



**CARROLLWOOD RECREATION DISTRICT**

**FINANCIAL STATEMENTS**  
**AND**  
**INDEPENDENT AUDITORS' REPORT**  
**SEPTEMBER 30, 2014**

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**CARROLLWOOD RECREATION DISTRICT**  
**(The "District" or "CRD")**  
**Board of Trustees**

3515 McFarland Road  
Tampa, Florida 33618

**PROFILE OF CARROLLWOOD RECREATION DISTRICT**

**HISTORY**

With a vision and foresight, Matt Jetton achieved local and national fame in the early 1960's when he developed Original Carrollwood, a deed restricted community. His company, Sunstate Builders, purchased 325+ acres of citrus grove and nursery land, just seven miles north of the City of Tampa. His vision was to create housing to relieve crowding in South Tampa; however, the residents of South Tampa did not care for the rural surroundings of Carrollwood. Located just 10 miles due west of the newly constructed University of South Florida, the Original Carrollwood community was discovered and embraced by the university academia, including University of South Florida's first president, John Allen.

By 1959, Carrollwood had become one of the foremost award-winning "subdivisions" in the area and boasted amenities unheard of at the time, including: air conditioned housing, a planned school, neighborhood parks, lake access for all residents, and an on call handy man and repair services. The winding roads, many cul-de-sacs and lake views added even more charm to this young community.

**HISTORY OF THE BOARD**

Upon completion of the development of the Carrollwood Subdivision, Sunstate Builders eventually transferred responsibility of common area maintenance to the owners of those areas. The Common areas known as White Sands Beach, Scotty Cooper Park, the western half of Lake Carroll, a small walkway east of the Bank of America property, the Recreation Center and adjoining tennis courts are private property owned by the Carrollwood Civic Association, Inc. Original Carrollwood Park (acquired later) is property

of the District. All other common areas are owned by Hillsborough County. As the residents preferred a higher standard of maintenance for the County maintained areas, and wished for a more efficient way to fund maintenance of the privately owned common areas, the Carrollwood Recreation District and its' governing Board of Trustees was conceived.

The District and Board of Trustees was created by an act of the Florida Legislature, Chapter 72-565. This act was amended and superseded from time to time, and all such amendments were eventually superseded by Chapter 99-418. These acts charged the Board of Trustees with maintenance of the County owned common areas within the District under the provisions of its' enabling legislation. The District leases properties owned by the Carrollwood Civic Association. Under this lease it is required to maintain these properties to the owner's standards.

The maintenance responsibilities of the Board are funded by annual tax levies of all residential properties located in the District

## **THE CARROLLWOOD RECREATION DISTRICT BOARD OF TRUSTEES**

The CRD Board of Trustees is comprised of nine uncompensated, resident, registered voters. Each trustee carries fiduciary responsibility to the 900+ residences within the community. Seven committees have been formed to address all aspects of the community's needs:

- Executive committee (president, vice president, treasurer and secretary);
- Grounds Committee - maintenance and improvement of landscaping, irrigation, contract and supervise the lawn care contractor;
- Three park committees (Scotty Cooper Park, White Sands Beach and Original Carrollwood Park) - rules enforcement, ascertain and respond to the needs of the park (through communication with resident users and monitoring the parks' conditions);
- Recreation Center Committee - assist in the hiring of a recreation center manager; supervise the manager; oversee the rental of the rooms and grounds; guide the Tennis Subcommittee; ascertain and implement the needs of the facility;
- Community Development Committee - respond to the need for development (structures) of the community; overall property planning.

Committee chairs are entrusted to expend up to \$2,000.00 in budgeted expenses without additional Board approval. Expenses between \$2,001.00

and \$4,000.00 require Board approval even if budgeted. Expenses over \$4,000.00 require solicitation of at least 3 competitive bids and Board approval. Each board member incurring debt on behalf of the CRD is required to inspect the invoice and indicate its legitimacy by initialing and dating the invoice prior to payment. Each committee chair is charged with submitting requests for appropriations to the treasurer for the annual budget preparation. The preparation process for the budget encompasses a three-month period wherein the treasurer compiles a statement of assets, liabilities and cash requests for the upcoming fiscal year, and the board reviews and modifies the requests as needed. Adoption of the budget occurs annually on the second Monday of June for the following fiscal year, October through September.



