

**A.H. at Turnpike South
Community
Development District**

FINANCIAL STATEMENTS

September 30, 2014



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A.H. at Turnpike South Community Development District
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September 30, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
A.H. at Turnpike South Community Development District
Miami-Dade County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of A.H. at Turnpike South Community Development District (hereinafter referred to as "District"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's 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 from 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 assessment 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, 2014, and the respective changes in financial position for the year then ended in conformity 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 budgetary comparison information, as listed in the table of contents, 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 our report dated June 26, 2015, on our consideration of the District's internal control over financial reporting and 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 the District's internal control over financial reporting and compliance.

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

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida
June 26, 2015



Management's Discussion And Analysis

A.H. at Turnpike South Community Development District Management's Discussion and Analysis

Our discussion and analysis of the A.H. at Turnpike South Community Development District's financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2014. Please read it in conjunction with the District's financial statements, which begin on page 7.

FINANCIAL HIGHLIGHTS

- At September 30, 2014, the assets of the District equaled its liabilities and deferred inflows of resources.
- During fiscal year 2014, the Developer provided substantially all of the funding for the operations of the District.

USING THE ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities on pages 7 – 8 provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements start on page 9. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.

Reporting the District as a Whole

Our analysis of the District as a whole begins on page 4. One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and related changes during the current year. You can think of the District's net position – the difference between assets and liabilities – as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors; however, such as changes in the District's assessment base and the condition of the District's infrastructure, to assess the overall health of the District.

A.H. at Turnpike South Community Development District Management's Discussion and Analysis

Reporting the District's Most Significant Funds

Our analysis of the District's major funds begins on page 5. The fund financial statements begin on page 9 and provide detailed information about the most significant funds – not the District as a whole. Some funds are required to be established by State law and by bond covenants. All of the District's funds are governmental fund-types.

- *Governmental funds* – All of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

THE DISTRICT AS A WHOLE

The following table reflects the condensed Statement of Net Position and is compared to the prior year.

<i>September 30,</i>	2014	2013	Change
Assets			
Current and other assets	\$ 40,446	\$ 33,879	\$ 6,567
Total assets	\$ 40,446	\$ 33,879	\$ 6,567
Liabilities			
Current liabilities	\$ 32,436	\$ 28,879	\$ 3,557
Total liabilities	32,436	28,879	3,557
Deferred Inflows of Resources			
Deferred revenue	8,010	5,000	3,010
Total deferred inflows of resources	8,010	5,000	3,010
Net position			
Unrestricted	-	-	-
Total net position	-	-	-
Total liabilities, deferred inflows of resources, and net position	\$ 40,446	\$ 33,879	\$ 6,567

For more detailed information, see the accompanying Statement of Net Position.

During the fiscal year ended September 30, 2014, total assets, liabilities, and deferred inflows of resources increased by minor amounts. The increase in assets and deferred inflows of resources are due to additional developer contributions in 2014, of which the excess over expenses was deferred. The increase in liabilities is primarily due to timing of invoice payments.

A.H. at Turnpike South Community Development District Management's Discussion and Analysis

The following schedule compares the Statement of Activities for the current and previous fiscal year.

<i>Year ended September 30,</i>	2014	2013	Change
Revenues:			
Program revenues:			
Charges for services	\$ 64,530	\$ 27,936	\$ 36,594
Interest revenue	10	1	9
Total revenues	64,540	27,937	36,603
Expenses:			
General government	64,540	27,937	36,603
Total expenses	64,540	27,937	36,603
Change in net position	-	-	-
Net position, beginning	-	-	-
Net position, ending	\$ -	\$ -	\$ -

For more detailed information, see the accompanying Statement of Activities.

Revenues and expenses increased by approximately \$37,000 from the prior year. These increases are due to increased operational activities of the District from the prior fiscal year. Net position remained unchanged.

THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds (as presented in the balance sheet on page 9) reported a combined fund balance of approximately \$9,000 (deficit), which is an increase from last year's balance that totaled approximately \$22,000 (deficit). The overall increase in fund balance for the year ended September 30, 2014 totaled \$13,176.

