

**GREYHAWK LANDING
COMMUNITY DEVELOPMENT DISTRICT
FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2013**

**GREYHAWK LANDING COMMUNITY DEVELOPMENT DISTRICT
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SEPTEMBER 30, 2013**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Greyhawk Landing Community Development District
Manatee County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Greyhawk Landing Community Development District, Manatee County, Florida ("District") as of and for the fiscal year ended September 30, 2013, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessments of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and Budget to Actual Comparison Statement on pages 3 through 6 and 22 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 15, 2014, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

Barzana & Associates PA

Barzana & Associates, P.A.

Tampa, Florida

June 15, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Greyhawk Landing Community Development District, Manatee County, Florida ("District") provides a narrative overview of the District's financial activities for the fiscal year ended September 30, 2013. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year resulting in a net position balance of \$9,105,741.
- The change in the District's total net position in comparison with the prior year was \$2,887,269, an increase. The key components of the District's net position and change in net position are reflected in the table in the government-wide financial analysis section.
- At September 30, 2013, the District's governmental funds reported a combined ending fund balance of \$2,890,484, an increase of \$1,679,028 in comparison with the prior year. A portion of fund balance is restricted for debt service, capital projects and other items and the remainder is unassigned fund balance which is available for spending at the District's discretion.

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

Governmental Funds

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

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

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

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

Notes to Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

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

	NET POSITION SEPTEMBER 30,	
	<u>2013</u>	<u>2012</u>
Assets		
Assets, excluding capital assets	\$ 3,289,680	\$ 1,417,637
Capital assets, net	17,500,804	11,073,323
Total assets	<u>\$ 20,790,484</u>	<u>\$ 12,490,960</u>
Liabilities		
Liabilities, excluding long-term liabilities	\$ 622,179	\$ 142,296
Long-term liabilities	11,062,564	5,947,442
Total Liabilities	11,684,743	6,089,738
Net Position		
Net investment in capital assets	8,956,243	6,904,818
Restricted for:		
Debt service	467,424	145,435
Capital projects	759,654	-
Unrestricted	(1,077,580)	(649,031)
Total net position	<u>9,105,741</u>	<u>6,401,222</u>
Total liabilities and net position	<u>\$ 20,790,484</u>	<u>\$ 12,490,960</u>

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

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

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

The District's net position increased during the most recent fiscal year. The majority of the increase is the result of donated land.

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

	<u>2013</u>	<u>2012</u>
CHANGES IN NET POSITION		
FOR THE FISCAL YEAR ENDED SEPTEMBER 30,		
Revenues:		
Program revenues:		
Charges for services	\$ 1,492,851	\$ 1,583,977
Operating grants and contributions	64,470	18,188
General revenues:		
Interest and other revenues	4,915	2,526
Gain on receipt of donated land	3,756,112	-
Total revenues	<u>5,318,348</u>	<u>1,604,691</u>
Expenses:		
General government	123,963	99,745
Maintenance and operations	1,317,658	1,360,615
Security operations	214,814	193,695
Culture and recreation	170,619	129,100
Interest	604,025	584,741
Total expenses	<u>2,431,079</u>	<u>2,367,896</u>
Increases (decreases) in net position	2,887,269	(763,205)
Net position - Beginning, previously stated	6,401,222	7,164,427
Effect of adoption of GASB No. 65 (Note 2)	(182,750)	-
Net position - beginning, as restated	<u>6,218,472</u>	<u>7,164,427</u>
Net position - ending	<u>\$ 9,105,741</u>	<u>\$ 6,401,222</u>

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2013 was \$2,431,079. The costs of the District's activities were primarily funded by program revenues. Program revenues, comprised primarily of assessments, decreased during the current fiscal year as a result of a decrease in debt service assessments due to bond restructure in comparison to prior fiscal year. The majority of the increase in expenses was the result of an increase in interest expense and culture and recreation.

GENERAL BUDGETING HIGHLIGHTS

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

GENERAL BUDGETING HIGHLIGHTS (Continued)

The variance between budgeted and actual general fund revenues for the 2013 fiscal year is the result of no Developer contributions budgeted in current year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2013, the District had \$25,700,116 invested in land, roadways, drainage systems and other equipment and facilities. In the government-wide financial statements depreciation of \$8,199,312 has been taken, which resulted in a net book value of \$17,500,804. More detailed information about the District's capital assets is presented in the notes to financial statements.