## OVERVIEW OF CARROLLWOOD RECREATION DISTRICT FACILITIES

The common grounds consist of a recreation center (4,000 sq ft), 4 tennis courts, a formal walled entry to the community, 10 medians, 19 islands and 3 parks which are landscaped and irrigated.

### RECREATION CENTER

3515 McFarland Road



New Recreation Center (South Elevation)—officially opened June 16, 2007





Recreation Center south elevation from the tennis courts



Covered patio outside multi-media room on north side



Entrance to lobby from McFarland Road



Entrance to lobby from tennis courts



<b>Address:</b>	<p><b>Carrollwood Recreation Center</b>  3515 McFarland Road,  Tampa, Florida 33618  <i>Serves as the mailing address for the CCA and CRD</i></p>
<b>Phone:</b>	813-932-1257
<b>Open:</b>	Office hours: Monday - Friday, from 3:30PM - 6:30PM
<b>History:</b>	The original recreation center was built in 1975. The new center opened June 16, 2007.
<b>Features:</b>	<ul style="list-style-type: none"> <li>• Multipurpose room (2,340 sq ft) with an adjoining serving room (165 sq ft)</li> <li>• Includes: Carpeted space and dance floor</li> <li>• Activity/meeting room (500 sq.' tile flooring)</li> <li>• Water fountains (interior and exterior)</li> <li>• Two ADA compliant tiled lavatories</li> <li>• Recreation District office (140 sq.', tiled flooring)</li> <li>• Fire sprinkler system</li> <li>• Burglar alarm system</li> <li>• 500 sq ft lobby (tiled flooring)</li> <li>• Organized activities and classes are posted on a bulletin board</li> <li>• Covered, concrete patio outside multi-media rooms</li> <li>• Covered walkways</li> <li>• Four hard surface tennis courts</li> </ul>
<b>Parking:</b>	Paved parking lots accommodate 50+ vehicles
<b>Guests:</b>	Must be escorted by a resident
<b>Security:</b>	<p>Keys required for entry to all rooms</p> <p>Monitored burglar alarms</p>
<b>Rules:</b>	Rules are posted on the bulletin board and printed on all rental forms.



## TENNIS COURTS

**Open:** Daily 8 a.m. - 10 p.m.

**Features:**

- Four gated courts, lighted
- Lessons available from an approved instructor by calling Recreation Center

**Security:** Gates require a key

**Rules:**

- Reservations made through the rec. center office: Singles 1  $\frac{1}{2}$  hours; Doubles 2 hours; reservations valid up to 10 minutes after reserved time.
- No food or alcohol on courts.
- No bicycles, skateboards or roller blades on courts.
- Adults have priority on courts weekends and after 6 p.m. daily
- Juniors under 18 have priority weekdays from 3 - 6 p.m. Appropriate tennis attire and conduct required
- Absolutely no pets allowed at the tennis courts

**WHITE SANDS BEACH**  
11613 Carrollwood Drive



New pavilion, docks, and landscaping—May 2007 & April 2008



<b>History:</b>	An original neighborhood amenity built in the late 1960's.
<b>Open:</b>	Daily. Gates unlocked at 7 a.m.; Locked at sunset.
<b>Features:</b>	<b>Resident use only:</b> <ul style="list-style-type: none"><li>• Access to swimming, boating, fishing, picnicking, and sightseeing at Lake Carroll.</li><li>• Concrete boat ramp—key &amp; decal required.</li><li>• Beach volleyball</li></ul>
<b>Special Events:</b>	<ul style="list-style-type: none"><li>• Community party held here after July 4<sup>th</sup> Parade</li><li>• December boat parade</li></ul>
<b>Parking:</b>	Paved parking lot for 35 cars

<b>Parties:</b>	25 people maximum. Reservations secured through the Recreation Center
<b>Guests:</b>	Must be escorted by a resident
<b>Security:</b>	<ul style="list-style-type: none"> <li>• Gates locked at sunset. Unlocked at sunrise.</li> <li>• Guard on duty during spring break and summer vacation (swim seasons)</li> <li>• Cars left overnight are towed</li> <li>• Decals required for boat and trailer</li> <li>• Lavatories—key required</li> </ul>
<b>Beach Rules:</b>	<p>A complete set of rules is available at the Rec. Center</p> <ul style="list-style-type: none"> <li>• No horseplay, pushing, playing tag, throwing sand, stones, shells, etc.</li> <li>• No glass containers</li> <li>• No alcohol</li> <li>• Appropriate bathing attire and conduct required</li> <li>• Protect your feet. Warning: sharp shells in sand</li> <li>• Parties to remove their trash and trash bags from beach</li> <li>• Beach privileges subject to suspension for inappropriate behavior</li> </ul>
<b>Pets:</b>	Absolutely no pets allowed at White Sands Beach