GOVERNMENTAL FUNDS BUDGETARY HIGHLIGHTS

An Operating budget was established by the governing board for the District pursuant to the requirements of Florida Statutes. The budget to actual comparison for the general fund, including the original budget and final adopted budget, is shown at page 19.

The District experienced a favorable variance in revenues and expenditures as compared to the budget in the amount of \$6,821 and \$655, respectively. The variance in revenues is primarily due to the recognition of revenue which was deferred in the prior year since it was not a current financial resource during the fiscal year for 2013.



A.H. at Turnpike South Community Development District Management's Discussion and Analysis

FUTURE FINANCIAL FACTORS

A.H. at Turnpike South Community Development District is an independent special district that operates under the provisions of Chapter 190, Florida Statutes. The District operates under an elected Board of Supervisors, which establishes policy and sets assessment rates. For fiscal year 2015, the Developer has agreed to fund the operations of the District.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances. If you have questions about this report or need additional financial information, contact the A.H. at Turnpike South Community Development District's management company at 2501A Burns Road, Palm Beach Gardens, Florida, 33410.



Basic Financial Statements

**A.H. at Turnpike South Community Development District
Statement of Net Position**

<i>September 30,</i>	2014
	Governmental Activities
Assets	
Cash and cash equivalents	\$ 23,481
Due from developer	16,965
Total assets	40,446
Liabilities	
Accounts payable	32,436
Total liabilities	32,436
Deferred Inflows of Resources	
Deferred revenue	8,010
Total deferred inflows of resources	8,010
Net position	
Unrestricted	-
Total net position	\$ -

The accompanying footnotes are an integral part of these financial statements.

**A.H. at Turnpike South Community Development District
Statement of Activities**

Year ended September 30,

2014

Functions/Programs	Expenses	Charges for Services	<u>Program Revenues</u>	Operating Grants and Contributions	Governmental Activities	<u>Net (Expense) Revenue and Changes in Net Position</u>
Primary government:						
Governmental activities:						
General government	\$ (64,540)	64,530	\$	-	\$	(10)
Total governmental activities	\$ (64,540)	\$ 64,530	\$	-		(10)
General revenues						
Interest and other revenues						10
Change in net position						-
Net position - beginning of year						-
Net position - end of year						\$ -

The accompanying footnotes are an integral part of these financial statements.

**A.H. at Turnpike South Community Development District
Balance Sheet – Governmental Funds**

September 30,

2014

		General
Assets		
Cash and cash equivalents	\$	23,481
Due from developer		16,965
Total assets	\$	40,446
Liabilities, Deferred Inflows of Resources, and Fund Balance		
Liabilities		
Accounts payable	\$	32,436
Total liabilities		32,436
Deferred Inflows of Resources		
Deferred revenue		16,965
Total deferred inflows of resources		16,965
Fund balances		
Unassigned		(8,955)
Total fund balances (deficit)		(8,955)
Total liabilities, deferred inflows of resources, and fund balances	\$	40,446

The accompanying footnotes are an integral part of these financial statements.

**A.H. at Turnpike South Community Development District
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of
Net Position**

<u>September 30,</u>	<u>2014</u>
Total fund balances (deficit), governmental funds	\$ (8,955)
Revenues that are not available to pay for current period expenditures are deferred in the fund level financial statements.	8,955
<u>Total net position - governmental activities</u>	<u>\$ -</u>

The accompanying footnotes are an integral part of these financial statements.

**A.H. at Turnpike South Community Development District
Statement of Revenues, Expenditures and Changes in Fund Balances –
Governmental Funds**

Year ended September 30,

2014

	General Fund
Revenues	
Developer contributions	\$ 77,706
Interest Income	10
Total revenues	77,716
Expenditures	
Current:	
General government	64,540
Total expenditures	64,540
Net change in fund balances	13,176
Fund balances, beginning of year (deficit)	(22,131)
Fund balances, end of year (deficit)	\$ (8,955)

The accompanying footnotes are an integral part of these financial statements.