Capital Debt

At September 30, 2013, the District had \$11,062,564 in Bonds outstanding for its governmental activities. More detailed information about the District's capital debt is presented in the notes to financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND OTHER EVENTS

For the fiscal year 2014, the District anticipates that the cost of general operations will remain fairly constant. In connection with the District's future infrastructure maintenance and replacement plan, the District Board has included in the budget, an estimate of those anticipated future costs and has assigned a portion of current available resources for that purpose. However, no formal funding plan has been adopted.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

FINANCIAL STATEMENTS

**GREYHAWK LANDING COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF NET POSITION
SEPTEMBER 30, 2013**

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 771,333
Investments	3,105
Accounts receivable	27,351
Prepaid expenses	29,648
Deposits	5,256
Restricted assets:	
Investments	2,452,987
Capital assets, net	
Non-depreciable assets	8,368,715
Depreciable assets, net	9,132,089
Total assets	20,790,484
Liabilities	
Accounts payable	44,894
Accrued expenses	354,302
Accrued interest payable	222,983
Non-current liabilities:	
Due within one year	190,000
Due in more than one year	10,872,564
Total liabilities	11,684,743
Net position	
Net investment in capital assets	8,956,243
Restricted for:	
Debt service	467,424
Capital projects	759,654
Unrestricted	(1,077,580)
Total net position	\$ 9,105,741

See accompanying notes to financial statements.

**GREYHAWK LANDING COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

Functions / Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Governmental Activities
Primary government:				
Governmental activities:				
General government	\$ (123,963)	\$ 123,963	\$ -	\$ -
Maintenance and operations	(1,317,658)	884,741	64,235	(368,682)
Security operations	(214,814)	-	-	(214,814)
Culture and recreation	(170,619)	4,365	-	(166,254)
Interest	(604,025)	479,782	235	(124,008)
Total governmental activities	<u>\$ (2,431,079)</u>	<u>\$ 1,492,851</u>	<u>\$ 64,470</u>	<u>(873,758)</u>

General revenues

Investment interest and other revenues	4,915
Gain on receipt of donated land	3,756,112
Total general revenues	<u>3,761,027</u>
Change in net position	2,887,269
Net position - beginning, previously stated	6,401,222
Effect of adoption of GASB No. 65 (Note 2)	(182,750)
Net position - beginning, as restated	<u>6,218,472</u>
Net position - ending	<u>\$ 9,105,741</u>

See accompanying notes to financial statements.

**GREYHAWK LANDING COMMUNITY DEVELOPMENT DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013**

	<u>Major Funds</u>			<u>Total Governmental Funds</u>
	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
Assets				
Cash and cash equivalents	\$ 771,333	\$ -	\$ -	\$ 771,333
Investments	3,105	1,302,690	1,150,297	2,456,092
Accounts receivable	27,351	-	-	27,351
Due from other funds	33,686	-	-	33,686
Prepays	29,648	-	-	29,648
Deposits	5,256	-	-	5,256
Total assets	<u>\$ 870,379</u>	<u>\$ 1,302,690</u>	<u>\$ 1,150,297</u>	<u>\$ 3,323,366</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 33,340	\$ -	\$ 11,554	\$ 44,894
Accrued expenses	8,899	-	345,403	354,302
Due to other funds	-	-	33,686	33,686
Total liabilities	<u>42,239</u>	<u>-</u>	<u>390,643</u>	<u>432,882</u>
Fund balances				
Non-Spendable:				
Prepaid items	29,648	-	-	29,648
Deposits	5,256	-	-	5,256
Restricted for:				
Debt service	-	1,302,690	-	1,302,690
Capital projects	-	-	759,654	759,654
Assigned to:				
Capital reserve	462,707	-	-	462,707
Unassigned	330,529	-	-	330,529
Total fund balances	<u>828,140</u>	<u>1,302,690</u>	<u>759,654</u>	<u>2,890,484</u>
Total liabilities and fund balances	<u>\$ 870,379</u>	<u>\$ 1,302,690</u>	<u>\$ 1,150,297</u>	<u>\$ 3,323,366</u>

See accompanying notes to financial statements.

**GREYHAWK LANDING COMMUNITY DEVELOPMENT DISTRICT
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2013**

Total fund balances, governmental funds	\$ 2,890,484
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund financial statements.	17,500,804
Interest on long long-term debt is accrued as a liability in the government-wide statements but is not recognized in the governmental funds until due.	(222,983)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year end-end consist of:	
Bonds payable	<u>(11,062,564)</u>
Total net position - governmental activities	<u>\$ 9,105,741</u>

See accompanying notes to financial statements.