**SCOTTY COOPER PARK**  
10717 Carrollwood Drive



*Renovated pavilion and Playground—October, 2008*

**History:** Built in 1964, the original site of Carrollwood beach and boat ramp. Renovations completed in October, 2008.

**Open:** Daily. Sunrise to sunset



<b>Features:</b>	<ul style="list-style-type: none"> <li>• The 2008 renovation included a new park entrance with iron gates, new bathroom facilities, sweeping design to the structure and roofline, new sprinkler system, and new landscaping.</li> <li>• Also included in the renovation were new playground equipment, giant rocks, slides, swings, and various rides for younger children. Benches and picnic equipment were added along with mulch inside the playground area.</li> <li>• Open air picnic and grilling area</li> <li>• Recently renovated fishing pier</li> </ul>
<b>Special Events:</b>	Annual Spring Egg Hunt held here
<b>Parking:</b>	Paved parking for 13 vehicles
<b>Parties:</b>	Reservations made by calling the Recreation Center
<b>Guests:</b>	Must be escorted by a resident
<b>Security:</b>	<ul style="list-style-type: none"> <li>• Gates locked at sunset; unlocked at sunrise</li> <li>• Child safety gate latches</li> <li>• Key required for lavatories</li> </ul>
<b>Rules:</b>	Rules are posted on the gate
<b>Pets:</b>	No pets allowed

**ORIGINAL CARROLLWOOD PARK**  
11430 Orange Grove Drive



Original Carrollwood Park - September 2010

<b>History:</b>	Originally the site of a defunct waste water treatment plant which previously served Original Carrollwood. The land was acquired by the Carrollwood Recreation District pursuant to a majority vote of the residents in 1992. In 2010 an Open Air Pavilion with bathroom was built with  Other amenities. Pavilion maybe reserved for resident events at park.
<b>Open:</b>	Daily. Sunrise to sunset
<b>Features:</b>	<ul style="list-style-type: none"> <li>• 800 Square Foot Open Pavilion with key access bathroom, 350 square feet storage and servery for events. Bathroom, running water and electric</li> <li>• Fenced, 10 acre park with park benches,</li> <li>• Covered shade pavilion; water fountain</li> <li>• Playground equipment for children</li> <li>• Official sized baseball diamond</li> <li>• Paved walking/jogging paths</li> <li>• Fenced dog run</li> </ul>
<b>Parking:</b>	Across the street at the recreation center
<b>Parties:</b>	50 people maximum. Reservations made by calling the recreation center.
<b>Guests:</b>	Must be escorted by a resident
<b>Rules:</b>	<ul style="list-style-type: none"> <li>• Rules are posted on the gate</li> <li>• No league sports or practices without a written lease and insurance, approved by CRD Board.</li> <li>• No scouts or group activities without prior CRD Board Approval.</li> <li>• No motorized vehicles permitted inside the park</li> <li>• No alcohol</li> <li>• Parties should remove their trash and trash bags from the park.</li> </ul>
<b>Pets:</b>	This is the only facility in Original Carrollwood permitting dogs. However, all dogs must remain on a leash, except when inside the dog run. Of course

owners are required to clean up after their pets. The "on leash" rule is a Hillsborough County ordinance and must be observed. The CRD Board enforces all dog rules for the health and safety of our residents. Warnings will be given in writing to those residents not in compliance; repeat offenders lose their park privileges.