**A.H. at Turnpike South Community Development District
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to the Statement of Activities**

<i>Year ended September 30,</i>	2014
Net change in fund balances - governmental funds	\$ 13,176
Revenues previously reported in the Statement of Activities that did not provide current financial resources are reported in the current period in the fund level financial statements.	(22,131)
Revenues in the statements of Activities that do not provide current financial resources are not reported as revenue in the fund level financial statements.	8,955
Change in net position of governmental activities	\$ -

The accompanying footnotes are an integral part of these financial statements.

A.H. at Turnpike South Community Development District Notes to Financial Statements

NOTE 1 – NATURE OF ORGANIZATION

The A.H. at Turnpike South Community Development District (the “District”) was established on July 17, 2012 pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes, by Miami – Dade County Commission Ordinance No. 12-60. The boundaries were expanded by enactment of ordinance No. 13-93 on October 1, 2013. The Act provides, among other things, the power to manage basic services for community development, power to borrow money and issue bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of certain infrastructure necessary for community development within the District.

The District is governed by a Board of Supervisors (“Board”), which is comprised of five members. The Supervisors are elected by the owners of the property within the District. At September 30, 2014, all of the Supervisors are affiliated with the Developer of the community, Adrian Developers of De La Fuente Parcel, LLC (“Developer”). The Board of Supervisors of the District exercises all powers granted to the District pursuant to Chapter 190, Florida Statutes.

The Board has the final responsibility for:

1. Allocating and levying special 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.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include or exclude a potential component unit in the reporting entity was made by applying the criteria set forth by Generally Accepted Accounting Principles (GAAP) as defined by the Governmental Accounting Standards Board (GASB) in statements No. 14 and No. 61. Based on the foregoing criteria, no potential component units were found.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the District conform to GAAP as applicable to governments in accordance with those promulgated by GASB. The following is a summary of the more significant policies:

Government-wide and Fund Financial Statements

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

A.H. at Turnpike South Community Development District Notes to Financial Statements

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by assessments, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The business-type activities are reported separately in government-wide financial statements; however, at September 30, 2014, the District did not have any significant business-type activities. Therefore, no business-type activities are reported. Assessments and other items not properly included as program revenues (i.e., charges to customers or applicants who purchase, use, or directly benefit from goods or services) are reported as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Basis of 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 the related cash flows. Assessments are recognized as revenues in the year for which they are levied. Grants and other 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 District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Developer contributions and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal 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 fund:

General Fund – The General Fund is the primary operating fund of the District. It is used to account for all financial resources except those required to be accounted for in other funds.

A.H. at Turnpike South Community Development District Notes to Financial Statements

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the year ended September 30, 2014, the District does not report any proprietary funds.

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, then unrestricted resources as they are needed. When committed, assigned, or unassigned resources are available for use in the governmental fund financial statements, it is the government's policy to use committed resources first, followed by assigned resources, then unassigned resources as needed.

Cash, Deposits and Investments

The District maintains deposits with "Qualified Public Depositories" as defined in Chapter 280, Florida Statutes. All Qualified Public Depositories must place with the Treasurer of the State of Florida securities in accordance with collateral requirements determined by the State's Chief Financial Officer. In the event of default by a Qualified Public Depository, the State Treasurer will pay public depositors all losses. Losses in excess of insurance and collateral will be paid through assessments between all Qualified Public Depositories.

Under this method, all the District's deposits are fully insured or collateralized at the highest level of security as defined by GASB, Statement Number 40, *Deposits and Investment Disclosures (An Amendment of GASB, Statement Number 3)*.

The District is authorized to invest in financial instruments as established by Section 218.415, Florida Statutes. The authorized investments include among others negotiable direct or indirect obligations which are secured by the United States Government; the Local Government Surplus Trust Funds as created by Section 218.405, Florida Statutes; SEC registered money market funds with the highest credit quality rating from a nationally recognized rating agency; and interest-bearing time deposits or savings accounts in authorized financial institutions.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes include a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any of this type of item at September 30, 2014.

A.H. at Turnpike South Community Development District Notes to Financial Statements

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In addition to liabilities, the Statement of Net Position and Balance Sheet – Governmental Funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one item, deferred revenue, which qualifies for reporting in this category. Deferred revenue results from the excess of developer contributions over expenses in a given year and the determination of whether the funds are current financial resources (i.e. received within 60 days of year-end).

