Company, P.A CPAs	The firm was formed in 1987, located in Tampa Florida. They are members for the AICPA and FICPA, and have been providing auditing services to governmental entities for over 25 years.	The firm's staff is in compliance with the GASB standards stringent requirements for continuing professional education.	The proposal demonstrated a clear understanding of the scope of CDD audits.	The professional staff to be assigned to this audit would be two CPAs and a staff accountant.	FY13 - \$7,250 FY14 - \$7,500 FY15 - \$7,750 ----- Total - \$22,500

\*\* The fees for fiscal years 2014 and 2015 will be agreed upon separately.

Notes

(1) Firms are listed alphabetically.

Harmony Community Development District  
 Ranking Sheet for Auditing Proposals

Firm Name <sup>(1)</sup>	Ability of Personnel  (30 points)	Proposer's Experience  (20 points)	Understanding of Scope of Work  (10 points)	Ability to Furnish the Required Services  (20 points)	Price  (20 points)	Total Score  (100 points)	Ranking
Berger, Toombs, Elam, Gaines, & Frank							
Brimmer, Burek & Keelan, LLP							
Carr, Riggs & Ingram, LLC							
Grau & Associates							
McDermitt Davis & Company, LLC							
Stroemer & Company, PA							
Stuart Angelo & Company, P.A CPAs							

Notes

(1) Firms are listed alphabetically.

**HARMONY COMMUNITY  
DEVELOPMENT DISTRICT  
PROPOSAL FOR AUDIT SERVICES**

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**PROPOSED BY:**

Berger, Toombs, Elam, Gaines & Frank  
CERTIFIED PUBLIC ACCOUNTANTS, PL

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600 Citrus Avenue, Suite 200  
Fort Pierce, Florida 34950

(772) 461-6120

**CONTACT PERSON:**

J. W. Gaines, CPA, Director

**DATE OF PROPOSAL:**

May 17, 2013

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# Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue  
Suite 200  
Fort Pierce, Florida 34950

772/461-6120 // 461-1155  
FAX: 772/468-9278

May 17, 2013

Gary Moyer, District Manager  
Severn Trent Management Services  
210 N. University Drive, Suite 702  
Coral Springs, Florida 33071

Dear Mr. Moyer:

Thank you very much for the opportunity to present our professional credentials to provide audit services for Harmony Community Development District.

Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants PL has assembled a team of governmental and nonprofit specialists second to none to serve our clients. Our firm has the necessary qualifications and experience to serve as the independent auditors for Harmony Community Development District. We will provide you with top quality, responsive service.

## **Experience**

Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants PL is a recognized leader in providing services to governmental and nonprofit agencies throughout Florida. We have been the independent auditors for a number of local governmental agencies and through our experience in performing their audits, we have been able to increase our audit efficiency and; therefore, reduce costs. We have continually passed this cost savings on to our clients and will continue to do so in the future. As a result of our experience and expertise, we have developed an effective and efficient audit approach designed to meet or exceed the performance specifications in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the standards for financial and compliance audits contained in OMB Circular A-133, "Audits of States, Local Government, and Nonprofit Organizations", with minimal disruption to your operations. Our firm has frequent technical updates to keep our personnel informed and up-to-date on all changes that are occurring within the industry.

Fort Pierce / Stuart

Member AICPA

Member AICPA Division For CPA Firms  
Private Companies Practice Section

Member FICPA

Harmony Community Development District  
May 17, 2013

To facilitate your evaluation of our qualifications and experience, we have arranged this proposal to include a resume of our firm, including our available staff, our extensive prior governmental and nonprofit auditing experience and clients to be contacted.

You need a firm that will provide an efficient, cost-effective, high-quality audit within critical time constraints. You need a firm with the prerequisite governmental and nonprofit experience to perform your audit according to stringent legal and regulatory requirements, a firm that understands the complex nature of community development districts and their unique compliance requirements. You need a firm with recognized governmental and nonprofit specialists within the finance and governmental communities. And, certainly, you need a firm that will provide you with valuable feedback to enhance your current and future operations. Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants PL is that firm. J. W. Gaines is the person authorized to make representations for the firm.

Thank you again for the opportunity to submit this proposal to Harmony Community Development District.

Very truly yours,

*Berger Toombs Elam  
Gaines & Frank*

Berger, Toombs, Elam, Gaines & Frank  
Certified Public Accountants PL  
Fort Pierce, Florida

## **PROFILE OF THE PROPOSER**

### **Description and History of Audit Firm**

**Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants PL** is a Treasure Coast public accounting firm, which qualifies as a small business firm, as established by the Small Business Administration (13 CFR 121.38), with offices in Fort Pierce and Stuart. We are a member of the Florida Institute of Certified Public Accountants and the American Institute of Certified Public Accountants. The firm was formed from the merger of Edwards, Berger, Harris & Company (originated in 1972) and McAlpin, Curtis & Associates (originated in 1949). J. W. Gaines and Associates (originated in 1979) merged with the firm in 2004. Our tremendous growth rate experienced over the last 55 years is directly attributable to the firm's unrelenting dedication to providing the highest quality, responsive professional services attainable to its clients.

We are a member of the Private Companies Practice Section (PCPS) of the American Institute of Certified Public Accountants (AICPA) to assure we meet the highest standards. Membership in this practice section requires that our firm meet more stringent standards than standard AICPA membership. These rigorous requirements include the requirement of a triennial peer review of our firm's auditing and accounting practice and annual Continuing Professional Education (CPE) for all accounting staff (whether CPA or non-CPA). For standard AICPA membership, only a quality review is required and only CPAs must meet CPE requirements.

We have been extensively involved in serving local government entities with professional accounting, auditing and consulting services throughout the entire 58 year history of our firm. Our substantial experience over the years makes us uniquely qualified to provide accounting, auditing, and consulting services to these clients. We are a recognized leader in providing services to governmental and nonprofit agencies on the Treasure Coast and in Central and South Florida, with extensive experience in auditing community development districts and water control districts. We were the independent auditors of the City of Fort Pierce for over 37 years and currently, we are the independent auditors for St. Lucie County since 2002, and for 23 of the 27 years that the county has been audited by CPA firms. Additionally, we have performed audits of the City of Stuart, the City of Vero Beach, St. Lucie County, Indian River County and Martin County. We also presently audit over 50 Community Development Districts throughout Florida.

Our firm was founded on the belief that we are better able to respond to our clients needs through education, experience, independence, quality control, and personal service. Our firm's commitment to quality is reflected in our endeavor of professional excellence via continuing education, the use of the latest computer technology, professional membership in PCPS and peer review.

We believe our approach to audit engagements, intelligence and innovation teamed with sound professional judgment enables us to explore new concepts while remaining sensitive to the fundamental need for practical solutions. We take pride in giving you the assurance that the personal assistance you receive comes from years of advanced training, technical experience and financial acumen.

## Professional Staff Resources

**Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants PL** has a total of 27 professional and administrative staff (including 11 professional staff with extensive experience servicing government entities). The work will be performed out of our Fort Pierce office with a proposed staff of one senior accountant and one or two staff accountants supervised by an audit manager and audit partner. With the exception of the directors of the firm's offices, the professional staff is not specifically assigned to any of our individual offices. The professional and administrative staff resources available to you through Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants PL are as follows:

	<u>Total</u>
Partners/Directors	5
Principals	1
Managers	1
Senior/Supervisor Accountants	1
Staff Accountants	8
Computer Specialist	1
Paraprofessional	7
Administrative	<u>3</u>
Total – all personnel	27

The professional staff resources with governmental accounting and auditing experience are as follows:

	<u>Total</u>
Partners/Directors	2
Principals	1
Managers	1
Senior/Supervisor Accountants	1
Staff Accountants	<u>6</u>
Total – all personnel	11

Following is a brief description of each employee classification:

**Staff Accountant** – Staff accountants work directly under the constant supervision of the auditor-in-charge and, are responsible for the various testing of documents, account analysis and any other duties as his/her supervisor believes appropriate. Minimum qualification for a staff accountant is graduation from an accredited university or college with a master's degree in accounting or equivalent.

**Senior Accountant** – A senior accountant must possess all the qualifications of the staff accountant, in addition to being able to draft the necessary reports and financial statements, and supervise other staff accountants when necessary.

**Managers** – A manager must possess the qualifications of the senior accountant, plus be able to work without extensive supervision from the auditor-in-charge. The manager should be able to draft audit reports from start to finish and to supervise the audit team, if necessary.

**Principal** – A principal is a partner/director in training. He has been a manager for several years and possesses the technical skills to act as the auditor –in-charge. A principal has no financial interest in the firm.



## **Professional Staff Resources (Continued)**

**Partner/Director** – The director has extensive governmental auditing experience and acts as the auditor-in-charge. Directors have a financial interest in the firm.

**Independence** – Independence of the public accounting firm, with respect to the audit client, is the foundation from which the public gains its trust in the opinion issued by the public accounting firm at the end of the audit process. This independence must be in appearance as well as in fact. The public must perceive that the accounting firm is independent of the audit entity to insure that nothing would compromise the opinion issued by the public accounting firm. **Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants PL** is independent of Harmony Community Development District, including its elected officials and related parties, at the date of this proposal, as defined by the following rules, regulations, and standards:

AuSection 220 – Statements on Auditing Standards issued by the American Institute of Certified Public Accountants;

ET Sections 101 and 102 – Code of Professional Conduct of the American Institute of Certified Public Accountants;

Chapter 21A-1, Florida Administrative Code;

Section 473.315, Florida Statutes; and,

Government Auditing Standards, issued by the Comptroller General of the United States.

On an annual basis, all members of the firm are required to confirm, in writing, that they have no personal or financial relationships or holding that would impair their independence with regard to the firm's clients.

Independence is a hallmark of our profession. We encourage our staff to use professional judgment in situations where our independence could be impaired or the perception of a conflict of interest might exist. In the governmental sector, public perception is as important as professional standards. Therefore, the utmost care must be exercised by independent auditors in the performance of their duties.

### **Ability to Furnish the Required Services**

As previously noted in the Profile of the Proposer section of this document, our firm has been in existence for over 58 years. We have provided audit services to some clients for over 30 years continually. Our firm is insured against physical loss through commercial insurance and we also carry liability insurance. The majority of our audit documentation is stored electronically, both on our office network and on each employee laptop or computer assigned to each specific job. Our office computer network is backed up on tape, so in the event of a total equipment loss, we can restore all data as soon as replacement equipment is acquired. In addition, our field laptop computers carry the same data and can be used in the event of emergency with virtually no delay in completing the required services. As evidence of our stability, we were able to resume business after the 2004 hurricanes within one week after the first hurricane and within three days after the second.

## **ADDITIONAL SERVICES PROVIDED**

### **Arbitrage Rebate Services**

**Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants PL** also provides arbitrage rebate compliance and related services to governmental issuers. The Tax Reform Act of 1986 requires issuers of most tax-exempt obligations to pay (i.e., "rebate") to the United States government any arbitrage profits. Arbitrage profits are earnings on the investment of bond proceeds and certain other monies in excess of what would have been earned had such monies been invested at a yield equal to the yield on the bonds.

Federal tax law requires that interim rebate calculations and payments are due at the end of every fifth bond year. Final payment is required upon redemption of the bonds. More frequent calculations may be deemed advisable by an issuer's auditor, trustee or bond counsel or to assure that accurate and current records are available. These more frequent requirements are usually contained in the Arbitrage or Rebate Certificate with respect to the bonds.

Our firm performs a comprehensive rebate analysis and includes the following:

- Verifying that the issue is subject to rebate;
- Calculating the bond yield;
- Identifying, and separately accounting for, all "Gross Proceeds" (as that term is defined in the Code) of the bond issue, including those requiring analysis due to "transferred proceeds" and/or "commingled funds" circumstances;
- Determining what general and/or elective options are available to Gross proceeds of the issue;
- Calculating the issue's excess investment earning (rebate liability), if any;
- Delivering appropriate documentation to support all calculations;
- Providing an executive summary identifying the methodology employed, major assumptions, conclusions, and any other recommendations for changes in recordkeeping and investment policies;
- Assisting as necessary in the event of an Internal Revenue Service inquiry; and,
- Consulting with issue staff, as necessary, regarding arbitrage related matters.

## **GOVERNMENTAL AUDITING EXPERIENCE**

**Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants PL** has been practicing public accounting in Florida for 58 years. Our success over the years has been the result of a strong commitment to providing personalized quality service to our clients.

The current members of our firm have performed audits of over 300 community development districts, and over 800 audits of municipalities, counties and other governmental entities such as the City of Fort Pierce and St. Lucie County.

Our firm provides a variety of accounting, auditing, tax litigation support, and consulting services. Some of the professional accounting, auditing and management consulting services that are provided by our firm are listed below:

- Performance of annual financial and compliance audits, including Single Audits of state and federal financial assistance programs, under both OMB A-133 audit criteria and the Single Audit Act Amendments of 1996;
- Performance of special compliance audits to ascertain compliance with the applicable local, state and federal laws and regulations;
- Issuance of comfort letters and consent letters in conjunction with the issuance of tax-exempt debt obligations, including compiling financial data and interim period financial statement reviews;
- Calculation of estimated and actual federal arbitrage rebates;
- Assistance in compiling historical financial data for first-time and supplemental submissions for GFOA Certificate of Achievement for Excellence in Financial Reporting;
- Preparation of indirect cost allocation systems in accordance with Federal and State regulatory requirements;
- Providing human resource and employee benefit consulting;
- Performance of automation feasibility studies and disaster recovery plans;
- Performance feasibility studies concerning major fixed asset acquisitions and utility plant expansion plans (including electric, water, pollution control, and sanitation utilities); and
- Assistance in litigation, including testimony in civil and criminal court.
- Assist clients who utilize QuickBooks software with their software needs. Our Certified QuickBooks Advisor has undergone extensive training through QuickBooks and has passed several exams to attain this Certification.

### **Continuing Professional Education**

All members of the governmental audit staff of our firm, and audit team members assigned to this engagement, are in compliance with the Continuing Professional Education (CPE) requirements set forth in Government Auditing Standards issued by the Comptroller General of the United States. In addition, our firm is in compliance with the applicable provisions of the Florida Statutes that require CPA's to have met certain CPE requirements prior to proposing on governmental audit engagements.

## **GOVERNMENTAL AUDITING EXPERIENCE (CONTINUED)**

The audit team has extensive experience in performing governmental audits and is exposed to intensive and continuing concentration on these types of audits. Due to the total number of governmental audits our team performs, each member of our governmental staff must understand and be able to perform several types of governmental audits. It is our objective to provide each professional employee fifty hours or more of comprehensive continuing professional education each year. This is accomplished through attending seminars throughout Florida and is reinforced through in-house training.

Our firm has made a steadfast commitment to professional education. Our active attendance and participation in continuing professional education is a major part of our objective to obtain the most recent knowledge on issues which are of importance to our clients. We are growing on the reputation for work that our firm is providing today.

### **Quality Control Program**

Quality control requires continuing commitment to professional excellence. **Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants PL** is formally dedicated to that commitment.

To ensure maintaining the standards of working excellence required by our firm, we joined the Private Companies Practice Section (PCPS) of the American Institute of Certified Public Accountants (AICPA). To be a participating member firm of this practice section, a firm must obtain an independent Peer Review of its quality control policies and procedures to ascertain the firm's compliance with existing auditing standards on the applicable engagements.

The scope of the Peer Review is comprehensive in that it specifically reviews the following quality control policies and procedures of the participating firm:

- Professional, economic, and administrative independence;
- Assignment of professional personnel to engagements;
- Consultation on technical matters;
- Supervision of engagement personnel;
- Hiring and employment of personnel;
- Professional development;
- Advancement;
- Acceptance and continuation of clients; and,
- Inspection and review system.

We believe that our commitment to the program is rewarding not only to our firm, but primarily to our clients.

The external independent Peer Review of the elements of our quality control policies and procedures performed by an independent certified public accountant, approved by the PCPS of the AICPA, provides you with the assurance that we continue to conform to standards of the profession in the conduct of our accounting and auditing practice.

## **GOVERNMENTAL AUDITING EXPERIENCE (CONTINUED)**

Our firm has completed successive Peer Reviews. These reviews included a representative sample of our firm's local governmental auditing engagements. As a result of these reviews, our firm obtained an unqualified opinion on our quality control program and work procedures. On page 27 is a copy of our most recent Peer Review report. It should be noted that we received an unqualified report.

### **Certificate of Achievement for Excellence in Financial Reporting (CAFR)**

We are proud and honored to have been involved with the City of Fort Pierce and the Fort Pierce Utilities Authority when they received their first Certificates of Achievement for Excellence in Financial Reporting for the fiscal years ended September 30, 1988 and 1994, respectively. We were also instrumental in the City of Stuart receiving the award, in our first year of performing their audit, for the year ended September 30, 1999. We are equally proud of the fact that the City of Fort Pierce and the Fort Pierce Utilities Authority have received this highest honor in governmental financial reporting for each subsequent fiscal year to the present.

We also assisted St. Lucie County, Florida for the year ended September 30, 2003, in preparing their first Comprehensive Annual Financial Report, and St. Lucie County has received their Certificate of Achievement for Excellence in Financial Reporting every year since.

As continued commitment to insuring that we are providing the highest level of experience, we have had at least one employee of our firm serve on the GFOA – Special Review Committee since the mid-1980s. This committee is made up of selective Certified Public Accountants throughout the United States who have demonstrated their high level of knowledge and expertise in governmental accounting. Each committee member attends a special review meeting at the Annual GFOA Conference. At this meeting, the committee reports on the Certificate of Achievement Program's most recent results, future goals, and common reporting deficiencies.

Our firm is also a member of Governmental Audit Quality Center (GAQC), a voluntary membership center for CPA firms that perform governmental audits. This center promotes the quality of governmental audits.

We feel that our previous experience in assisting the City of Fort Pierce, the Fort Pierce Utilities Authority and St. Lucie County obtain their first CAFRs, and the City of Stuart in continuing to receive a CAFR and our firm's continued involvement with the GFOA, and the CAFR review committee make us a valued asset for any client in the field of governmental financial reporting.

## **GOVERNMENTAL AUDIT EXPERIENCE (CONTINUED)**

### References

Capron Trail Community Development  
District  
Jeff Walker, Special District Services  
(561) 630-4922

Marshall Creek Community Development  
District  
Stephen Bloom, Severn Trent Management  
(954) 753-5841

Lake Ashton II Community Development District  
Darrin Mossing, Governmental Management  
Services LLC  
(407) 841-5524

Cory Lakes Community Development District  
John Daugirda, Development Planning &  
Financial Group, Inc.  
(407) 644-4381

In addition to the above, we have the following additional governmental audit experience:

### Community Development Districts

Arborwood Community Development  
District

Heritage Isles Community Development  
District

Beacon Lakes Community Development  
District

Heritage Lake Park Community  
Development District

Cedar Hammock Community Development  
District

Heritage Palms Community Development  
District

Central Lake Community Development  
District

Julington Creek Plantation Community  
Development District

Cheval West Community Development  
District

Lake Bernadette Community  
Development District

Colonial Country Club Community  
Development District

Live Oak No 2 Community  
Development District

Dovera Community Development District

Meadow Pointe II Community  
Development District

Eastlake Oaks Community Development  
District

Midtown Miami Community  
Development District

Forest Brooke Community Development  
District

Overoaks Community Development District

Golden Lakes Community Development  
District

Pine Ridge Community Development  
District

Griffin Lakes Community Development  
District

Port of the Islands Community Development  
District

**GOVERNMENTAL AUDIT EXPERIENCE (CONTINUED)**

**Community Development Districts (Continued)**

Renaissance Commons Community  
Development District

Stoneybrook West Community  
Development District

Ridgewood Trails Community  
Development District

Terracina Community Development District

Riverwood Community Development District

Tesoro Community Development District

Rolling Hills Community Development  
District

The Quarry Community Development  
District

Sampson Creek Community Development  
District

Tison's Landing Community  
Development District

Split Pine Community Development District

Verandahs Community Development  
District

Westside Community Development District

**Other Governmental Organizations**

Coquina Water Control District

District 19

Florida Inland Navigation District

Rupert J. Smith Law Library  
of St. Lucie County

Fort Pierce Farms Water Control  
District

St. Lucie Education Foundation

Indian River Regional Crime  
Laboratory, District 19, Florida

Town of Ocean Breeze Park

Jobs and Education Partnership  
Office of the Medical Examiner,

Troup Indiantown Water  
Control District

**GOVERNMENTAL AUDIT EXPERIENCE (CONTINUED)**

Current or Recent Audits in Accordance with OMB Circular A-133,

City of Fort Pierce, Florida

Fort Pierce Utilities Authority

City of Stuart, Florida

St. Lucie County, Florida

Members of our audit team have acquired extensive experience from performing or participating in over 800 audits of governments, independent special taxing districts, school boards, and other agencies that receive public money and utilize fund accounting.

Much of our firm's auditing experience is with compliance auditing, which is required for publicly financed agencies. In this type of audit, we do a financial examination and also confirm compliance with various statutory and regulatory guidelines.

Following is a summary of our other experience, including Auditor General experience, as it pertains to other governmental and fund accounting audits.

Counties

(Includes elected constitutional officers, utilities and dependent taxing districts)

Indian River

Martin

Okeechobee

Palm Beach

Municipalities

City of Port St. Lucie

City of Vero Beach

Town of Orchid

Special Districts

Lakewood Ranch Community Development District

Martin Soil and Water Conservation District

St. Lucie County – Fort Pierce Fire District

The Crossings at Fleming Island

St. Lucie West Services District

Indian River County Mosquito Control District

St. John's Water Control District

Westchase and Westchase East Community Development Districts

Pier Park Community Development District



## **GOVERNMENTAL AUDIT EXPERIENCE (CONTINUED)**

### **Schools and Colleges**

Federal Student Aid Programs – Indian River Community College  
Indian River Community College  
Okeechobee County District School Board  
St. Lucie County District School Board

### **State and County Agencies**

Central Florida Foreign-Trade Zone, Inc. (a nonprofit organization affiliated with the St. Lucie  
County Board of County Commissioners)  
Florida School for Boys at Okeechobee  
Indian River Community College Crime Laboratory  
Indian River Correctional Institution

## **FEE SCHEDULE**

We propose the fee for our audit services described below to be \$5,975 for the year ended September 30, 2013, with the option to renew for two additional years. The annual renewals for the years ending September 30, 2014 and 2015 will be negotiated each year. This fee is contingent upon the financial records and accounting systems of Harmony Community Development District being "audit ready". If we discover that additional preparation work or subsidiary schedules are needed, we will consult with your authorized representative. We can assist with this additional work at our standard rates should you desire.

## **SCOPE OF WORK TO BE PERFORMED**

If selected as the District's auditors, we will perform a financial and compliance audit in accordance with Section 11.45, Florida Statutes, in order to express an opinion on an annual basis on the financial statements of Harmony Community Development District as of September 30, 2013. The annual renewals for the years ending September 30, 2014 and 2015 will be negotiated each year. The audits will be performed to the extent necessary to express an opinion on the fairness in all material respects with which the financial statements present the financial position, results of operations and changes in financial position in conformity with generally accepted accounting principles and to determine whether, for selected transactions, operations are properly conducted in accordance with legal and regulatory requirements. Reportable conditions that are also material weaknesses shall be identified as such in the Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters. Other (non-reportable) conditions discovered during the course of the audit will be reported in a separate letter to management, which will be referred to in the Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters.

Our audit will be performed in accordance with standards for financial and compliance audits contained in *Government Auditing Standards*, as well as in compliance with rules and regulations of audits of special districts as set forth by the State Auditor General in Chapter 10.550, Local Governmental Entity Audits, and other relevant federal, state and county orders, statutes, ordinances, charter, resolutions, bond covenants, Administrative Code and procedures, or rules and regulations which may pertain to the work required in the engagement.

The primary purpose of our audit will be to express an opinion on the financial statements discussed above. It should be noted that such audits are subject to the inherent risk that errors or irregularities may not be detected. However, if conditions are discovered which lead to the belief that material errors, defalcations or other irregularities may exist or if other circumstances are encountered that require extended services, we will promptly notify the appropriate individual.

## ***Commitment to Quality Service***

### **Personnel Qualifications and Experience**

#### **J. W. Gaines, CPA, CITP**

Director – 32 years

#### **Education**

- ◆ Stetson University, B.B.A. – Accounting

#### **Registrations**

- ◆ Certified Public Accountant – State of Florida, State Board of Accountancy
- ◆ Certified Information Technology Professional (CITP) – American Institute of Certified Public Accountants

#### **Professional Affiliations/Community Service**

- ◆ Member of the American and Florida Institutes of Certified Public Accountants
- ◆ Affiliate member Government Finance Officers Association
- ◆ Past President, Vice President-Campaign Chairman, Vice President and Board Member of United Way of St. Lucie County, 1989 - 1994
- ◆ Past President, President Elect, Secretary and Treasurer of the Treasure Coast Chapter of the Florida Institute of Certified Public Accountants, 1988 - 1991
- ◆ Past President of Ft. Pierce Kiwanis Club, 1994 - 95, Member/Board Member since 1982
- ◆ Past President, Vice President and Treasurer of St. Lucie County Chapter of the American Cancer Society, 1980 -1986
- ◆ Member of the St. Lucie County Chamber of Commerce, Member Board of Directors, Treasurer, September 2002 - 2006, Chairman Elect 2007, Chairman 2008, Past Chairman 2009
- ◆ Member Lawnwood Regional Medical Center Board of Trustees, 2000 - Present
- ◆ Member of St. Lucie County Citizens Budget Committee, 2001 – 2002
- ◆ Member of Ft. Pierce Citizens Budget Advisory Committee, 2010 – 2011

#### **Professional Experience**

- ◆ Miles Grant Development/Country Club – Stuart, Florida, July 1975 – October 1976
- ◆ State Auditor General's Office – Public Accounts Auditor – November 1976 through September 1979
- ◆ Director - Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants PL, responsible for numerous government and nonprofit audits.
- ◆ Over 30 years experience in all phases of public accounting and auditing experience, with a concentration in financial and compliance audits. Mr. Gaines has been involved in all phases of the audits listed on the preceding pages.

## ***Commitment to Quality Service***

### **Personnel Qualifications and Experience**

**J. W. Gaines, CPA (Continued)**  
Director

#### **Continuing Professional Education**

- ◆ Has participated in numerous continuing professional education courses provided by nationally recognized sponsors over the last two years to keep abreast of the latest developments in accounting and auditing such as:
  - Governmental Accounting Report and Audit Update, Texas Tech University
  - Analytical Procedures, FICPA
  - Annual Update for Accountants and Auditors
  - Single Audit Sampling and Other Considerations

# ***Commitment to Quality Service***

## **Personnel Qualifications and Experience**

### **David S. McGuire, CPA, CITP**

Accounting and Audit Principal – 2 years  
Accounting and Audit Manager – 5 years  
Staff Accountant – 11 years

### **Education**

- ◆ University of Central Florida, B.A. – Accounting
- ◆ Barry University – Master of Professional Accountancy

### **Registrations**

- ◆ Certified Public Accountant – State of Florida, State Board of Accountancy
- ◆ Certified Information Technology Professional (CITP) – American Institute of Certified Public Accountants

### **Professional Affiliations/Community Service**

- ◆ Member of the American and Florida Institutes of Certified Public Accountants
- ◆ Associate Member, Florida Government Finance Office Associates
- ◆ Assistant Coach – St. Lucie County Youth Football Organization (1994 – 2005)
- ◆ Assistant Coach – Greater Port St. Lucie Football League, Inc. (2006 – 2010)
- ◆ Board Member – Greater Port St. Lucie Football League, Inc.
- ◆ Treasurer, AIDS Research and Treatment Center of the Treasure Coast, Inc. (2000 – 2003)
- ◆ Board Member/Treasurer, North Treasure Coast Chapter, American Red Cross (2004 – 2010)
- ◆ Member/Board Member of Port St. Lucie Kiwanis (1994 – 2001)
- ◆ Member/Board Member of Sunrise Kiwanis of Fort Pierce (2004 – present)

### **Professional Experience**

- ◆ Nineteen years public accounting experience with an emphasis on nonprofit and governmental organizations.
- ◆ Audit Manager in-charge on a variety of audit and review engagements within several industries, including the following government and nonprofit organizations:
  - St. Lucie County, Florida
  - 19<sup>th</sup> Circuit Office of Medical Examiner
  - Troup Indiantown Water Control District
  - Exchange Club Center for the Prevention of Child Abuse, Inc.
  - Healthy Kids of St. Lucie County
  - Mustard Seed Ministries of Ft. Pierce, Inc.
  - Reaching Our Community Kids, Inc.
  - Reaching Our Community Kids - South
  - St. Lucie County Education Foundation, Inc.
  - Treasure Coast Food Bank, Inc.
  - North Springs Improvement District
- ◆ Four years of service in the United States Air Force in computer operations, with a top secret (SCI/SBI) security clearance.

## ***Commitment to Quality Service***

### **Personnel Qualifications and Experience**

**David S. McGuire, CPA (Continued)**  
Accounting and Audit Principal

#### **Continuing Professional Education**

- ◆ Mr. McGuire has attended numerous continuing professional education courses and seminars taught by nationally recognized sponsors in the accounting auditing and single audit compliance areas. He has attended courses over the last two years in those areas as follows:

Not-for-Profit Auditing Financial Results and Compliance Requirements

Update: Government Accounting Reporting and Auditing

Annual Update for Accountants and Auditors

## ***Commitment to Quality Service***

### **Personnel Qualifications and Experience**

#### **David F. Haughton, CPA**

Accounting and Audit Manager – 12 years

#### **Education**

- ◆ Stetson University, B.B.A. – Accounting

#### **Registrations**

- ◆ Certified Public Accountant – State of Florida, State Board of Accountancy

#### **Professional Affiliations/Community Service**

- ◆ Member of the American and Florida Institutes of Certified Public Accountants
- ◆ Former Member of Florida Institute of Certified Public Accountants Committee on State and Local Government
- ◆ Affiliate Member Government Finance Officers Association (GFOA) for over 10 years
- ◆ Affiliate Member Florida Government Finance Officers Association (FGFOA) for over 10 years
- ◆ Technical Review – 1997 FICPA Course on State and Local Governments in Florida
- ◆ Board of Directors – Kiwanis of Ft. Pierce, Treasurer – 1994-1999; Vice President – 1999-2001

#### **Professional Experience**

- ◆ Twenty-three years public accounting experience with an emphasis on governmental and nonprofit organizations.
- ◆ State Auditor General's Office – West Palm Beach, Staff Auditor, June 1985 to September 1985
- ◆ Accounting and Audit Manager of Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants PL, responsible for audit and accounting services including governmental and not-for-profit audits.
- ◆ Over 20 years of public accounting and governmental experience, specializing in governmental and nonprofit organizations with concentration in special districts, including Community Development Districts which provide services including water and sewer utilities. Governmental and non-profit entities served include the following:

#### **Counties:**

St. Lucie County

#### **Municipalities:**

City of Fort Pierce

City of Stuart

## ***Commitment to Quality Service***

### **Personnel Qualifications and Experience**

**David F. Haughton, CPA (Continued)**  
Accounting and Audit Manager

#### **Professional Experience (Continued)**

##### **Special Districts:**

Bluewaters Community Development District  
Country Club of Mount Dora Community Development District  
Fiddler's Creek Community Development District #1 and #2  
Indigo Community Development District  
North Springs Improvement District  
Renaissance Commons Community Development District  
St. Lucie West Services District  
Stoneybrook Community Development District  
Summerville Community Development District  
Terracina Community Development District  
Thousand Oaks Community Development District  
Tree Island Estates Community Development District  
Valencia Acres Community Development District

##### **Non-Profits:**

The Dunbar Center, Inc.  
Hibiscus Children's Foundation, Inc.  
Hope Rural School, Inc.  
Maritime and Yachting Museum of Florida, Inc.  
Tykes and Teens, Inc.  
United Way of Martin County, Inc.  
Workforce Development Board of the Treasure Coast, Inc.

- ◆ While with the Auditor General's Office he was on the staff for the state audits of the Martin County School District and Okeechobee County School District.
- ◆ During 1997 he performed a technical review of the Florida Institute of Certified Public Accountants state CPE course on Audits of State and Local Governments in Florida. His comments were well received by the author and were utilized in future updates to the course.

#### **Continuing Professional Education**

- ◆ During the past several years, he has participated in numerous professional development training programs sponsored by the AICPA and FICPA, including state conferences on special districts and governmental auditing in Florida. He averages in excess of 100 hours bi-annually of advanced training which exceeds the 80 hours required in accordance with the continuing professional education requirements of the Florida State Board of accountancy and the AICPA Private Companies Practice Section. He has over 75 hours of governmental CPE credit within the past two years.



## ***Commitment to Quality Service***

### **Personnel Qualifications and Experience**

#### **Rhonda Wigglesworth, CPA**

Senior Accountant – 12 years

#### **Education**

- ◆ Florida Atlantic University, B.S. – Accounting , B. S. – Business Management

#### **Registrations**

- ◆ Certified Public Accountant – State of Florida, State Board of Accountancy
- ◆ Certified General Contractor

#### **Professional Affiliations/Community Service**

- ◆ Florida Institute of Certified Public Accountants
- ◆ American Institute of Certified Public Accountants
- ◆ Treasure Coast Builders Association
- ◆ Royal Palms of St. Lucie
- ◆ Member Sunrise Kiwanis of Fort Pierce

#### **Professional Experience**

- ◆ Twelve years public accounting experience specializing in nonprofit and governmental organizations.
- ◆ Five years private accounting experience in for profit construction company.
- ◆ Performed audits of nonprofit and governmental organizations in accordance with Governmental Accounting Auditing Standards (GAAS).
- ◆ Performed Single Audits of nonprofit organizations in accordance with OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*.
- ◆ Conducted audits, reviews, and compilations of private entities and closely held corporations in accordance with Generally Accepted Accounting Principles (GAAP).
- ◆ Managed audit staff overseeing all planning, fieldwork and financial statement preparation of nonprofit, governmental and private entities.