CARROLLWOOD RECREATION DISTRICT  
BOARD OF TRUSTEES

	<u>TERM</u>
MICKEY JAAP, PRESIDENT	2012 – 2014
SUZY GIUNTA, VICE-PRESIDENT	2012 – 2014
CARY BROWN, TREASURER	2012 – 2014
JOE COSTA, SECRETARY	2012 – 2014
KEVIN SHIDLER, WHITE SANDS BEACH COMMITTEE	2012 – 2014
MARK SNELLGROVE, RECREATION CENTER COMMITTEE	2012 – 2014
DAVID O'DONNELL, SCOTTY COOPER PARK COMMITTEE	2012 – 2014
BILL LAIS, GROUNDS COMMITTEE	2012 – 2014
PAUL SIDDALL, ORIGINAL CARROLLWOOD PARK COMMITTEE	2012 – 2014

## INDEPENDENT AUDITORS' REPORT



## INDEPENDENT AUDITORS' REPORT

The Board of Trustees  
Carrollwood Recreation District  
Tampa, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, and each major fund, of Carrollwood Recreation District (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 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 an opinion 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 District'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 opinion.

### **Opinion**

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 changes in its 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 Management's Discussion and Analysis, and the Required Supplementary Information on pages 3 to 7 and pages 23 and 24, respectively, 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 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 Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's financial statements as a whole. The introductory section is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on it.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated February 18, 2015 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 and should be considered in assessing the results of our audit. In accordance with the Rules of the Florida Auditor General, we have also issued our management letter dated February 18, 2015.

*Kingery & Crouse, P.A.*

KINGERY & CROUSE, P.A.  
Certified Public Accountants

February 18, 2015



MANAGEMENT'S DISCUSSION AND ANALYSIS  
(MD&A)

## Management Discussion and Analysis

The discussion and analysis of the Carrollwood Recreation District's (CRD) performance provides an overview of CRD's financial activities for the fiscal year ended September 30, 2014. Consider the information presented in conjunction with the transmittal letter and financial statements.

### Financial Highlights

- The assets of the CRD exceeded its liabilities at the close of the most recent fiscal year by \$1,905,701 (net position). Of this amount \$401,094 (unrestricted net position) may be used to meet CRD's ongoing obligations to citizens and creditors.
- CRD's total net position increased by \$28,246.
- As of the close of the current fiscal year the CRD's governmental fund reported ending fund balance of \$382,984, a decrease of (\$15,551) in comparison with the prior year. Substantially all of this amount is available for spending at the CRD's discretion (unreserved fund balance).

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the CRD basic financial statements. The basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the CRD in a manner similar to a private-sector business.

The statement of net assets presents information on all of the CRD'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 CRD is improving or deteriorating.

The government-wide financial statements of the CRD are principally supported by taxes.

The statement of activities presents information showing how CRD's net position changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

**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 government'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 government's near term financing decisions. Both the government fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliation to facilitate this comparison between governmental funds and governmental activities.

The CRD maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general and facilities improvement fund. Only the general fund is considered a major fund. The facilities improvement fund was not utilized in 2014.

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

### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the CRD, assets exceeded liabilities by \$1,905,701 at the close of the most recent fiscal year.

By far the largest portion of the CRD's net assets (87 percent) reflects its investment in capital assets (e.g. land, buildings, recreational facilities, parks, and equipment), less related debt used to acquire those assets (reflected as long-term liabilities in the accompanying statement of net position). The CRD uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the CRD's investment in its 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.

### Carrollwood Recreation District Net Assets

	Governmental Activities	
	2014	2013
Current assets	\$ 408,352	\$ 427,721
Capital assets	2,858,005	2,941,185
Total assets	\$ 3,266,357	\$ 3,368,906
Long-term liabilities outstanding	\$ 1,201,757	\$ 1,311,060
Other liabilities	158,899	180,391
Total liabilities	\$ 1,360,656	\$ 1,491,451
Net Assets -		
Invested in capital assets, net of related debt	\$ 1,504,607	\$ 1,460,809
Restricted	-	-
Unrestricted	401,094	416,646
Total net assets	\$ 1,905,701	\$ 1,877,455

The balance of unrestricted net position, \$401,094, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the CRD is reporting a positive balance in net position.