**GREYHAWK LANDING COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Major Funds			Total Governmental Funds
	General	Debt Service	Capital Projects	
Revenues				
Assessments	\$ 1,008,704	\$ 471,465	\$ -	\$ 1,480,169
Assessments - prepayments	-	8,317	-	8,317
Developer contributions	64,235	-	-	64,235
Interest and other revenues	9,280	235	-	9,515
Total revenues	<u>1,082,219</u>	<u>480,017</u>	<u>-</u>	<u>1,562,236</u>
Expenditures				
Current:				
General government	123,963	-	-	123,963
Maintenance and operations	457,699	-	-	457,699
Security operations	183,019	-	-	183,019
Culture and recreation	122,853	-	-	122,853
Debt service:				
Principal	-	200,000	-	200,000
Interest	-	285,141	-	285,141
Bond issuance costs	-	-	209,644	209,644
Capital outlay	77,964	-	3,532,925	3,610,889
Total expenditures	<u>965,498</u>	<u>485,141</u>	<u>3,742,569</u>	<u>5,193,208</u>
Excess (Deficiency) of revenues over expenditures	<u>116,721</u>	<u>(5,124)</u>	<u>(3,742,569)</u>	<u>(3,630,972)</u>
Other Financing Sources (Uses)				
Bonds proceeds	-	807,777	4,502,223	5,310,000
Total other financing sources (uses)	<u>-</u>	<u>807,777</u>	<u>4,502,223</u>	<u>5,310,000</u>
Net change in fund balances	116,721	802,653	759,654	1,679,028
Fund balances, beginning of year	711,419	500,037	-	1,211,456
Fund balances, end of year	<u>\$ 828,140</u>	<u>\$ 1,302,690</u>	<u>\$ 759,654</u>	<u>\$ 2,890,484</u>

See accompanying notes to financial statements.

**GREYHAWK LANDING COMMUNITY DEVELOPMENT DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURE AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

Net change in fund balances - governmental funds	\$	1,679,028
<p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.</p>		
Bonds proceeds		(5,310,000)
<p>Issuance discounts on new debt issues are reported when issued as other financing uses in the governmental funds, but are deferred and amortized as expenses over the life of the debt in the statement of activities.</p>		
Discount on bonds issued		(5,122)
<p>Government funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is eliminated and capitalized as capital assets.</p>		
		3,610,889
<p>Depreciation on capital assets is not recognized in the fund financial statements but is reported as an expense in the Statement of Activities.</p>		
		(939,520)
<p>Gain on receipt of donated land is recognized as revenue in the Statement of Activities in the current year, was not recorded as revenue in governmental funds.</p>		
		3,756,112
<p>Governmental funds report principal payment expenditures on bonds when paid, whereas these payments are eliminated in the Statement of Activities and recognized as a decrease in bonds payable in the Statement of Net Position.</p>		
		200,000
<p>The change in accrued interest between the current and prior year is recorded on the Statement of Activities but not on the fund financial statements.</p>		
		(104,118)
Change in net position of governmental activities	<u>\$</u>	<u>2,887,269</u>

See accompanying notes to the financial statements.

**GREYHAWK LANDING COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY

Greyhawk Landing Community Development District (the "District") was established on July 21, 2001 pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes, by Manatee County Ordinance 01-43. The Act provides, among other things, the power to manage basic services for community development, power to borrow money and issue bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

The District is governed by the Board of Supervisors ("Board"), which is composed of five members. The Supervisors are elected on an at large basis by landowners of the District. Ownership of land within the District entitles the owner to one vote per platted lot. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes.

The Board has the final responsibility for:

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

The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statement 14, and Statement 61, an amendment of GASB Statement 14. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the District Board of Supervisors is considered to be financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that, if excluded, the financial statements of the District would be considered incomplete or misleading. There are no entities considered to be component units of the District; therefore, the financial statements include only the operations of the District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide and Fund Financial Statements

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

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

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

**GREYHAWK LANDING COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

Assessments

Assessments, including debt service assessments and operation and maintenance assessments, are non-ad valorem assessments imposed on all lands located within the District and benefited by the District's activities. Operation and maintenance assessments are levied by the District prior to the start of the fiscal year which begins October 1st and ends on September 30th. Operation and maintenance special assessments are imposed upon all benefited lands in the District. Debt service special assessments are imposed upon certain lots and lands described in each resolution imposing the special assessment for each series of Bonds issued by the District. Certain debt service assessments are collected upon the closing of those lots subject to short term debt and are used to prepay a portion of the Bonds outstanding.