#### **Continuing Professional Education**

- ◆ Ms. Wigglesworth has participated in numerous continuing professional education courses provided by nationally recognized sponsors to keep abreast of the latest developments.

## ***Commitment to Quality Service***

### **Personnel Qualifications and Experience**

**Cameron M. Johnson**  
Staff Accountant – 2 years

#### **Education**

- ◆ University of Florida, B.A.– Accounting

#### **Professional Experience**

- ◆ Three year summer internship with Berger, Toombs, Elam, Gaines & Frank while attending college.
- ◆ Accounting graduate beginning his professional career with Berger, Toombs, Elam, Gaines, & Frank providing professional services to nonprofit and governmental entities.

#### **Continuing Professional Education**

- ◆ Working to attain the requirements to take the Certified Public Accounting (CPA) exam.

## ***Commitment to Quality Service***

### **Personnel Qualifications and Experience**

#### **Matthew R. Gonano**

Staff Accountant – 1 year

#### **Education**

- ◆ University of North Florida, B.B.A. –Accounting
- ◆ University of Alicante, Spain

#### **Professional Experience**

- ◆ Accounting graduate beginning his professional career with Berger, Toombs, Elam, Gaines, & Frank providing professional services to nonprofit and governmental entities.

#### **Continuing Professional Education**

- ◆ Working to attain the requirements to take the Certified Public Accounting (CPA) exam.

## ***Commitment to Quality Service***

### **Personnel Qualifications and Experience**

#### **Melissa K. Saumure**

Staff Accountant - 1 year

#### **Education**

- ◆ Miami University of Ohio, Farmer Business School - B.B.A.– Accounting
- ◆ Nova Southeastern – M.A.C.C. (Expected December, 2013)

#### **Professional Experience**

- ◆ Accounting graduate who began her professional career with Berger, Toombs, Elam, Gaines, & Frank providing professional services to nonprofit and governmental entities.

#### **Continuing Professional Education**

- ◆ Working to attain the requirements to take the Certified Public Accounting (CPA) exam.
- ◆ Working towards completing masters in accounting.

## ***Commitment to Quality Service***

<b>Personnel Qualifications and Experience</b>
--

**Paul Daly**  
Staff Accountant

**Education**

- ◆ Florida Atlantic University, B.S. –Accounting

**Professional Experience**

- ◆ Accounting graduate beginning his professional career with Berger, Toombs, Elam, Gaines, & Frank providing professional services to nonprofit and governmental entities.

**Continuing Professional Education**

- ◆ Working to attain the requirements to take the Certified Public Accounting (CPA) exam.

## ***Commitment to Quality Service***

### **Personnel Qualifications and Experience**

**Jonathan Herman**  
Staff Accountant

#### **Education**

- ◆ University of Central Florida, B.S. –Accounting

#### **Professional Experience**

- ◆ Accounting graduate beginning his professional career with Berger, Toombs, Elam, Gaines, & Frank providing professional services to nonprofit and governmental entities.

#### **Continuing Professional Education**

- ◆ Working to attain the requirements to take the Certified Public Accounting (CPA) exam.

## ***Commitment to Quality Service***

### **Personnel Qualifications and Experience**

#### **Brianna Huck Eplin**

Staff Accountant – 5 years

#### **Education**

- ◆ University of Florida, B.A.– Accounting

#### **Professional Affiliations/Community Service**

- ◆ Member, Royal Palms of St. Lucie County

#### **Professional Experience**

- ◆ Accounting graduate who began her career with a large regional firm providing professional services to for profit companies of all sizes, as well as high-income individuals.
- ◆ Participates in audits of nonprofit and governmental organizations in accordance with Governmental Accounting Auditing Standards (GAAS).
- ◆ Conducted reviews and compilations of private entities and closely held corporations in accordance with Generally Accepted Accounting Principles (GAAP).

#### **Continuing Professional Education**

- ◆ Ms. Eplin has passed all parts of the Certified Public Accountants (CPA) Exam and is finishing her last class required for licensure.
- ◆ Ms. Eplin participates in numerous continuing professional education courses provided by nationally recognized sponsors to keep abreast of the latest developments.

# ***Baggett, Reutimann & Associates, CPAs PA***

## **Certified Public Accountants**

Judson B. Baggett, MBA, CPA, CVA, Partner  
Marc Reutimann, CPA, Partner  
Brian M. Williams, CPA, Partner

6815 Dairy Road  
Zephyrhills, FL 33542  
Phone: (813) 788-2155  
Fax: (813) 782-8606  
Email: baggettcpa@aol.com

### **System Review Report**

To the Directors  
Berger, Toombs, Elam, Gaines & Frank, PL  
and the Peer Review Committee of the Florida Institute of Certified Public Accountants

October 20, 2010

We have reviewed the system of quality control for the accounting and auditing practice of Berger, Toombs, Elam, Gaines & Frank, PL (the firm), in effect for the year ended May 31, 2010. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control, and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by standards, engagements selected for review included engagements performed under the *Government Auditing Standards*, OMB Circular A-133, and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Berger, Toombs, Elam, Gaines & Frank, PL in effect for the year ended May 31, 2010, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiencies*, or *fail*. Berger, Toombs, Elam, Gaines & Frank, PL, has received a peer review rating of *pass*.

  
Baggett, Reutimann & Associates, CPAs PA

(BERGER\_REPORT)



***HARMONY COMMUNITY DEVELOPMENT DISTRICT  
REQUEST FOR PROPOSALS FOR ANNUAL AUDIT SERVICES***

The Harmony Community Development District hereby requests proposals for annual financial auditing services. The proposal must provide for the auditing of the District's financial records for the fiscal year ending September 30, 2013, with an option for two additional annual renewals. The District is a local unit of special-purpose government created under Chapter 190, Florida Statutes, for the purpose of financing, constructing, and maintaining public infrastructure. The District is located in Osceola County and is approximately 1,020.2 acres in area. The District has an annual operating budget of approximately 1.4 million dollars, including debt service. The first year's review should include a focused review of the levying of special assessments and accounting for revenues derived from said assessment.

The Auditing entity submitting a proposal must be duly licensed under Chapter 473, Florida Statutes and be qualified to conduct audits in accordance with "Government Auditing Standards", as adopted by the Florida Board of Accountancy. Audits shall be conducted in accordance with Florida Law and particularly Section 218.39, Florida Statutes, and the rules of the Florida Auditor General.

Proposal packages, which include evaluation criteria and instructions to proposers, are available from the District's Management Company at the address and telephone number listed below.

Proposers must provide ten (10) copies of their proposal to Severn Trent Management Services, Attn: Auditing Services, 210 North University Drive, Suite 702, Coral Springs, Florida 33071, telephone 954-753-5841, in an envelope marked on the outside "Auditing Services, Harmony Community Development District." Proposals must be received by **2:00 p.m. on Friday, May 17, 2013** at the offices listed above. Please direct all questions regarding this Notice to the District Manager, Gary Moyer, Severn Trent Management Services, 610 Sycamore Street, Suite 140, Celebration, Florida 43737, phone 407-566-1935.

Severn Trent Management Services  
District Management

**HARMONY CDD  
REQUEST FOR PROPOSALS**

**District Auditing Services for Fiscal Year 2013  
Osceola County, Florida**

**INSTRUCTIONS TO PROPOSERS**

**SECTION 1. DUE DATE.** Sealed proposals must be received no later than May 17, 2013, at the offices of the District Manager, located at 210 North University Drive, Suite 702, Coral Springs, FL 33071. Proposals will be publicly opened at that time.

**SECTION 2. FAMILIARITY WITH THE LAW.** By submitting a proposal, the Proposer is assumed to be familiar with all federal, state, and local laws, ordinances, rules and regulations that in any manner affect the work. Ignorance on the part of the Proposer will in no way relieve it from responsibility to perform the work covered by the proposal in compliance with all such laws, ordinances and regulations.

**SECTION 3. QUALIFICATIONS OF PROPOSER.** The contract, if awarded, will only be awarded to a responsible Proposer who is qualified by experience and licensing to do the work specified herein. The Proposer shall submit with its proposal satisfactory evidence of experience in similar work and show that it is fully prepared to complete the work to the satisfaction of the District.

**SECTION 4. SUBMISSION OF ONLY ONE PROPOSAL.** Proposers shall be disqualified and their proposals rejected if the District has reason to believe that collusion may exist among the Proposers, the Proposer has defaulted on any previous contract or is in arrears on any previous or existing contract, or for failure to demonstrate proper licensure and business organization.

**SECTION 5. SUBMISSION OF PROPOSAL.** Submit ten (10) copies of the Proposal Documents, and other requested attachments at the time and place indicated herein, which shall be enclosed in an opaque sealed envelope, marked with the title "Auditing Services – Harmony Community Development District" on the face of it.

**SECTION 6. MODIFICATION AND WITHDRAWAL.** Proposals may be modified or withdrawn by an appropriate document duly executed and delivered to the place where proposals are to be submitted at any time prior to the time and date the proposals are due. No proposal may be withdrawn after opening for a period of ninety (90) days.

**SECTION 7. PROPOSAL DOCUMENTS.** The proposal documents shall consist of the notice announcing the request for proposals, these instructions, the Evaluation Criteria Sheet and a proposal with all required documentation pursuant to Section 12 of these instructions (the "Proposal Documents").

**SECTION 8. PROPOSAL.** In making its proposal, each Proposer represents that it has read and understands the Proposal Documents and that the proposal is made in accordance therewith.

**SECTION 9. BASIS OF AWARD/RIGHT TO REJECT.** The District reserves the right to reject any and all proposals, make modifications to the work, and waive any informalities or irregularities in proposals as it is deemed in the best interests of the District.

**SECTION 10. CONTRACT AWARD.** Within fourteen (14) days of receipt of the Notice of Award from the District, the Proposer shall enter into and execute a Contract (engagement letter) with the District.

**SECTION 11. LIMITATION OF LIABILITY.** Nothing herein shall be construed as or constitute a waiver of District's limited waiver of liability contained in section 768.28, Florida Statutes, or any other statute or law.

**SECTION 12. MISCELLANEOUS.** All proposals shall include the following information in addition to any other requirements of the proposal documents.

- A. List position or title of all personnel to perform work on the District audit. Include resumes for each person listed; list years of experience in present position for each party listed and years of related experience.
- B. Describe proposed staffing levels, including resumes with applicable certifications.
- C. Three references from projects of similar size and scope. The Proposer should include information relating to the work it conducted for each reference as well as a name, address and phone number of a contact person.
- D. The lump sum cost of the provision of the services under the proposal

**SECTION 13. PROTESTS.** Any protest regarding the Proposal Documents, must be filed in writing, at the offices of the District Manager, within seventy-two (72) hours after the receipt of the proposed contract documents. The formal protest setting forth with particularity the facts and law upon which the protest is based shall be filed within seven (7) calendar days after the initial notice of protest was filed. Failure to timely file a notice of protest or failure to timely file a formal written protest shall constitute a waiver of any right to object or protest with respect to aforesaid contract award.

**SECTION 14. EVALUATION OF PROPOSALS.** The criteria to be used in the evaluation of proposals are presented in the Evaluation Criteria Sheet, contained within the Proposal Documents.

## HARMONY COMMUNITY DEVELOPMENT DISTRICT

### AUDITOR SELECTION EVALUATION CRITERIA Option A

**1. *Ability of Personnel.* (30 Points)**

(e.g., geographic locations of the firm's headquarters or permanent office in relation to the project; capabilities and experience of key personnel; present ability to manage this project; evaluation of existing work load; proposed staffing levels, etc.)

**2. *Proposer's Experience.* (20 Points)**

(e.g., past record and experience of the Proposer in similar projects; volume of work previously performed by the firm; past performance for other Community Development Districts in other contracts; character, integrity, reputation, of respondent, etc.)

**3. *Understanding of Scope of Work.* (10 Points)**

Extent to which the proposal demonstrates an understanding of the District's needs for the services requested.

**4. *Ability to Furnish the Required Services.* (20 Points)**

Extent to which the proposal demonstrates the adequacy of Proposer's financial resources and stability as a business entity necessary to complete the services required. (e.g., the existence of any natural disaster plan for business operations)

**5. *Price.* (20 Points)**

Points will be awarded based upon the price bid for the rendering of the services and reasonableness of the price to the services.

**PROPOSAL FOR  
FINANCIAL AUDITING SERVICES  
HARMONY  
COMMUNITY DEVELOPMENT DISTRICT**



**SUBMITTED BY:**

**Brimmer, Burek & Keelan, LLP**  
5601 Mariner Street, Suite 200  
Tampa, Florida 33609  
(813) 282-3400  
Fax: (813) 287-8369  
[www.bbkm.com](http://www.bbkm.com)

John Keelan, CPA

May 8, 2013

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**BRIMMER, BUREK  
& KEELAN CPAs**  
bbkm.com | 813.282.3400

May 8, 2013

Gary Moyer, District Manager  
Severn Trent Management Services  
210 North University Drive, Suite 702  
Coral Springs, Florida 33071

Dear Mr. Moyer:

The Partners and employees of Brimmer, Burek & Keelan, LLP (BB&K) thank you for allowing us to submit our proposal to provide independent auditing services for Harmony Community Development District (the "District") for the fiscal years ending September 30, 2013, with optional years 2014 and 2015 in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Additionally, our audit will be conducted in compliance with Chapter 10.550, Rules of the Auditor General, which governs conduct of local governmental entity audits in the State of Florida. It is the policy of our firm to submit proposals only on engagements in which we believe we possess the technical expertise and staffing necessary to provide superior auditing services. We believe that we have assembled a team that has the necessary knowledge, ability and resources to successfully perform the quality auditing services requested by the District.

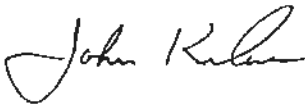
We are excited about working with you and look forward to committing dedicated resources of our firm to serving you. We recognize our ability to provide you outstanding services are dependent on several factors:

- Assembling an experienced service team to include those who have excellent technical and customer service skills.
- Taking a practical and constructive approach to providing professional services that are responsive to your needs, reasonably priced and of the highest quality.
- Executing on our commitments and promises based on your needs.

To summarize, our focus is not only on the auditing services, but on the District, business issues, consulting and decision processes. As we continue to gain a greater understanding of all these elements, we will be able to incrementally add value to the services we provide. We look forward to becoming a long-term business partner with the District. Harmony Community Development District will be a valued client.

Please do not hesitate to contact us with any questions regarding this proposal or any additional matter. We are available and look forward to meeting with you and other members of the management team.

Sincerely,

A handwritten signature in black ink that reads "John Keelan". The signature is written in a cursive style with a large, looping initial "J".

**John Keelan, Audit Partner**  
**Brimmer, Burek & Keelan, LLP**  
**Certified Public Accountants**



## **REQUEST FOR PROPOSAL ANNOUNCEMENT NOTICE**

### **HARMONY COMMUNITY DEVELOPMENT DISTRICT REQUEST FOR PROPOSALS FOR ANNUAL AUDIT SERVICES**

The Harmony Community Development District hereby requests proposals for annual financial auditing services. The proposal must provide for the auditing of the District's financial records for the fiscal year ending September 30, 2013, with an option for two additional annual renewals. The District is a local unit of special-purpose government created under Chapter 190, Florida Statutes, for the purpose of financing, constructing, and maintaining public infrastructure. The District is located in Osceola County and is approximately 1,020.2 acres in area. The District has an annual operating budget of approximately 1.4 million dollars, including debt service. The first year's review should include a focused review of the levying of special assessments and accounting for revenues derived from said assessment.

The Auditing entity submitting a proposal must be duly licensed under Chapter 473, Florida Statutes and be qualified to conduct audits in accordance with "Government Auditing Standards", as adopted by the Florida Board of Accountancy Audits shall be conducted in accordance with Florida Law and particularly Section 218.39, Florida Statutes, and the rules of the Florida Auditor General.

Proposal packages, which include evaluation criteria and instructions to proposers, are available from the District's Management Company at the address and telephone number listed below.

Proposers must provide ten (10) copies of their proposal to Severn Trent Management Services, Attn: Auditing Services, 210 North University Drive, Suite 702, Coral Springs, Florida 33071, telephone 954-753-5841, in an envelope marked on the outside "Auditing Services, Harmony Community Development District." Proposals must be received by **2:00 p.m. on Friday, May 17, 2013** at the offices listed above. Please direct all questions regarding this Notice to the District Manager, Gary Moyer, Severn Trent Management Services, 610 Sycamore Street, Suite 140, Celebration, Florida 43737, phone 407-566-1935.

Severn Trent Management Services  
District Management

## **INSTRUCTIONS TO PROPOSERS**

### **HARMONYCDD REQUEST FOR PROPOSALS**

**District Auditing Services for Fiscal Year 2013**  
Osceola County, Florida

#### **INSTRUCTIONS TO PROPOSERS**

**SECTION 1. DUE DATE.** Sealed proposals must be received no later than May 17, 2013, at the offices of the District Manager, located at 210 North University Drive, Suite 702, Coral Springs, FL 33071. Proposals will be publicly opened at that time.

**SECTION 2. FAMILIARITY WITH THE LAW.** By submitting a proposal, the Proposer is assumed to be familiar with all federal, state, and local laws, ordinances, rules and regulations that in any manner affect the work. Ignorance on the part of the Proposer will in no way relieve it from responsibility to perform the work covered by the proposal in compliance with all such laws, ordinances and regulations.

**SECTION 3. QUALIFICATIONS OF PROPOSER.** The contract, if awarded, will only be awarded to a responsible Proposer who is qualified by experience and licensing to do the work specified herein. The Proposer shall submit with its proposal satisfactory evidence of experience in similar work and show that it is fully prepared to complete the work to the satisfaction of the District.

**SECTION 4. SUBMISSION OF ONLY ONE PROPOSAL.** Proposers shall be disqualified and their proposals rejected if the District has reason to believe that collusion may exist among the Proposers, the Proposer has defaulted on any previous contract or is in arrears on any previous or existing contract, or for failure to demonstrate proper licensure and business organization.

**SECTION 5. SUBMISSION OF PROPOSAL.** Submit ten (10) copies of the Proposal Documents, and other requested attachments at the time and place indicated herein, which shall be enclosed in an opaque sealed envelope, marked with the title "Auditing Services – Harmony Community Development District" on the face of it.

**SECTION 6. MODIFICATION AND WITHDRAWAL.** Proposals may be modified or withdrawn by an appropriate document duly executed and delivered to the place where proposals are to be submitted at any time prior to the time and date the proposals are due. No proposal may be withdrawn after opening for a period of ninety (90) days.

## **INSTRUCTIONS TO PROPOSERS (CONTINUED)**

**SECTION 7. PROPOSAL DOCUMENTS.** The proposal documents shall consist of the notice announcing the request for proposals, these instructions, the Evaluation Criteria Sheet and a proposal with all required documentation pursuant to Section 12 of these instructions (the "Proposal Documents").

**SECTION 8. PROPOSAL.** In making its proposal, each Proposer represents that it has read and understands the Proposal Documents and that the proposal is made in accordance therewith.

**SECTION 9. BASIS OF AWARD/RIGHT TO REJECT.** The District reserves the right to reject any and all proposals, make modifications to the work, and waive any informalities or irregularities in proposals as it is deemed in the best interests of the District.

**SECTION 10. CONTRACT AWARD.** Within fourteen (14) days of receipt of the Notice of Award from the District, the Proposer shall enter into and execute a Contract (engagement letter) with the District.

**SECTION 11. LIMITATION OF LIABILITY.** Nothing herein shall be construed as or constitute a waiver of District's limited waiver of liability contained in section 768.28, Florida Statutes, or any other statute or law.

**SECTION 12. MISCELLANEOUS.** All proposals shall include the following information in addition to any other requirements of the proposal documents.

- A. List position or title of all personnel to perform work on the District audit. Include resumes for each person listed; list years of experience in present position for each party listed and years of related experience.
- B. Describe proposed staffing levels, including resumes with applicable certifications.
- C. Three references from projects of similar size and scope. The Proposer should include information relating to the work it conducted for each reference as well as a name, address and phone number of a contact person.
- D. The lump sum cost of the provision of the services under the proposal.

**SECTION 13. PROTESTS.** Any protest regarding the Proposal Documents, must be filed in writing, at the offices of the District Manager, within seventy-two (72) hours after the receipt of the proposed contract documents. The formal protest setting forth with particularity the facts and law upon which the protest is based shall be filed within seven (7) calendar days after the initial notice of protest was filed. Failure to timely file a notice of protest or failure to timely file a formal written protest shall constitute a waiver of any right to object or protest with respect to aforesaid contract award.

## **INSTRUCTIONS TO PROPOSERS (CONTINUED)**

**SECTION 14. EVALUATION OF PROPOSALS.** The criteria to be used in the evaluation are presented in the Evaluation Criteria Sheet, contained within the Proposal Documents.

## EVALUATION CRITERIA SHEET

### HARMONY COMMUNITY DEVELOPMENT DISTRICT

#### AUDITOR SELECTION EVALUATION CRITERIA

##### Option A

- 1. *Ability of Personnel.* (30 Points)**  
(e.g., geographic locations of the firm's headquarters or permanent office in relation to the project; capabilities and experience of key personnel; present ability to manage this project; evaluation of existing work load; proposed staffing levels, etc.)
- 2. *Proposer's Experience.* (20 Points)**  
(e.g., past record and experience of the Proposer in similar projects; volume of work previously performed by the firm; past performance for other Community Development Districts in other contracts; character, integrity, reputation, of respondent, etc.)
- 3. *Understanding of Scope of Work.* (10 Points)**  
Extent to which the proposal demonstrates an understanding of the District's needs for the services requested.
- 4. *Ability to Furnish the Required Services.* (20 Points)**  
Extent to which the proposal demonstrates the adequacy of Proposer's financial resources and stability as a business entity necessary to complete the services required. (e.g., the existence of any natural disaster plan for business operations)
- 5. *Price.* (20 Points)**  
Points will be awarded based upon the price bid for the rendering of the services and reasonableness of the price to the services.

## **FIRM ESTABLISHMENT, HISTORY AND MISSION**

### **About Brimmer, Burek & Keelan, LLP**

Brimmer, Burek & Keelan, LLP (BB&K) was founded in 1961 and has grown to become one of the largest local firms in the Tampa Bay area, with one office centrally located in the Westshore District. We believe the continued growth and success of our firm is dependent upon our ability to maintain the highest standards of services to our client.

Through growth and expansion, professionals of varying backgrounds and experience have joined BB&K. The firm presently consists of six partners with a total staff of approximately 30 individuals.

We represent clients in a broad range of activities throughout Florida and across the United States, as well as some international clientele. The firm's client base includes privately and publicly held business enterprises, local governments, non-profits and individuals. In regard to our audit clients, our philosophy is to maintain our independence while becoming knowledgeable of client operations in order to provide meaningful advice and guidance to improve financial processes, internal controls and procedures.

Brimmer, Burek & Keelan, LLP provides resources and education to its associates through its memberships in the American Institute of Certified Public Accountants (AICPA) as well as the Florida Institute of Certified Public Accountants (FICPA).

### **Mission**

Brimmer, Burek & Keelan, LLP is committed to excellence. Our mission is to provide our clients the highest quality, client-oriented, professional services with an extra measure of personal attention.

*The missing piece to  
your financial puzzle*



## **FIRM VALUES AND ETHICS**

Since the founding of the firm in 1961, we have operated under and have been guided by a set of principles and core values that have enabled the firm and its people to succeed. These core values are inherent and critical to empowering our people to self-expression, open communication, and personal performance and recognition. The firm has been committed to these core values, as they are the foundation for our success. Initially, these values were simply expressed through the way our people lived them. We share these values with our people so that they may understand, embrace and be guided by them.

- **TRUST** is the principal value and forms the foundation for all the other values.
- **INTEGRITY** in our thoughts, actions, and responses will serve our best long-term interests.
- **RESPECT** for others and acknowledgement of differences will allow for better personal understanding and growth.
- **EXCELLENCE** is the benchmark for our performance.
- **CARING** for others and demonstrating compassion provides for the personal bond between our people and our customers.
- **COMMITMENT** and **RESPONSIBILITY** will attach to each of our undertakings.
- **LEARNING** and **GROWTH** are a continuing process that we embrace and encourage.
- **TEAMWORK** is embraced and essential to our success.
- **PROFITS** and **REWARDS** are important to our future.

## **FIRM COMMITMENT TO QUALITY**

Over the past five decades, our clients at Brimmer, Burek & Keelan, LLP have come to know that quality is inherent in all that we do. As a registered Firm with the Public Company Accounting Oversight Board, we have received a highly-sought after “no deficiencies” rating, an achievement bestowed to a minority of U.S. firms. Our Governmental Practice Team is among the elite class of industry-focused experts whose high standards of practice in audit, accounting and quality control has set us apart. Our longstanding and ever-growing client base is a testament to our commitment to our client’s need for a proactive relationship, with quick responses, industry expertise and accessibility. Simply put, BB&K is there when you need us.

Our Governmental Services professionals are fully dedicated to serving the industry and remain committed to keeping our clients ahead of the curve and up-to-the-minute on the changes in laws and standards for state and local governments. We provide timely and valuable information which enables you to make informed decisions when it comes to your community development district.



## **FIRM SERVICES**

Brimmer, Burek & Keelan, LLP provides clients in all industries with assistance in traditional accounting as well as specialized services.

### **Traditional Services**

- Accounting
- Audit and Attest Services
- Review and Compilations
- Tax
- Estate Planning/Wealth Transfer

### **Other Services**

- Consulting Services
- Profit Enhancement
- State/Local Tax
- Property Tax Consulting
- QuickBooks Training and Consulting
- Internal or External Write-up
- Forensic Accounting
- IRS Representation
- Sarbanes-Oxley Consulting
- Payroll and Benefit Services
- Financial Derivatives Valuation Consulting

### **Industries Served**

- Auto Dealerships
- Agriculture
- Broadcasting
- Broker Dealers
- Construction
- Distributors
- Health Care
- Local Government
- Manufacturing
- Professional Services
- Real Estate
- Retail
- Service Businesses
- Software Development
- Suppliers
- Technology
- Transportation
- Wholesale
- Not-For-Profit
- Trade Unions
- Charities
- Foundations

## **ENGAGEMENT TEAM**

### **A Better Experience**

Brimmer, Burek & Keelan, LLP staffs an experienced engagement team to provide an efficient and less intrusive audit along with insightful management comments and recommendations. As a firm, we have experienced limited turnover enabling us to provide a stable engagement team. These factors together, with our philosophy of providing direct contact throughout the year, will help us provide Harmony Community Development District with “A Better Experience”.

### **Dedicated and Experienced Resources**

Careful planning, direction and supervision are essential for a successful engagement. Your engagement is important to us, and we understand the value of providing experienced resources to you. We are dedicated to making your engagement successful and providing clear communication throughout the process.

### **Continuity of Engagement Team**

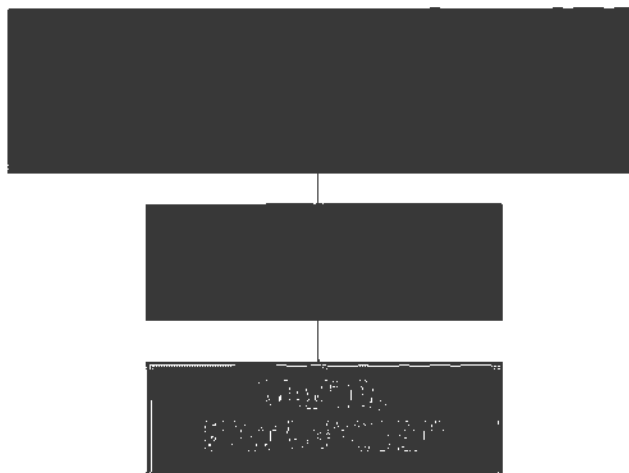
BB&K’s policy regarding staff assignment is to maintain continuity in engagement leadership throughout a client relationship, unless the client’s interest or professional standards indicate otherwise. BB&K has an outstanding record for longevity of service. A stable, experienced engagement team results in a more efficient and effective engagement. The engagement partner will be available throughout the year for consultation.

### **Proposed Staffing Level**

We anticipate that the partner and one staff person will be involved on your audit engagement. This will allow direct involvement by the partner to provide significant governmental experience and supervision on the engagement, while allowing the firm to leverage more routine procedures to audit staff members.

## ENGAGEMENT TEAM (CONTINUED)

### Key Personnel



Your engagement team has experience in providing consulting, auditing, accounting and tax services to public and non-public companies, non-profit organizations and local governments. These individuals work regularly with various businesses. Collectively, they bring over 35 years of specialized experience to this engagement. John Keelan, Governmental Audit Partner, and Mark Do, Audit Staff Accountant, will be assigned to your engagement. Mr. Keelan is licensed in the State of Florida and meets the continuing professional education requirement of the State Board of Accountancy and the yellow book. Mark Do also meets these requirements.

Mr. Keelan is a hands-on professional who will be personally involved with all facets of the audit from planning to completion. He will be the primary contact on the engagement and will be responsible for all significant decisions on the engagement.

Neither the firm nor any of these personnel have had any complaints made against them by the State Board of Accountancy or other regulatory authority. We have not had any litigation during the past five (5) years.

The following pages detail key personnel qualifications and experience.

## **ENGAGEMENT TEAM (CONTINUED)**

### **John Keelan, CPA**

Audit Partner

Certified Public Accountant, Florida

#### *Professional Experience*

- Over 30 years of experience in private, public and governmental accounting and auditing.
- Joined Brimmer, Burek & Keelan, LLP in 1982.
- Practice emphasis in the areas of financial accounting, strategic planning, tax planning and consulting for individuals and businesses.
- Partner in charge of the firm's Quality Review.
- Served as a team captain for reviews of other CPA firms under the AICPA Peer Review Program.
- Involved with governmental auditing for most of his career with experience including:
  - City of Gulfport
  - Pinellas Water Management District
  - Pinellas County
  - City of St. Petersburg CETA program
  - Arts Council of Tampa-Hillsborough County
  - United Way
  - Carrollwood Recreation District
  - Compliance audits under Florida Department of Transportation rules
  - Twelve Oaks Special District
  - Highland Meadows Community Development District

#### *Areas of Specialization*

- Non-profit
- Government
- Auto Dealership

#### *Education*

B.S., Accounting, University of South Florida

#### *Professional Affiliations*

- American Institute of Certified Public Accountants
- Florida Institute of Certified Public Accountants
- Suncoast Automotive Accountant Association
- FICPA State and Local Government Section Member

## ENGAGEMENT TEAM (CONTINUED)

### Mark Do

Audit Staff Accountant

#### *Professional Experience*

- Over eight years of experience in private, public and governmental accounting and auditing.
- Joined Brimmer, Burek & Keelan, LLP in 2012.
- Prior to joining BB&K, he primarily worked on auditing local government, municipalities and non-profit organizations.
- Experience includes:
  - Citrus County
  - Lake County
  - Osceola County
  - Seminole County
  - City of Daytona Beach
  - City of Palm Bay
  - City of Sanford
  - City of Tampa Fire and Police Pension Plan
  - School Board of Pasco County
  - School Board of Seminole County
  - School Board of Volusia County
  - Greater Orlando Airport Authority
  - Upper Pinellas Association for Retarded Citizens (UPARC)
  - Operation PAR, Inc. of Pinellas Park
  - St. John's County Welfare Federation
  - Life Concepts
  - Quest, Inc.
  - Saint Mark's Village
  - Mease Manor Retirement Living, Inc.
  - Penny Retirement Community, Inc.
  - Seniors First, Inc.
  - Greater Orlando Airport Authority Defined Contribution and Benefit Plan

#### *Education*

B.S., Accounting, University of Central Florida

#### *Professional Affiliations*

- American Institute of Certified Public Accountants
- Florida Institute of Certified Public Accountants
- Florida Governmental Finance Officers Association
- Hillsborough Chapter of the Florida Governmental Finance Officers Association

## **FIRM EXPERIENCE WITH SPECIAL DISTRICTS**

Throughout the past 20 years, the firm has been providing exemplary audit services to governmental special districts, specifically in the Tampa Bay area.

- Twelve Oaks Special District, Tampa, FL - engaged since 2008.
- Carrollwood Recreation District, Tampa, FL - engaged since 1990.
- Highland Meadows Community Development District, Davenport, FL.

The primary audit partner at BB&K has dedicated over 30 years of governmental audit experience with municipalities, cities, counties and local governmental organizations.

Some of these include:

- City of Gulfport
- Pinellas Water Management District
- Pinellas County
- City of St. Petersburg CETA Program
- Arts Council of Tampa - Hillsborough County
- Compliance Audits under Florida Department of Transportation Rules and Regulations

## **AUDIT APPROACH**

### **Statement of the Proposed Work Objective and Scope**

We will perform an audit of the basic financial statements of the Harmony Community Development District for the fiscal years ending September 30, 2013 with optional years 2014 and 2015. Our audit will be performed in accordance with U.S. generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants (AICPA), the U.S. General Accounting Office's (GAO) Government Auditing Standards, Rules of the Auditor General of the State of Florida, and regulations of the Florida Department of Financial Services. Our proposal is based on the information provided to us with our conclusion that there are no provisions of the Federal and Florida Single Audit Acts, the U.S. Office of Management and Budget (OMB) Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." If, during the course of our audit, it is determined that a Single Audit is required, fees will be negotiated separately.

We will perform tests of compliance with all applicable legal and regulatory requirements, including federal and state laws and regulations, grant agreements and debt covenants. We will perform tests of accounting records, internal control policies and procedures and other procedures that we consider appropriate. We will make an immediate report of all irregularities and illegal acts that come to our attention during our audit to the District Manager and Harmony Community Development District Board Member as appropriate.