Fund Equity

Net position in the government-wide financial statements represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources and is categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents assets related to infrastructure and property, plant and equipment, net of any related debt. Restricted net position represents the net position restricted by creditors or laws and regulations of other governments.

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the District board through approval of resolutions. Assigned fund balance is a limitation imposed by a designee of the District board. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

Budgets

The District is required to establish a budgetary system and an approved annual budget. Annual budgets are legally adopted on a basis consistent with GAAP for the General Fund. Any revision to the budget must be approved by the District Board. The budgets are compared to actual expenditures. In instances where budget appropriations and estimated revenues have been revised during the year, budget data presented in the financial statements represent final authorization amounts.

A.H. at Turnpike South Community Development District Notes to Financial Statements

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

NOTE 3 – 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 maintains commercial insurance coverage to mitigate the risk of loss. Coverage may not extend to all situations. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in the previous three years.

NOTE 4 – MANAGEMENT COMPANY

The District has contracted with SDS 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 5 – CONCENTRATION

The Developer has agreed to fund the general operations of the District. On the Government – wide Statement of Activities, developer contributions totaled \$64,530. Because of timing differences in the receipt of funds as discussed in the accounting policies in Note 2 (i.e. funds not received within 60 days of year-end), developer contributions in the statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds totaled \$77,706.

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.



A.H. at Turnpike South Community Development District Notes to Financial Statements

NOTE 6 – SUBSEQUENT EVENT

On February 5, 2015, the District issued \$4,430,000 of Special Assessment Bonds, Series 2015 consisting of \$640,000 Term Bonds and \$3,790,000 Term Bonds with interest rates from 5.50% to 6.25%, respectively. These bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. Interest is paid semiannually on each May 1 and November 1. Principal payments on the \$640,000 Term Bonds are made serially commencing on November 1, 2017 through November 1, 2025. Principal payments on the \$3,790,000 Term Bonds are made serially commencing on November 1, 2026 through November 1, 2046.

In connection with this bond issuance, the District acquired capital infrastructure totaling \$864,058, from the Developer. In addition, the District incurred additional costs totaling \$32,862 related to the series 2015 construction project.



**Required Supplemental Information
(Other Than MD&A)**

**A.H. at Turnpike South Community Development District
Budget to Actual Comparison Schedule – General Fund**

<i>Year ended September 30,</i>	2014			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Developer contributions	\$ 119,675	\$ 70,886	\$ 77,706	\$ 6,820
Interest revenue	-	9	10	1
Total revenues	119,675	70,895	77,716	6,821
Expenditures				
General government	119,675	65,195	64,540	655
Total expenditures	119,675	65,195	64,540	655
Excess of revenues over expenditures	\$ -	\$ 5,700	\$ 13,176	\$ 7,476

INDEPENDENT AUDITOR'S 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
A.H. at Turnpike South Community Development District
Miami-Dade County, Florida

We have audited, in accordance with the 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, the financial statements of the governmental activities and each major fund of A.H. at Turnpike South Community Development District (hereinafter referred to as the "District"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 26, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida

June 26, 2015

MANAGEMENT LETTER

To the Board of Supervisors
A.H. at Turnpike South Community Development District
Miami-Dade County, Florida

Report on the Financial Statements

We have audited the financial statements of the A.H. at Turnpike South Community Development District ("District") as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated June 26, 2015.

Auditor's Responsibility

We conducted our audit 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 Chapter 10.550, Rules of the Florida Auditor General.

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in this report, which is dated June 26, 2015, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding annual audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The information required is disclosed in the notes to the financial statements.

Financial Condition

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that we report the results of our determination as to whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the District's 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.

Annual Financial Report

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the District for the fiscal year ended September 30, 2014, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2014. In connection with our audit, we determined that these two reports were in agreement.

Other Matters

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with 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 which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Supervisors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

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

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida
June 26, 2015

INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Supervisors
A.H. at Turnpike South Community Development District
Miami-Dade County, Florida

We have examined A.H. at Turnpike South Community Development District's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2014. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

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

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida
June 26, 2015