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

The District reports the following major governmental funds:

General Fund

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

Debt Service Fund

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

Capital Projects Fund

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

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

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

**GREYHAWK LANDING COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Standards Implemented

During fiscal year 2013, the District implemented three new accounting standards as follows:

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

This Statement incorporates into the GASB's authoritative literature certain guidance that previously could only be found in certain FASB and AICPA pronouncements issued on or before November 30, 1989 and eliminates the selection to apply post-November 30, 1989 FASB pronouncements that do not conflict with or contradict GASB pronouncements.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources and identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements by incorporating deferred outflow of resources and deferred inflows of resources (previously reported as assets and liabilities) into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*

This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources, certain items that were previously reported as assets and liabilities.

The implementation of GASB 65 resulted in the write off of bond issuance costs and the effect of adoption of GASB 65 is the reduction of beginning net position by \$182,750 of the governmental activities. The effect on fiscal year 2012 had the implementation of GASB 65 occurred earlier would have resulted in a decrease in expenses of the governmental activities by \$8,702.

**GREYHAWK LANDING COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity

Restricted Assets

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

Deposits and Investments

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

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

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

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

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

Inventories and Prepaid Items

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

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

Capital Assets

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

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

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

Assets	Years
Roadways	20
Stormwater management	25
Security facilities - building	30
Landscaping and streetscaping	10
Recreational facilities - building	30
Recreational facilities – improvements	20
Street lights	25
Equipment	5

**GREYHAWK LANDING COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Capital Assets (Continued)

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

Deferred Revenue

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

Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts, are deferred and amortized ratably over the life of the Bonds. Bonds issuance costs are expensed as incurred. Bonds payable are reported net of applicable premiums or discounts.

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

Fund Balances and Net Position

In the fund financial statements, fund balance consists of Nonspendable fund balance which includes amounts that cannot be spent because they are not in spendable form, or they are legally or contractually required to be maintained intact. Restricted fund balance are amounts restricted to specific purposes. Committed fund balance are amounts that can only be used for specific purposes as pursuant to official action by the District Board prior to the end of the reporting period. Assigned fund balance are amounts the District intends to use for a specific purpose that are neither restricted nor committed. The District administration has authority to assign fund balance. Unassigned fund balance represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the general fund.

When restricted and other fund balance resources are available for use, it is the District's policy to use restricted resources first, followed by committed, assigned, and unassigned amounts, respectively.

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

Other Disclosures

Use of Estimates

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

**GREYHAWK LANDING COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE 3 – BUDGETARY INFORMATION

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

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

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

NOTE 4 – DEPOSITS AND INVESTMENTS

Deposits

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

Investments

The District's investments were held as follows at September 30, 2013:

	Fair Value	Credit Risk	Weighted Average Maturities
State Board of Administration Florida PRIME	\$ 2,469	S&P AAAM	44 days
State Board of Administration Investment Pool B	636	not rated	4.04 years
First American Treasury Obligations Fund	1,958,074	S&P AAAM	47 days
US Bank Money Market CT	494,913	S&P AAAM	N/A
Total investments	<u>\$ 2,456,092</u>		

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

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

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

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

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

**GREYHAWK LANDING COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2013 was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated				
Land	\$ 1,984,585	\$ 3,756,112	\$ -	\$ 5,740,697
Infrastructure under construction	-	2,628,018	-	2,628,018
Total capital assets, not being depreciated	<u>1,984,585</u>	<u>6,384,130</u>	<u>-</u>	<u>8,368,715</u>
Capital assets, being depreciated				
Roadways	4,126,109	-	-	4,126,109
Stormwater management	6,527,874	-	-	6,527,874
Security facilities - building	458,252	-	-	458,252
Landscaping and streetscaping	3,807,959	-	-	3,807,959
Recreational facilities - building	970,236	936,637	-	1,906,873
Recreational facilities - improvements	152,398	-	-	152,398
Street Lights	215,122	-	-	215,122
Equipment	90,581	46,233	-	136,814
Total capital assets, being depreciated	<u>16,348,531</u>	<u>982,870</u>	<u>-</u>	<u>17,331,401</u>
Less accumulated depreciation for:				
Roadways	1,650,440	206,305	-	1,856,745
Stormwater management	2,088,920	261,115	-	2,350,035
Security facilities - building	122,200	15,275	-	137,475
Landscaping and streetscaping	3,046,368	380,796	-	3,427,164
Recreational facilities - building	226,387	40,147	-	266,534
Recreational facilities - improvements	53,340	7,620	-	60,960
Street Lights	16,493	8,605	-	25,098
Equipment	55,644	19,657	-	75,301
Total accumulated depreciation	<u>7,259,792</u>	<u>939,520</u>	<u>-</u>	<u>8,199,312</u>
Total capital assets, being depreciated, net	<u>9,088,739</u>	<u>43,350</u>	<u>-</u>	<u>9,132,089</u>
Governmental activities capital assets, net	<u>\$ 11,073,324</u>	<u>\$ 6,427,480</u>	<u>\$ -</u>	<u>\$ 17,500,804</u>