### **Audit Reports**

We will express an opinion on the fair presentation of the District's basic financial statements in conformity with U.S. generally accepted accounting principles. We will also express an opinion, in relation to the basic financial statements taken as a whole, and on the Schedule of Expenditures of Federal Awards and State Financial Assistance, if applicable. We will determine and report whether the Financial Report filed with the Florida Department of Financial Services is in agreement with the District's Annual Financial Audit Report for each audit year. We will also issue our Report on Internal Control over Financial Reporting and on Compliance and Other Matters, Schedule of Findings and Questioned Costs, Management Letter and any other reports required by the State of Florida Auditor General and State, Federal and local grantors associated with the annual financial report and as necessary for grant compliance. These reports will include any findings and management letter comments noted during our audit as required by the respective regulatory authority. We will discuss any findings or recommendations with the District Manager prior to the release of our reports and assist in resolving any issues.

### **Assistance from the District**

We understand that the District's staff and responsible management will be available to assist us by providing information, documentation and explanations during our audit and will prepare all confirmations as directed by BB&K.

## SEGMENTATION OF THE AUDIT

The proposed audit segmentation will be comprised of the following three major sections and will include unlimited phone support for the District personnel regarding accounting assistance, transaction analysis, and the like:

### 1. Planning Phase and Interim Work

We will meet with the District Manager and other key personnel immediately upon execution of the audit contract in order to discuss any areas of concern the District's management may have. We will also discuss audit timing, spacing and items needed to conduct an efficient audit. We will then begin our interim work and develop a detailed audit plan. The specific procedures to be performed during the planning phase of the audit include:

- Review predecessor audit work papers to quickly plan an efficient and effective engagement.
- Review prior year financial statements, determine status of prior year findings and define key audit areas.
- Obtain organizational charts, manuals and programs. Document and test our understanding of the control environment, organizational structure, personnel policies, financial and other management information systems and disaster recovery through a walk-through from initiation to inclusion in the financial statements.
- Develop a detailed audit plan, including time budgets and schedules.
- Document Federal and State grant or contract agreements, and review minutes of the Board.
- Assess control risk and plan internal control, compliance, substantive and Single Audit testing, if applicable. Perform testing as appropriate.
- Obtain information needed to prepare confirmations and attorney letter requests.
- Obtain correspondence from regulatory agencies, if any.
- Fraud discussions and interviews with accounting personnel.

<b><u>Planning</u></b>	<b><u>Hours</u></b>
Engagement Partner - John Keelan	3
Staff Auditor - Mark Do	9
Total	<u>12</u>



## SEGMENTATION OF THE AUDIT (CONTINUED)

### 2. Field Work

BB&K personnel performing audit field work will be on-site at the District's office, as necessary, to perform their specific assignments. The partner in charge principal functions will include supervising and reviewing all field work procedures and work paper documentation, preparing proposed management findings and recommendations and drafting audit reports. The staff auditor will perform audit procedures as assigned.

The specific procedures to be performed during the field work phase of the audit include:

- Obtain September 30 trial balance, Schedule of Expenditures of Federal Awards and State Financial Assistance, final budget and related documents.
- Complete analytical review and other audit procedures.
- Obtain confirmations and attorney letters.
- Receive or prepare work papers to support all major financial statements account.
- Submit proposed adjusted journal entries to the Finance Department.
- Discuss and resolve findings and recommendations with management.
- Finalize audit documentation.
- Prepare preliminary audit report and management comments.

<b><u>Field Work</u></b>	<b><u>Hours</u></b>
Engagement Partner - John Keelan	2
Staff Auditor - Mark Do	<u>18</u>
Total	<u><u>20</u></u>

**SEGMENTATION OF THE AUDIT (CONTINUED)**

**3. Post Field Work and Reporting**

We will use a combination of techniques for determining whether the financial statements support an unqualified opinion. These methods include third-party confirmations, inquiries, observations, analytical procedures and sampling. The specific procedures to be performed during this phase of the audit include:

- Review of audit procedures by our technical review partner and engagement partner.
- Review the District’s financial statements.
- Review the financial report filed with the Florida Department of Financial Services.
- Apply financial condition assessment procedures pursuant to Chapter 10.556(8), Rules of the Auditor General.
- Attend exit conferences with the District’s Board of Directors and District Manager.
- Finalize and issue audit reports.

<u>Post Field Work</u>	<u>Hours</u>
Technical Reviewer - Gemma Thomas	2
Engagement Partner - John Keelan	3
Staff Auditor - Mark Do	<u>6</u>
Total	<u><u>11</u></u>

## **TECHNICAL EXPERTISE - AUDIT APPROACH**

### **Statistical Sampling**

Our firm uses computer generated, random number sampling techniques with additional stratification of large populations that have a wide range of dollar values. This method will be used to test cash disbursements, fixed assets, SAS 99 Compliance and any other audit areas as appropriate. The size of our samples is statistically and judgmentally derived and varies depending on the evaluation of the internal control structure and assessment of audit risk. We will select audit samples for tests of compliance and internal control, integrating these tests whenever possible. Part of sampling will be performed utilizing data extraction software.

For general cash disbursements, our focus is on compliance, coding and classification, and controls. We will group populations to the extent possible and select a sample of vendor checks issued from each population for examination. We will examine purchase order approvals, the proper recording of invoices and compliance with laws, regulations, contracts and grants, if applicable.

For major federal programs and state projects under the federal and state Single Audit acts, we will draw samples from each program or project, when it is applicable.

For capital assets, we will examine the populations of additions and deletions. We will select individually significant items, based on materiality, in each population for examination. If we determine the need exists for additional sampling, we will select a random number of assets to examine in each remaining population. Our tests may also include observing the existence of the asset.

### **EDP Software**

During our interim work, we will perform an evaluation of the District's data processing applications and related internal control structure. We will evaluate the complexity of the computer operations, the availability of data and the segregation of functions. We typically use a combination of manual and computer-assisted audit techniques to obtain sufficient, audit evidence; we plan to use data extraction or similar software to expedite the testing process. We will use our data processing software in performing our tests as described above. Our work papers are typically prepared using Microsoft Office applications.

## **TECHNICAL EXPERTISE - AUDIT APPROACH (CONTINUED)**

### **Analytical Procedures**

Our audit procedures include several levels of analytical review, often in combination with other procedures, which we believe are essential elements of any audit. As part of our overall planning for the engagement, we will perform an initial analytical review to identify accounts where significant fluctuations have occurred. We will perform numerous analytical procedures during the course of our audit, including substantive analytical review tests in appropriate areas. At the conclusion of our field work, we will perform final financial statement analytical review procedures and the financial condition assessment procedures required by the Florida Auditor General.

We plan to perform substantive analytical procedures in areas such as revenues and interest income. For example, we will plan our expectations of grant revenues based on prior year results, new grant contracts, and other information brought to our attention which we then compare to year-end results. We will also compare year-end results to budgeted revenues and confirm certain sources of revenue such as grants from the Federal and State agency. We will investigate significant differences in order to determine whether further testing is warranted. We will combine analytical with other procedures in areas such as payroll and depreciation expense. For example, we will compare payroll expenditures to prior period actual and current year budgeted amounts for reasonableness and perform substantive analytical procedures.

### **Internal Control Structure**

During our interim work, we will perform an evaluation and test of the District's internal control structure. This will be accomplished by reviewing and testing the design of the control procedures related to each significant account balance, transaction and disclosure from initiation to inclusion in the financial statement. We will interview the District's personnel involved in transaction processing and asset control and review written policies and procedures manuals as well as observing the process for compliance with the District's policies and procedures. For areas in which controls appear strong, we will perform tests in order to determine the level of reliance that can be placed upon them. Our testing and evaluation of the internal control structure will greatly influence the timing, nature and extent of the substantive and compliance audit procedures to be performed during the field work phase of our audit.

## **TECHNICAL EXPERTISE - AUDIT APPROACH (CONTINUED)**

### **Determining Laws and Regulations**

Auditing standards require that our audit be designed to provide reasonable assurance that the District's financial statements are free of material misstatements resulting from noncompliance with laws, regulations, contracts, grants and other matters that have a direct and material effect on the determination of financial statement amounts. We are familiar with Federal and State laws and regulations, including the Rules of the Auditor General that apply to governmental entities, and continually review them for updates and changes. We will review meeting minutes, ordinances, financial policies and procedures manuals, restrictive bond covenants, contracts and grant documents (if applicable) during the interim and field work segments of our audit.

We will determine whether the District complied with laws, regulations and the provisions of contracts or grant agreements. We will review the compliance requirements for, and internal control over, each major program and project to be tested. We will perform testing, as described above, to determine whether the District adhered to the project's compliance requirements and whether we note any reportable conditions regarding internal control over compliance.

### **Drawing Audit Samples**

Whenever possible, we will integrate our tests of compliance with our tests of controls. We will plan our tests of controls to support a low assessed level of control risk, typically resulting in a sample size of 40 transactions for each major program and project. We will also select material bond issues for restrictive covenant compliance testing, if applicable. Other compliance issues and testing approaches will be determined after we have completed our planning process. We will use computer generated, random number sampling techniques when possible, with additional stratification of large populations that have a wide range of dollar values. This method will be used to test cash disbursements for purchases, payroll and any other audit areas as appropriate.

### **Work Paper Retention**

We will retain all working papers for a minimum of five years, unless notified in writing by the Authority of the need to extend the retention period. We will make our working papers available for examination to the Harmony Community Development District, U.S. Government Accountability Office (GAO), auditors of entities of which the District is a sub-recipient of grant funds, parties designated by the federal or state governments or by the District as part of an audit quality review process.

## **CONCLUSION**

In summary, we want to work with you in meeting your present challenges and future opportunities. This engagement requires technical expertise and seasoned experience on the part of those who serve you. We have all of this and more. More importantly, we have the resources, energy, ingenuity and the commitment to accomplish the engagement objectives in the time frame set forth in your request for proposal.

We thank you for considering our firm, and we look forward to providing services to Harmony Community Development District. We trust you will find our responses to be complete; however, should you have any questions regarding this proposal or desire any supplemental information, please feel free to call us at (813) 282-3400.

## PROPOSAL OF FEE

Our professional fees are determined based on the complexity and corresponding skill level of professionals assigned to the engagement, the hours incurred to complete the project and the level of responsiveness and assistance by client personnel. This fee estimate is based on the information you have provided to us with our understanding that we will be responsible for the preparation of the annual financial statements inclusive of Management's Discussion and Analysis and footnotes. This fee estimate also assumes that there is no provision for the Federal and Florida Single Audit Act, which would alter the information we have reviewed. If your organization is subject to the provisions of the Single Audit Act, our fees will be negotiated separately. A significant transaction might change the fees, depending on the size and complexity of the transaction, and we would discuss any changes or complexities to minimize additional fees. These factors are further impacted by changes in accounting and auditing rules which have occurred at an accelerated rate in recent years and can significantly impact the cost to complete audit engagements in an effective manner.

Year	Audit Fee
September 30, 2013	\$6,100
September 30, 2014	\$6,300
September 30, 2015	\$6,500

**Manner of Payment** - \$2,000 Retainer; Balance due upon completion.

### Expanded Scope of Services

If we are requested to expand the scope of our services, they will be billed at our average hourly rate based on the level of staff required to perform the services requested.

In connection with our audit, we will provide "consent and citation of expertise" and any necessary comfort letters as requested. We are available to be engaged to perform additional services as required. Additional services will be provided upon terms and conditions mutually agreed upon by the District and BB&K.

### Cost Control

Cost control is an essential part of any engagement. BB&K achieves this control in part by holding mandatory planning meetings for all personnel involved in an engagement. This allows everyone to become familiar with the client's organization, accounting system and any other items specific to that entity. The partner in charge of the engagement will periodically analyze the progress of the engagement related to the number of hours devoted to the project. Any concerns are immediately communicated to the manager and resolved. If additional work is required, this is relayed immediately to the client's contact person for further discussion.

## REFERENCES AND QUALITY ASSURANCE

We hold our reputation in high regard and value the reputation and judgment of our clients equally. In providing a list of references, we have attempted to give representation to your specific requirements as well as a brief nature of the reference.

### **Carrollwood Recreation District**

Cary Brown, Treasurer  
3515 McFarland Road  
Tampa, Florida 33618  
(813) 932-1257

BB&K has been providing annual financial and compliance audit services to one of the original Florida special districts for over 20 years. Services have at times included various consulting on matters of interest to the District and includes preparation of financial statements and assistance with annual reporting to the state. Prior to changes in the "yellow book" designating the function as an independence issue, the firm also provided monthly bookkeeping services to the District.

### **Twelve Oaks Special District**

Deborah Presnell, Treasurer  
Post Office Box 260352  
Tampa, Florida 33685  
(813) 889-7745

BB&K has been providing annual financial and compliance audit services to Twelve Oaks Special District for the past three years. Services include preparation of financial statements under *Government Auditing Standards*, consultation on accounting matters and preparation of specified tax reporting forms.

### **Genesis Group**

Bruce Marriner, CEO  
3910 North Highway 301, Suite 140  
Tampa, Florida 33619  
(813) 620-4500

BB&K has been providing annual audit services to this private entity for over 20 years, including compliance audits under *Government Auditing Standards* as prescribed by regulations of the Florida Department of Transportation and AASHTO guidelines.



## REFERENCES AND QUALITY ASSURANCE (CONTINUED)

### Quality Assurance

Selecting BB&K as your independent auditors will result in a smooth and trouble-free transition. We expect to minimize any disruption to your business by utilizing a client service team which is knowledgeable about your industry and has experience working with organizations of similar size and complexity. Technically and professionally, our audit approach emphasizes a timely, well-thought-out and well-executed planning effort that enables us to quickly identify significant accounts, legal compliance issues, high-risk audit areas and significant accounting issues while reducing our audit effort in low-risk areas. BB&K is dedicated to providing quality service to our clients. In the past three years we have been sending all audit staff with up to four years of experience to week-long training classes sponsored by the American Institute of Certified Public Accountants. Additionally, we sponsor in-house seminars to cover emerging issues as well as difficult or complex matters, have designed internal forms to improve audit risk assessment and audit planning, have automated auditing procedures through the addition of notebook computers and have adopted PPC online audit manuals for all auditing engagements. As a paperless firm, we have attempted to remain near the forefront in the area of emerging technology, and we continue to expend significant sums each year. Being one of the earliest firms to adopt networking throughout our office, we have continued to improve our effectiveness and efficiency through automation of audit work-papers, electronic transfer of client data and the assignment of notebook computers with dual monitors to individual staff members.

Our firm established a natural disaster plan for our business operations that includes a redundant server with proactive administration and monitoring and offsite automatic daily backup. Additionally, a contingency plan is put in place to meet at a strategic offsite location, allocating one key staff member as the point person. All of our audit staff is equipped with laptops and the ability to access remotely into our server.

We pride ourselves on the quality of service we offer, the dedication of our team members and the resources available to our staff to ensure that they are current in their knowledge and can give the technical advice needed by our clients.

BB&K is committed to producing quality services. We maintain a system of quality controls whereby all attest engagements are subject to a "cold" review prior to issuance, and we conduct an annual internal inspection of a sample of engagements.

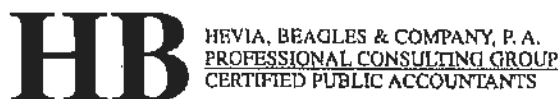
## **EXTERNAL PEER REVIEW**

As part of our commitment to excellence, the firm undergoes an independent review of our quality control system every three years. Additionally, we perform an internal inspection of the control system in the years in which we do not have an external review. In our most recent independent review, BB&K received an unqualified report, synonymous with an “A” for the firm’s professional practice. Suggestions for improvement were made and implemented regarding improving documentation of independence for compilation engagements.

The American Institute of Certified Public Accountants Center for Public Company Audit Firms requires a peer review of firms providing accounting and audit services to public clients. Peer reviews are intensive reviews of a firm’s quality control system and include a review of selected engagement work papers files with emphasis on the firm’s policies and procedures in five areas.

The firm has undergone peer review of its system of quality controls every three years covering the non-public portion of the practice and including its governmental audit practice. In addition, the firm undergoes an inspection every three years by the Public Company Oversight Board in connection with the public company portion of the practice. A copy of the last two peer reviews follows.

## EXTERNAL PEER REVIEW (CONTINUED)



September 25, 2008

To the Partners of  
Brimmer, Burek & Keelan, LLP  
and the Center for Public Company Audit Firms Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Brimmer, Burek & Keelan, LLP (the firm) applicable to non-SEC issuers in effect for the year ended June 30, 2008. The firm's accounting and auditing practice applicable to SEC issuers was not reviewed by us since the Public Company Accounting Oversight Board (PCAOB) is responsible for inspecting that portion of the firm's accounting and auditing practice in accordance with PCAOB requirements. A system of quality control encompasses the firm's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of complying with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of Certified Public Accountants (the AICPA). The design of the system, and compliance with it, are the responsibilities of the firm. Our responsibility is to express an opinion on the design of the system, and the firm's compliance with that system based on our review.

Our review was conducted in accordance with standards established by the Peer Review Committee of the Center for Public Company Audit Firms and included procedures to plan and perform the review that are summarized in the attached description of the peer review process. Our review would not necessarily disclose all weaknesses in the system of quality control or all instances of lack of compliance with it since it was based on selective tests. Because there are inherent limitations in the effectiveness of any system of quality control, departures from the system may occur and not be detected. Also, projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control for the accounting and auditing practice applicable to the non-SEC issuers of Brimmer, Burek & Keelan, LLP in effect for the year ended June 30, 2008, has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA, and was complied with during the year then ended to provide the firm with reasonable assurance of complying with applicable professional standards.

As is customary in a peer review, we have issued a letter under this date that sets forth comments relating to certain policies and procedures or compliance with them. The matters described in the letter were not considered to be of sufficient significance to affect the opinion expressed in this report.

  
Certified Public Accountants

## EXTERNAL PEER REVIEW (CONTINUED)



**Gregory, Sharer & Stuart, P.A.**

Richard H. Caton, CPA  
M. Timothy Farrell, CPA  
Thomas H. Gregory, CPA  
Dartel J. Hevia, CPA  
Robert L. Ingham, CPA  
Troy Kimbrough, CPA  
James G. Newman, CPA  
Paula D. Popovich, CPA  
Larry W. Sharer, CPA  
Byron C. Smith, CPA  
Charles L. Stuart, CPA  
Richard G. Ulrich, CPA  
Carlos R. Vila, CPA

### System Review Report

To the Partners of Brimmer, Borek & Keelan, LLP  
And the AICPA National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Brimmer, Borek & Keelan, LLP (the firm) applicable to non-SEC issuers in effect for the year ended June 30, 2011. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice applicable to non-SEC issuers of Brimmer, Borek & Keelan, LLP in effect for the year ended June 30, 2011, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency (ies)* or *fail*. Brimmer, Borek & Keelan, LLP has received a peer review rating of *pass*.

Gregory, Sharer & Stuart, P.A.  
September 16, 2011

CERTIFIED PUBLIC ACCOUNTANTS AND BUSINESS CONSULTANTS  
100 Second Avenue South • Suite 600 • St. Petersburg, Florida 33701-4336  
(727) 821-6161 | Fax (727) 822-4573  
[www.gsacpa.com](http://www.gsacpa.com)

## **LICENSES AND INSURANCE**

### **Licenses**

Brimmer, Burek & Keelan, LLP is licensed in the State of Florida, County of Hillsborough as:

License Type:	Firm
Rank:	CPA Firms
License Number:	AD0006278
Status:	Current
Licensure Date:	April 27, 1978

John Keelan licensed in the State of Florida, County of Hillsborough as:

Board of Accountancy License Number:	10143
FICPA License Number:	12237
Status:	Current

### **Insurances**

Brimmer, Burek & Keelan, LLP carries General Liability insurance in the amount of \$1 million. Business automobile liability for owned, hired and non-owned vehicles is covered under this General Liability policy.

Brimmer, Burek & Keelan, LLP carries Professional Liability insurance in the amount of \$2 million.

Brimmer, Burek & Keelan, LLP carries Worker's Compensation insurance covering all employees with limits meeting all applicable state and federal laws including liability in the amount of \$500,000.

# CRI

Helping You Shine  
*by Illuminating Solutions*



*professional services*

## PROPOSAL FOR Harmony Community Development District

May 17, 2013

### PROPOSER

Carr, Riggs & Ingram, LLC  
500 Grand Boulevard, Suite 210  
Miramar Beach, FL 32550  
(850) 837-3141



**CRI** CARR  
RIGGS &  
INGRAM

CPAs and Advisors

[CRICpa.com](http://CRICpa.com) | [blog.cricpa.com](http://blog.cricpa.com)

### SUBMITTED BY

K. Alan Jowers  
Engagement Partner  
[AJowers@cricpa.com](mailto:AJowers@cricpa.com)

Stephen Riggs, IV  
Concurring Partner  
[SCRiggs@cricpa.com](mailto:SCRiggs@cricpa.com)



Dear Audit Selection Committee:

Carr, Riggs & Ingram, LLC (CRI) appreciates the opportunity to propose on auditing services to Harmony Community Development District (the "District"). We are genuinely excited about the prospect of serving you and establishing a long-term relationship. We pride ourselves on getting to know our clients and illuminating solutions by providing innovative IDEAS to move them from compliance to providing them a competitive advantage.

**I** **nvestment in You.** We believe in developing long-term, mutually beneficial relationships and quickly demonstrating value with a fee structure and service solutions that provide immediate and continued savings. Our investment starts on "Day 1" as your assigned team begins with our proven, streamlined process that minimizes your time and disruption during the service provider change and continues throughout the relationship.

**D** **edicated Team.** CRI's team consists of more than 800 professionals, which allows us to tailor your service team by aligning their industry, service, and specialty skills with the needs of your business. Our dedicated teams deliver the highest level of business acumen and knowledge to your organization; our commitment to consistent staffing allows you to maximize savings and remain focused on your business.

**E** **quilibrium.** CRI delivers big firm expertise with small firm service. Of approximately 30,000 public accounting firms in the United States, CRI currently ranks among the top 30. Additionally, as a part of Moore Stephens International Limited, we have access to international resources as – and when – needed. Leveraging these resources while maintaining local decision-making authority means that simplified solutions are only a phone call away. And we believe that's the best of both worlds for our clients.

**A** **ctive Partner Participation.** Collectively, our partners deliver expertise derived from more than 4,000 years of business experience. With this level of talent, we thoughtfully choose a partner that aligns with your business' needs and industry. Our hands-on, working partners "show up" to convey our genuine commitment to your success. They strive to earn trusted advisor roles by digging in, proactively learning your business, and producing long-term value for you.

**S** **implified Solutions.** Having partners with approximately 200 cumulative partner certifications and designations is an impressive statistic, but we measure our success by our ability to translate complex concepts into easily understandable solutions for our clients. While accounting is the language of business, we're here to decipher the jargon and help you make educated decisions.

We welcome the opportunity to demonstrate to you the same teamwork, expertise, and responsiveness that have made us one of the fastest growing public accounting firms in the United States over the past ten years. Please contact me with any questions. Again, we appreciate your consideration.

Sincerely,

K. Alan Jowers



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## UNDERSTANDING & MEETING YOUR NEEDS

From the RFP, we understood your team to express the following needs, requests, and/or issues. We've detailed our proposed solutions below and are happy to discuss other related projects as they arise and upon request.

NEEDS & ISSUES		SOLUTIONS & SERVICES
Technical	The District is required to have independent audits performed on its financial statements.	Perform external audit services in accordance with auditing standards generally accepted in the United States of America (GAAS), in order to express an opinion on the District's financial statements.
Relational	The District's Board of Supervisors and management expect open and continuous communication with their CPA firm in order to avoid surprise findings at the end of the audit.	<ul style="list-style-type: none"><li>• Communicate contemporaneously and directly with management regarding the results of our procedures.</li><li>• Anticipate and respond to concerns of management and/or the Audit Committee (if/when formed).</li></ul>

## YOUR SERVICES & FEES



We value creating mutually-rewarding, long-term relationships with our clients. Our goal is to provide high quality, responsive service that yields returns far greater than your investment in our professional fees. Please find below our proposal of fees to provide the requested services for the upcoming three respective fiscal years.

SERVICE	CRI FEES		
	2013	2014	2015
Perform external audit services in accordance with auditing standards generally accepted in the United States of America (GAAS)	\$5,000	\$5,100	\$5,200

If the District requests additional services outside of this proposal, professional fee hourly rates are as follows, but may be negotiated depending on the project request:

CLASSIFICATION	HOURLY RATE
Partner	\$225
Manager	\$140
Senior	\$100
Staff	\$80
IT Specialist	\$200
Fraud Specialist	\$200



## FIRM PROFILE

# 1997

*Year Founded*

# 31

*Offices*

# 140

*Partners*

# 800+

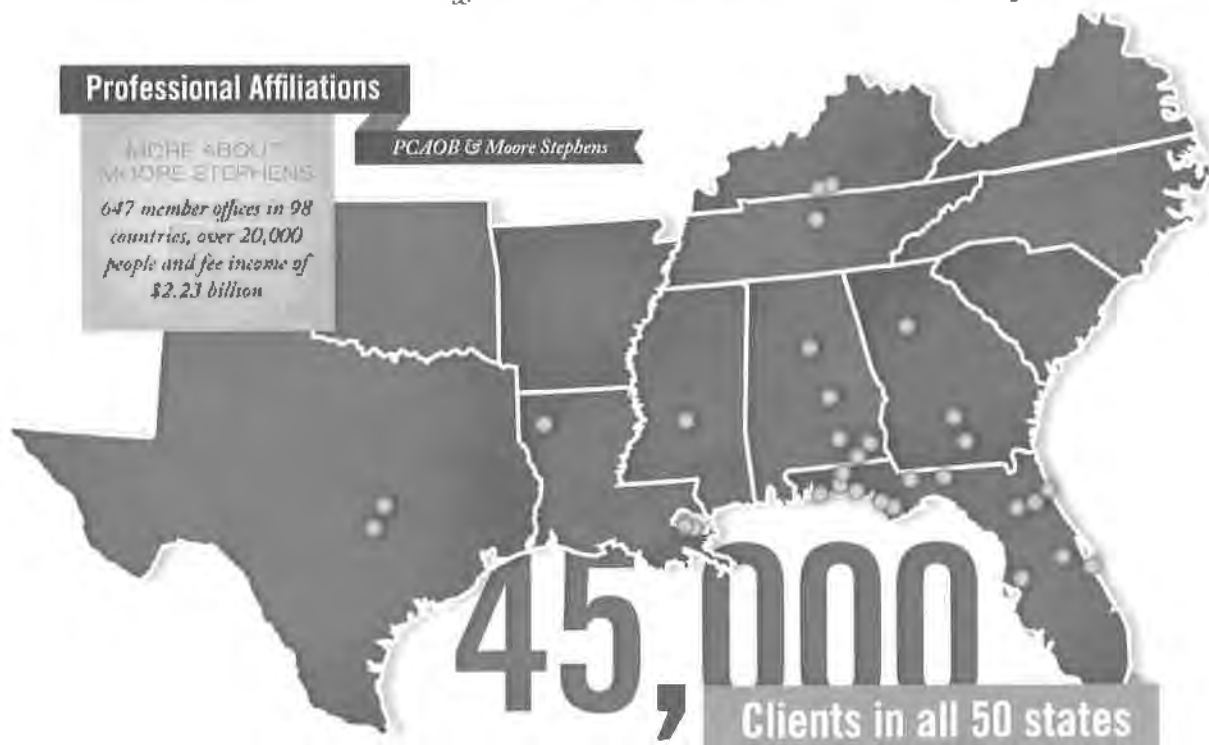
*Professionals*

### Professional Affiliations

**NICHE ABOUT  
MOORE STEPHENS**

*647 member offices in 98 countries, over 20,000 people and fee income of \$2.23 billion*

**PCAOB & Moore Stephens**



# 45,000

**Clients in all 50 states**

*plus Canada, Puerto Rico, and overseas military installations*

### Professional Organization Membership

American Institute of Certified Public Accountants (AICPA) Alliance for CPA firms

AICPA Private Companies Practice Section

Center for Audit Quality (CAQ)

Employee Benefit Plan Audit Quality

Center of the AICPA

Governmental Audit Quality Center of the AICPA

Information Systems Audit and Control Association (ISACA)

Institute of Internal Auditors (IIA)

Public Accounting Oversight Board

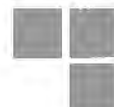
# 183

**Total Partner Designations**

*24 are different*

CPA	CFE	CISA
CIE	PFS	CTGA
ABV	CVA	CGFM
CFE	CMA	FAHM
CFF	CAM	MCSE
AEP	MCP	Cr.FA
CFE	CITP	CGEIT
CFP	CFSA	CCIFP

**Current Rankings: 3rd in the South and 29th in the U.S.**



## GOVERNMENTAL CREDENTIALS

Audit **200+** governmental entities  
across the South with **\$20** billion  
annual revenues totaling

*Our*  
**GOVERNMENTAL**  
*stats*

**900+** years  
combined governmental partner expertise



Municipality **\$550** million in annual  
clients of up to total revenues

CPA  
CGFM  
CITP  
CFE

**9**

*Different Governmental Partner Designations*

Perform Single Audits for approximately  
**40%** of all  
governmental clients



CMA  
CISA  
CGEIT  
CTGA  
CFF



During the 7 years we have worked with Carr, Riggs & Ingram, I have found that their team has tremendous expertise in local government financial operations. They have demonstrated a keen understanding of our risks and worked with our city officials to develop sensible solutions to mitigate those risks. Moreover, they have provided us with a number of suggested "best practices" in day-to-day operations and have helped document the way we do things. I can say without question that Carr, Riggs & Ingram has truly made a measurable difference for the City of Moultrie and its finance department. I would recommend them for any work for which they are under consideration.

*— Gary McDaniel, Finance Director  
City of Moultrie, Georgia*



## RELEVANT EXPERIENCE

CRI delivers a depth of resources that ensures our understanding of your challenges and innovative solutions for overcoming them. Our governmental team's 900+ years of combined experience is derived from providing audit and accounting outsourcing services to a client base that includes:

- 200+ governmental entity clients across the South totaling approximately \$20 billion in total revenues,
- Perform single audits for approximately 40% of all governmental clients,
- Municipality clients of up to \$550 million in total revenues, and
- Audit clients expending nearly \$6 billion in federal funds annually.

We parlay this vast experience and derived best practices into proven solutions that benefit you.

Below we share specific, relevant client references; we encourage you to consult with them.

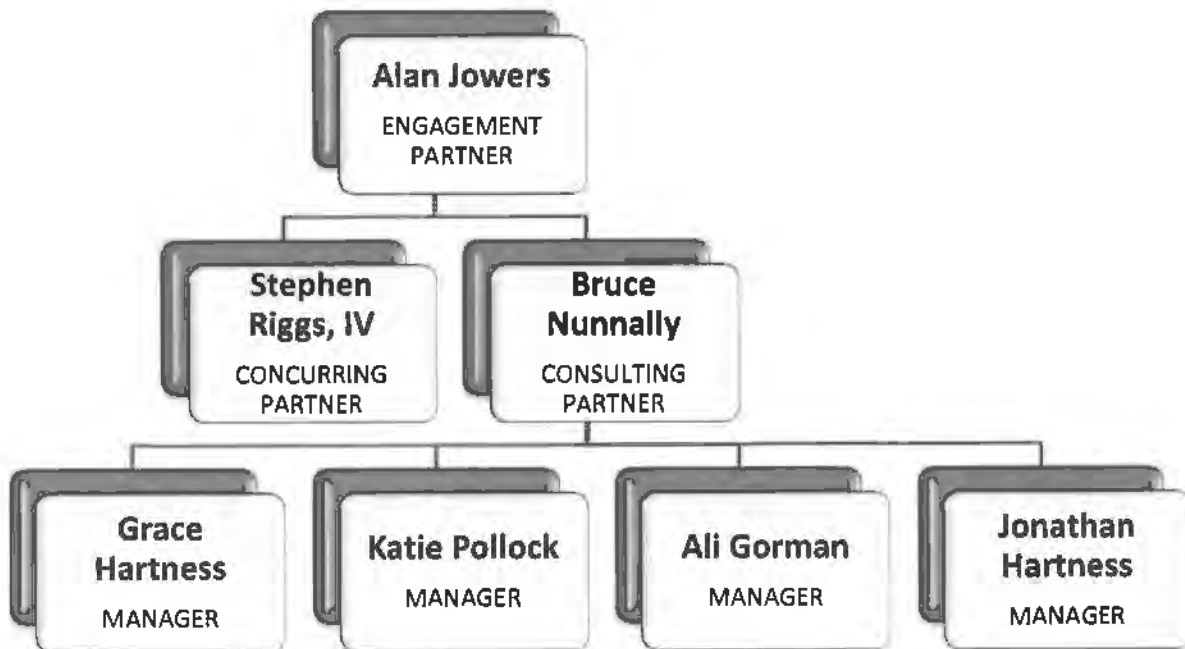
RELATIONSHIP	TIMELINE	SERVICE DESCRIPTION	RELEVANT POINTS TO CONSIDER
Rizzetta & Company Shawn Wildermuth 3434 Colwell Avenue Suite 200 Tampa, FL 33614 813.933.5571	2006 – Present	Annual Financial Statement Audits of Multiple CDDs	<ul style="list-style-type: none"> <li>• Client service experience</li> <li>• Responsiveness to client needs</li> <li>• Long-term relationship</li> <li>• CDD management co.</li> </ul>
GMS, LLC Dave DeNagy 14785 Old St. Augustine Road, Suite 4 Jacksonville, FL 32258 904.288.9130	2006 – Present	Annual Financial Statement Audits of Multiple CDDs	<ul style="list-style-type: none"> <li>• Client service experience</li> <li>• Responsiveness to client needs</li> <li>• Long-term relationship</li> <li>• CDD management co.</li> </ul>
DMS Brian Lamb 5680 W. Cypress Street Suite 5680A Tampa, FL 33607 813.873.7300	2006 – Present	Annual Financial Statement Audits of Multiple CDDs	<ul style="list-style-type: none"> <li>• Client service experience</li> <li>• Responsiveness to client needs</li> <li>• Long-term relationship</li> <li>• CDD management co.</li> </ul>
Wrathell, Hart, Hunt & Associates, LLC Jeffrey Pinder 6131 Lyons Road Suite 100 Coconut Creek, FL 33073 877.276.0889	2006 – Present	Annual Financial Statement Audits of Multiple CDDs	<ul style="list-style-type: none"> <li>• Client service experience</li> <li>• Responsiveness to client needs</li> <li>• Long-term relationship</li> <li>• CDD management co.</li> </ul>
Fishkind & Associates Jennifer Glasgow 12051 Corporate Blvd. Orlando, FL 32817 407.382.3256	2007 – Present	Annual Financial Statement Audits of Multiple CDDs	<ul style="list-style-type: none"> <li>• Client service experience</li> <li>• Responsiveness to client needs</li> <li>• Long-term relationship</li> <li>• CDD management co.</li> </ul>



## YOUR SOLUTION TEAM

We have assembled a team of professionals who will ensure the highest level of personal dedication and professional excellence to you. Our team delivers exceptional services through a balanced blend of skills (service-driven, industry-specific, technical, and business) and experience that we know are important to you.