**Governmental activities.** Governmental activities increased the CRD's net position by \$28,246. Key elements in the Changes in Net Assets activity follow:

**Carrollwood Recreation District Changes in Net Position**

	Governmental Activities	
	2014	2013
Revenues:		
Program revenues:		
Charges for services	\$ 14,206	\$ 19,627
Investment earnings (loss)	618	2,352
General revenues:		
Special assessments	538,409	533,951
Other	10,074	7,986
Total revenues	563,307	563,916
Expenses:		
Administration	151,733	154,745
Parks and recreation	177,946	174,299
Grounds maintenance	93,556	68,352
Interest on debt	111,826	74,548
Total expenses	535,061	471,944
Increase in net assets	28,246	91,972
Net assets, October 1, 2013	1,877,455	1,785,483
Net assets, September 30, 2014	\$ 1,905,701	\$ 1,877,455

Special Assessments (i.e. taxes) (\$538,409) comprised 96 percent of the total revenues (\$563,307) during the year with the second largest source of revenue being Charges for services (room rentals and decals). Charges for the rental and use of District facilities increased this year by \$5,421 due to the additional fees for decals and keys. The increase in net assets is substantially less than the prior year due to expenses incurred in refinancing the long-term obligations of the District.

**Governmental funds.** The focus of the CRD's governmental funds is to provide information on near term inflow, outflows, and balances of spendable resources. Such information is useful in assessing the CRD's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At September 30, 2014, the CRD's governmental fund reported an ending fund balance of \$382,984, a decrease of \$15,551 in comparison with the prior year. The entire fund balance is available for spending at CRD's discretion. The general fund is the chief operating fund of the CRD. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balances to total fund expenditures. The total unassigned fund balance represents 66 percent of total general fund expenditures (net of refinancing proceeds).

## Capital Asset and Debt Administration

**Capital assets.** The CRD's investment in capital assets for its governmental activities as of September 30, 2014, amounted to \$2,858,005 (net of accumulated depreciation).

This investment in capital assets includes land, building, recreational facilities, parks, and landscaping. The total increase in the CRD's investment in capital assets (before depreciation) for the current fiscal year was approximately 3%. The major capital asset event during the current fiscal was the installation of LED lighting throughout the community.

	Governmental Activities	
	2014	2013
Land	\$ 678,357	\$ 678,357
Building	2,271,171	2,271,171
Improvements	511,706	503,325
Equipment	275,147	267,639
	3,736,381	3,720,492
Less: accumulated depreciation	(878,376)	(779,307)
Total	\$ 2,858,005	\$ 2,941,185

**Long-term debt.** In December 2003, the District obtained a \$1,600,000 non-revolving line of credit facility through issuance of the Carrollwood Recreation District Revenue Note Series 2003. This credit facility was obtained for construction and renovation of various building projects located within the District. In 2005, this credit facility was renewed as Note Series 2005 and increased by \$450,000. In December 2006, the loan was renewed and extended through the issuance of Note Series 2006 which provided an additional \$300,000 in available draws and extended the period for making draws by eighteen months, at which time the note converted to a term loan. On September 30, 2014, the District refinanced Note Series 2005 and Note Series 2006 through the issuance by Hillsborough County, Florida of Revenue Refunding Note, Series 14 (Carrollwood Recreation District) and a related loan agreement with the Bank of Tampa. The new credit facility reduced the interest rate on the District's outstanding debt by approximately 1.9%. At September 30, 2014, the CRD had total debt outstanding of \$1,353,398. The total debt is backed by the full faith and credit of the CRD for which the District is liable in the event of default.

## Request for Information

This financial report provides a general overview of the CRD's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to Carrollwood Recreation District, 3515 McFarland Road, Tampa, FL 33618.

## BASIC FINANCIAL STATEMENTS

**CARROLLWOOD RECREATION DISTRICT**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2014**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 387,367
Receivables (net)	2,875
Prepaid expenses	18,110
Capital assets	
Land	678,357
Other capital assets, net of accumulated depreciation	<u>2,179,648</u>
Total capital assets	<u>2,858,005</u>
 Total assets	 <u>3,266,357</u>
<b>LIABILITIES</b>	
Accounts payable and accrued expenses	5,018
Rental deposits	2,240
Long-term liabilities	
Due within one year	151,641
Due in more than one year	<u>1,201,757</u>
Total liabilities	<u>1,360,656</u>
<b>NET POSITION</b>	
Invested in capital assets, net of related debt	1,504,607
Restricted	-
Unrestricted	401,094
Total net position	<u><u>\$ 1,905,701</u></u>