Depreciation expense was charged to function/program as follows:

Maintenance and operations	\$ 859,959
Security operations	31,795
Culture and recreation	47,766
Total depreciation expense	<u>\$ 939,520</u>

NOTE 6 – LONG-TERM LIABILITIES

Series 2011 Special Assessment Revenue Refunding Bonds

On November 18, 2011 the District issued \$6,230,000 in special assessment revenue refunding bonds with interest rates ranging between 2.1% and 5.4%. The District issued the bonds to advance refund \$6,345,000 of the outstanding Series 2002A special revenue bonds with a 7% interest rate. The net proceeds of \$6,023,870 (after payment of \$93,450 in underwriting fees and \$112,680 in discounts on bonds issued) plus an additional \$605,106 of 2002A Series sinking fund monies were used to purchase U.S. government securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Series 2002A bonds. As a result, the Series 2002A bonds are considered to be defeased and the liability for those bonds has been removed from the general long-term debt account group.

The District advance refunded the Series 2002A bonds to reduce its total debt service payments over the next 22 years by \$2,129,409 and to obtain an economic gain (difference between present values of the debt service payments on the old and new debt) of \$1,251,665.

**GREYHAWK LANDING COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE 6 – LONG-TERM LIABILITIES (Continued)

Series 2011 Special Assessment Revenue Refunding Bonds (Continued)

The Bond Indenture established a debt service reserve requirement as well as other restrictions and requirements relating principally to the use of proceeds and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service. The District is in compliance with the requirements of the Bond Indenture at September 30, 2013.

Series 2013 Special Assessment Revenue Bonds

On May 31, 2013, the District issued \$5,310,000 of Special Assessment Revenue Bonds, Series 2013 due on May 1, 2044 with interest ranging between 5.00% and 6.00%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. Interest is to be paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid serially commencing May 1, 2015 through May 1, 2044.

The Series 2013 Bonds are subject to redemption at the option of the District prior to their maturity. In addition, the Bonds are subject to extraordinary mandatory redemption prior to their selected maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond Indenture.

The Bond Indenture established a debt service reserve requirement as well as other restrictions and requirements relating principally to the use of proceeds and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service. The District is in compliance with the requirements of the Bond Indenture at September 30, 2013.

Changes in long-term liability activity for the fiscal year ended September 30, 2013 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Bonds Payable:					
Series 2011	6,055,000	-	200,000	5,855,000	190,000
Less: Discounts on bonds issued	(107,558)	-	5,122	(102,436)	-
Series 2013	-	5,310,000	-	5,310,000	
Governmental activity long-term liabilities	<u>\$ 5,947,442</u>	<u>\$ 5,310,000</u>	<u>\$ 205,122</u>	<u>\$ 11,062,564</u>	<u>\$ 190,000</u>

**GREYHAWK LANDING COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

NOTE 6 – LONG-TERM LIABILITIES (Continued)

At September 30, 2013, the scheduled debt service requirements on the long - term debt were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2014	\$ 190,000	\$ 560,441	\$ 750,441
2015	265,000	580,164	845,164
2016	275,000	570,814	845,814
2017	290,000	560,314	850,314
2018	300,000	548,964	848,964
2019 - 2023	1,725,000	2,535,950	4,260,950
2024 - 2028	2,195,000	2,070,065	4,265,065
2029 - 2033	2,910,000	1,397,880	4,307,880
2034 - 2038	1,130,000	776,700	1,906,700
2039 - 2043	1,520,000	393,600	1,913,600
2044	365,000	21,900	386,900
	<u>\$ 11,165,000</u>	<u>\$ 10,016,791</u>	<u>\$ 21,181,791</u>

NOTE 7 – DEVELOPER TRANSACTIONS

Funding Agreement

In November 2008, the District and the Developer entered into a funding and improvement agreement related to clubhouse renovations. Pursuant to the agreement, the Developer will pay \$18,000 annually, with the first payment due on or before September 30, 2009. Thereafter, payments will be made semi-annually on March 30 and September 30. The payments will be reduced each year based on the issuance of a building permit for a home and addition of said parcel to the District's assessment roll.