Brief profiles of each member of the team identified below follow on subsequent pages.



## YOUR SOLUTION TEAM



K. Alan Jowers  
Engagement Partner

(850) 337-3213 phone  
(850) 855-3503 mobile

AJowers@cricpa.com

### Representative Clients

- Boggy Creek Improvement District
- Brighton Lakes CDD
- Capital Region CDD
- Celebration CDD
- Durbin Crossing CDD
- Hammock Bay CDD
- Lakeside Plantation CDD
- New River CDD
- Pier Park CDD
- Shingle Creek CDD
- University Square CDD
- Okaloosa Gas District
- Santa Rosa Island Authority
- City of Destin, Florida
- Okaloosa County District School Board
- Santa Rosa County District School Board

### Experience

Alan has almost 20 years' experience in public accounting, primarily in financial statement attestation engagements. He is responsible for audits, reviews, and compilations of local governmental entities, condominium and homeowner associations, non-profit organizations and nonpublic companies. Prior to CRI, Alan worked in the Atlanta office of a large regional accounting firm.

Alan is licensed to practice as a certified public accountant in the states of Florida and Georgia. He is a member of the State and Local Governmental section and the Common Interest Realty Association section of the Florida Institute of Certified Public Accountants and exceeds all continuing professional education requirements related to *Government Auditing Standards*. He is currently a partner on engagements for over 75 governmental engagements in the State of Florida, including community development districts, fire districts and school districts.

Alan has been with CRI since 1999.

### Education, Licenses & Certifications

- Masters of Accountancy, University of Alabama
- BS, Accounting, Florida State University
- Certified Public Accountant

### Professional Affiliations

- American Institute of Certified Public Accountants (AICPA)
- Florida Institute of Certified Public Accountants (FICPA)
- Governmental Finance Officers Association (GFOA)

## YOUR SOLUTION TEAM



Stephen Riggs  
Concurring Partner

(850) 337-3548 phone  
(850) 855-7789 mobile

SCRiggs@cricpa.com

### Representative Clients

- Bainebridge CDD
- CFM CDD
- Gramercy Farms CDD
- Heritage Harbour North CDD
- River Hall CDD
- Tern Bay CDD
- Waterlefe CDD
- City of Key West, Florida – Internal Audit and Forensic
- Okaloosa County Sheriff's Office
- Bahama Conch Community Land Trust – Internal Audit and Forensic

### Experience

Stephen has over 10 years accounting and audit experience, including three years with the international public accounting firm, Ernst & Young, LLP. His experience includes numerous clients in industries including governmental, not-for-profit, healthcare, SEC and privately held corporations.

Stephen is licensed to practice as a certified public accountant in Florida. He is a member of the State and local Governmental section of the Florida Institute of Certified Public Accountants and exceeds all continuing professional education requirements related to *Government Auditing Standards*.

He is currently a partner on engagements for many special districts in the State of Florida, including community development districts, fire districts and school districts. In addition to his public accounting experience, Stephen has served on the Board of Directors for a Community Development District and a non-profit organization.

### Education, Licenses & Certifications

- Masters of Accountancy, University of West Florida
- BA, Economics, University of Florida
- Certified Public Accountant

### Professional Affiliations

- American Institute of Certified Public Accountants (AICPA)
- Florida Institute of Certified Public Accountants (FICPA)
- Past President, Emerald Coast Chapter of Florida Institute of Certified Public Accountants (FICPA)



## YOUR SOLUTION TEAM



**Bruce Nunnally**  
Consulting Partner

(850) 337-3203 phone  
(850) 855-7686 mobile

[BNunnally@cricpa.com](mailto:BNunnally@cricpa.com)

### Representative Clients

- Escambia County Internal Audit
- Okaloosa County Sheriff's Office
- Okaloosa County School District
- City of Destin, Florida
- City of Mary Esther, Florida
- Regional Utilities
- CHELCO

### Experience

Bruce Nunnally, Firm Director of Auditing for CRI, has over 20 years of public accounting experience, including over 10 years with the international public accounting firm, Ernst & Young, LLP.

Currently, Bruce serves as Engagement Partner on 11 significant governmental audit engagements which encompass more than 50% of his client responsibility time, and, as Firm Director of Audits, Bruce holds the ultimate responsibility for the technical aspects of the Firm's financial statement audits. Bruce has extensive experience in reviewing financial and internal controls of governmental entities, and serves as technical reviewer on over 50 governmental audits.

Bruce is a nationally sought-after lecturer and serves as an instructor of accounting and auditing issues for the American Institute of Certified Public Accountants. He has presented accounting and auditing continuing education classes for a quarter of the top 30 CPA firms in the U.S. Before Bruce was recognized as a national speaker, he was awarded by the Florida Institute of Certified Public Accountants as the "Outstanding Discussion Leader" in 2000.

Bruce has been a partner with CRI since its inception.

### Education, Licenses & Certifications

- BS, Accounting, summa cum laude, Harding University
- Certified Public Accountant

### Professional Affiliations

- American Institute of Certified Public Accountants (AICPA)
- Florida Institute of Certified Public Accountants (FICPA)
- Governmental Finance Officers Association (GFOA)
- Florida Government Finance Officers Association (FGFOA)

## YOUR SOLUTION TEAM



Grace Hartness  
Manager

(850) 337-3243 phone

GHartness@cricpa.com

### Representative Service Areas

- Community Development Districts
- Condominium and Homeowner Associations
- Utility Services
- School Districts
- County and Local Governments
- Non-Profit Organizations

### Experience

Grace has over six years accounting and audit experience with CRI. She has worked on several major construction companies, government entities, community development districts, condominium and homeowner associations and non-profit organizations. In addition, she has been involved in special audit projects for the Miami-Dade Airport Authority.

Grace is licensed to practice as a certified public accountant in Florida and exceeds all continuing professional education requirements related to Government Auditing Standards. In addition, Grace fluently speaks several languages including French and Arabic.

Grace currently supervises engagements for many special districts in the State of Florida including community development districts and school districts. She is active in our firm's condominium and homeowner association practice.

Grace started with CRI in August 2006, upon completion of her master's degree, and was promoted to manager in 2011.

### Education, Licenses & Certifications

- MAcc, Accounting, University of West Florida
- Certified Public Accountant
- Community Association Manager, Licensed in Florida

### Professional Affiliations

- American Institute of Certified Public Accountants (AICPA)
- Florida Institute of Certified Public Accountants (FICPA)
- American Society of Women Accountants (ASWA)



Katie Pollock  
Manager

(850) 337-3206 phone

KPollock@cricpa.com

**Representative Service Areas**

- Community Development Districts
- Condominium and Homeowner Associations
- County and Local Governments
- Non-Profit Organizations
- Privately-held corporations

**Experience**

Katie has over four years accounting and audit experience with CRI. She is in-charge of fieldwork on audits of clients in a variety of industries including governmental entities, condominium and homeowner associations, non-profit organizations and privately-held corporations.

Katie is licensed to practice as a certified public accountant in Florida. She is a member of the Florida Institute of Certified Public Accountants and exceeds all continuing professional education requirements related to Government Auditing Standards.

Katie currently supervises engagements for many special districts in the State of Florida including community development districts, fire districts, utility districts and school districts. She is active in our firm's condominium and homeowner association practice and also assists in operating and accounting for her family's restaurant locations.

**Education, Licenses & Certifications**

- BSBA, Professional Accountancy, University of West Florida
- Certified Public Accountant

**Professional Affiliations**

- American Institute of Certified Public Accountants (AICPA)
- Florida Institute of Certified Public Accountants (FICPA)

## YOUR SOLUTION TEAM



Ali Gorman  
Manager

(850) 337-3254 phone

AGorman@cricpa.com

### Representative Service Areas

- Community Development Districts
- Condominium and Homeowner Associations
- Utility Services
- School Districts
- County and Local Governments
- Non-Profit Organizations

### Experience

Ali has over six years auditing and accounting experience in both the Tallahassee and Destin offices of CRI. She is an audit manager with primary responsibility for fieldwork and reporting on audits of clients in a variety of industries including local governmental and non-profit entities as well as financial institutions and commercial businesses. She is currently the audit manager for over 25 community development districts, and works with several CDD management companies in the State of Florida.

Ali is licensed to practice as a Certified Public Accountant in Florida. She is a member of the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants. She exceeds all continuing professional education requirements related to *Government Auditing Standards*.

Ali currently supervises engagements for many governmental entities in the State of Florida including community development districts, municipalities, utility districts, and other special governments. She is active in our firm's governmental industry line as well as the condominium and homeowner association practice. In addition, Ali has performed many single audits of federal grants under OMB Circular A-133.

### Education, Licenses & Certifications

- BS, Accounting, Florida State University
- Certified Public Accountant

### Professional Affiliations

- American Institute of Certified Public Accountants (AICPA)
- Florida Institute of Certified Public Accountants (FICPA)



Jonathan Hartness  
Manager

(850) 337-3569 phone

JHartness@cricpa.com

### Representative Service Areas

- Community Development Districts
- Condominium and Homeowner Associations
- Utility Services
- School Districts
- County and Local Governments
- Non-Profit Organizations

### Experience

Jonathan has over six years auditing and accounting experience with CRI. He is an audit manager with primary responsibility for fieldwork and reporting on audits of clients in a variety of industries including local governments, utility companies, condominium and homeowner associations, and small businesses. He is currently the audit manager for over 20 community development districts and works with several CDD management companies in the State of Florida.

Jonathan is licensed to practice as a Certified Public Accountant in Florida. He is a member of the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants. He exceeds all continuing professional education requirements related to *Government Auditing Standards*.

Jonathan currently supervises engagements for many governmental entities in the State of Florida including community development districts. He is active in our firm's governmental industry line as well as our condominium and homeowner association practice. Jonathan is an integral part of our community development district practice.

### Education, Licenses & Certifications

- MAcc, Accounting, University of West Florida
- Certified Public Accountant

### Professional Affiliations

- American Institute of Certified Public Accountants (AICPA)
- Florida Institute of Certified Public Accountants (FICPA)



## DELIVERING QUALITY TO YOU

### TECHNICAL TRAINING CRI'S CPE WEEK

You expect your service team to be up-to-date regarding hot topics in the following service areas:

- Accounting
- Attestation & Auditing
- Business Consulting
- Tax

Our firm professionals gather annually for "CPE Week," a continuing professional education series designed to provide needed technical updates to keep our teams informed of the latest from the various and relevant standard setters. Additionally, it provides a forum for our professionals to share best practices – ensuring that you receive the benefit of expertise from our firm's professionals.

### LEADERSHIP TRAINING CRI'S LEADERSHIP ACADEMY

In today's world of constant communication, business skills are as important as technical expertise. Building the next generation of leaders is key to our success and essential for excellent client service. Therefore, we make a unique investment in our professionals through the CRI Leadership Academy, which is designed to provide training on the "soft skills" of business leadership including, but not limited to, teamwork, time and project management, business writing, communication, presentation, and our core values of client service, respect, and integrity.

### ONGOING TRAINING

By virtue of the profession, accounting is an apprenticeship model. CRI's senior level management embraces this approach by leading and utilizing engagements teams that provide the proper mix of industry, service, and overall experience. This model ensures that all supervising, mentoring, and coaching are tailored to each individual's requirements and needed timetable.

### OUR PEOPLE

The quality of a professional services firm is determined by its people and the firm's investment in them. To ensure the highest possible level of quality for every client, we employ carefully designed protocols for recruiting, developing, promoting, and supervising our staff. Our comprehensive, formalized training programs focus on five areas of development training: technical, leadership, ongoing, role/responsibility, and specialty.

### SPECIALTY TRAINING

Just as every business is different, so are the accounting best practices for each industry and specialty service. Because of these differences, we deliver progressive training courses that address the current accounting issues affecting our clients served by our industry and specialty service teams, such as:

- Business Valuations
- International Accounting & Tax
- IT Audit & Assurance
- Employee Benefit Plan (EBP) Audits
- Forensic Accounting
- Service Organization Controls (SOC)
- SEC/PCAOB
- Financial Institutions & Insurance
- Construction
- Governmental & Not-for-Profits
- Healthcare

### ROLE/RESPONSIBILITY TRAINING

In addition to basic technical and leadership skills, we know that our team requires specialized training for their individual responsibilities. So CRI has developed role-based training scenarios that include service-specific training and tools presented in a case study format. Our goal is to prepare all team members for their new level of responsibilities.

## DELIVERING QUALITY TO YOU



### **AUDIT METHODOLOGY**

Our audit, tax, consulting, and client accounting services documentation is maintained electronically. Compliance with our methodology is regularly reviewed and evaluated as part of our internal quality program, which is further discussed in this section under INTERNAL QUALITY CONTROL REVIEWS AND EXTERNAL REVIEWS. Comprehensive policies and procedures governing all of our practices and addressing professional and regulatory standards and implementation issues are constantly updated for new professional developments and emerging issues. See PAGES 21 - 24 for a more detailed description of the relevant approach and methodology.

### **ENGAGEMENT QUALITY REVIEW PARTNER (CONCURRING PARTNER)**

Each audit has an assigned engagement quality review (EQR) partner with the appropriate experience. This role is one of the most important elements of our quality assurance process, as it provides for a timely, independent review of all key accounting and auditing issues. The EQR partner also reviews the financial statements and related supporting documentation—including the disclosures—to evaluate their fair presentation under accounting principles generally accepted in the United States of America (GAAP).

### **INTERNAL QUALITY CONTROL REVIEWS AND EXTERNAL REVIEWS**

Experienced partners and professional staff of our firm conduct quality control reviews of our audits. Our partners' work is reviewed annually, and the inspection process includes periodic testing of the effectiveness of our quality controls and a continuous improvement program.

Peer reviews are performed every three years by another independent public accounting firm. The most recent review of our firm was performed in 2010 by EideBailly, whose report was the most favorable possible.

In addition, we are registered with the PCAOB and our 2006 and 2009 PCAOB inspection reports were also the most favorable possible—no audit deficiencies or quality control defects identified. The 2009 PCAOB report can be viewed at [www.pcaob.com/inspections/public\\_reports/2009/Carr\\_Riggs.pdf](http://www.pcaob.com/inspections/public_reports/2009/Carr_Riggs.pdf).



## JOINING OUR CONVERSATION



### WEBSITE (CRIcpa.com)

CRI's website features financial calculators, current tax and estate tax guides, a record retention schedule, glossary of common financial terms, and hundreds of articles with topics ranging from current legislation to Industry-specific news.



### BLOG SITE (blog.CRIcpa.com)

Featuring articles and videos, CRI's interactive blog site provides helpful tips for readers both personally and professionally. Written by our partners from their perspective and experiences, these plain English explanations of current regulations and trends exemplify our commitment to open dialogue.



### CRInsights (CRIcpa.com)

We understand that just because a topic makes perfect sense to a CPA doesn't mean that it will to our clients. That's why we developed CRInsights, our in-depth yet down-to-earth explanations of complex topics.



### NEWSLETTER (Sign up at CRIcpa.com)

Our team is dedicated to keeping our clients informed, and we prove it by creating a custom monthly e-newsletter with widely-applicable topics. The articles are designed to help you improve your business and personal finances. Popular recent topics include:

- Reportable Health Care Coverage on W-2s
- Navigating Alternative Minimum Tax (AMT)
- Key Considerations of Health Care Law
- Six Commandments of Estate Planning





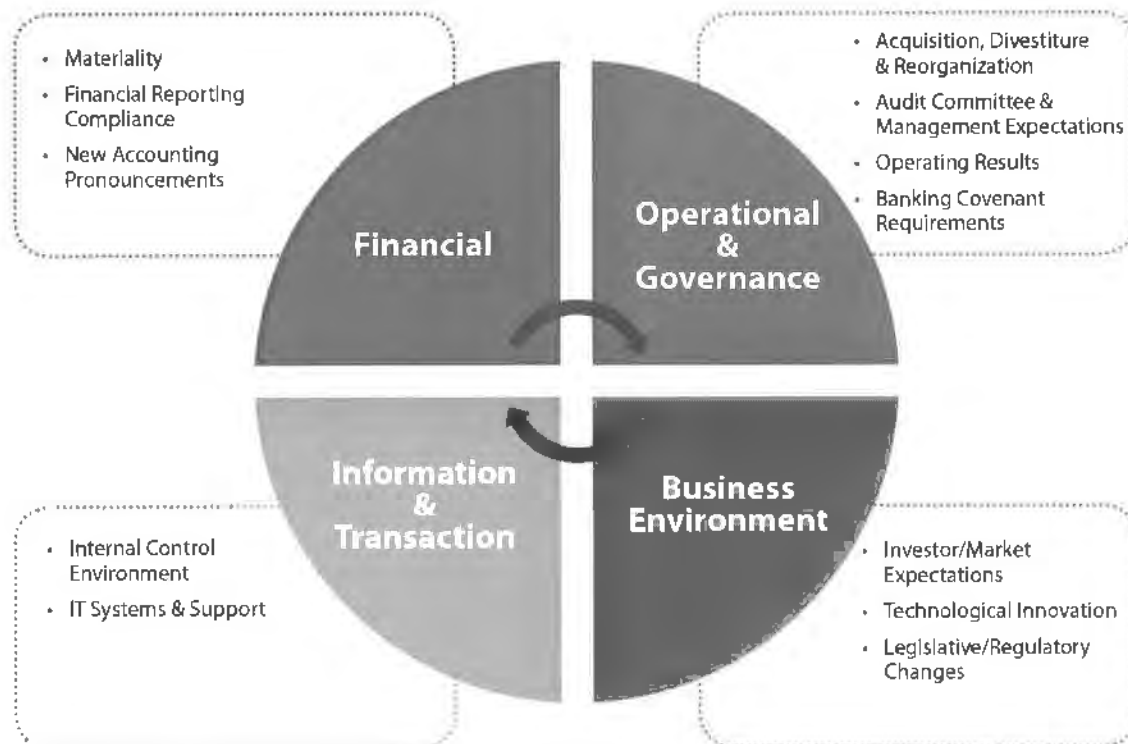
## CRI AUDIT FRAMEWORK

Our proposed services require a coordinated effort between us and Harmony Community Development District's team. Planning and continual communication are essential to developing the appropriate procedures, working collaboratively to resolve any identified issues, and meeting your timelines.

CRI's audit approach occurs within a framework of our client's business and industry; therefore, we assess risk by:

- Understanding management's perspectives and goals, and
- Considering business conditions and threats that could prevent management from achieving its business objectives.

We assess risks in the following areas:





## CRI AUDIT FRAMEWORK

Our ultimate intent is to drill down from these broad risks to specific financial reporting risks. We understand both these risks and management's processes and procedures for mitigating them (i.e. internal controls) in order to develop our procedures to carry out our audit responsibilities.

Although our audits are conducted through a structured, risk-based model, we focus on understanding the client's needs, requirements, and expectations. We work collaboratively with management and the Audit Committee (or similar function) to develop a communication and work plan to continuously improve client service, by doing so we help in moving your team from simple **compliance** to providing you with a **competitive advantage**.

In planning, we concentrate on "key risks," (items with a greater risk of a material misstatement, a material weakness in internal controls, or other matters resulting in the issuance of an inappropriate audit report). We focus on "material" items (i.e. those items that would be important to the user of your financial statements). When evaluating materiality of identified misstatements, certain quantitative and qualitative factors must be considered—which may include:

- Impact on operating trends (revenue/income, expenses, net income, etc).
- Nature of the misstatement (i.e., did the misstatement result from an unlawful transaction?).
- Impact on liquidity, capital/surplus, earnings capacity, etc.
- Impact to loan covenants and contractual and regulatory requirements.

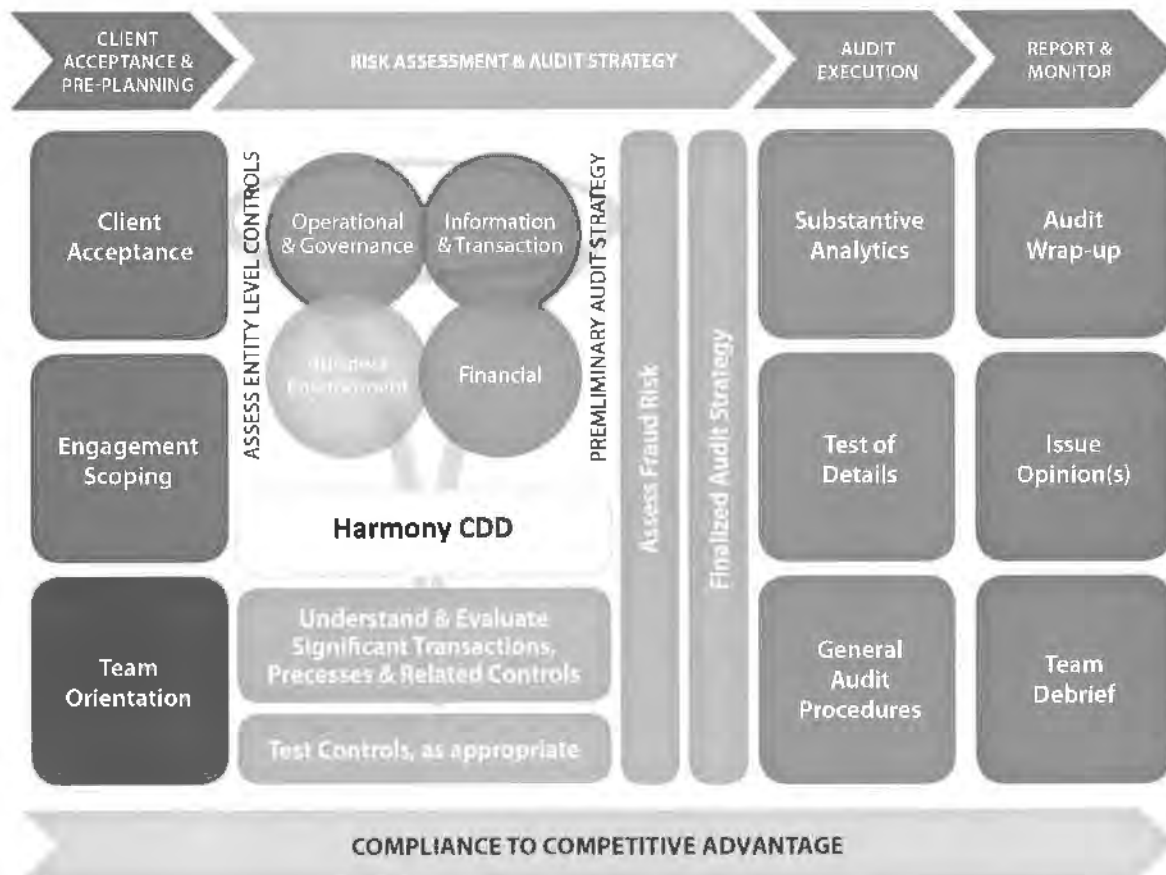
Consistent communication is a key to completion of the audit. By ensuring constant involvement, we are in a better position to respond to your issues timely and efficiently. Therefore, we plan to meet with your management to:

- Set-up the audit by reviewing the mapping of Harmony Community Development District's financial information (financial statements and notes) to significant processes and IT systems to ensure that all significant account balances, transactions, procedures, and systems are tested as deemed necessary.
- Discuss ongoing changes—specifically new accounting pronouncements and key business transactions in their early stages, enabling us to agree on the resolution of various complex business issues on a timely basis.



# CRI AUDIT APPROACH

Our audit approach is a four stage approach, as depicted in the summary below. Our client acceptance and risk assessment procedures (as noted on the previous page) occur during detailed conversations and observations with your team. The results of those procedures allow us to tailor an audit program to your specific risks and needs. We then execute the audit, report the results, and evaluate continuous improvement opportunities for ongoing service and benefit to you.





## CRI AUDIT APPROACH

### Stage 1: Client Acceptance & Pre-planning

- Perform client acceptance procedures where necessary.
- Collaborate with management to agree to expectations and scope.
- Assign appropriate staff to engagement based on client needs and assessed risk.

### Stage 2: Risk Assessment & Audit Strategy

- Interview client personnel and others, as necessary to understand client-specific objectives and risks.
- Assess environmental and other external risks and potential impact on the audit planning.
- Assess entity level controls including: control environment, risk assessment, information & communication, and monitoring controls.
- Assess management's fraud and IT risk assessment models. Develop independent fraud and IT risk assessment.
- Assess IT General Computer (ITGC) controls, such as IT Environment, Developing & Delivering IT, and Operating IT & Monitoring IT.
- Assess materiality.
- Perform preliminary analytical procedures.
- Map financial statements to significant transactions, processes, IT systems and related controls.
- Develop understanding of significant processes and related controls.
- Determine existence of/reliance on SSAE 16 (formerly SAS 70(s)).
- Test controls including ITGC, as and if deemed appropriate. Tests will include a mix of:
  - inquiry,
  - observation,
  - examination and
  - re-performance.
- Determine reliance on Internal Audit, if applicable (e.g. controls or detailed tests).
- Determine reliance on specialist(s), if applicable (e.g. valuations, pension costs, etc.).
- Finalize risk assessments and develop final audit strategy.

### Stage 3: Audit Execution

- Where possible, develop detailed analytical procedures to use as substantive tests to reduce tests of details. Examples include:
  - ratio analysis,
  - regression analysis,
  - trend analysis,
  - predictive tests or
  - reasonableness tests.
- Where possible utilize Computer-Assisted Audit Techniques (CAATs), such as IDEA or ACL to automate testing for more coverage and less disruption to the client.
- Where possible, perform targeted testing (also known as "coverage" testing) of account balances to tests large portions of account balances.
- Perform tests of details, including sampling, if applicable or necessary.
- Perform general audit procedures, as and if applicable, such as tests related to:
  - commitments and contingencies,
  - legal letters,
  - management representations,
  - reviews of Board minutes,
  - related party transactions,
  - debt covenants and
  - going concern.
- Perform other tests for compliance such as Yellow Book or Single Audit Tests.

### Stage 4: Report & Monitor

- Continually monitor the audit and provide feedback as agreed during scoping or more frequently, as deemed appropriate.
- Conclude the audit (i.e. issue opinions and/or reports).
- Develop and present required communications, including management letter comments.
- Perform an internal team de-briefing to identify areas for improvement.
- Welcome the opportunity for an external de-briefing with our clients to improve.

## APPENDIX A – PEER REVIEW



### System Review Report

To the Partners of Carr, Riggs & Ingram LLC  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Carr, Riggs & Ingram LLC (the firm) applicable to non-SEC issuers in effect for the year ended June 30, 2010. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.apicpa.org/prsummary](http://www.apicpa.org/prsummary).

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*, audits of employee benefit plans, and audits performed under FDICIA.

In our opinion, the system of quality control for the accounting and auditing practice applicable to non-SEC issuers of Carr, Riggs & Ingram LLC in effect for the year ended June 30, 2010, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Carr, Riggs & Ingram LLC has received a peer review rating of *pass*.

*Eide Bailly LLP*

Minneapolis, Minnesota  
October 14, 2010

[www.eidebailly.com](http://www.eidebailly.com)

5601 Green Valley Dr., Ste. 700 | Minneapolis, MN 55437-1145 | T 952.944.6166 | F 952.944.8496 | EOE

## APPENDIX B – RFP DOCUMENTS



### **HARMONY COMMUNITY DEVELOPMENT DISTRICT REQUEST FOR PROPOSALS FOR ANNUAL AUDIT SERVICES**

The Harmony Community Development District hereby requests proposals for annual financial auditing services. The proposal must provide for the auditing of the District's financial records for the fiscal year ending September 30, 2013, with an option for two additional annual renewals. The District is a local unit of special-purpose government created under Chapter 190, Florida Statutes, for the purpose of financing, constructing, and maintaining public infrastructure. The District is located in Osceola County and is approximately 1,020.2 acres in area. The District has an annual operating budget of approximately 1.4 million dollars, including debt service. The first year's review should include a focused review of the levying of special assessments and accounting for revenues derived from said assessment.

The Auditing entity submitting a proposal must be duly licensed under Chapter 473, Florida Statutes and be qualified to conduct audits in accordance with "Government Auditing Standards", as adopted by the Florida Board of Accountancy. Audits shall be conducted in accordance with Florida Law and particularly Section 218.39, Florida Statutes, and the rules of the Florida Auditor General.

Proposal packages, which include evaluation criteria and instructions to proposers, are available from the District's Management Company at the address and telephone number listed below.

Proposers must provide ten (10) copies of their proposal to Severn Trent Management Services, Attn: Auditing Services, 210 North University Drive, Suite 702, Coral Springs, Florida 33071, telephone 954-753-5841, in an envelope marked on the outside "Auditing Services, Harmony Community Development District." Proposals must be received by 2:00 p.m. on Friday, May 17, 2013 at the offices listed above. Please direct all questions regarding this Notice to the District Manager, Gary Moyer, Severn Trent Management Services, 610 Sycamore Street, Suite 140, Celebration, Florida 32737, phone 407-566-1935.

**Severn Trent Management Services  
District Management**



## APPENDIX B – RFP DOCUMENTS

### HARMONY CDD REQUEST FOR PROPOSALS

District Auditing Services for Fiscal Year 2013  
Osceola County, Florida

#### INSTRUCTIONS TO PROPOSERS

**SECTION 1. DUE DATE.** Sealed proposals must be received no later than May 17, 2013, at the offices of the District Manager, located at 210 North University Drive, Suite 702, Coral Springs, FL 33071. Proposals will be publicly opened at that time.

**SECTION 2. FAMILIARITY WITH THE LAW.** By submitting a proposal, the Proposer is assumed to be familiar with all federal, state, and local laws, ordinances, rules, and regulations that in any manner affect the work. Ignorance on the part of the Proposer will in no way relieve it from responsibility to perform the work covered by the proposal in compliance with all such laws, ordinances and regulations.

**SECTION 3. QUALIFICATIONS OF PROPOSER.** The contract, if awarded, will only be awarded to a responsible Proposer who is qualified by experience and licensing to do the work specified herein. The Proposer shall submit with its proposal satisfactory evidence of experience in similar work and show that it is fully prepared to complete the work to the satisfaction of the District.

**SECTION 4. SUBMISSION OF ONLY ONE PROPOSAL.** Proposers shall be disqualified and their proposals rejected if the District has reason to believe that collusion may exist among the Proposers, the Proposer has defaulted on any previous contract or is in arrears on any previous or existing contract, or for failure to demonstrate proper licensure and business organization.

**SECTION 5. SUBMISSION OF PROPOSAL.** Submit ten (10) copies of the Proposal Documents, and other requested attachments at the time and place indicated herein, which shall be enclosed in an opaque sealed envelope, marked with the title "Auditing Services – Harmony Community Development District" on the face of it.

**SECTION 6. MODIFICATION AND WITHDRAWAL.** Proposals may be modified or withdrawn by an appropriate document duly executed and delivered to the place where proposals are to be submitted at any time prior to the time and date the proposals are due. No proposal may be withdrawn after opening for a period of ninety (90) days.

**SECTION 7. PROPOSAL DOCUMENTS.** The proposal documents shall consist of the notice announcing the request for proposals, these instructions, the Evaluation Criteria Sheet and a proposal with all required documentation pursuant to Section 12 of these instructions (the "Proposal Documents").

**SECTION 8. PROPOSAL.** In making its proposal, each Proposer represents that it has read and understands the Proposal Documents and that the proposal is made in accordance therewith.

## APPENDIX B – RFP DOCUMENTS



**SECTION 9. BASIS OF AWARD/RIGHT TO REJECT.** The District reserves the right to reject any and all proposals, make modifications to the work, and waive any informalities or irregularities in proposals as it is deemed in the best interests of the District.

**SECTION 10. CONTRACT AWARD.** Within fourteen (14) days of receipt of the Notice of Award from the District, the Proposer shall enter into and execute a Contract (engagement letter) with the District.

**SECTION 11. LIMITATION OF LIABILITY.** Nothing herein shall be construed as or constitute a waiver of District's limited waiver of liability contained in section 768.28, Florida Statutes, or any other statute or law.

**SECTION 12. MISCELLANEOUS.** All proposals shall include the following information in addition to any other requirements of the proposal documents.