**CARROLLWOOD RECREATION DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

		Functions/Programs:			
	Total	Administration	Parks and Recreation	Grounds Maintenance	Debt Service
Expenses:					
Salaries, wages, and benefits	\$ 36,932	\$ -	\$ 36,932	\$ -	\$ -
Materials and supplies	9,277	6,522	2,755	-	-
Maintenance & repairs	134,240	-	44,503	89,737	-
Other program expenses	177,740	143,717	-	-	34,023
Depreciation	99,069	1,494	93,756	3,819	-
Interest on debt	77,803	-	-	-	77,803
Total expenses	535,061	151,733	177,946	93,556	111,826
Program revenues -					
Charges for services	(14,206)	-	(14,206)	-	-
Net program expense	520,855	\$ 151,733	\$ 163,740	\$ 93,556	\$ 111,826
General revenues:					
Real estate taxes	538,409				
Unrestricted investment earnings (loss)	618				
Miscellaneous	10,074				
Total general revenues	549,101				
Change in net position	28,246				
Net position - beginning of year	1,877,455				
Net position - end of year	\$ 1,905,701				



**CARROLLWOOD RECREATION DISTRICT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2014**

	<u>General Fund</u>	<u>Facilities Improvement Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 387,367	\$ -	\$ 387,367
Due from other governments	2,875	-	2,875
Total Assets	<u>\$ 390,242</u>	<u>\$ -</u>	<u>\$ 390,242</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 5,018	\$ -	\$ 5,018
Deposits payable	2,240	-	2,240
Total Liabilities	<u>7,258</u>	<u>-</u>	<u>7,258</u>
<b>FUND BALANCES</b>			
Unassigned fund balance	<u>382,984</u>	<u>-</u>	<u>382,984</u>
Total fund balances	<u>382,984</u>	<u>-</u>	<u>382,984</u>
Total liabilities and fund balances	<u>\$ 390,242</u>	<u>\$ -</u>	
Amounts reported for governmental activities in the Statement of Net Assets are different because:			
Expenditures recognized when paid in governmental activities are deferred as prepaid or receivables under the matching concept accrual accounting			18,110
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$878,376			2,858,005
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds			(1,353,398)
Net assets of governmental activities			<u>\$ 1,905,701</u>

**CARROLLWOOD RECREATION DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

	General Fund	Total Governmental Funds
<b>REVENUES:</b>		
Charges for services	\$ 14,206	\$ 14,206
Investment income (loss)	618	618
Special assessments	538,409	538,409
Contributions	10,074	10,074
Total Revenues	<u>563,307</u>	<u>563,307</u>
<b>EXPENDITURES:</b>		
Culture and Recreation:		
Personal services:		
Salaries	32,774	32,774
Worker's compensation	1,877	1,877
Payroll taxes	2,281	2,281
Total personal services	<u>36,932</u>	<u>36,932</u>
Other services and charges:		
Professional services	63,652	63,652
Contractual services	67,153	67,153
Telephone	2,529	2,529
Utilities	28,820	28,820
Rents and leases	28,000	28,000
Insurance	38,794	38,794
Repairs and maintenance	65,415	65,415
Other charges	4,427	4,427
Office supplies	6,522	6,522
Property appraiser commission	5,280	5,280
Tax collector commission	10,665	10,665
Total other services and charges	<u>321,257</u>	<u>321,257</u>
Total Culture and Recreation	358,189	358,189
Capital Outlay	15,889	15,889
Debt Service		
Principal retirement	1,480,375	1,480,375
Interest	77,803	77,803
Total expenditures	<u>1,932,256</u>	<u>1,932,256</u>
Deficiency of revenues over expenditures	(1,368,949)	(1,368,949)
<b>OTHER FINANCING SOURCES (USES):</b>		
Refinancing of debt	1,353,398	1,353,398
Net change in fund balances	(15,551)	(15,551)
Fund balances - October 1, 2013	398,535	398,535
Fund balances - September 30, 2014	<u>\$ 382,984</u>	<u>\$ 382,984</u>

**CARROLLWOOD RECREATION DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

Reconciliation of the change in fund balances - total governmental funds to the change in net assets of governmental activities:

Net change in fund balances - total governmental funds	\$ (15,551)
--	-------------

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital asset purchases capitalized	\$ 15,889	
Depreciation expense	(99,069)	
Net adjustment		(83,180)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:

Principal payments made on long-term debt	1,480,375
---	-----------

Proceeds of debt principal is revenue in the governmental funds, but the proceeds are a long-term liability in the Statement of Net Assets:

	(1,353,398)
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Change in net assets of governmental activities	\$ 28,246
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**CARROLLWOOD RECREATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Carrollwood Recreation District (the "District") conform to generally accepted accounting principles ("GAAP") as applicable to governmental entities ("Governments"). GAAP includes all relevant Governmental Accounting Standards Board ("GASB") pronouncements. Governments are also required to follow the relevant pronouncements of the Financial Accounting Standards Board ("FASB") that do not conflict with or contradict GASB pronouncements.