In addition, the Developer agreed to remodel the clubhouse facility and is entitled to reimbursement from the District for all reasonable out-of-pocket expenses incurred. As costs are incurred and approved by the Board, the lump sum payment of \$18,000 mentioned above will be reduced by the approved expenditures. Pursuant to the agreement, in a prior fiscal year, the Developer incurred and paid costs totaling approximately \$54,000 for clubhouse renovations. At September 30, 2013, the Developer has been fully reimbursed, \$54,000 in contributions for the current and prior fiscal years were netted against the renovation costs owed to the Developer.

Assessments

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

NOTE 8 – CONCENTRATION

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

NOTE 9 – MANAGEMENT COMPANY

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

NOTE 10 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. The District filed claims of approximately \$7,600 under this commercial coverage during the last three years.

**GREYHAWK LANDING COMMUNITY DEVELOPMENT DISTRICT
BUDGET TO ACTUAL COMPARISON STATEMENT – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
Revenues				
Assessments	\$ 989,910	\$ 989,910	\$ 1,008,704	\$ 18,794
Developer contributions	-	-	64,235	64,235
Interest and other revenues	-	-	9,280	9,280
Total revenues	<u>989,910</u>	<u>989,910</u>	<u>1,082,219</u>	<u>92,309</u>
Expenditures				
General government	113,843	113,843	123,963	(10,120)
Maintenance and operations	557,557	557,557	457,699	99,858
Security operations	164,781	164,781	183,019	(18,238)
Culture and recreation	153,729	153,729	122,853	30,876
Capital outlay	-	-	77,964	(77,964)
Total expenditures	<u>989,910</u>	<u>989,910</u>	<u>965,498</u>	<u>24,412</u>
Excess (deficiency) of revenues over expenditures	-	-	116,721	116,721
Fund balance, beginning of year	-	-	711,419	711,419
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 828,140</u>	<u>\$ 828,140</u>

**GREYHAWK LANDING COMMUNITY DEVELOPMENT DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2013**

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

The legal level of budgetary control, the level at which expenditures may not exceed budget is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors.

The variance between budgeted and actual general fund revenues for the 2013 fiscal year is the result of no Developer contributions budgeted in current year.



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

To the Board of Supervisors
Greyhawk Landing Community Development District
Manatee County, Florida

We have audited the financial statements of the governmental activities and each major fund of Greyhawk Landing Community Development District, Manatee County, Florida ("District") as of and for the fiscal year ended September 30, 2013, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 15, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

This report is intended for the information of the management, Board of Supervisors of Greyhawk Landing Community Development District, Manatee County, Florida and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

Barzana & Associates PA

Barzana & Associates, P.A.
Tampa, Florida
June 15, 2014



MANAGEMENT LETTER

To the Board of Supervisors
Greyhawk Landing Community Development District
Manatee County, Florida

We have audited the accompanying basic financial statements of Greyhawk Landing Community Development District ("District") as of and for the fiscal year ended September 30, 2013, and have issued our report thereon dated June 15, 2014.

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

In addition, we have issued our Report on Internal Control over Financial Reporting and Compliance and Other Matters dated June 15, 2014. Disclosures in that report should be considered in conjunction with this management letter.

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

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

This report is intended for the information of the management, Board of Supervisors of Greyhawk Landing Community Development District, Manatee County, Florida and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

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

Barzana & Associates PA

Barzana & Associates, P.A.
Tampa, Florida
June 15, 2014

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None

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

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

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

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2012.

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

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

3. Any recommendations to improve the local governmental entity's financial management, accounting procedures, and internal controls.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2013.

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

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2013.

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

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

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

There were no such matters discovered by, or that came to the attention of, the auditor, that, in our judgment, are required to be reported, for the fiscal year ended September 30, 2013.

6. The name or official title and legal authority of the District are disclosed in the notes to the financial statements.

7. The financial report filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes agrees with the September 30, 2013 financial audit report.
8. The District has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.
9. We applied financial condition assessment procedures pursuant to Rule 10.556(7) and no deteriorating financial conditions were noted. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.