- A. List position or title of all personnel to perform work on the District audit. Include resumes for each person listed. list years of experience in present position for each party listed and years of related experience.
- B. Describe proposed staffing levels, including resumes with applicable certifications.
- C. Three references from projects of similar size and scope. The Proposer should include information relating to the work it conducted for each reference as well as a name, address and phone number of a contact person.
- D. The lump sum cost of the provision of the services under the proposal

**SECTION 13. PROTESTS.** Any protest regarding the Proposal Documents, must be filed in writing, at the offices of the District Manager, within seventy-two (72) hours after the receipt of the proposed contract documents. The formal protest setting forth with particularity the facts and law upon which the protest is based shall be filed within seven (7) calendar days after the initial notice of protest was filed. Failure to timely file a notice of protest or failure to timely file a formal written protest shall constitute a waiver of any right to object or protest with respect to aforesaid contract award.

**SECTION 14. EVALUATION OF PROPOSALS.** The criteria to be used in the evaluation of proposals are presented in the Evaluation Criteria Sheet, contained within the Proposal Documents.



## APPENDIX B – RFP DOCUMENTS



### HARMONY COMMUNITY DEVELOPMENT DISTRICT

#### AUDITOR SELECTION EVALUATION CRITERIA Option A

1. *Ability of Personnel.* (30 Points)

(e.g., geographic locations of the firm's headquarters or permanent office in relation to the project; capabilities and experience of key personnel; present ability to manage this project; evaluation of existing work load; proposed staffing levels, etc.)

2. *Proposer's Experience.* (20 Points)

(e.g., past record and experience of the Proposer in similar projects; volume of work previously performed by the firm; past performance for other Community Development Districts in other contracts; character, integrity, reputation, of respondent, etc.)

3. *Understanding of Scope of Work.* (10 Points)

Extent to which the proposal demonstrates an understanding of the District's needs for the services requested.

4. *Ability to Furnish the Required Services.* (20 Points)

Extent to which the proposal demonstrates the adequacy of Proposer's financial resources and stability as a business entity necessary to complete the services required. (e.g., the existence of any natural disaster plan for business operations)

5. *Price.* (20 Points)

Points will be awarded based upon the price bid for the rendering of the services and reasonableness of the price to the services.



**Grau & Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

## Proposal to Provide Financial Auditing Services

### **HARMONY COMMUNITY DEVELOPMENT DISTRICT**

Proposal Due: May 17, 2013, 2:00PM

**Submitted to:**

Harmony Community Development District  
c/o Severn Trent Management Services  
610 Sycamore Street, Suite 140  
Celebration, Florida 34747

**Submitted by:**

Antonio J. Grau, Partner  
Grau & Associates  
2700 North Military Trail, Suite 350  
Boca Raton, Florida 33431  
Tel (561) 994-9299 / (800) 229-5728  
Fax (561) 994-5823  
[tony@graucpa.com](mailto:tony@graucpa.com) / [www.graucpa.com](http://www.graucpa.com)



**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

May 17, 2013

Harmony Community Development District  
c/o Severn Trent Management Services  
610 Sycamore Street, Suite 140  
Celebration, Florida 34747

Re: Request for Proposal for Professional Auditing Services for the fiscal year ending September 30, 2013 with an option for two (2) additional annual renewals

Grau & Associates (Grau) is pleased to respond to the Harmony Community Development District's (the "District") Request for Proposal (RFP), and look forward to working with you on your audit. We are a team of knowledgeable professionals with extensive experience in audits for organizations just like yours, and we know how to work with you to complete an effective and efficient audit.

**Since our focus is on government, we fully understand the professional services and work products required to meet your RFP requirements.** Our team provided services in excess of 19,000 hours for our public sector clients last year, and we currently audit over 250 governmental entities. Our practice is unique as 98% of work is either audit or work related to government and non-profit entities.

In addition to our firm focus, Grau & Associates is a great fit for your audit for a variety of other reasons, including:

- **Experience**

Grau is proud of the fact that the personnel we assign to your audit are some of the most experienced auditors in the field. Unlike many other firms, our auditors work almost exclusively with governmental entities, which mean they are more knowledgeable and efficient on audits like yours. Our engagement partners have decades of experience and take a hands-on approach to our assignments, which all ensures a smoother process for you. Also, due to Grau's very low turnover rate for our industry, you won't have to worry about retraining your auditors from year to year.

- **Service**

Our clients are pleased with the level of personalized service they receive from our talented professionals. Because of our extensive experience, we are adept at making the transition to a new firm as smooth as possible. We work with you to resolve any issues and keep in regular contact so there are no surprises when the final report delivers. In fact, your engagement team will report any potential audit adjustments to you on a regular basis so you will have adequate time to research and respond. Additionally, we have a disaster recovery plan that includes daily data back-ups and offsite file storage, so in the case of an emergency, your records would be safe.



**Grau & Associates**  
CERTIFIED PUBLIC ACCOUNTANTS

# **Firm Qualifications & Experience**

## **Professional Staff Training**

**Partners** - All of our Partners are CPA's and have diversified public accounting experience. They are responsible for overall engagement performance, policy, direction and quality control and have **far exceeded minimum CPE requirements**.

**Managers** - All of our Audit Managers are CPA's who have demonstrated the ability to plan audit engagements, supervise personnel and maintain frequent contact with clients. They continually upgrade their skills through the firm's continuing education programs and courses sponsored by the AICPA, FICPA and GFOA. They have **far exceeded minimum CPE Requirements**.

**Seniors** - All of our Seniors have a minimum of 3 years of diversified public accounting experience. They perform audits, evaluate staff, review findings and prepare audit reports. They possess the potential for upward mobility and have **far exceeded minimum CPE requirements**.

## **Memberships**

All of the firm's CPA's are properly licensed as CPA's and members in good standing of both the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants. In addition, certain firm professionals are members or have been members of the following professional groups:

- FICPA Committee on State and Local Government
- Florida Government Finance Officers Association
- Technical Resource Committee of the Government Finance Officers Association
- Special Review Committee of the Government Finance Officers Association
- Florida Institute of CPA Non-Profit Conference Committee
- Florida Association of Special Districts

In addition, we have an ongoing recruitment program that seeks only those accountants with a proven record of academic success. When we recruit at the senior and manager level, we select CPA's with proven governmental accounting and auditing experience.

## **Quality Control and Confidentiality**

Grau participates in an external quality review program requiring an on-site independent examination of our auditing practice. Grau has consistently received an unqualified opinion on the quality of our audit practice. During our firm's last external quality control review, six audits were reviewed, including five government audits. *A copy of the report on the firm's most recent quality review can be found on the following page.*

*In addition to scheduled Peer Reviews, our firm continually monitors performance to ensure the highest quality of services. Under the supervision of the Audit Partner, an Audit Manager is responsible for monitoring quality control of all appropriate engagements.*

## **Results of State and Federal Reviews**

All state and federal reviews of the firm's reports and working papers have been accepted without change or revision to issued reports.

## Partial List of Clients

The following is a partial list of clients served and related experience:

<b>COMMUNITY DEVELOPMENT DISTRICTS</b>	<b>Governmental Audit</b>	<b>Utility Audit</b>	<b>Current Client</b>	<b>Year End</b>
Aberdeen Community Development District	✓			9/30
Allen Plantation Community Development District	✓			9/30
Amelia Concourse Community Development District	✓		✓	9/30
Amelia National Community Development District	✓			9/30
Amelia Walk Community Development District	✓			9/30
Anthem Park Community Development District	✓			9/30
Antigua at St. Augustine Community District	✓		✓	9/30
Aqua Isles Community Development District	✓		✓	9/30
Arlington Ridge Community Development District	✓		✓	9/30
Ave Maria Stewardship Community District	✓		✓	9/30
Bahia Lakes Community Development District	✓		✓	9/30
Ballantrae Community Development District	✓		✓	9/30
Bartram Springs Community Development District	✓		✓	9/30
Bay Creek Community Development District	✓		✓	9/30
Bay Laurel Community Development District	✓	✓	✓	9/30
Bay Tree Community Development District	✓		✓	9/30
Bayside Community Development District	✓		✓	9/30
Baywinds Community Development District	✓		✓	9/30
Beach Community Development District	✓		✓	9/30
Beacon Tradeport Community Development District	✓			9/30
Beeline Community Development District	✓		✓	9/30
Bella Verda East Community Development District	✓			9/30
Bella Verda Lake Community Development District	✓			9/30
Bella Vida Community Development District	✓		✓	9/30
Belmont Community Development District	✓		✓	9/30
Belmont Lakes Community Development District	✓		✓	9/30
Blackburn Creek Community Development District	✓		✓	9/30
Bluewaters Community Development District	✓		✓	9/30
Boggy Creek Community Development District	✓			9/30
Bonnett Creek Community Development District	✓			9/30
Bonita Village Community Development District	✓		✓	9/30
Brandy Creek Community Development District	✓			9/30
Bridgewater Community Development District	✓			9/30
Bridgewater of Wesley Chapel Community Development District	✓		✓	9/30
Briger Community Development District	✓		✓	9/30

# COMMUNITY DEVELOPMENT DISTRICTS

(Continued)

	Governmental Audit	Utility Audit	Current Client	Year End
Cutler Cay Community Development District	✓		✓	9/30
Cypress Cove Community Development District	✓		✓	9/30
Cypress Grove Community Development District	✓		✓	9/30
Cypress Lakes Community Development District	✓		✓	9/30
Cypress Shadows Community Development District	✓		✓	9/30
Deer Island Community Development District	✓		✓	9/30
Deer Run Community Development District	✓		✓	9/30
Diamond Hill Community Development District	✓		✓	9/30
Double Branch Community Development District	✓		✓	9/30
Dove Pond Community Development District	✓		✓	9/30
Dunes Community Development District	✓	✓	✓	9/30
Dupree Lakes Community Development District	✓			9/30
Eagle Point Community Development District	✓		✓	9/30
East Bonita Bridge Road Community Development District	✓		✓	9/30
East Park Community Development District	✓		✓	8/30
Easton Park Community Development District	✓		✓	9/30
Enclave at Black Point Marina Community Development District	✓			9/30
Encore Community Development District	✓		✓	9/30
Enterprise Community Development District	✓	✓		9/30
Estates at Cherry Lake Community Development District	✓			9/30
Falcon Trace Community Development District	✓		✓	9/30
Fallschase Community Development District	✓		✓	9/30
Fiddler's Creek Community Development District	✓		✓	9/30
Fishhawk I Community Development District	✓			9/30
Fishhawk II Community Development District	✓		✓	9/30
Fishhawk III Community Development District	✓		✓	9/30
Fleming Island Plantation Community Development District	✓		✓	9/30
Founder's Ridge Community Development District	✓		✓	9/30
Fountainbleau Lakes Community Development District	✓		✓	9/30
Forest Creek Community Development District	✓			9/30
Gardens at Millenia Community Development District	✓		✓	9/30
Glen St. Johns Community Development District	✓		✓	9/30
Gramercy Farms Community Development District	✓		✓	9/30
Grand Hampton Community Development District	✓		✓	9/30
Grand Haven Community Development District	✓		✓	9/30
Greater Lakes/Sawgrass Community Development District	✓			9/30
Greyhawk Landing Community Development District	✓			9/30
Groves Community Development District	✓			9/30
Habitat Community Development District	✓		✓	9/30

# COMMUNITY DEVELOPMENT DISTRICTS

(Continued)

	Governmental Audit	Utility Audit	Current Client	Year End
Lake Powell Residential Golf Community Development District	✓		✓	9/30
Lakes by the Bay South Community Development District	✓		✓	9/30
Lakeshore Ranch Community Development District	✓			9/30
Lakeside Community Development District	✓			9/30
Lakeside Landings Community Development District	✓		✓	9/30
Lakeside Plantation Community Development District	✓			9/30
Lakewood Ranch 1 Community Development District	✓		✓	9/30
Lakewood Ranch 2 Community Development District	✓		✓	9/30
Lakewood Ranch 3 Community Development District	✓			9/30
Lakewood Ranch 4 Community Development District	✓		✓	9/30
Lakewood Ranch 5 Community Development District	✓		✓	9/30
Lakewood Ranch 6 Community Development District	✓			9/30
Legacy Springs Community Development District	✓			9/30
Legends Bay Community Development District	✓			9/30
Lexington Community Development District	✓		✓	9/30
Live Oak No. 1 Community Development District	✓		✓	9/30
Longleaf Community Development District	✓			9/30
Lucaya Community Development District	✓			9/30
Madeira Community Development District	✓		✓	9/30
Magnolia Park Community Development District	✓		✓	9/30
Magnolia West Community Development District	✓			9/30
Main Street Community Development District	✓			9/30
Mainstreet Community Development District	✓			9/30
Majorca Isles Community Development District	✓		✓	9/30
Maple Ridge Community Development District	✓		✓	9/30
Marsh Harbour Community Development District	✓		✓	9/30
Marshall Creek Community Development District	✓		✓	9/30
Mayfair Community Development District	✓			9/30
Meadow Pines Community Development District	✓		✓	9/30
Meadow Point III Community Development District	✓		✓	9/30
Meadow Point IV Community Development District	✓			9/30
Meadow Woods Community Development District	✓			9/30
Mediterra North Community Development District	✓		✓	9/30
Mediterra South Community Development District	✓		✓	9/30
Mediterranea Community Development District	✓			9/30
Middle Village Community Development District	✓		✓	9/30
Miromar Lakes Community Development District	✓			9/30
Montecito Community Development District	✓		✓	9/30
Monterey/Congress Community Development District	✓		✓	9/30



# COMMUNITY DEVELOPMENT DISTRICTS

(Continued)

	Governmental Audit	Utility Audit	Current Client	Year End
Portofino Isles Community Development District	✓		✓	9/30
Portofino Landings Community Development District	✓		✓	9/30
Portofino Shores Community Development District	✓			9/30
Portofino Springs Community Development District	✓		✓	9/30
Portofino Vineyards Community Development District	✓			9/30
Portofino Vista Community Development District	✓		✓	9/30
Preserve at Wilderness Lake Community Development District	✓		✓	9/30
Principal One Community Development District	✓		✓	9/30
Quantum Community Development District	✓		✓	9/30
Quantum Park Overlay Community Development District	✓		✓	9/30
Randal Park Community Development District	✓		✓	9/30
Remington Community Development District	✓			9/30
Renaissance Independent Development District	✓		✓	9/30
Reserve Community Development District	✓			9/30
Reserve 2 Community Development District	✓			9/30
Reunion East Community Development District	✓			9/30
Reunion West Community Development District	✓			9/30
River Bend Community Development District	✓		✓	9/30
River Hall Community Development District	✓		✓	9/30
River Place on the St. Lucie Community Development District	✓			9/30
River Ridge Community Development District	✓		✓	9/30
Rivercrest Community Development District	✓		✓	9/30
Rivers Edge Community Development District	✓		✓	9/30
Sail Harbour Community Development District	✓		✓	9/30
Sampson Creek Community Development District	✓		✓	9/30
Sausalito Bay Community Development District	✓		✓	9/30
Seven Oaks I Community Development District	✓			9/30
Seven Oaks II Community Development District	✓			9/30
Six Mile Creek Community Development District	✓			9/30
Somerset Community Development District	✓			9/30
Sonoma Bay Community Development District	✓		✓	9/30
South Bay Community Development District	✓		✓	9/30
South-Dade Venture Development District	✓		✓	9/30
South Fork Community Development District	✓			9/30
South Fork East Community Development District	✓		✓	9/30
South KendaII Community Development District	✓		✓	9/30
South Village Community Development District	✓		✓	9/30
Southern Hills Plantation I Community Development District	✓			9/30
Southern Hills Plantation II Community Development District	✓			9/30
Southern Hills Plantation III Community Development District	✓			9/30

# COMMUNITY DEVELOPMENT DISTRICTS

(Continued)

	Governmental Audit	Utility Audit	Current Client	Year End
Verandah East Community Development District	✓		✓	9/30
Verandah West Community Development District	✓		✓	9/30
Verandahs Community Development District	✓			9/30
Verano Center Community Development District	✓		✓	9/30
Verona Walk Community Development District	✓			9/30
Villa Portofino East Community Development District	✓		✓	9/30
Villa Portofino West Community Development District	✓		✓	9/30
Villa Vizcaya Community Development District	✓		✓	9/30
Village Walk of Bonita Springs Community Development District	✓			9/30
Villages at Bloomingdale Community Development District	✓		✓	9/30
Village at Gulfstream Park Community Development District	✓		✓	9/30
Villages of Westport Community Development District	✓		✓	9/30
Vista Community Development District	✓		✓	9/30
Vista Lakes Community Development District	✓		✓	9/30
Vizcaya in Kendall Community Development District	✓		✓	9/30
Walnut Creek Community Development District	✓			9/30
Waterchase Community Development District	✓		✓	9/30
Waterford Estates Community Development District	✓			9/30
Waterlefe Community Development District	✓			9/30
Water's Edge Community Development District	✓			9/30
Waterset North Community Development District	✓			9/30
Waterstone Community Development District	✓		✓	9/30
Wentworth Estates Community Development District	✓			9/30
West Lake Community Development District	✓			9/30
West Villages Independent District	✓		✓	9/30
Westchase Community Development District	✓		✓	9/30
Westchester Community Development District	✓			9/30
Westridge Community Development District	✓			9/30
Willow Creek Community Development District	✓			9/30
Winston Trails Community Development District	✓		✓	9/30
Winter Garden Village at Fowler Groves Community Development District	✓			9/30
Woodlands Community Development District	✓		✓	9/30
World Commerce Community Development District	✓		✓	9/30
Wynnfield Lakes Community Development District	✓		✓	9/30
Wyndam Park Community Development District	✓		✓	9/30
<b>TOTAL</b>	<b>351</b>	<b>3</b>	<b>230</b>	

<b>MUNICIPALITIES OR RELATED COMPONENT UNITS</b>	<b>Attestation Services</b>	<b>Consulting Services</b>	<b>Governmental Audit</b>	<b>Single Audit</b>	<b>Utility Audit</b>	<b>CAFR</b>	<b>Current Client</b>	<b>Year End</b>
City of Cooper City			✓		✓	✓	✓	9/30
City of Lauderhill			✓	✓	✓	✓		9/30
City of North Lauderdale			✓		✓	✓	✓	9/30
City of North Palm Beach (Internal Audit)	✓							9/30
City of Pompano Beach (Joint Venture, 40%)			✓	✓		✓		9/30
Town of Cloud Lake			✓				✓	9/30
Town of Davie			✓	✓	✓	✓	✓	9/30
Town of Glen Ridge			✓				✓	9/30
Town of Haverhill			✓				✓	9/30
Town of Hillsboro Beach			✓				✓	9/30
Town of Hypoluxo		✓	✓				✓	9/30
Town of Lantana			✓			✓	✓	9/30
Town of Lauderdale by the Sea			✓		✓	✓	✓	9/30
Town of Mangonia Park			✓		✓			9/30
Village of Wellington			✓			✓	✓	9/30
<b>TOTAL</b>	<b>1</b>	<b>1</b>	<b>14</b>	<b>3</b>	<b>6</b>	<b>8</b>	<b>11</b>	

<b>OTHER GOVERNMENTAL ENTITIES</b>	<b>Attestation Services</b>	<b>Consulting Services</b>	<b>Governmental Audit</b>	<b>Single Audit</b>	<b>CAFR</b>	<b>Current Client</b>	<b>Year End</b>
Broward County School District (Joint Venture) (Assessment of Maintenance Operations)		✓					N/A
Broward County School District (Joint Venture, 20%)			✓	✓	✓		6/30
Florida Community College at Jacksonville (Internal Audit)	✓						6/30
Florida Transit Association Finance Corporation		✓	✓			✓	6/30
Highland County School District (Internal Funds Audit)			✓				6/30
Palm Beach County School District (Assessment of maintenance for Facility and Property Management) (Internal Funds Audit)		✓	✓				6/30
Palm Beach County School District (Joint Venture, 20%)			✓	✓	✓		6/30
Migrant Health Services of Palm Beach County			✓	✓			N/A
South Florida Water Management District				✓			9/30
South Florida Water Management District CERP Program Management Services (Joint Venture)	✓						N/A
State of Florida Department of Management Services (Construction)			✓				N/A
State of Florida Department of Transportation (Overhead Audits - Various)			✓			✓	N/A
<b>TOTAL</b>	<b>1</b>	<b>3</b>	<b>9</b>	<b>4</b>	<b>3</b>	<b>2</b>	



**Grau & Associates**  
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# **Staff Qualifications, Experience & Resumes**

## **POSITION DESCRIPTIONS**

### **Engagement Partner**

The engagement will be performed under the direct supervision of an Engagement Partner. The Engagement Partner will participate extensively during the various stages of the engagement and has direct responsibility for engagement policy, direction, supervision, quality control, security, confidentiality of information of the engagement and communication with client personnel.

The Engagement Partner will also be involved in:

- ❖ coordinating all services;
- ❖ directing the development of the overall audit approach and plan;
- ❖ performing an overriding review of work papers;
- ❖ resolving technical accounting and reporting issues;
- ❖ reviewing, approving and signing reports, management letters, and other audit engagement products; and,
- ❖ ascertaining client satisfaction with all aspects of our engagement, such as services and the personnel assigned.



### **Concurring Review and Advisory Consultant**

A Concurring Review Consultant will be available as a sounding board to advise in those areas where problems are encountered. He will also perform a second review of all reports to be issued by Grau & Associates.

### **Audit Manager and Senior**

The assigned personnel will work closely with the partner and the District to ensure that the financial statements and all other reports are prepared in accordance with professional standards and firm policy. Responsibilities will include:

- ❖ planning the audit;
- ❖ preparing or modifying audit programs, as needed;
- ❖ evaluating internal control and assessing risk;
- ❖ communicating with the client and the partners the progress of the audit; and
- ❖ determining that financial statements and all reports issued by the firm for accuracy, completeness and that they are prepared in accordance with professional standards and firm policy.

### **Information Technology Consultants and Personnel**

In addition to the assigned personnel above, Grau and Associates has staff with significant IT auditing experience that will assist in the evaluation and testing of internal controls. Because our staff has both a financial audit and IT background, they are able to communicate effectively all IT related concerns to management. In addition, Grau contracts with an outside group of IT management consultants to assist with matters including, but not limited to; network and database security, internet security and vulnerability testing.



Grau's engagement team's workload is organized in such a way that additional activities brought about by this engagement will not impact our current commitments to our clients. We have sufficient staff capacity to integrate these professional services into our present operations, while continuing to maintain the highest standards of quality and time lines for our clients.

# Antonio J. Grau, CPA, Partner

e-mail: [tgrau@graucpa.com](mailto:tgrau@graucpa.com)

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## Education

Bachelor of Arts, Business Administration, 1983 University of South Florida; Accredited in Business Valuation by the AICPA, 1998; Personal Financial Specialist, 1997

## Professional History

CPA, in Florida since February 28, 1985, Certificate No. 15330

Grau & Associates	Partner	2006-Present
Grau & Company	Partner	1995-2005
Grau & Company	Audit Manager	1987-1995
International Firm	Auditor	1985-1986
Grau & Company	Staff Accountant	1983-1984

## Clients Served (partial list)

(>250) Various Special Districts	Hispanic Human Resource Council
Broward Education Foundation	Mae Volen Senior Center, Inc.
City of Cooper City	North Lauderdale Academy High School
City of Lauderdale Lakes	Orlando Housing Authority
City of Lauderhill	Palm Beach County Workforce Development Board
City of Lauderhill General Pension	Peninsula Housing Programs
City of North Lauderdale	School Board of Broward County
City of Oakland Park	School Board of Miami-Dade County
Delray Beach Housing Authority	School Board of Palm Beach County
East Central Regional Wastewater Treatment Fac..	South Florida Water Management District
Florida Community College at Jacksonville	Southwest Florida Workforce Development Board
Florida Department of Management Services	Town of Davie
Greater Boca Raton Park & Beach District	Town of Hypoluxo
Highland County School District	West Palm Beach Housing Authority
	Village of Wellington

## Professional Education (over the last two years)

<u>Course</u>	<u>Hours</u>
Government Accounting and Auditing	60
Accounting, Auditing and Other	180
Total Hours	<u>240</u>

## Other Qualifications

As a member of the Government Finance Officers Association Special Review Committee, Mr. Grau participated in the review process for awarding the GFOA Certificate of Achievement in Financial Reporting. Mr. Grau was the review team leader for the Quality Review of the Office of Management Audits of School Board of Miami-Dade County.

## Professional Associations

Member, American Institute of Certified Public Accountants  
Member, Florida Institute of Certified Public Accountants  
Member, Florida Government Finance Officers Association  
Member, Government Finance Officers Association

# C. Michelle Blackstock, CPA/CITP, Partner

e-mail: [mblackstock@graucpa.com](mailto:mblackstock@graucpa.com)

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## Education

University of Central Florida, Orlando, Florida  
Bachelor of Science – Accountancy May 1988

## Professional History

Grau & Associates	Partner	2009-Present
Grau & Associates	Audit Manager	2006-2009
Grau & Company	Audit Manager	2003-2006
Other Public Experience		1988-2003

## Clients Served (partial list)

(>250) Various Special Districts	Greater Boca Raton Chamber of Commerce
Aid to Victims of Domestic Abuse	Highland County School District
Bently's Luggage 401(k) Plan	Hispanic Human Resource Council
Canaveral Port Authority	Jacksonville Police & Fire Pension Fund
Central County Water Control District	Mae Volen Senior Center, Inc.
Citrus County Mosquito Control District	North Lauderdale Academy High School
City of Cooper City	School Board of Palm Beach County
City of North Lauderdale	Siboney Contracting Company
City of Parkland Police Officer's Retirement Plan	South Florida Water Management District
City of Sebastian	South Indian River Water Control District
Cobb County Health Department	South Trail Fire & Rescue District
CPM & Rosmurgy 401(k) Plan	Sunshine Water Control District
Florida Public Utilities 401(k) & Pension Plans	The Breakers Health & Welfare Plan
Florida Transit Association Finance Corporation	Town of Davie
Floyd County, Georgia	Town of Hypoluxo
	Village of Wellington

## Professional Education (over the last two years)

<u>Course</u>	<u>Hours</u>
Government Accounting and Auditing	74
Accounting, Auditing and Other	74
Certified Information Technology Professional	35
Total Hours	<u>183</u>

## Other Qualifications

As a member of the Government Finance Officers Association Special Review Committee, Ms. Blackstock participates in the review process for awarding the GFOA Certificate of Achievement in Financial Reporting.

## Professional Associations

Member, American Institute of Certified Public Accountants  
Member, Florida Institute of Certified Public Accountants  
Member, Florida Government Finance Officers Association and Government Finance Officers Association  
Big Brothers Big Sisters of Broward County, Past President and past Treasurer of the Board of Directors



**Grau & Associates**  
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## **References**





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# **Cost of Services**



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# **Supplemental Information**

## **Phase I - Preliminary Planning** *(Continued)*

- Develop audit programs to incorporate the consideration of financial statement assertions, specific audit objectives, and appropriate audit procedures to achieve the specified objectives.
- Discuss and resolve any accounting, auditing and reporting matters which have been identified.

## **Phase II – Execution of Audit Plan**

The audit team will complete a major portion of transaction testing and audit requirements during this phase. The procedures performed during this period will enable us to identify any matter that may impact the completion of our work or require the attention of management. Tasks to be performed in Phase II include, but are not limited to the following:

- Apply analytical procedures to further assist in the determination of the nature, timing, and extent of auditing procedures used to obtain evidential matter for specific account balances or classes of transactions.
- Perform tests of account balances and transactions through sampling, vouching, confirmation and other analytical procedures.
- Perform tests of compliance.

## **Phase III - Completion and Delivery**

In this phase of the audit, we will complete the tasks related to year-end balances and financial reporting. All reports will be reviewed with management before issuance, and the partners will be available to meet and discuss our report and address any questions. Tasks to be performed in Phase III include, but are not limited to the following:

- Perform final analytical procedures.
- Review information and make inquiries for subsequent events.
- Meeting with Management to discuss preparation of draft financial statements and any potential findings or recommendations.

You should expect more from your accounting firm than a signature in your annual financial report. Our concept of truly responsive professional service emphasizes taking an active interest in the issues of concern to our clients and serving as an effective resource in dealing with those issues. In following this approach, we not only audit financial information with hindsight but also consider the foresight you apply in managing operations.

Application of this approach in developing our management letter is particularly important given the increasing financial pressures and public scrutiny facing today's public officials. We will prepare the management letter at the completion of our final procedures.

## **Additional Services**

### **CONSULTING / MANAGEMENT ADVISORY SERVICES**

Grau & Associates also provide a broad range of other management consulting services. Our expertise has been consistently utilized by Governmental and Non-Profit entities throughout Florida. Examples of engagements performed are as follows:

- Accounting systems
- Development of budgets
- Organizational structures
- Financing alternatives
- IT Auditing
- Fixed asset records
- Cost reimbursement
- Indirect cost allocation
- Grant administration and compliance

### **ARBITRAGE**

The federal government has imposed complex rules to restrict the use of tax-exempt financing. Their principal purpose is to eliminate any significant arbitrage incentives in a tax-exempt issue. We have determined the applicability of these requirements and performed the rebate calculations for more than 150 bond issues, including both fixed and variable rate bonds. Please find a partial list of clients served on the following pages.

## **ARBITRAGE SERVICES (Continued)**

- Portofino Cove Community Development District
- Portofino Isles Community Development District
- Portofino Landings Community Development District
- Portofino Shores Community Development District
- Portofino Vista Community Development District
- Reunion East Community Development District
- Reunion West Community Development District
- Ridgewood Trails Community Development District
- River Place on the St. Lucie Community Dev. District
- Rolling Hills Community Development District
- Sampson Creek Community Development District
- South Dade Venture Community Development District
- South Village Community Development District
- Spicewood Community Development District
- Split Pine Community Development District
- Stonegate Community Development District
- Stoneybrook Community Development District
- Stoneybrook West Community Development District
- The Crossings at Fleming Island Comm. Dev. District
- Tison's Landing Community Development District
- Treeline Preserve Community Development District
- Turnbull Creek Community Development District
- Tuscany Reserve Community Development District
- University Place Community Development District
- Urban Orlando Community Development District
- Vasari Community Development District
- Verandah East Community Development District
- Verandah West Community Development District
- Verano Center Community Development District
- Villa Portofino East Community Development District
- Villa Vizcaya Community Development District
- Villages of Westport Comm. Development District
- Villasol Community Development District
- Vista Lakes Community Development District
- Vizcaya Community Development District
- Vizcaya in Kendall Community Development District
- Walnut Creek Community Development District
- Waterchase Community Development District
- Waterford Estates Community Development District
- Waterstone Community Development District
- Wentworth Estates Community Development District
- Westchester Community Development District #1
- Woodlands Community Development District
- Wynnfield Lakes Community Development District

**Grau provides value and services  
above and beyond  
the traditional auditor's "product"**

**We look forward to providing Harmony Community Development District with our resources and experience to accomplish not only those minimum requirements set forth in your Request for Proposal, but to exceed those expectations!**

**For even more information on Grau & Associates  
please visit us on [www.graucpa.com](http://www.graucpa.com).**

**PROPOSAL TO PROVIDE AUDITING SERVICES FOR  
HARMONY  
COMMUNITY DEVELOPMENT DISTRICT  
FISCAL YEARS ENDED SEPTEMBER 2013 - 2015**

PROPOSAL TO PROVIDE AUDITING SERVICES FOR  
HARMONY COMMUNITY DEVELOPMENT DISTRICT

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# MCDIRMIT DAVIS

CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

May 1, 2013

Gary Moyer, District Manager  
*Harmony Community Development District*  
210 North University Drive, Suite 702  
Coral Springs, Florida 33071

Thank you for the opportunity to submit our qualifications and experience to serve as independent auditors for the *Harmony Community Development District* (the District). The accompanying proposal will provide you detailed information regarding the scope of services to be provided, as well as a profile of the firm, the individuals who will serve you, our qualifications and experience, and representative clients, including specific references.

It is our understanding that we will provide the following services:

1. Financial audit as defined in Sec. 11.45, Florida Statutes, of the basic financial statements for the District for the years ending September 30, 2013 (with two optional renewal periods). We will prepare the financial statements under existing accounting principles generally accepted in the United States of America.
2. The audit will be performed in accordance with generally accepted auditing standards, *Governmental Auditing Standards* and the Rules of the Auditor General of the State of Florida.
3. The audit for September 30, 2013 will be completed no later than June 30, 2014.

We believe we are the best-qualified firm to perform the engagement for the following reasons:

- McDirmit Davis & Company, LLC has provided governmental accounting and auditing services in Florida for the past twenty-eight years. We presently audit **fifty six** Community Development Districts and **twelve** other governmental entities and have an excellent working knowledge of local laws and requirements. We have met and will continue to meet the requested deadlines for issuance of audit reports.
- We have assisted nine governmental entities in receiving the GFOA "Certificate of Achievement for Excellence in Financial Reporting". Elden McDirmit is active as a national review team member of the GFOA's "Certificate of Achievement for Excellence in Financial Reporting" program. As a review team member, Mr. McDirmit reviews and evaluates financial reports submitted by governmental entities to determine whether the financial reports meet the stringent requirements to receive the GFOA'S prestigious award. Participating as a review team member, Mr. McDirmit has demonstrated his expertise in governmental accounting and auditing.

MCDIRMIT DAVIS & COMPANY, LLC  
605 E. ROBINSON STREET, SUITE 635 • ORLANDO, FLORIDA 32801  
TELEPHONE 407-843-5406 • FAX 407-649-9339 • EMAIL: INFO@MCDIRMITDAVIS.COM



- We have recent and continuous experience, and have devoted a great deal of our continuing education to the governmental auditing and accounting field. Our firm meets the independence and education requirements of the *Government Auditing Standards* issued by the Comptroller General of the United States.
- We have significant experience in entities issuing debt securities and the required disclosures.
- We believe in continuing client contact throughout the year, not just during the audit. We encourage on-going client contact by not charging a fee for phone calls.
- We are members of the American and Florida Institutes of Certified Public Accountants and an Associate member of the Governmental Finance Officers Association. Our firm is active in governmental organizations throughout Central Florida and serves on governmental committees of the Florida Institute of CPA's.
- We have strong information technology abilities and with our software systems will perform virtually a paperless audit.
- We are a local firm with personnel committed to quality and professional performance, accustomed to providing a high level of client satisfaction. We believe that our firm is part of a team effort to assist you in developing the best financial reporting possible.
- We have a history of continuity of personnel assigned to the engagement. Our single office firm and low personnel turnover assures uninterrupted services from our partners and staff.