**A. Reporting Entity**

The District, which is an independent special district of the State of Florida, created under the laws of Florida, was organized for the purpose of continued development, administration, and maintenance of properties for recreational and related activities for the unincorporated area of Hillsborough County known as Carrollwood Subdivision. The District is governed by a Board of Trustees comprised of nine persons elected for two-year terms by the qualified voters residing in Carrollwood Subdivision.

For financial reporting purposes, the District is required to include in its financial statements all entities and organizations that are controlled by or dependent upon the District as determined on the basis of financial interdependency, selection of governing authority, designation of management, ability to influence operations, and accountability for fiscal matters. Pursuant to the provisions of GASB Statements No. 14 and 39, the District's financial statements do not include any other component units.

**B. Basis of Presentation**

**Government-wide Financial Statements**

The District's basic financial statements include both government-wide financial statement (i.e. reporting the District's financial position and activities as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as governmental activities. None of the District activities have been classified as business activities. The governmental activities include general administration, parks and recreation, grounds maintenance and debt service.

In the government-wide Statement of Net Assets governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts – invested in capital assets, net of related debt, restricted net position (if applicable); and unrestricted net position. The District policy is to first utilize restricted resources, if any, to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions. The functions are also supported by general government revenues (property assessments, charges and miscellaneous). The Statement of Activities reduces gross expenses

**CARROLLWOOD RECREATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

(including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (recreational facility rentals). The District does not allocate indirect costs.

**Fund Financial Statements**

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories.

The funds maintained by Carrollwood Recreation District are described below:

**Major Governmental Funds**

**General Fund** - The General Fund is the general operating fund of the District, and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund. General operating expenditures, debt service and capital improvement costs that are not paid through other funds are paid from the General Fund.

**Non-Major Governmental Funds**

**Capital Projects Fund** - The Facilities Improvement Fund is used to account for resources restricted for the acquisition or construction of major capital facilities such as land, parks and recreational buildings. The District did not use this fund during the year ended September 30, 2014.

**C. Measurement Focus and Basis of Accounting**

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 or economic asset is used, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor 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. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Expenditures, including capital outlay, are recorded when the related fund liability is incurred.



**CARROLLWOOD RECREATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

**D. Assets, Liabilities, and Net Position or Equity**

**Deposits and Investments**

Cash and short-term investments with maturities of three months or less are considered to be cash and cash equivalents. They consist of cash and investments with the State Board of Administration Investment Pool. Investments are reported at fair value.

**Receivables**

Receivables arise from revenues earned at year-end and not yet received. The major components of receivables are property tax revenues collected by the County Tax Collector but not yet received by the District, and refunds receivable. No allowance for uncollectible accounts receivable has been recorded since management believes the receivables will be fully collectible.

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$1,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value on the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The accounting treatment over capital assets, which include land, buildings, recreational facilities, parks and landscaping depends on whether the assets are reported in the government-wide or fund financial statements. None of the District assets are reported as infrastructure assets.

**Government-wide Statements**

In the government-wide financial statements, fixed assets, including capitalized interest costs are accounted for as capital assets, and substantially all of the assets are valued at historical cost. Direct expenses are allocated to the program to which they are most closely associated, whereas indirect expenses are generally not allocated. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	10 – 40 years
Land Improvements	10 – 25 years
Equipment	5 – 15 years

**CARROLLWOOD RECREATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

**Fund Financial Statements**

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures upon acquisition.

**Long-term Debt**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities. The long-term debt consists of bonds payable.

Long-term debt of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures.

**Compensated Absences**

All District employees are considered hourly or part-time and are not eligible for vacation, sick pay, termination or postretirement benefits.