Because of our unique qualifications and a philosophy based on complete dedication to client service, we feel confident that we can provide you with responsiveness and a range of experience that will best serve your needs.

We would consider it a privilege to continue serving as the independent auditors for *Harmony Community Development District*.

Sincerely,

A handwritten signature in black ink, appearing to read "Elden G. McDirmit". The signature is fluid and cursive, with the first name "Elden" being the most prominent.

Elden G. McDirmit, C.P.A.

PROPOSAL TO PROVIDE AUDITING SERVICES FOR  
HARMONY COMMUNITY DEVELOPMENT DISTRICT

**AUDIT APPROACH**

Our audit will be segmented as follows:

- Phase 1: Audit Planning
- Phase 2: Evaluation and Testing of Internal Controls
- Phase 3: Substantive Testing
- Phase 4: Reporting

**Phase 1: Audit Planning**

Preliminary planning includes deciding on an overall strategy for the audit, obtaining an understanding of the District and its environment, including its internal control, making an initial assessment of audit risk and materiality, and deciding on the overall timing of the engagement. We will also begin to assemble our "permanent file," which consists of copies of organizational charts, District contracts, bond documents, and financial and other management systems.

We will meet with staff of the District to obtain an understanding of the flow of transactions through your accounting system. This includes understanding your computer environment in order to comply with the requirements of SAS 94 *The Effect of Information Technology on the Auditor's Consideration of Internal Control in a Financial Statement Audit*. We will also gather information to identify fraud risks as required by SAS 99 *Consideration of Fraud in a Financial Statement Audit*.

We will also perform preliminary analytical procedures and compare trends for the current and at least the two previous years for unusual fluctuations. This will include review of both budget and actual amounts.

During this planning phase, we will ask management to identify areas of higher risk as well as other areas that they want us to focus on during our audit.

**Phase 2: Evaluation and Testing of Internal Controls and Compliance**

During Phase 2, we will evaluate your control policies and procedures to determine if they are functioning properly in significant transaction classes. To gain an understanding of the procedures in place, and current internal control structure, we typically conduct interviews with staff and management involved in the specific transaction class to be tested. We then perform tests of these controls to determine with reasonable assurance that control procedures are functioning as planned and whether further testing will be needed. As part of our tests of controls, we will include tests of compliance with applicable bond covenants, and state and federal laws and regulations. In order to determine which bond covenants, laws and regulations to test for compliance, we start by reviewing the FICPA Practice Aid *Compliance Auditing in Florida*. We then evaluate which bond covenants, laws and regulations have a direct and material effect on the determination of financial statement amounts. Sample sizes are determined based upon our assessment of control risk and may be judgmental, random, or stratified, depending on the attributes of the population being tested. We will select samples from the significant transaction classes and trace from original documents through the computer system to the general ledger through the use of IDEA Data Analysis Software.

PROPOSAL TO PROVIDE AUDITING SERVICES FOR  
HARMONY COMMUNITY DEVELOPMENT DISTRICT

**AUDIT APPROACH - CONTINUED**

**Phase 2: Evaluation and Testing of Internal Controls and Compliance - Continued**

Our control testing includes obtaining an understanding of the computer software used by the District, and tracing sample selections through the system to determine the desired outcomes are being achieved. Our testing of Information Technology includes inquiries of appropriate personnel regarding data backups and access to District files.

After controls have been documented, evaluated and tested, we will finalize the District's audit plan. Audit programs will be tailored to fit the specifics of the District's accounting systems.

**Phase 3: Substantive Testing**

Our year-end fieldwork will focus on verifying balances in accounts. For example, we will confirm cash balances, as well as debt balances with financial institutions. In addition to obtaining audit confirmations, representation letters and attorney letters, we will perform tests on account balances using analytical procedures, recalculation and verification. Our firm uses ProSystem fx Engagement electronic audit software which may allow us to interface with your accounting system and reduce the time required to transfer your accounting data to a separate software package. We believe it is important to use analytical review procedures in this substantive phase of the audit. We compare analytical results to our expectation of what the results should be in order to determine if additional audit procedures are required. Typical analytical procedures include expense variances with previous years and budget amounts, revenue variances with previous years and budgeted amounts.

We will keep the District's management up to date on the progress of the audit and will discuss preliminary findings and potential problems or opportunities as we encounter them. Our approach to resolving problems encountered is to discuss with the District Manager to make sure our understanding is correct. Our process to produce a meaningful "management letter" is to review results of testing of internal controls, as well as year-end field work and draft recommendations for improvements to be discussed with management.

**Phase 4: Reporting**

The audit work is reviewed by the engagement partner throughout the engagement. Once the engagement partner review is complete, a second review of the financial statements is performed by the review partner. This second review is required as part of McDirmit Davis and Company's internal system of quality control and ensures the District receives the best service possible.

We will have an exit conference with the District Manager to discuss the financial statements (if requested). The final report will be issued after management has approved issuance of the financial statements.

We will provide technical assistance to the District to meet changes in required disclosures. Once the reports have been reviewed by management and approved in final form, we will issue final reports (printed copies and supply in electronic format).

PROPOSAL TO PROVIDE AUDITING SERVICES FOR  
HARMONY COMMUNITY DEVELOPMENT DISTRICT

PROFILE OF THE FIRM - CONTINUED

**Description and History of Audit Firm**

McDermitt Davis & Company, LLC was organized in the State of Florida in August 1984 and serves Central Florida from its centrally located office in Orlando, Florida. The firm has demonstrated for over 28 years that it has the resources and ability to complete the audit on a timely basis. This includes the existence of a firm contingency plan due to any unforeseen natural disaster.

Our firm now consists of the following staff:

Partners	4
Managers	3
Senior	2
Staff Accountants/Paraprofessionals	10
IT Professional	1
Support Staff	<u>2</u>
	<u>22</u>

We are members of the American and Florida Institutes of Certified Public Accountants and an associate member of the Governmental Finance Officers Association.

Our firm has a wide range of clients providing both goods and services in the Central Florida area. Our practice encompasses auditing, accounting, management advisory and tax services.



A list of all governmental clients audited by us for the fiscal years 2001-2012 is as follows:

**Community Development Districts**

**Harmony CDD**

- Artisan Lakes CDD
- Bahia Lakes CDD
- Bobcat Trails CDD
- Bonnet Creek Resort CDD
- Brandy Creek CDD
- Bridgewater of Wesley Chapel CDD
- Cascades at Groveland CDD
- Channing Park CDD
- Concord Station CDD
- Connerton West CDD
- Copperstone CDD
- Cordoba Ranch CDD
- Covington Park CDD
- Cypress Creek of Hillsborough CDD
- Diamond Hill CDD
- Dupree Lakes CDD
- Weston Park CDD
- Fishhawk II CDD
- Greater Lakes/Sawgrass Bay CDD
- Harbor Bay CDD

PROPOSAL TO PROVIDE AUDITING SERVICES FOR  
HARMONY COMMUNITY DEVELOPMENT DISTRICT

**PROFILE OF THE FIRM - CONTINUED**

**Community Development Districts - Continued**

K-Bar Ranch CDD  
Lakeshore Ranch CDD  
Longleaf CDD  
Waters Edge CDD  
Meadow Pointe III CDD  
Meadow Pointe IV CDD  
Oakmont Grove CDD  
Panther Trails CDD  
Pine Island CDD  
Piney-Z CDD  
Reunion East CDD  
Reunion West CDD  
River Hall CDD  
Riverwood Estates CDD  
Seven Oaks I CDD  
Seven Oaks II CDD  
Southern Hills Plantation I CDD  
Southern Hills Plantation II CDD  
Southern Hills Plantation III CDD  
Sterling Hill CDD  
Suncoast CDD  
Tara CDD  
Tem Bay CDD  
The Groves CDD  
The Villages at Avignon CDD  
Watergrass CDD  
Waters Edge CDD  
Westridge CDD  
Zephyr Ridge CDD

**Utilities/Special Districts**

Sanford Airport Authority  
Homosassa Special Water District

**Municipalities**

City of Belle Isle, Florida  
City of Clermont, Florida  
City of Lake Mary, Florida  
City of Longwood, Florida  
City of Maitland, Florida  
City of Mascotte, Florida  
City of Ocoee, Florida  
City of Oviedo, Florida  
City of Palm Coast, Florida  
City of Tavares, Florida  
City of Winter Springs, Florida  
Town of Windermere, Florida

PROPOSAL TO PROVIDE AUDITING SERVICES FOR  
HARMONY COMMUNITY DEVELOPMENT DISTRICT

**PROFILE OF THE FIRM - CONTINUED**

**Experience**

The following supervisory people will work on the audit:

Elden G. McDimit, C.P.A., Engagement Partner  
Kelly D. Leary, C.P.A., Technical Review Partner

The above people have considerable experience on governmental audit engagements. Resumes detailing their experience follow on pages 10 through 11.

The professional staff of our firm has been conducting governmental audits in the Central Florida area for the past 28 years. We presently have eight (8) full time professional staff qualified to perform governmental audits. We are experienced auditors in a variety of industries and offer experience in auditing federal grants under the Single Audit Act and performing compliance audits of state grants.

**License to Practice in Florida and Independence**

Our firm and all professional staff are properly licensed to practice in the State of Florida. Also, the firm and all professional staff meet the independence and education requirements of the Government Auditing Standards issued by the Comptroller General of the United States.

**Quality Control**

Our firm has been a member of the Private Companies Practice Section of the American Institute of Certified Public Accountants since 1985. Member firms are required to adhere to quality control standards established by the AICPA Quality Control Standards Committee and to submit to peer reviews of the firm's accounting and audit practice. Peer reviews are intensive reviews of a firm's quality control system. Our firm has had nine peer reviews performed by the American Institute of Certified Public Accountants. Each peer review has included a review of a local governmental entity. We received an unqualified opinion on each review which represents the best opinion that a firm can receive. We have never been subject to any litigation or disciplinary actions by a client, the State or any professional organization for substandard field work. A copy of our firm's most recent opinion follows this page.

**Governmental Audit Quality Center**

McDimit Davis & Company, LLC is a member of the AICPA's Governmental Audit Quality Center which is dedicated to establishing the highest standards of audit quality in the governmental accounting and audit sector.

**Davidson, Jamieson & Cristini, P.L.  
Certified Public Accountants**

1956 Bayshore Boulevard  
Dunedin, Florida 34698-2503  
(727)734-5437 or 736-0771  
FAX (727) 733-3487

*Members of the Firm*  
John N. Davidson, CPA, CVA  
Harry B. Jamieson, CPA  
Richard A. Cristini, CPA, CPPT, CGFM

Member  
American Institute of  
Certified Public Accountants  
Florida Institute of  
Certified Public Accountants

**SYSTEM REVIEW REPORT**

To the Stockholders of  
McDermitt, Davis & Company, LLC  
and the Peer Review Committee of the Florida Institute of  
Certified Public Accountants

We have reviewed the system of quality control for the accounting practice of McDermitt, Davis & Company, LLC (the firm), in effect for the year ended June 30, 2011. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsunmary](http://www.aicpa.org/prsunmary).

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*, and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of McDermitt, Davis & Company, LLC in effect for the year ended June 30, 2011 has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. McDermitt, Davis & Company, LLC has received a peer review rating of *pass*.

*Davidson, Jamieson & Cristini, P.L.*

Davidson, Jamieson & Cristini, P.L.  
November 4, 2011

PROPOSAL TO PROVIDE AUDITING SERVICES FOR  
HARMONY COMMUNITY DEVELOPMENT DISTRICT

**PROFILE OF THE FIRM - CONTINUED**

**Management Advisory Services**

Our experience in governmental auditing has led to the development of efficient procedures that provide various client benefits. Our services provide our clients with a wide range of knowledge, confidence, and helpful management advice. As a result of the size and variety of our clients, we are continually in contact with a variety of accounting systems. We have provided management advisory services to a number of our clients to their satisfaction. Our management advisory services have included the following:

1. Bond financing and comfort letters;
2. Water and wastewater rate studies;
3. Arbitrage calculations;
4. Assistance in selection, implementation and operation of computer systems;
5. Fixed asset accounting;
6. Consultation and analysis in valuation for sale or purchase of water and wastewater utilities;
7. Detailed internal control studies and evaluations of accounting systems;
8. Assistance in preparation of Comprehensive Annual Financial Reports for recognition by the Government Finance Officers Certificate of Achievement Program.

**Continuing Education**

McDermitt Davis & Company, LLC is committed to the personal and professional growth of its staff. Our firm requires an annual minimum of 40 hours of continuing professional education for each staff member.

Our governmental audit staff complies with the continuing education requirements of the State of Florida and the U.S. Government Accountability Office Guide, *Governmental Auditing Standards* (yellow book).

As a result of our governmental experience, our staff has taught classes or lectured on various topics. We offer "in-house" education courses for our staff, which at times, our clients have attended. In addition, we would be happy to teach seminars for the benefit of your accounting staff.



**RESUME OF  
ELDEN G. McDIRMIT, C.P.A.**

**ENGAGEMENT PARTNER**



Mr. McDirmit received his Bachelor of Science degree with a major in accounting from the University of Central Florida. During the last 35 years, Mr. McDirmit has experience in governmental accounting and auditing and has received numerous hours of formal training from the AICPA or AICPA-sponsored organizations in the governmental area.

Mr. McDirmit is active as a national review team member for the GFOA's "Certificate of Achievement for Excellence in Financial Reporting" program. As a review team member, Mr. McDirmit reviews and evaluates financial reports submitted by cities and counties to determine whether the financial reports meet the stringent requirements to receive the GFOA's prestigious award. Participating as a review team member, Mr. McDirmit has demonstrated his expertise in governmental accounting and auditing.

Mr. McDirmit has also received the American Institute of CPA's prestigious "Certificate of Educational Achievement". This program consists of attending 64 hours of classroom education related to governmental accounting and auditing and successfully passing 4 examinations. Mr. McDirmit serves on the Florida Institute of CPA's Peer Review Committee and also performs quality reviews of other CPA firms in accordance with standards established by the American Institute of Certified Public Accountants.

Mr. McDirmit served for eight years as Chairman of the Orange County Housing Finance Authority (the Housing Authority) which has the authority to issue revenue bonds to address the housing needs of Orange, Seminole, Lake and Osceola counties. The Housing Authority has approximately \$800 million in assets. Because of this involvement, Mr. McDirmit has an excellent understanding of local government operations and bond financing.

Mr. McDirmit is a member of the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants, an associate member of the Governmental Finance Officers Association, and is active as a board member in other charitable and civic organizations.

In the past three years, Mr. McDirmit has attended the following governmental continuing professional education courses:

<b><u>Course Title</u></b>	<b><u>Credit Hours</u></b>
Government Accounting & Auditing Update	8
Governmental Accounting Principles & Financial Reporting	16
Advanced Governmental Auditing	16
Compliance Auditing	4
GASB 34 Accounting Conference	8

In addition to the above specific governmental courses, he has attended courses sponsored by both the American and Florida Institutes of Certified Public Accountants relative to audit sampling, audit workpapers, review of auditing pronouncements, and various federal tax seminars.

**RESUME OF  
KELLY D. LEARY, C.P.A.**

**TECHNICAL REVIEW PARTNER**



Ms. Leary received her Bachelor of Science degree with a major in accounting from the University of Hawaii. She has over 25 years of experience in governmental accounting and auditing.

Ms. Leary has served on the State and Local Government Committee for the Florida Institute of CPA's. As a committee member, Ms. Leary was the chairperson of the subcommittee that has revised Compliance Auditing in Florida, a FICPA Practice Aid. Ms. Leary is also qualified to perform quality reviews of other CPA firms in accordance with standards established by the American Institute of Certified Public Accountants and she has performed quality reviews of CPA firms performing governmental audits.

Ms. Leary has been a speaker for the past few years at the FICPA State and Local Government Conference. Ms. Leary has also recently had several articles published in the Florida CPA Today relating to state and local governments, including an article on Single Audits, and an article on pension plans.

Ms. Leary is also a director and treasurer on the Board of Directors of the Fairwinds Credit Union, a nonprofit organization with over a billion dollars in assets.

Ms. Leary's governmental background includes eight years of experience on the Brevard County, Florida audit. She managed the Brevard County audit for several years.

During the past three years, Ms. Leary has attended the following governmental continuing professional education courses:

<u>Course Title</u>	<u>Credit Hours</u>
Intermediate Auditing of Federal, State and Local Compliance Requirements	8
Governmental Accounting Principles & Financial Reporting	16
Florida GFOA Annual Conference	16
State & Local Government Accounting Conference	32
GASB 34 Accounting Conference	8

Because of her expertise, Ms. Leary has also taught several governmental courses on single audit, long-term debt, and arbitrage. In addition to the above specific governmental courses, she has attended courses sponsored by both the American and Florida Institute of Certified Public Accountants relative to work paper preparation and review, accounting and auditing update, and supervisory skills.

PROPOSAL TO PROVIDE AUDITING SERVICES FOR  
HARMONY COMMUNITY DEVELOPMENT DISTRICT

**GOVERNMENTAL REFERENCES**

**References of Governmental Accounting Experience:**

<b><u>Principal Client Contact</u></b>	<b><u>Scope of Work</u></b>	<b><u>Total Hours</u></b>	<b><u>Partner</u></b>	<b><u>Years</u></b>
Mr. Steven Bloom Accounting Manager Severn Trust Management Services 210 University Drive Suite 702 Coral Springs, FL 33071	<ul style="list-style-type: none"> <li>• Annual Financial &amp; Compliance Audit of Three CDD's</li> </ul>	60	Elden McDirmit	2010 to Present
Mr. Darrin Mossing GMS (877) 468-3904	<ul style="list-style-type: none"> <li>• Annual Financial &amp; Compliance Audit of eleven CDD's</li> </ul>	150	Elden McDirmit	2010 to Present
Mr. Joe Kennedy Rizzetta & Company 3434 Colwell Avenue Suite 200 Tampa, FL 33614 (813) 933-5571	<ul style="list-style-type: none"> <li>• Annual Financial &amp; Compliance Audit of Thirty four CDD's</li> </ul>	1,400	Elden McDirmit	2005 to Present
District Management Services, LLC 5680 W. Cypress Street Suite A Tampa, FL 33607 (813) 873-7300 x328	<ul style="list-style-type: none"> <li>• Annual Financial &amp; Compliance Audit of two CDD's</li> </ul>	60	Elden McDirmit	2008 to Present
Ms. Wanda Horton, Fin. Dir. City of Ocoee, Florida 150 Lakeshore Drive Ocoee, FL 34761 (407) 905-3100	<ul style="list-style-type: none"> <li>• Annual Financial &amp; Compliance Audit (Single Audit)</li> <li>• Received GFOA's "Certificate of Achievement"</li> <li>• Utility and Franchise Tax Audits</li> </ul>	250	Kelly Leary	1985 to Present

PROPOSAL TO PROVIDE AUDITING SERVICES FOR  
HARMONY COMMUNITY DEVELOPMENT DISTRICT

**GOVERNMENTAL REFERENCES - CONTINUED**

**References of Governmental Accounting Experience - Continued:**

<u>Principal Client Contact</u>	<u>Scope of Work</u>	<u>Total Hours</u>	<u>Partner</u>	<u>Years</u>
Mr. John Williams, Fin. Dir. City of Longwood, Florida 175 W. Warren Avenue Longwood, FL 32750 (407) 260-3475	<ul style="list-style-type: none"> <li>• Annual Financial &amp; Compliance Audit (Implemented GASB 34 in 2001)</li> <li>• Received GFOA's "Certificate of Achievement"</li> </ul>	150	Kelly Leary	1991 to 1993 & 1997 to Present
Ms. Diane Holloway, Fin. Dir. City of Lake Mary, Florida 100 N. Country Club Road Lake Mary, FL 32749 (407) 324-3000	<ul style="list-style-type: none"> <li>• Annual Financial &amp; Compliance Audit</li> <li>• Received GFOA's "Certificate of Achievement"</li> </ul>	200	Kelly Leary	1997 to Present
Ms. Lori Houghton, Fin. Dir. City of Tavares, Florida P.O. Box 1068 Tavares, FL 32778-1068 (904) 742-6220	<ul style="list-style-type: none"> <li>• Annual Financial &amp; Compliance Audit (Single Audit) and preparation of CAFR</li> <li>• Received GFOA's "Certificate of Achievement"</li> <li>• Utility and Franchise Tax Audits</li> </ul>	250	Elden McDirmit	1988 to Present

PROPOSAL TO PROVIDE AUDITING SERVICES FOR  
HARMONY COMMUNITY DEVELOPMENT DISTRICT

**COST OF SERVICES**

**Proposed Fees**

We understand the requested services include audits of the District's financial statements for the years ending September 30, 2013 (with two optional renewals). The audits will be made in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. They will also be subject to the provisions of Statement #34 of the Governmental Accounting Standards Board (GASB 34).

McDermitt Davis & Company, LLC is duly licensed under Chapter 473, Florida Statutes and is qualified to conduct audits in the State of Florida and audits in accordance with *Government Auditing Standards*.

The fee quoted below is based on cooperation with the management company that documents needed to perform the audit will be available through electronic sources (e-mail, etc). Fees include all services, including but not limited to out-of-pocket expenses, meals and lodging, transportation, printing and binding, telephone, fax and copies.

<b><u>Audit fees</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>
Total audit fee	\$4,900	\$5,000	\$5,100

**Hourly rates for additional services:**

Audit stockholder	\$ 275
Audit manager	160
Audit senior	130
Audit staff	80

*Proposal for*  
**STROEMER**  
**& COMPANY, LLC ®**  
*to Provide*  
*Auditing Services*

**HARMONY**  
**COMMUNITY DEVELOPMENT DISTRICT**

For more information, please visit us at  
[www.stroemerepa.com](http://www.stroemerepa.com)

**STROEMER & COMPANY, LLC ®**

**1-855-STROEMER**

14030 Metropolis Avenue, Suite 200, Fort Myers, FL 33912  
9130 Galleria Court, Suite 102, Naples, FL 34109

20590 West Dixie Highway, Aventura, FL 33180  
1640 Periwinkle Way, Suite 4, Sanibel, FL 33957

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**STROEMER & COMPANY, LLC**

***HARMONY COMMUNITY DEVELOPMENT DISTRICT  
REQUEST FOR PROPOSALS FOR ANNUAL AUDIT SERVICES***

The Harmony Community Development District hereby requests proposals for annual financial auditing services. The proposal must provide for the auditing of the District's financial records for the fiscal year ending September 30, 2013, with an option for two additional annual renewals. The District is a local unit of special-purpose government created under Chapter 190, Florida Statutes, for the purpose of financing, constructing, and maintaining public infrastructure. The District is located in Osceola County and is approximately 1,020.2 acres in area. The District has an annual operating budget of approximately 1.4 million dollars, including debt service. The first year's review should include a focused review of the levying of special assessments and accounting for revenues derived from said assessment.

The Auditing entity submitting a proposal must be duly licensed under Chapter 473, Florida Statutes and be qualified to conduct audits in accordance with "Government Auditing Standards", as adopted by the Florida Board of Accountancy Audits shall be conducted in accordance with Florida Law and particularly Section 218.39, Florida Statutes, and the rules of the Florida Auditor General.

Proposal packages, which include evaluation criteria and instructions to proposers, are available from the District's Management Company at the address and telephone number listed below.

Proposers must provide ten (10) copies of their proposal to Severn Trent Management Services, Attn: Auditing Services, 210 North University Drive, Suite 702, Coral Springs, Florida 33071, telephone 954-753-5841, in an envelope marked on the outside "Auditing Services, Harmony Community Development District." Proposals must be received by **2:00 p.m. on Friday, May 17, 2013** at the offices listed above. Please direct all questions regarding this Notice to the District Manager, Gary Moyer, Severn Trent Management Services, 610 Sycamore Street, Suite 140, Celebration, Florida 43737, phone 407-566-1935.

Severn Trent Management Services  
District Management

**HARMONY CDD  
REQUEST FOR PROPOSALS**

**District Auditing Services for Fiscal Year 2013  
Osceola County, Florida**

**INSTRUCTIONS TO PROPOSERS**

**SECTION 1. DUE DATE.** Sealed proposals must be received no later than May 17, 2013, at the offices of the District Manager, located at 210 North University Drive, Suite 702, Coral Springs, FL 33071. Proposals will be publicly opened at that time.

**SECTION 2. FAMILIARITY WITH THE LAW.** By submitting a proposal, the Proposer is assumed to be familiar with all federal, state, and local laws, ordinances, rules and regulations that in any manner affect the work. Ignorance on the part of the Proposer will in no way relieve it from responsibility to perform the work covered by the proposal in compliance with all such laws, ordinances and regulations.

**SECTION 3. QUALIFICATIONS OF PROPOSER.** The contract, if awarded, will only be awarded to a responsible Proposer who is qualified by experience and licensing to do the work specified herein. The Proposer shall submit with its proposal satisfactory evidence of experience in similar work and show that it is fully prepared to complete the work to the satisfaction of the District.

**SECTION 4. SUBMISSION OF ONLY ONE PROPOSAL.** Proposers shall be disqualified and their proposals rejected if the District has reason to believe that collusion may exist among the Proposers, the Proposer has defaulted on any previous contract or is in arrears on any previous or existing contract, or for failure to demonstrate proper licensure and business organization.

**SECTION 5. SUBMISSION OF PROPOSAL.** Submit ten (10) copies of the Proposal Documents, and other requested attachments at the time and place indicated herein, which shall be enclosed in an opaque sealed envelope, marked with the title "Auditing Services – Harmony Community Development District" on the face of it.

**SECTION 6. MODIFICATION AND WITHDRAWAL.** Proposals may be modified or withdrawn by an appropriate document duly executed and delivered to the place where proposals are to be submitted at any time prior to the time and date the proposals are due. No proposal may be withdrawn after opening for a period of ninety (90) days.

**SECTION 7. PROPOSAL DOCUMENTS.** The proposal documents shall consist of the notice announcing the request for proposals, these instructions, the Evaluation Criteria Sheet and a proposal with all required documentation pursuant to Section 12 of these instructions (the "Proposal Documents").

**SECTION 8. PROPOSAL.** In making its proposal, each Proposer represents that it has read and understands the Proposal Documents and that the proposal is made in accordance therewith.



**SECTION 9. BASIS OF AWARD/RIGHT TO REJECT.** The District reserves the right to reject any and all proposals, make modifications to the work, and waive any informalities or irregularities in proposals as it is deemed in the best interests of the District.

**SECTION 10. CONTRACT AWARD.** Within fourteen (14) days of receipt of the Notice of Award from the District, the Proposer shall enter into and execute a Contract (engagement letter) with the District.

**SECTION 11. LIMITATION OF LIABILITY.** Nothing herein shall be construed as or constitute a waiver of District's limited waiver of liability contained in section 768.28, Florida Statutes, or any other statute or law.

**SECTION 12. MISCELLANEOUS.** All proposals shall include the following information in addition to any other requirements of the proposal documents.

- A. List position or title of all personnel to perform work on the District audit. Include resumes for each person listed; list years of experience in present position for each party listed and years of related experience.
- B. Describe proposed staffing levels, including resumes with applicable certifications.
- C. Three references from projects of similar size and scope. The Proposer should include information relating to the work it conducted for each reference as well as a name, address and phone number of a contact person.
- D. The lump sum cost of the provision of the services under the proposal

**SECTION 13. PROTESTS.** Any protest regarding the Proposal Documents, must be filed in writing, at the offices of the District Manager, within seventy-two (72) hours after the receipt of the proposed contract documents. The formal protest setting forth with particularity the facts and law upon which the protest is based shall be filed within seven (7) calendar days after the initial notice of protest was filed. Failure to timely file a notice of protest or failure to timely file a formal written protest shall constitute a waiver of any right to object or protest with respect to aforesaid contract award.

**SECTION 14. EVALUATION OF PROPOSALS.** The criteria to be used in the evaluation of proposals are presented in the Evaluation Criteria Sheet, contained within the Proposal Documents.

## HARMONY COMMUNITY DEVELOPMENT DISTRICT

### AUDITOR SELECTION EVALUATION CRITERIA Option A

**1. *Ability of Personnel.* (30 Points)**

(e.g., geographic locations of the firm's headquarters or permanent office in relation to the project; capabilities and experience of key personnel; present ability to manage this project; evaluation of existing work load; proposed staffing levels, etc.)

**2. *Proposer's Experience.* (20 Points)**

(e.g., past record and experience of the Proposer in similar projects; volume of work previously performed by the firm; past performance for other Community Development Districts in other contracts; character, integrity, reputation, of respondent, etc.)

**3. *Understanding of Scope of Work.* (10 Points)**

Extent to which the proposal demonstrates an understanding of the District's needs for the services requested.

**4. *Ability to Furnish the Required Services.* (20 Points)**

Extent to which the proposal demonstrates the adequacy of Proposer's financial resources and stability as a business entity necessary to complete the services required. (e.g., the existence of any natural disaster plan for business operations)

**5. *Price.* (20 Points)**

Points will be awarded based upon the price bid for the rendering of the services and reasonableness of the price to the services.

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INTEGRITY.....KNOWLEDGE.....SERVICE.....COMMITMENT ®

May 8, 2013

District Manager and Board of Commissioners  
Harmony Community Development District  
ATTN: Severn Trent Management Services  
210 N. University Drive, Suite 702  
Coral Springs, FL 33071

Dear District Manager and Board of Commissioners:

Thank you for the opportunity to submit our proposal to perform independent auditing services to Harmony Community Development District (the District) to examine the financial statements beginning with the fiscal year ending September 30, 2013. Stroemer & Company, LLC is pleased to present our qualifications, industry experience, and professional background to you. Our firm provides the highest level of service that is technically sound, efficient, and responsive to your needs. We will choose the very best of Stroemer & Company, LLC to serve you and perform the work you require within the requested time period. We will provide whatever resources necessary to satisfy your current and ongoing needs.

Many accounting firms appear to be similar, but they are as uniquely different as the people that own and operate them. Here you will gain a better understanding of Stroemer & Company, LLC. You will see the magnitude and level of knowledge we have with special districts. Stroemer & Company, LLC has a proven track record of serving these organizations in South Florida. Our professionals are technically sound, efficient, and responsive to your ongoing needs. We believe our demonstrated performance and commitment to our clients is our best reference.

We look forward to serving the District and will consider it an honor to have you as our client. As you evaluate our qualifications, accomplishments, and experience, if you have any questions or want to discuss any part of further detail, please feel free to contact me at 1-855-STROEMER.

Sincerely,

Stroemer & Company, LLC  
John H. Stroemer, CPA, CFST, CAM, GRI  
For the Firm

## FIRM'S PROFILE

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### Firm's Experience

Stroemer & Company has been practicing in the area for over 20 years. We have a 15 year history of providing auditing and tax services to organizations in the local government sector. The firm and all assigned team members are properly licensed to practice in the State of Florida, and qualified to conduct audits in accordance with government auditing standards as adopted by the Florida Board of Accountancy.

Below is Stroemer & Company's current Business License:

AC#5923590			STATE OF FLORIDA	
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION			BOARD OF ACCOUNTANCY	
			SEQ# L11122201088	
DATE	BATCH NUMBER	LICENSE NBR		
12/22/2011	117035326	AD63460		
The ACCOUNTANCY CORPORATION Named below IS LICENSED Under the provisions of Chapter 473 FS. Expiration date: DEC 31, 2013				
STROEMER & COMPANY PA 14030 METROPOLIS AVENUE, STE 200 FORT MYERS FL 33912				
RICK SCOTT GOVERNOR		DISPLAY AS REQUIRED BY LAW		KEN LAWSON SECRETARY

### Office Location

20590 West Dixie Highway, Aventura, FL 33180

### Range of Activity

Stroemer & Company is a full service CPA/Consulting firm, providing the highest quality services available:

- Financial Statements
- Tax Services
- Management Consulting
- Bookkeeping Services
- Technology
- Human Resources
- Forensic Accounting

### Independence

We strongly enforce the AICPA Professional Standards, Ethics Interpretation 501.3. We work to achieve the highest standards of quality and ethics on every engagement we perform. Independence is the cornerstone of our profession and all members of our team must affirm their independence on an annual (recurring) basis. There are no independence issues with respect to the District. Members of our team have no direct or indirect financial interests in these entities. In addition, there is no relationship between members of our engagement team and the employees of the District.

### **Mission Statement**

Stroemer & Company has an unwavering and unconditional commitment to provide the highest quality services available to our clients. Our team members lead the profession by being highly trained, knowledgeable and friendly. This is achievable because of our continuous process of self-improvement.

*Our client's success guarantees our success!*

### **Philosophy**

Stroemer & Company is founded on four fundamental principles, which is the basis for our existence:



Our thought process, services, judgment, problem resolution and daily operations are based on the above value system.

### **Professional Societies & Industry Associations/Groups**

Stroemer & Company is a member in good standing of the American Institute of Certified Public Accountants (AICPA), AICPA Private Companies Practice Section, Florida Institute of Certified Public Accountants (FICPA), Association of Certified Fraud Examiners (CFE), Institute of Management Accountants (IMA), and Florida Association of Special Districts (FASD):

AICPA

FICPA

CFE



IMA

FASD



We are featured speakers at the FASD Annual Conferences:

- 2012: Financial Reporting Requirements for Special Districts
- 2013: Fraud

### **State Committees**

Team members serve on FICPA state committees:

- John Stroemer
  - State Legislative Policy Committee
  - Common Interest Realty Associations Section Resource Council
  - Management of Accounting Practice Section Resource Council
- Jack Alexander
  - State & Local Government Section Resource Council
- Keith Wheeler
  - Not-for-Profit Organizations Conference Committee

**Peer Review**

Stroemer & Company elects to do a Peer Review every 3 years, covering 21 straight years, which we have received an *“Unqualified Opinion with No Letter of Comments”*. This represents the highest possible rating that can be obtained.

This external quality control review included engagements performed under the Government Auditing Standards and OMB Circular A-133.

**2010 Peer Review:**



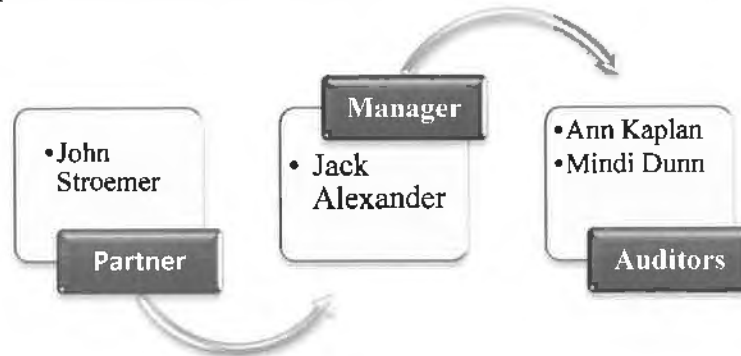


## KEY PERSONNEL

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### Engagement Team

Below are the key personnel, who will be assigned to the District's audit engagement:



*Please find resumes on the attached pages, highlighting professional and academic qualifications.*

#### **Partner:**

Responsibilities include partnering with clients by understanding their business and industry and providing ongoing advice, insights, and support to help our clients build a better business. Also, consults and works successfully with other Partners and Managers within the firm to ensure seamless integrated services. Must define client assignment strategy, objectives, scope and pricing of work. Seeks regular client assessment of assignment progress and overall feedback on performance. Identifies and promotes the development of client recommendations, streamline operations, enhance reporting capabilities and maintains a year round relationship. Generates leads, contacts, and sales. Continually develops industry expertise and technical expertise for the firm. Leads and mentors team members, developing high performing teams.

Partners of the firm are required to have a Bachelor's Degree in accounting from a four-year college or university, an active CPA license, and ten to fifteen years auditing experience and/or training. Must also have an in-depth knowledge and industry expertise of not-for-profit, governmental, and special districts. Must have a thorough understanding of Generally Accepted Auditing Standards (GAAS), Government Auditing Standards (GAS Yellow Book), and Generally Accepted Governmental Accounting Standards (GAGAS).

#### **Manager:**

Responsibilities include maintaining client relationships within their area of expertise and for clients assigned to them, directly managing the work of the Audit Team Members assigned to their clients engagements, as well as direct field work on financial statement audit and accounting engagements, monitor the progress of engagements in relation to budgets and due dates, supervise and review engagement planning, train and evaluate team members, and review work before submission to Partners and/or Principal for further review, and finally serve as a liaison among Partners and/or Principals, clients and team members.

Managers are required to have a Bachelor's Degree in accounting from a four-year college or university, CPA strongly desired, but not required. Additionally, must have five plus years

financial statement audit experience at a public accounting firm. Needs industry experience in not-for-profit, governmental, and special districts. Must have knowledge of Generally Accepted Auditing Standards (GAAS), Government Auditing Standards (GAS Yellow Book), and Generally Accepted Governmental Accounting Standards (GAGAS).

**Audit Team Member:**

Responsibilities include assisting with the completion of audit engagements, learning a thorough knowledge of the client’s business and related needs, as well as prepare financial statements, and management letters in accordance with professional and firm standards. In addition, must maintain client relationships with clients whose engagements that have been assigned to them.

Audit Team Members are required to have a Bachelor’s Degree in accounting, or in the process of obtaining a degree. Public accounting experience is a plus. CPA strongly desired, but not required. Industry experience in not-for-profit, governmental, and special districts strongly desired. Knowledge of Generally Accepted Auditing Standards (GAAS), Government Auditing Standards (GAS Yellow Book), and Generally Accepted Governmental Accounting Standards (GAGAS) is a plus.

**Continuing Education Requirements**

In order to maintain our technical expertise and to stay current on all technical and industry developments, we have accomplished the following:

- a. Developed extensive in-house continuing professional education training programs designed to exceed the specific needs of our clients. Our professional team members and partners receive at least 80 hours of formal education every two years, with a minimum of 20 hours each year.
- b. Additionally, each auditor performing work in accordance with generally accepted government auditing standards complete at least 24 hours of continual professional education every two years. This directly relates to government auditing, the government environment, or the specific or unique environment in which the audited entity operates.
- c. Our professionals are on state-wide technical committees of the Florida Institute of Certified Public Accountants. Thus, we are in a position to stay on the cutting edge of technical developments.

**Staff Continuity**

It is the firm’s policy to retain the same Project Engagement Team on each engagement year after year. Therefore, there will be no new staff “in-training” on your audits. We have a strong firm culture, focusing on a team philosophy, education, pro-active approach, nurturing relationships and an extremely productive environment. Stroemer & Company has over 35 qualified professionals allowing extensive resources to serve the District.



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## JOHN H. STROEMER, CPA, CFST, CAM, GRI

John Stroemer is the Managing Partner of Stroemer & Company. He is a Certified Public Accountant licensed in the State of Florida. John is also certified in Florida Sales and Use Tax, and is a Registered Investment Advisor. John graduated from Florida International University with a Bachelor of Science degree in Accounting. After college John began his career working for a Big 8 firm. Subsequently, John relocated to southwest Florida and opened his own firm. Since then John has built one of the larger full service firms in Florida.

John has extensive industry experience with over 20 years combined experience with not-for-profit and governmental audit services, including A-133 and Yellow Book. He is the Quality Control Partner on all Stroemer & Company's not-for-profit and governmental clients.

Stroemer & Company has a long term reputation of providing quality services at a reasonable price (evidenced by our Peer Review results).

John has been a presenter at many workshops geared towards Not-For-Profit and Governmental Accounting, Tax and Auditing. Topics have included *Auditing and Accounting Updates*, *Fraud*, *Form 990 Tax Compliance*, *SEFA Requirements & Reporting (A-133)*, *Donations & Promises to Give*, and *Financial Disclosures*. John has also been a presenter at the FICPA State Conference, Edison State College, United Way, and Southwest Florida Community Foundation.

### ***Professional Affiliations (past and present)***

- American Institute of Certified Public Accountants
- Florida Institute of Certified Public Accountants
- Florida Institute of Certified Public Accountants State Legislative Policy Committee
- Florida Institute of Certified Public Accountants Management of An Accounting Practice Section Resource Council
- Past member of Accounting Principles and Auditing Standards Committee for the State of Florida
- Past member of the Florida Institute of Certified Public Accountants Peer Review Committee, the oversight committee for the Peer Review Program
- Florida Gulf Coast University Accounting Advisory Board
- Florida Shores Bank Advisory Board
- Fort Myers Chamber of Commerce, Board of Director member

### ***Community Involvement***

- Annual Fundraiser Sponsor for the United Way Pacesetter Campaign
- Annual United Way Keel Club Member



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## **WILLIAM JOHN "JACK" ALEXANDAR, CPA**

Jack Alexander is an Audit Manager at Stroemer & Company. He is a Certified Public Accountant licensed in the States of Ohio and Pennsylvania. He is currently pursuing his license in the State of Florida. Jack graduated from Ohio State University with a Bachelor of Science degree in Accounting. After graduation, Jack began working for a local CPA firm in his hometown of Steubenville, Ohio. He later moved to Pittsburgh where he spent the better part of the past decade working for one of the largest regional CPA firms in the area. Since relocating to Florida, Jack has been a great asset to the Stroemer & Company team.

Jack has extensive industry experience and concentrates his practice in the area of not-for-profit and governmental entities. He has over 10 years' experience in not-for-profit and governmental accounting, including A-133 and Yellow Book. Jack is the Manager on all of Stroemer & Company's not-for-profit and governmental clients.

Jack has been a presenter at workshops geared towards Not-For-Profit and Governmental Accounting and Auditing. Topics have included *Auditing and Accounting Updates SEFA Requirements & Reporting (A-133)*, *Donations & Promises to Give*, and *Financial Disclosures*. These presentations have been in conjunction with Edison State College, United Way, and Southwest Florida Community Foundation.

### ***Professional Affiliations (past and present)***

- American Institute of Certified Public Accountants
- Florida Institute of Certified Public Accountants
- Pennsylvania Institute of Certified Public Accountants
- Florida Institute of Certified Public Accountants State & Local Government Section Resource Council
- Sanibel-Captiva Chamber of Commerce
- The Lions Club

### ***Community Involvement***

- As a former Eagle Scout, Jack comes from a family with strong community and civic ties
- Annual Fundraiser Sponsor for the United Way Pacesetter Campaign
- Annual Bell Ringer for the Salvation Army's Fundraising Campaign



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## **ANN KAPLAN, CPA**

Ann Kaplan is an Auditor with Stroemer & Company. She is a Certified Public Accountant licensed in the State of Florida. Ann graduated from the University of North Carolina at Chapel Hill with a Bachelor of Science degree in Business Administration. She completed internships in accounting in Gothenburg, Sweden and Edinburgh, Scotland before obtaining a Master of Science of Accounting from the American University in Washington, DC. Ann then relocated to Florida where she was the controller for a non-profit organization before joining the Stroemer & Company team.

Ann has extensive industry experience and concentrates her practice in the areas of not-for-profits and governmental entities. She has over 15 years of experience in this area, which includes grant proposals, Community Development Block Grant (CDBG) regulations, contract compliance, and Lee Partnering for Results funding, as well as A-133 and Yellow Book. Ann is an Auditor on all of Stroemer & Company's not-for-profit and governmental clients.

As an Auditor, Ann's responsibilities include assisting with the completion of audit engagements, learning a thorough knowledge of the client's business and related needs, as well as preparing financial statements, and management letters in accordance with professional and firm standards. In addition, she must maintain client relationships with clients whose engagements have been assigned to her.

Ann is also a certified QuickBooks ProAdvisor and has led training seminars on various QuickBooks topics for general beginners, intermediate and advanced users. She has also conducted one on one sessions with many of our clients.

### ***Professional Affiliations (past and present)***

- American Institute of Certified Public Accountants
- Florida Institute of Certified Public Accountants
- QuickBooks ProAdvisor

### ***Community Involvement***

- Annual Fundraiser Sponsor for the United Way Pacesetter Campaign
- Annual Bell Ringer for the Salvation Army's Fundraising Campaign



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## **MINDI B. DUNN, EA, MSAT, CAM**

Mindi Dunn is a Senior Auditor at Stroemer & Company. She is an Enrolled Agent licensed in the State of Florida. Mindi graduated from Rowan University with a Bachelors of Science degree in Accounting, and from Florida Gulf Coast University with her Masters of Science degree in Accounting. She plays instrumental roles in our Auditing department.

Mindi has extensive industry experience and concentrates her practice in the areas of not-for-profits and governmental entities. She has over 10 years of experience in this area, including A-133 and Yellow Book. As a professor for University of Phoenix, she adds to our comprehensive knowledge base of not-for-profit and governmental organizations. Mindi is an Auditor on all of Stroemer & Company's not-for-profit and

governmental clients.

As an Auditor, Mindi's responsibilities include assisting with the completion of audit engagements, learning a thorough knowledge of the client's business and related needs, as well as preparing financial statements, and management letters in accordance with professional and firm standards. In addition, she must maintain client relationships with clients whose engagements have been assigned to her.

Mindi has also been a presenter at workshops geared towards Not-For-Profit and Governmental Accounting and Auditing. Topics have included *Auditing and Accounting Updates*, *Fraud*, *Form 990 Tax Compliance*, *SEFA Requirements & Reporting (A-133)*, *Donations & Promises to Give*, and *Financial Disclosures*. These presentations have been in conjunction with Edison State College, United Way, and Southwest Florida Community Foundation.

### ***Professional Affiliations (past and present)***

- American Institute of Certified Public Accountants
- Florida Institute of Certified Public Accountants
- Sanibel-Captiva Chamber of Commerce
- Hospitality, Financial & Technology Professionals
- Institute of Management Accountants
- Professor for University of Phoenix

### ***Community Involvement***

- Annual Fundraiser Sponsor for the United Way Pacesetter Campaign
- Annual Bell Ringer for the Salvation Army's Fundraising Campaign

## **CURRENT PUBLIC CLIENTS**

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### **Government References**

- **Captiva Erosion Prevention District**  
*Provide Auditing Services to the District*  
Kathy Rooker, Senior Administrative Consultant  
11512 Andy Rosse Lane, Unit 4  
Captiva, FL 33924  
239-472-2472
  
- **Englewood Area Fire Control District**  
*Provide Auditing Services to the District and Pension Fund*  
Paulette Tomlison  
516 Paul Morris Drive  
Englewood, FL 34223  
941-474-3311
  
- **The Salvation Army, Inc.**  
*Provide Audit & Tax Services, including the Single Audit Requirements of OMB Circular A-133, also perform Agreed Upon Procedures pursuant to the Client objectives*  
Meg Geltner, Executive Director  
10291 McGregor Boulevard  
Fort Myers, FL 33919  
239-278-1551

### **Government Client List (past and present):**

- Alva Fire Control and Rescue Service District
- Barron Water Control District
- Bonita Springs Fire Control & Rescue District
- Captiva Erosion Prevention District
- Collier Soil and Water Conservation District
- Collins Slough Water Control District
- Devil's Garden Water Control District
- East County Water Control District
- Fort Myers Beach Fire Control District
- Immokalee Fire Control and Rescue District
- Immokalee Water & Sewer District
- Gerber Groves Water Control District
- Lehigh Acres Fire Control and Rescue District
- Matlacha-Pine Island Fire Control District
- North Naples Fire Control and Rescue District
- North Fort Myers Fire Control & Rescue
- Port Labelle Community Development District

## **SCOPE OF WORK**

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A successful engagement is one that is technically sound, performed timely and efficiently, and one that exceeds client expectations. It is our philosophy to routinely communicate with our clients well before fieldwork, and continuously throughout the engagement, not just prior to a reporting deadline. A successful audit begins with proper planning prior to commencement of the audit.

We will take a risk based approach to the audit, focusing more of our efforts and time on the financial statement areas that have more risk associated with them. During the planning phase, we will perform inquiries with management, perform analytic analyses, and conduct walk-throughs of key processes to gain an understanding of the organization's internal controls. The fieldwork portion of the audit will be conducted with a heavy emphasis on substantive testing, in addition to the required compliance testing.

Stroemer & Company will provide independent auditing services to the District to examine the annual financial statements of the District, beginning with the financial statements for the fiscal year ending September 30, 2013. The examination will be a financial and compliance audit made in accordance with current Government Auditing Standards promulgated by the Comptroller General of the United States and the standards as set forth by the Governmental Accounting Standard Board (GASB) for state and local governments (including required supplementary information – a section on management's discussion and analysis (MD&A), and the budget to actual statement of revenues, expenditures and changes in fund balances for the general fund). The primary purpose of the audit is to express an opinion on the financial statements of the District. The audit procedures used should be sufficient to enable the proposer to express an opinion on the fairness with which the financial statements present the financial position of the District. In addition, such procedures should be adequate to determine whether the operations of the District were properly conducted in accordance with legal and regulatory requirements, including Florida Statutes.

Significant areas of the audit and a general list of test procedures include but are not limited to the following:

### **Cash (including restricted cash)**

- Obtain bank confirmations for all accounts, if necessary
- Test bank reconciliations for proper cut-off, large and/or old outstanding items

### **Investments**

- Obtain statements for all accounts, and ascertain if investments are being handled in accordance with Section 218.415 of the Florida Statutes

### **Assessments Receivable**

- Review supporting schedules and agree information to published tax roll data on the Osceola County website



### **Due from Other Governments (if material)**

- Review agreements and/or other source documents giving rise to the intergovernmental receivable
- Vouch reimbursement requests to supporting documentation
- Test subsequent receipts (as applicable)

### **Prepaid Expenses and (if material)**

- Vouch payments to supporting documentation and ascertain appropriateness of treatment as prepaid expense.
- Recalculate selected prepaid expense items

### **Deferred Charges (Bond Issuance Costs)**

- Obtain original financing agreements and recalculate ending balance
- Test amortization expense for reasonableness between periods

### **Capital Assets**

- Test supporting documentation for additions and disposals including Board approvals
- Review expense accounts (repairs and maintenance) for items that may need to be capitalized and consider testing certain expenditures
- Test depreciation expense for reasonableness between periods

### **Accounts Payable/Accrued Expenses**

- Perform a search for unrecorded liabilities and ensure proper cutoff
- Recalculate accruals for payroll, payroll taxes, compensated absences and all other significant accruals

### **Notes Payable and Accrued Interest**

- Confirm outstanding balances, if necessary
- Obtain original financing agreement and vouch payments to the amortization schedule
- Test interest expense, and recalculate interest payable
- Test covenants, if any
- Ensure proper classification between current portion and long-term portion

### **Fund Balances**

- Test classifications between unrestricted and invested in capital (Statement of Net Assets), and proper GASB 54 - *Fund Balance Reporting and Governmental Fund Type Definitions classifications (Balance Sheet)*

### **Income**

- Obtain a copy of the tax roll and perform substantive tests and analytical procedures on assessments
- Perform analytic and reasonableness tests on other revenue sources

## **Expenditures**

- Perform an analysis of expenses (current year to prior year, and budget to actual) with significant variations and obtain explanations for these variations.
- Test supporting documentation for a sample of expenses that have large dollar balances
- Test payroll expense
- Perform analytical procedures and expand testing, if necessary
- Test functional allocations for propriety and consistency

## **Supplementary Information**

- We will perform certain limited procedures to the required supplementary information (management's discussion and analysis) consisting primarily of inquiries of management regarding the methods of measurement and presentation
- Additional information/schedules consisting of the Statement of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual – General Fund will be subject to the auditing procedures applied to the basic financial statements

## **OMB A-133 Single Audit (if applicable)**

- Document and test internal control as it relates to A-133 funding
- Obtain and test the Schedule of Expenditures of Federal Awards
- Test applicable compliance requirements as outlined by the OMB Circular A-133 and the Florida Single Audit State Projects Act Compliance Supplements
- Trace grant receipts/revenue to source documents and confirm amounts with Grantor Agencies, if necessary
- Test any matching requirements for individual grants
- Review required reports for accuracy and timely filing

## **Financial Statements**

- We will review a draft of the financial statements and our audit findings, if any, with your management team along with recommendations to strengthen the system of internal controls and improve operational efficiency. We will spend as much time as needed with your personnel to ensure complete satisfaction of our work product.

***New Reporting Requirements:*** Two pronouncements issued by GASB will take effect over the next two years. The first, Statement No. 63 – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows on Resources and Net Position*, is effective for fiscal years beginning after December 15, 2011 (FYE September 30, 2013 for the District). The second, Statement No. 65 – *Items Previously Reported as Assets and Liabilities*, is effective for fiscal years starting beginning after December 15, 2012 (FYE September 30, 2014 for the District). Statement No. 63 somewhat radically changes the presentation of what was previously referred to as the Statement of Net Assets. Under Statement No. 63, certain assets (deferred outflows) and liabilities (deferred inflows, are reported separately as stand-alone section heading (not just line items within assets and liabilities, and net assets will now be called net position. Statement No. 65 provides additional guidance and clarification of types of assets and liabilities which should be reported as deferred inflows and deferred outflows.

Stroemer & Company will ensure the District is compliant with the new reporting requirements, and if necessary will conduct workshops and seminars to help educate the District's employees when new pronouncements are issued.

***Special Assessments:*** Stroemer & Company is available to assist with the treatment of special assessments. We can help determine the proper accounting treatment, including recognition of current year revenue and deferral of revenue to future periods. We can help train District personnel, and design template to assist with the record keeping/account treatment.

***Management Letter:*** Professional standards require that we communicate to "those charged with governance." We will provide SAS #114 communications at both the pre-audit and wrap-up phases. Also, we will provide management and the Board of Commissioners with recommendations on how to improve internal controls, build better reporting, and implement efficiencies and best business practices. Additionally, our management letter will address the required points as mandated by Section 10.554(1)(i), Rules of the Auditor General

***Audit Timeline:*** We will work with management and coordinate a mutually agreed upon date for the start of fieldwork and delivery of the draft financial statements, with the understanding that the final bound report will be delivered well before the filing deadline as mandated by the Auditor General (no later than nine months after year end, or June 30). We will plan our engagement with these parameters in mind and confirm that we will meet all agreed upon deadlines.

***Level of assistance that will be expected:*** Subsequent to the planning meeting, we will issue a client assistance letter detailing a listing of items/documents/schedules to be provided by District. We will meet with your accounting team for a pre-audit planning conference. We will discuss the scope, testing/procedures, and expectations, in order to make sure both the District and Stroemer & Company are on the same page. Working together builds efficiencies and keeps costs down. Once your books are closed, the trial balance, other schedules, and documentation can be forwarded to us via the client portal (as mentioned below). Additionally, this will help minimize frustrations, allowing for a fast, seamless, meaningful and effective audit.

***Stroemer & Company's Technology:*** We run on two high speed virtual servers using "VM ware" and "Dell EQ Logics" on a Citrix platform, supported by unlimited hardware storage. With this, the District will have its own Client Portal. Our audit process is entirely paperless. We utilize Creative Solutions as our integrated software platform. We prefer to have all correspondence and audit schedules in an electronic format. Financial statements and other spreadsheets are linked to Excel and are fully integrated into our audit workpapers. Having this integration allows us to have the core financials drafted before we even walk in the door, and also allows for any audit adjustments to be incorporated into the financial statements in real time. This is an additional feature in our stream-lined approach that produces savings for our clients. We also use an internet-based accounting, auditing and tax technical library service. Our efficient high speed process allows us to be very effective.

## PRICE PROPOSAL

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### Fee Structure

Total fixed fee (not-to-exceed amount) for the following engagements:

<b>Professional Services</b>	<b>Fee</b>	<b>Industry Discount</b>	<b>Total Fee</b>
Annual Financial Audit	\$8,650	15%	<b>\$7,350</b>

### Billing Philosophy

It is Stroemer & Company's fundamental belief to honor our not-to-exceed, fixed fee quote. The fixed fee assumes the records are clean and we get the assistance we need. The fee also assumes that no material unusual or unforeseen circumstances arise, which causes an increase in audit effort. If an issue arises, we will meet with you to discuss a solution before any extra work is performed.

### Stroemer & Company's Availability

We go above and beyond the professional protocol. Two-way communication is essential for developing a successful relationship. We believe in a year-round relationship, when you need us we are there for you. We accomplish this in a variety of ways. First, we will meet several times during the year to discuss issues and help resolve problems ("a think tank"). Secondly, we are available by phone or email with a "same day" response policy. We are available when you need us. Finally, we conduct seminars that are tailored to the needs and issues facing our clients.

We will serve as your auditor and advisor. We understand and are aware that the opportunity to serve you must be earned. We believe Stroemer & Company is up to the challenge and will earn and keep your respect and trust. The District will be a premier client of our firm and communication with you will be ongoing.

Additionally, the balance of the resources of Stroemer & Company is available to you as one of our valued clients. Our firm is "Full Service"! To us that means pro-active not reactive. We will stay involved, and recommend and advise as needed.

## WHY STROEMER & COMPANY

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### Why Stroemer & Company

We believe the selection of our firm as your auditing/consulting firm is the best decision for you, for the following reasons:

<b>Tremendous Resources</b>	<i>Over 35 professionals, state of the art technology, and 100% paperless automated audit process.</i>
<b>Industry Experience</b>	<i>Extensive experience auditing various nonprofit and governmental entities and know the industry well.</i>
<b>Quality Service</b>	<i>We have a very effective and efficient risk based audit approach, allowing us to consistently provide quality service</i>
<b>Relationship Driven</b>	<i>Do not nickel and dime clients, while maintaining a year-round relationship</i>
<b>Hands-on Experience</b>	<i>We live our lives in the main stream of the nonprofit and governmental world; we understand the issues and challenges that face these organizations.</i>
<b>Meet Deadlines</b>	<i>Pro-active approach, efficient, and resources available to get the job done, and a "Do what it takes" attitude.</i>
<b>Reasonable Price</b>	<i>Efficient and effective audit approach, no wasted procedures, allows us to have competitive fees.</i>
<b>Entrepreneurial Approach</b>	<i>Our approach allows us to provide business recommendations. We will study your internal control structure to find weaknesses that could put you at risk and provide solutions to protect you.</i>
<b>Continous Process of Self-improvement</b>	<i>Part of our mission statement "a continuous process of self-improvement" makes us get better every year. We will pass on best business practices to help you achieve your mission.</i>
<b>Peer Review</b>	<i>Have received the highest rating possible seven consecutive times, which covers a twenty-one period</i>

**HARMONY  
COMMUNITY DEVELOPMENT DISTRICT**

**RESPONSE TO REQUEST  
FOR PROPOSAL FOR  
ANNUAL AUDIT SERVICES**

**September 30, 2013**



May 3, 2013

Severn Trent Management Services  
Attn: Auditing Services  
210 N. University Drive  
Suite 702  
Coral Springs, FL 33071

RE: Harmony Community Development District

Ladies and Gentlemen:

Thank you for allowing Stuart Angelo & Company, PA to submit a proposal for auditing services as Independent Certified Public Accountants to the Harmony Community Development District for the year ended September 30, 2013 with an option for the years ended September 30, 2014 and 2015. We view an association with the District and its Board of Supervisors as an excellent opportunity to provide quality client service and to establish a long-term relationship with Harmony Community Development District.

As explained herein, we have the desire, capacity, and technical proficiency to serve as independent auditors and advisors to the District. Stuart Angelo & Company, PA has repeatedly proven our ability to meet the auditing and accounting needs of numerous Community Development Districts, and we very much desire to continue and expand upon our endeavors in this field. We understand the scope of the proposed engagement and we are willing to fully commit our Firm's resources to ensure timely completion of the audit in a cost efficient manner.

We are confident you will find Stuart Angelo & Company, PA well experienced in all phases of accounting and auditing for governmental units and not-for-profit organizations. This unique talent enables us to provide the quality client service that the Harmony Community Development District expects and deserves.

For your convenience, our proposal is organized into the following sections:

I.	Executive Summary	Page 1
II.	Introducing Our Firm	Page 4
III.	Scope of Services	Page 14
IV.	Fees	Page 19
V.	Quality Control Review	Page 21
VI.	Sample Engagement Letter	Page 24
VII.	Proposal Documents	Page 30

This proposal is a firm and irrevocable offer for ninety (90) days from the date of this proposal.

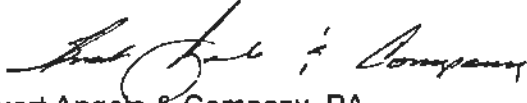
Stuart Angelo & Company, P.A., Certified Public Accountants

201 East Kennedy Boulevard, Suite 1620, Tampa, Florida 33602 (813) 229-8889 Fax (813) 229-9357

Severn Trent Management Services  
Attn: Auditing Services  
Page Two  
May 3, 2013

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We appreciate the opportunity to present our proposal and look forward to serving as your independent auditors and advisors. We would welcome an opportunity to discuss the engagement in further detail or answer any questions you may have about our firm. We hope you recognize our abilities and earnest desire to serve as your independent auditors and advisors. Should you have any questions, please call Stuart Angelo, CPA, CFF, CITP at 813-229-8889.



Stuart Angelo & Company, PA  
Certified Public Accountants



## **CONTENTS**

- I. Executive Summary**
- II. Introducing Our Firm**
- III. Scope of Services**
- IV. Fees**
- V. Quality Control Review**
- VI. Sample Engagement Letter**
- VII. Proposal Documents**

## I. EXECUTIVE SUMMARY

This proposal provides the information we believe should be considered in evaluating our capabilities to serve the Harmony Community Development District as independent auditors for the years ended September 30, 2013, 2014 and 2015. It includes separate sections, which set forth in detail how we will approach the audit, other services we are qualified to render, our clients and our experience in the governmental and not-for-profit organization areas.

We believe certain matters addressed in our proposal are of critical importance in evaluating our qualifications and commitment. These points, though covered in the text of our proposal, are highlighted below:

- We have repeatedly proven our ability to meet the auditing and accounting needs of numerous Community Development Districts, and we very much desire to continue and expand upon our endeavors in this field.
- Stuart Angelo & Company, PA has provided auditing services to numerous governmental units and not-for-profit organizations required to adhere to the auditing and reporting requirements of *Government Auditing Standards* (the *Yellow Book*), the Governmental Accounting Standards Board, American Institute of Certified Public Accountants, the Financial Accounting Standards Board, and the Auditor General of the State of Florida.
- The staff of Stuart Angelo & Company, PA to be assigned to the audit of the District is in compliance with and exceeds the *Government Auditing Standards* stringent requirements for continuing professional education.
- Stuart Angelo, in addition to being a CPA in the State of Florida, has earned the designations Certified in Financial Forensics (CFF) and Certified Information Technology Professional (CITP) from the American Institute of Certified Public Accountants.
- We are members of both the American Institute of Certified Public Accountants and Florida Institute of Certified Public Accountants and have provided auditing services to governmental entities for over 25 years.
- Stuart Angelo & Company, PA is a local CPA firm formed in 1987, located in Tampa, Florida, with strong ties to the community, both professional and personal.
- Stuart Angelo & Company, PA has successfully completed every quality control review of our accounting and auditing practice which we have undergone since the inception of the program in 1988.
- Our firm is committed to providing quality service to the District in a cost efficient manner.
- Our approach to client service is based on responding in a timely manner to the various needs and requirements of our clients, fully understanding their business, and working together to maintain open and candid lines of communication. We will be in contact with you throughout the year and are hopeful that you will avail yourselves of our consultation and assistance whenever we can be of service.

## **I. EXECUTIVE SUMMARY (Continued)**

- Recommendations resulting from our audit will be reviewed in detail with management or the Board of Supervisors. Typical comments would cover areas such as:
  - Improvements in the safeguarding of assets
  - Recommended changes in accounting procedures
  - Management information needed but not developed
  - Duplication of effort, including unnecessary records and reports
  - Improvements in systems, techniques, and controls
  - Cost savings or revenue enhancement suggestions

In addition to the audit of the financial statements of the Harmony Community Development District, we will offer guidance on financial and accounting matters as requested or required.

## Background

The formation of Stuart Angelo & Company, PA in 1987 brought together a diversity of public accounting expertise gained in local, regional, and international firms. In a relatively short period of time we established a varied clientele and a reputation for quality service within the community.

We are members of both the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants and have provided auditing services to governmental entities for over 25 years.

Stuart Angelo & Company, PA is a progressive local CPA firm located in Tampa, Florida. We are a full-service firm which provides audit, accounting and review, management advisory, tax preparation and planning services for a widely varied clientele.

Stuart Angelo, in addition to being a CPA in the State of Florida, has earned the designations Certified in Financial Forensics (CFF) and Certified Information Technology Professional (CITP) from the American Institute of Certified Public Accountants.

Stuart Angelo and Steven Connolly are members of the Florida Government Finance Officers Association.

We have proven our ability to meet the auditing and accounting needs of numerous Community Development Districts, and very much desire to expand this experience.

Our experience with Community Development Districts includes auditing districts from their inception, to the issuance of bonds, to the construction phase, to additional bond issuances and re-financings, through the maintenance phase of a district's life cycle, to the dissolution of a district.

We take pride in our professionalism, achievements, growth, and in our record of service. Our reputation and true resourcefulness as a firm stems from and depends upon our on-going commitment to providing quality service.

In addition to a strong client base in the commercial sector, which includes general contractors and developers, we are also experienced in providing auditing services to other governmental entities and not-for-profit organizations. We are thoroughly familiar with and well versed in the requirements of *Government Auditing Standards*, as published by the General Accounting Office, the AICPA Industry Audit Guide "Audits of State and Local Government Units", the rules of the Auditor General of the State of Florida, and the statements and publications issued by the Governmental Accounting Standards Board and Financial Accounting Standards Board. With over 50 years of combined experience, our staff to be assigned to the District has rendered auditing and accounting services to a wide variety of governmental organizations and not-for-profit organizations.

We believe our extensive experience combined with our professional skills and personal qualifications will ensure a thorough audit of the Harmony Community Development District financial statements and provide high quality service over the full range of potential accounting and auditing needs.

## References

District Management Services, LLC  
(District management company)  
5680 W. Cypress St., Suite A  
Tampa, FL 33607  
Contact: Brian K. Lamb or Peter Altman  
(813) 873-7300

Straley & Robin, PA  
(Legal counsel to Districts)  
1510 W. Cleveland Street  
Tampa, FL 33606  
Contact: Mark K. Straley  
(813) 223-9400

Clearview Land Design, PL  
(Engineering firm which has performed services for Districts and other government entities)  
1213 E. 6<sup>th</sup> Avenue  
Tampa, FL 33605  
Contact: Toxey Hall, PE  
(813) 223-3919

David Nelson Construction Co.  
(Construction company which has performed services for Districts and other government entities)  
3483 Alternate 19  
Palm Harbor, FL 34683  
Contact: David F. Nelson, CEO  
(727) 784-7624

Prince Contracting, LLC  
(Construction company which has performed services for Districts)  
10210 Highland Manor Drive, Suite 110  
Tampa, FL 33610  
Contact: John Watson, President or  
Kathy L. Bartell, Controller  
(813) 699-5900

Suncoast Utility Contractors Association, Inc.  
(Not-for-profit trade association)  
PO Box 2740  
Zephyrhills, FL 33539-2740  
Contact: Misty McKendree, Executive Director  
(813) 355-4879

Florida Gulf Coast Chapter,  
Associated Builders and Contractors, Inc.  
(Not-for-profit trade association)  
2008 N. Himes Ave.  
Tampa, FL 33607  
Contact: Steve Cona, President  
(813) 879-8064

## References (Continued)

National Kidney Foundation of Florida, Inc.  
(Not-for-profit organization which received government grants)  
1040 Woodcock Road, #119  
Orlando, FL 32803  
Contact: Haskell Gates, Executive Director  
(407) 894-7325

Tampa Lighthouse for the Blind  
(Not-for-profit organization which received United Way grants and State of Florida funding)  
1106 W. Platt Street  
Tampa, FL 33606  
Contact: Cliff Olstrom, Executive Director  
(813) 251-2407

In addition to currently providing auditing services to governmental and not-for-profit organizations, Stuart Angelo & Company, PA and its staff members have prior experience in providing auditing or accounting services to the following special districts, governmental agencies and not-for-profit organizations, including:

### Special Districts

Alexen Community Development District  
Alafia Preserve Community Development District  
Avelar Creek Community Development District  
Bella Verde East Community Development District  
Bella Verde Golf Community Development District  
Bella Verde Lake Community Development District  
Buckeye Park Community Development District  
Chaparral Community Development District  
Chapel Creek Community Development District  
Covington Park Community Development District  
CrossCreek Community Development District  
Cypress Creek of Hillsborough County Community Development District  
Cypress Shadows Community Development District  
Donaldson Knoll Community Development District  
Eagle Ridge Community Development District  
Entrada Community Development District (Pinellas County)  
Fishhawk Community Development District  
Four Seasons at Crystal Springs Community Development District  
Gateway Services Community Development District  
Greyhawk Landing Community Development District  
Hammock Bay Community Development District  
The Groves Community Development District  
Harbor Bay Community Development District  
Harbour Isles Community Development District  
The Heights Community Development District  
Highland Meadows Community Development District  
Independence Park Community Development District  
K-Bar Ranch Community Development District  
Lake Padgett Estates Independent Special District  
Lake St. Charles Community Development District  
Lakeside Plantation Community Development District  
Lexington Community Development District

## References (Continued)

### Special Districts (Continued)

Lexington Oaks Community Development District  
Longleaf Community Development District  
Meadow Pointe III Community Development District  
Merrick Park Community Development District  
New River Community Development District  
Northwood Community Development District  
Oakstead Community Development District  
Palm Bay Community Development District  
Palm River Community Development District  
Panther Trace Community Development District  
Panther Trace II Community Development District  
Parkway Center Community Development District  
Park Place Community Development District  
The Preserve at Wilderness Lake Community Development District  
River Bend Community Development District  
Rivercrest Community Development District  
Sanctuary Cove Community Development District  
Seven Oaks Community Development District  
Snug Harbor Center Community Development District  
Southbay Community Development District (Manatee County)  
Southfork East Community Development District  
Stone Crest Community Development District  
Stone Dairy Creek Community Development District  
Suncoast Community Development District  
Tara Community Development District  
Terra Bella Community Development District  
Valley Oaks Community Development District  
Villages of Glen Creek Community Development District  
VillaMar Community Development District  
Waterleaf Community Development District (Hillsborough County)  
Waterlefe Community Development District

## **References (Continued)**

### **Hillsborough County, Florida**

- Community Action Agency - Administration
- Headstart Handicapped
- Tampa Oral School for the Deaf
- Services to the Aged
- Consumer Education Services
- Manpower
- Outreach Centers
- Housing Program
- Economic Development and Transportation Program
- Office on Aging
- Consumer Services
- Job Placement and Counseling Services
- Community Development Centers
- Assistance for the Newly Unemployed
- Community Food and Nutrition
- Summer Food Service Program for Children
- E.G. Simmons and Lithia Springs Park Construction Fund
- Brandon Fire District
- Museum Recreation Support Program
- Weatherization Repair for the Aged
- Transportation for the Aged
- Energy Conservation

### **Not-For-Profit Organizations**

- Associated Builders and Contractors of Florida, Inc.
- Builders Association of Greater Tampa, Inc.
- Community Partners in Revitalization, Inc.
- Florida Gulf Coast Chapter, Associated Builders and Contractors, Inc.
- Florida Collectors' Association
- National Association of Industrial and Office Parks
- National Hemophilia Foundation of Florida
- National Kidney Foundation of Florida, Inc.
- Suncoast Utility Contractors Association, Inc.
- Tampa Day Pre-School and Kindergarten, Inc.
- Various churches
- Various homeowners' associations



## **Continuing Professional Education**

*Government Auditing Standards*, published by the General Accounting Office and the Comptroller General of the United States, mandates continuing professional education requirements in governmental accounting for CPA firm staff members responsible for planning, directing, and conducting substantial portions of fieldwork, or reporting on audits of governmental organizations and certain not-for-profit organizations.

Members of the staff of Stuart Angelo & Company, PA to be assigned to the audit of district financial statements are in compliance with and exceed these stringent governmental continuing professional education requirements.

## **Staff**

A brief description of the staff of Stuart Angelo & Company, PA to be assigned to the audit of district financial statements follows:

### **STUART C. ANGELO, CPA, CFF, CITP**

- Certified Public Accountant in the State of Florida
- Certified in Financial Forensics (CFF) by the American Institute of Certified Public Accountants
- Certified Information Technology Professional (CITP) by the American Institute of Certified Public Accountants
- 37 years experience in public accounting
- 25 years experience in current position
- Professional Affiliations:
  - American Institute of Certified Public Accountants
  - Florida Institute of Certified Public Accountants
  - Past member of Florida Institute of Certified Public Accountants West Coast Chapter Tax Committee
  - Past member of Florida Institute of Certified Public Accountants West Coast Chapter USF Accounting Conference Committee
  - Florida Government Finance Officers Association
  - Institute of Management Accountants
  - Construction Financial Management Association
- Qualified expert witness on accounting issues in:
  - Federal court
  - Circuit courts in the State of Florida
- Currently in compliance with governmental Continuing Professional Education standards
- Relevant continuing education courses taken:
  - Bisk Audio Governmental Accounting Report – over 220 hours (1994 - 2012)
  - The Top Ten Fraud Schemes: How to Detect and Prevent Them (2012)
  - Identifying Fraudulent Financial Transactions (2011)
  - Common Frauds and Internal Controls for Revenue, Purchasing and Cash Receipts (2011)
  - Purchasing, Inventory and Cash Disbursements, Common Frauds and Internal Controls (2011)
  - Frequent Frauds Found in Governments (2010)
  - Forensics and Financial Fraud: Real World Issues and Answers (2010)
  - Reviewing Field Work Documentation (2009)
  - Advanced Forensic Techniques for Accountants (2009)
  - Auditing for Internal Fraud (2009)
  - Forensic Accounting: Fraudulent Reporting and Concealed Assets (2008)

### **STUART C. ANGELO, CPA, CFF, CITP (Continued)**

- Fraud in the Governmental and Not-for-Profit Environments: What a Steal (2008)
- Fraud in the Financial Statement Audit: Auditor Responsibilities (2008)
- Internal Control Deficiencies: Assessment and Reporting Under SAS 112 (2008)
- Accountants' Legal Responsibilities (2007)
- Audit Sampling (2007)
- Audit Risk Assessment (2007)
- Reporting Issues – Topics for the Independent Auditor (2007)
- Extra Strength Governmental Accounting and Reporting (2006)
- Detecting Misappropriation Schemes (2005)
- Fraud Has Been Found: Now What? (2005)
- Extra Strength GASB 34 (2004)
- Non-Profit Accounting & Auditing Update (2004)
- Workpaper Documentation (2004)
- GASB No. 34 Infrastructure: How In The GASB Are We Going To Do This? (2003)
- Advanced Accounting and Auditing Problems for Non-Profit Organizations (2002)
- GASB No. 34 Implementation: From Here to There (2002)
- Performance Audits of Governmental Entities (2002)
- Government Auditing Standards (2001)
- Government Reporting Models for 2001 and Beyond (2001)
- Applying Fraud SAS 82 in Governmental and Not For Profit Audits (2001)
- Accounting and Reporting Practices of Non-Profit Organizations – Choices and Applications (2001)
- Accounting and Auditing for Certain Non-Profit Organizations (1997)
- Governmental Accounting and Auditing Update (1992, 1995, 1997, 1999, and 2000)
- Accounting and Reporting For Local Governments in Florida (1991)
- Intermediate Auditing of Federal, State and Local Compliance Requirements (1991)
- Compliance Auditing Under SAS 63 (1990)
- Other:
  - Past Member of the Board of Directors and Past President, Tampa Lighthouse For The Blind (A not-for-profit United Way agency which receives government grants)
  - Past treasurer for St. Catherine's Episcopal Church
  - Past treasurer for Theresa Arbor Property Owners' Association (a homeowners' association)
  - Past president of Tampa Sunrise Kiwanis Club
  - Past campaign treasurer for political candidate
  - Past member of the Board of Directors of the Tampa Jaycees
  - Author of various tax and accounting articles for trade association publications
  - Presenter of various seminars and continuing education courses on tax and accounting topics
  - Member of University of South Florida Alumni Association

## STEVEN R. CONNOLLY

- Chartered Accountant in the United Kingdom (Fellowship – FCA)
- 28 years experience in public accounting (6 years in the State of Florida)
- 6 ½ years experience as Director of Accounting Services for a management company specializing in management of community development districts
- Served as Treasurer for over 45 community development districts, responsible for both the internal financial custodianship of the Districts and the statutory reporting responsibilities to the State of Florida.
- Speaker at seminars on governmental accounting practices and principles for community development districts
- Professional Affiliations:
  - Institute of Chartered Accountants in England and Wales
- Relevant continuing education courses taken:
  - Bisk Yellow Book (2000)
  - GASB No. 34 Implementation (2002)
  - GASB No. 34 Review (2003)
  - GASB No. 34 Infrastructure: How In The GASB Are We Going To Do This? (2003)
  - Bisk Audio Governmental Accounting Report – over 50 hours (2000 – 2005), 12 hours (2012 – 2013)
  - AICPA – 2011 Revised Yellow Book for Financial Audits
- Other:
  - Past Treasurer of Porthcawl and District Men's Pool League
  - Past Treasurer of Porthcawl and District Soccer League
  - Past Trustee of Colin Cooke Children's Trusts (3 trusts)

### **Licenses to Practice in Florida**

Stuart Angelo & Company, PA and all key personnel to be assigned to the audit of district financial statements are properly licensed to practice public accounting in the State of Florida.

### **Disciplinary Proceedings**

Stuart Angelo & Company, PA has not been the subject of any disciplinary proceedings with any Federal or State regulatory agencies or professional organizations.

### **Litigation**

Stuart Angelo & Company, PA has no pending litigation for any civil or criminal matters, and has never been charged with any civil or criminal matters.

### **Natural Disaster Plan for Business Operations**

Stuart Angelo & Company, PA maintains a networked computer system with multiple backup drives, redundant backup systems and remote access. Server data is backed up daily and stored both on site and off site. Each staff person is supplied with a network capable laptop computer.

In the event of a natural disaster, it is anticipated the firm could relocate operations to a staff member's residence inland, and utilizing portable backup drives from the server and laptop computers, the firm could continue business operations relatively uninterrupted, with no loss of computer data, in a worst case scenario.

### III. SCOPE OF SERVICES

#### THE AUDIT OBJECTIVE

The services requested consist predominantly of the audit of the basic financial statements of the District, and the following section highlights our understanding of the Board's objectives and how they relate to our approach to this engagement.

In general, your primary objective is to fulfill those responsibilities of the Board regarding performance of procedures designed to determine that:

- Accounting records and reports are prepared timely to accurately reflect financial position and results of operations
- Established internal controls are adequate and being effectively maintained in order to protect the District, its management and employees
- Management is complying with policies and procedures established by the District
- The District is complying with statutory and legal requirements

As your independent auditors, we will work closely with the Board's representatives to satisfy these objectives. The scope of our engagement services will be:

- To audit the basic financial statements of the Harmony Community Development District for the purpose of expressing our opinion on the fairness of their presentation in accordance with governmental accounting principles generally accepted in the United States of America consistently applied, while giving appropriate consideration to the:
  - *Government Auditing Standards* published by the Comptroller General of the United States
  - Statements on Auditing Standards issued by the American Institute of Certified Public Accountants
  - AICPA Industry Audit Guide "Audits of State and Local Governmental Units"
  - Applicable Florida Statutes
  - Rules of the Auditor General of the State of Florida as applicable to local governmental units
  - Governmental Accounting Standards Board Statements and Publications
  - Financial Accounting Standards Board *Accounting Standards Codification*
  - General Accounting Office Publications
- To be alert to opportunities where we believe improvements in internal accounting controls and/or operating efficiencies can be achieved and communicate our observations and recommendations to you, through issuance of a report on compliance with laws and regulations, a report on internal control and a management letter
- To assist you in any other areas within the scope of our expertise

An audit is subject to the inherent risk that errors, irregularities or other illegal acts, including fraud or defalcations, may exist. However, we will immediately inform appropriate District personnel of any matters that come to our attention which cause us to believe that such a condition may exist. No extension of services will be performed unless authorized in writing by the appropriate District personnel.

## **THE AUDIT OBJECTIVE (Continued)**

The procedures followed in auditing the financial statements of the Harmony Community Development District will be selected and applied within the framework of government auditing standards generally accepted in the United States of America, which would necessarily include a study and evaluation of the system of internal control, tests of accounting records, and preparation of financial statements and schedules at a date agreeable to the Board. The selection of auditing procedures within the framework of these standards is a matter of professional judgment, guided by our Firm's policies and preferences. We are familiar with the specific auditing procedures required and would ensure that all appropriate procedures were met or exceeded in selection of the overall auditing procedures to be performed during the audit of the financial statements of the Harmony Community Development District. We will employ the most efficient and effective procedures to minimize the cost of the engagement without compromising our high standards of quality.

## **APPROACH TO THE AUDIT**

Our firm's philosophy is to tailor each audit to our individual client's requirements and needs. We would plan and perform the audit of the Harmony Community Development District on that basis.

To accomplish the audit objective previously set forth, our approach to the audit would be divided into four phases:

- We would first conduct a preliminary survey of operations to familiarize ourselves with the District's system of internal accounting controls and identify in detail the major auditing or accounting considerations. This survey would include interviewing operating and financial personnel, reviewing accounting records, and reviewing prior audit workpapers. This phase would commence upon our selection as your independent auditors.
- The second phase of our approach encompasses the planning and interim work. Based on the results of our preliminary survey, we would review and evaluate the internal accounting controls of the District. This would include a review of system applications and controls and review of applicable statutes, contracts, resolutions and bond documents. Upon completion of this review, we would perform risk assessment procedures and prepare a detailed audit program to accomplish the aforementioned goals.
- In phase three, we would perform our detailed analysis and testing of the accounts and transactions of the District. Upon completion we will review our results and draft our reports on the financial statements, and on compliance with laws and regulations and internal control over financial reporting, and a management letter. These reports and management letter would be thoroughly discussed with the District's management in an exit conference prior to the fourth phase.
- Finally, in the fourth phase we would issue our final reports on the financial statements, and on compliance with laws and regulations and internal control over financial reporting and management letter based on our findings as a result of our audit.

## **APPROACH TO THE AUDIT (Continued)**

After the completion of each of the first three phases we would meet with the appropriate District management personnel to discuss the progress of our work plan and the results of our audit. These discussions will provide a means for:

- Allowing us to receive input to assure that we are meeting the needs of the Board.
- Assuring the Board and District management that both are active participants in the planning and accomplishment of the audit procedures.
- Keeping the Board, District management and others charged with governance, informed on a timely basis of our findings and items which require the Board's attention. We will ultimately issue a report outlining any findings and suggestions for corrective action in the form of the management letter at completion of the audit.

Due to the size of the District, nature and number of its transactions and limited number of District personnel, we anticipate:

- All audit sampling will be non-statistical in nature rather than statistical, based on a risk assessment based approach to the audit in conjunction with the performance of traditional audit procedures.
- EDP software will not be used to test the District's EDP control environment.
- Tests of compliance, if any, will be minimal, with the vast majority of audit testing to be substantive in nature.
- All testing will encompass effective audit procedures applied in the most efficient manner.

## **OTHER SERVICE CONSIDERATIONS**

We feel our commitment to full client service is more than completion of the primary audit objective as set forth above. We believe the audit process makes available opportunities for:

- Responding to questions or concerns of the Board of Supervisors, District management and others charged with governance
- Consultation with the Board of Supervisors or District management on operational, procedural, or other areas of interest and concern
- Budgeting and forecasting
- Cash management
- Cash flow planning
- Long-range planning
- Computer system design and implementation
- Accounting system design and implementation.

## **OTHER SERVICE CONSIDERATIONS (Continued)**

- Development and implementation of internal control systems and procedures
- Monitoring compliance with contractual commitments
- Financial analysis

To fulfill our commitment to quality service, we are available for consultation and other services, not just during the course of the audit, but on a year-round basis.



#### IV. FEES

Any additional work requested or required outside of the scope of the audit will be invoiced at our standard hourly rates, plus out-of-pocket expenses, if any. Both the maximum fee and the hourly rates for any additional work requested or required will be negotiated and agreed upon prior to the performance of any additional services.

Our all-inclusive fee for the audits will not exceed:

<u>Year Ended</u>	<u>Amount</u>
September 30, 2013	\$ 7,250
September 30, 2014	7,500 *
September 30, 2015	<u>7,750 *</u>
	<u>\$ 22,500</u>

\* Assuming there are no changes in the activities or operations of the District, no changes in record-keeping provided by the District, and no professional pronouncements requiring additional audit procedures to be performed.

## V. QUALITY CONTROL REVIEW

In January 1988 the American Institute of Certified Public Accountants (AICPA) membership overwhelmingly approved a requirement for all members engaged in the practice of public accounting and performing auditing and review services to participate in a mandatory practice monitoring program. The program is intended to reduce or eliminate substandard performance by CPA firms rendering accounting and auditing services. The program involves an independent and thorough review of member firms' quality control systems and sampling of accounting and audit engagements performed to ensure compliance with professional standards established by the AICPA. Member firms are required to undergo such a rigorous independent external system review every three years. The program is administered in the State of Florida by the Florida Institute of Certified Public Accountants (FICPA).

Stuart Angelo & Company, PA successfully completed independent external quality control system reviews administered by the FICPA for the years ended December 31, 1990, 1993, 1996, 1999, 2002, 2005, 2008 and 2011.

Stuart Angelo & Company, PA underwent its most recent quality control system review for the year ended December 31, 2011. As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*. The report issued in connection with the quality control system review, a copy of which is attached, is an unqualified opinion which concludes with "In our opinion, the system of quality control for the accounting and auditing practice of Stuart Angelo & Company, P.A. in effect for the year ended December 31, 2011, has been suitably designed and complied with to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Stuart Angelo & Company, P.A., has received a peer review rating of *pass*."

We take great pride in the fact each independent external quality system control review undergone by our firm since the inception of the program has resulted in the issuance of a report with an unqualified opinion which determined our firm's accounting and auditing practice to be in compliance with these stringent professional standards.

In addition to the independent external quality control system reviews, internally, Stuart Angelo & Company, PA continuously monitors and updates its quality control procedures to ensure that we constantly, consistently and continuously maintain the highest of quality control standards.

## System Review Report

To the Owner of Stuart Angelo & Company, PA, CPAs  
and the Peer Review Committee of the Florida Institute  
of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Stuart Angelo & Company, PA, CPAs (the Firm) in effect for the year ended December 31, 2011. Our peer review was conducted in accordance with the *Standards for Performing and Reporting on Peer Reviews* established by the Peer Review Board of the American Institute of Certified Public Accountants. The Firm is responsible for designing a system of quality control and complying with it to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the Firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Stuart Angelo & Company, PA, CPAs in effect for the year ended December 31, 2011, has been suitably designed and complied with to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Stuart Angelo & Company, PA., CPAs has received a peer review rating of *pass*.

*Purvis, Gray and Company, LLP*

May 29, 2012  
Ocala, Florida

### Certified Public Accountants

P.O. Box 141270 • 222 N.E. 1st Street • Gainesville, Florida 32614-1270 • (352) 378-2461 • FAX (352) 378-2505  
Laurel Ridge Professional Center • 2347 S.E. 17th Street • Ocala, Florida 34471 • (352) 732-3872 • FAX (352) 732-0542  
443 East College Avenue • Tallahassee, Florida 32301 • (850) 224-7144 • FAX (850) 224-1762  
5001 Lakewood Ranch Blvd. N., Suite 101 • Sarasota, Florida 34240 • (941) 907-0350 • FAX (941) 907-0309

MEMBERS OF AMERICAN AND FLORIDA INSTITUTES OF CERTIFIED PUBLIC ACCOUNTANTS  
MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS PRIVATE COMPANIES AND S.E.C. PRACTICE SOLUTIONS



May 3, 2013

Gary Moyer, District Manager  
Harmony Community Development District  
Severn Trent Management Services  
610 Sycamore Street, Suite 140  
Celebration, FL 43737

Dear Mr. Moyer:

This letter is to confirm our understanding of the terms of our engagement and the nature and extent of the accounting services we will provide for Harmony Community Development District.

The purpose of our engagement is to audit the basic financial statements of Harmony Community Development District for each of the years ending September 30, 2013, 2014, and 2015, and evaluate the fairness of presentation of the statements in conformity with accounting principles generally accepted in the United States of America applied on a consistent basis. Our audits will be conducted in accordance with governmental auditing standards generally accepted in the United States of America, which will include a review of the system of internal control and tests of transactions to the extent we believe necessary. Accordingly, they will not include a detailed audit of transactions to the extent, which would be required if intended to disclose defalcations or other irregularities, although their discovery may result.

The following supplementary information accompanying the basic financial statements is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- Management's Discussion and Analysis
- General Fund Budgetary Comparison Schedule

As part of our audits, as indicated above, we will make a study and evaluation of the District's system of internal accounting controls to the extent we consider necessary to evaluate the system as required by auditing standards generally accepted in the United States of America. Under these standards, the purposes of such an evaluation are to establish a basis for reliance on the system of internal accounting controls in determining the nature, timing, and extent of other auditing procedures that are necessary for expressing an opinion on the financial statements and to assist the auditor in planning and performing his audits of the financial statements.

We direct your attention to the fact that management has the responsibility for the proper recording of transactions in the books of account, for the safeguarding of assets, establishing and maintaining effective internal control over financial reporting, and for substantial accuracy of the financial statements. Such statements are the representation of management.

Management is also responsible for identifying and ensuring the District complies with the laws and regulations applicable to the District's activities.

Management is responsible for establishing and maintaining effective internal controls. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of the controls. The objectives of internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorizations and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Management is also responsible for all management decisions and functions; for designating an individual with suitable skill, knowledge, or experience to oversee our financial statement preparation services and any other nonattest services we provide; and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District and the respective changes in financial position and where applicable, cash flows, in conformity with accounting principles generally accepted in the United States of America.

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the District involving:

1. Management
2. Employees who have significant roles in internal control, and
3. Others where the fraud or illegal acts could have a material effect on the financial statements.

Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud or illegal acts affecting the District received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations and for taking timely and appropriate steps to remedy any fraud, illegal acts, or violations of contracts or grant agreements that we may report.

Management is also responsible for making all financial records and related information available to us and is responsible for the accuracy and completeness of that information.

With respect to non-attest services to be performed by us, you will:

1. Make all management decisions and perform all management functions
2. Designate an individual with suitable skill, knowledge or experience to oversee the services
3. Evaluate the adequacy and results of the services to be performed
4. Accept responsibility for the results of the services
5. Establish and maintain internal controls, including monitoring on-going activities

Management is responsible for adjusting the financial statements to correct material misstatements and for affirming to the auditor in the representation letter that the effects of any uncorrected misstatements aggregated by the auditor during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

We also direct your attention to the fact that as a result of our audit, our workpapers are subject to review by various regulatory authorities and agencies.

The objective of our audits is the expression of an opinion on the District's basic financial statements. Our ability to express that opinion and the wording of our opinion will, of course, be dependent on the facts and circumstances at the date of our opinion. If our opinion will be other than unqualified, the reasons therefore will be fully disclosed.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

Because an audit is designed to provide reasonable, but not absolute, assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audits, we will also require certain written representations from you about the financial statements and related matters.

In addition, we will submit, as a normal part of our audits, reports on compliance with laws and regulations, reports on internal control and management letters.

If for any reason we are unable to complete the audit of your financial statements, we will not issue any reports as a result of this engagement.

We understand that you and your staff will provide for us:

1. Adjusted trial balance worksheets
2. Analyses and reconciliations of all balance sheet accounts and selected income and expense accounts
3. documentation as requested by us to support transactions and disclosures

We anticipate our fees for these services will not exceed:

<u>Year Ended</u>	<u>Amount</u>
September 30, 2013	\$ 7,250
September 30, 2014	7,500 *
September 30, 2015	<u>7,750 *</u>
	<u>\$ 22,500</u>

\*Assuming there are no changes in the activities or operations of the District, no changes in the record-keeping provided by the District, and no changes in professional pronouncements requiring additional audit procedures to be performed.

If, at any time, due to unforeseen conditions or circumstances, it appears we will not be able to complete the audits for the above fees, we will immediately notify the appropriate representative of the Board before proceeding with additional work, and will obtain authorization to proceed with any additional work.

Fees and costs will be due and payable upon presentation of our invoices.

Upon completion of each annual audit engagement, as requested or required, we will provide the District with copies of our workpapers.

While we do not expect any misunderstanding in this regard, it is our practice and agreement that, in the event of a delinquency, we charge interest on the balance due at the rate of 18% per annum. An invoice shall be considered to be delinquent if not paid within 30 days from the date of the invoice. Interest will be charged beginning on the 31st day from the date of the invoice. Also, should collection proceedings become necessary, reasonable attorney and collection fees will be assessed.

If any invoice becomes delinquent, we shall cease rendering services until such time as all amounts due to us have been paid in full.

Any additional services required or requested outside the scope of this engagement for the years ended September 30, 2013, 2014 or 2015 will be billed at our standard hourly rates, plus out-of pocket expenses, if any.

Our engagement and this engagement letter can be terminated, without cause, upon 30 days written notice by either party.

Subsequent to the audit for the year ended September 30, 2014, our engagement and this engagement letter will automatically renew each year, subject to the agreement of both parties to all terms and fees, until terminated by either party as provided for in the preceding sentence.

A copy of our response to the District's request for proposal (RFP) for these auditing services is attached to and incorporated into this engagement letter by reference.

If the foregoing is in accordance with your understanding, please sign a copy of this letter in the space provided and return it to us.

We very much appreciate the opportunity to be of service to you and trust that our association will be a long and pleasant one.

Sincerely,

Stuart C. Angelo, CPA

SCA/aor

Enclosures

ACKNOWLEDGMENT

HARMONY COMMUNITY DEVELOPMENT DISTRICT

By \_\_\_\_\_ Date \_\_\_\_\_  
Gary Moyer, District Manager



**HARMONY CDD  
REQUEST FOR PROPOSALS**

**District Auditing Services for Fiscal Year 2013  
Osceola County, Florida**

**INSTRUCTIONS TO PROPOSERS**

**SECTION 1. DUE DATE.** Sealed proposals must be received no later than May 17, 2013, at the offices of the District Manager, located at 210 North University Drive, Suite 702, Coral Springs, FL 33071. Proposals will be publicly opened at that time.

**SECTION 2. FAMILIARITY WITH THE LAW.** By submitting a proposal, the Proposer is assumed to be familiar with all federal, state, and local laws, ordinances, rules and regulations that in any manner affect the work. Ignorance on the part of the Proposer will in no way relieve it from responsibility to perform the work covered by the proposal in compliance with all such laws, ordinances and regulations.

**SECTION 3. QUALIFICATIONS OF PROPOSER.** The contract, if awarded, will only be awarded to a responsible Proposer who is qualified by experience and licensing to do the work specified herein. The Proposer shall submit with its proposal satisfactory evidence of experience in similar work and show that it is fully prepared to complete the work to the satisfaction of the District.

**SECTION 4. SUBMISSION OF ONLY ONE PROPOSAL.** Proposers shall be disqualified and their proposals rejected if the District has reason to believe that collusion may exist among the Proposers, the Proposer has defaulted on any previous contract or is in arrears on any previous or existing contract, or for failure to demonstrate proper licensure and business organization.

**SECTION 5. SUBMISSION OF PROPOSAL.** Submit ten (10) copies of the Proposal Documents, and other requested attachments at the time and place indicated herein, which shall be enclosed in an opaque sealed envelope, marked with the title "Auditing Services – Harmony Community Development District" on the face of it.

**SECTION 6. MODIFICATION AND WITHDRAWAL.** Proposals may be modified or withdrawn by an appropriate document duly executed and delivered to the place where proposals are to be submitted at any time prior to the time and date the proposals are due. No proposal may be withdrawn after opening for a period of ninety (90) days.

**SECTION 7. PROPOSAL DOCUMENTS.** The proposal documents shall consist of the notice announcing the request for proposals, these instructions, the Evaluation Criteria Sheet and a proposal with all required documentation pursuant to Section 12 of these instructions (the "Proposal Documents").

**SECTION 8. PROPOSAL.** In making its proposal, each Proposer represents that it has read and understands the Proposal Documents and that the proposal is made in accordance therewith.

**SECTION 9. BASIS OF AWARD/RIGHT TO REJECT.** The District reserves the right to reject any and all proposals, make modifications to the work, and waive any informalities or irregularities in proposals as it is deemed in the best interests of the District.

**SECTION 10. CONTRACT AWARD.** Within fourteen (14) days of receipt of the Notice of Award from the District, the Proposer shall enter into and execute a Contract (engagement letter) with the District.

**SECTION 11. LIMITATION OF LIABILITY.** Nothing herein shall be construed as or constitute a waiver of District's limited waiver of liability contained in section 768.28, Florida Statutes, or any other statute or law.

**SECTION 12. MISCELLANEOUS.** All proposals shall include the following information in addition to any other requirements of the proposal documents.

- A. List position or title of all personnel to perform work on the District audit. Include resumes for each person listed; list years of experience in present position for each party listed and years of related experience.
- B. Describe proposed staffing levels, including resumes with applicable certifications.
- C. Three references from projects of similar size and scope. The Proposer should include information relating to the work it conducted for each reference as well as a name, address and phone number of a contact person.
- D. The lump sum cost of the provision of the services under the proposal

**SECTION 13. PROTESTS.** Any protest regarding the Proposal Documents, must be filed in writing, at the offices of the District Manager, within seventy-two (72) hours after the receipt of the proposed contract documents. The formal protest setting forth with particularity the facts and law upon which the protest is based shall be filed within seven (7) calendar days after the initial notice of protest was filed. Failure to timely file a notice of protest or failure to timely file a formal written protest shall constitute a waiver of any right to object or protest with respect to aforesaid contract award.

**SECTION 14. EVALUATION OF PROPOSALS.** The criteria to be used in the evaluation of proposals are presented in the Evaluation Criteria Sheet, contained within the Proposal Documents.

## HARMONY COMMUNITY DEVELOPMENT DISTRICT

### AUDITOR SELECTION EVALUATION CRITERIA Option A

**1. Ability of Personnel. (30 Points)**

(e.g., geographic locations of the firm's headquarters or permanent office in relation to the project; capabilities and experience of key personnel; present ability to manage this project; evaluation of existing work load; proposed staffing levels, etc.)

**2. Proposer's Experience. (20 Points)**

(e.g., past record and experience of the Proposer in similar projects; volume of work previously performed by the firm; past performance for other Community Development Districts in other contracts; character, integrity, reputation, of respondent, etc.)

**3. Understanding of Scope of Work. (10 Points)**

Extent to which the proposal demonstrates an understanding of the District's needs for the services requested.

**4. Ability to Furnish the Required Services. (20 Points)**

Extent to which the proposal demonstrates the adequacy of Proposer's financial resources and stability as a business entity necessary to complete the services required. (e.g., the existence of any natural disaster plan for business operations)

**5. Price. (20 Points)**

Points will be awarded based upon the price bid for the rendering of the services and reasonableness of the price to the services.

***HARMONY COMMUNITY DEVELOPMENT DISTRICT  
REQUEST FOR PROPOSALS FOR ANNUAL AUDIT SERVICES***

The Harmony Community Development District hereby requests proposals for annual financial auditing services. The proposal must provide for the auditing of the District's financial records for the fiscal year ending September 30, 2013, with an option for two additional annual renewals. The District is a local unit of special-purpose government created under Chapter 190, Florida Statutes, for the purpose of financing, constructing, and maintaining public infrastructure. The District is located in Osceola County and is approximately 1,020.2 acres in area. The District has an annual operating budget of approximately 1.4 million dollars, including debt service. The first year's review should include a focused review of the levying of special assessments and accounting for revenues derived from said assessment.

The Auditing entity submitting a proposal must be duly licensed under Chapter 473, Florida Statutes and be qualified to conduct audits in accordance with "Government Auditing Standards", as adopted by the Florida Board of Accountancy Audits shall be conducted in accordance with Florida Law and particularly Section 218.39, Florida Statutes, and the rules of the Florida Auditor General.

Proposal packages, which include evaluation criteria and instructions to proposers, are available from the District's Management Company at the address and telephone number listed below.

Proposers must provide ten (10) copies of their proposal to Severn Trent Management Services, Attn: Auditing Services, 210 North University Drive, Suite 702, Coral Springs, Florida 33071, telephone 954-753-5841, in an envelope marked on the outside "Auditing Services, Harmony Community Development District." Proposals must be received by **2:00 p.m. on Friday, May 17, 2013** at the offices listed above. Please direct all questions regarding this Notice to the District Manager, Gary Moyer, Severn Trent Management Services, 610 Sycamore Street, Suite 140, Celebration, Florida 43737, phone 407-566-1935.

Severn Trent Management Services  
District Management