**Property Taxes**

Florida law provides that the Board of Trustees shall, on or before August 1 of each year, by resolution fix the amount of assessment for the next ensuing year, and shall direct the property appraiser of Hillsborough County to assess and the tax collector of Hillsborough County to collect such tax as assessed upon each improved residential parcel of property within the District. By referendum dated September 10, 2002, the tax assessed shall not exceed \$600 per annum per residential parcel except upon approval by referendum of qualified voters of the District. The assessment is required to be collected in the manner and form as provided for collection of county taxes.

All property taxes become due and payable on November 1 of each year with an enforceable lien date of January 1, and are delinquent on April 1 of the following year. Discounts are allowed for early payment of 4, 3, 2, and 1% in November through February, respectively. Delinquent taxes on real property may be paid after the date of delinquency but prior to the sale of a tax certificate by paying all taxes, costs, advertising charges, and interest. For all real property with delinquent taxes, the tax collector advertises as required by statute and sells tax certificates. All unsold certificates are issued to the applicable county. Any persons owning real property upon which a tax certificate has been sold may redeem the property by paying the tax collector the face amount of the tax certificate plus interest and costs associated with the sale of the certificate.

After taxes have been delinquent for two years, the owner of a tax certificate may file an application for tax deed sale. Counties are able to do the same two years after taxes were due. Pursuant to

**CARROLLWOOD RECREATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

Florida Statutes, a fee is to be paid to the county tax collector and the county property appraiser for their services regarding the special assessments.

Total assessments on the 2014 Tax Roll are accounted for as follows:

Total assessments (926 units @ \$600)	\$ 555,600
Less - discounts and adjustments	<u>(17,880)</u>
	537,720
Plus – late payment interest	<u>689</u>
	\$ <u>538,409</u>

**Equity Classifications**

**Government-wide Statements**

Equity is required to be classified as net assets and displayed in one or more of three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted – Consists of net assets with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governmental entities; or by law through constitutional provisions or enabling legislation.
- c. Unrestricted – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

**Fund Statements**

Governmental fund equity is classified as fund balance. The District has implemented GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions.” This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints place on the purposes for which resources may be used:

- a. Non-spendable – amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – Amounts that can be spent only for specific purposes because of the District enabling legislation, state or federal laws, or externally imposed conditions by grantors or creditors.

**CARROLLWOOD RECREATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

- c. Committed – Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority or amounts that cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.
- d. Assigned – Amounts a government intends to use for a specific purpose expressed by the governing body or by an official or body to which the governing body delegates authority.
- e. Unassigned – Amounts that are available for any purpose; positive amounts are reported only in the general fund.
- f. The District policy considers the most highly restricted resources to be spent first, if any, to finance qualifying expenditures.

**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 amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions, the actual results may ultimately differ from those estimates, and the differences may be material.

**NOTE 2 – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS**

The following notes present detail information to support the amounts reported in the basic financial statements:

**A. Deposits and Investments**

The District's bank account is entirely covered by federal depository insurance or by collateral held by the State Treasurer under the Florida Statutes.

Florida Statutes restrict and provide various alternatives for the investment of District funds. Investments at September 30, 2014, are held in the Florida PRIME fund, one of two separate pooled Funds of the Local Government Surplus Funds Trust Fund created by Section 218.405, Florida Statutes, which is administered by the State Board of Administration (SBA).

The SBA PRIME Fund is a "2a-7 like" pool in which the fair value of investments are determined by amortized cost, and securities lending cash collateral investments are recorded at fair value. The District is a voluntary participant in the pool and shares in the pool earnings based on its dollar days participation. The fair value of the position in the pool is the same as the value of the pool shares. The Florida Prime is rated by Standard and Poors with a current rating of AAAm. Investment policies of the Prime Fund include limiting exposure of investments to short-term, high-quality fixed

**CARROLLWOOD RECREATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

income securities and exposure to a maximum of 25% exposure to any single industry sector. At least 50% of the investments must be invested in securities rated A-1+ or comparable and no more than 5% exposure to any single non-governmental issuer or 10% to any single money market mutual fund. The weighted average days to maturity of the Florida PRIME at September 30, 2014 is 39 days.

The PRIME Fund security composition on September 30, 2014 was as follows:

Bank instruments - fixed	28.90%
Bank instruments - floating	19.50
Corporate CP - fixed	15.90
Mutual funds - money market	13.20
Corporate notes - floating	9.40
Repurchase agreements	5.70
Asset backed Com. Paper - fixed	5.40
Asset backed Com. Paper - floating	1.00
Corporate CP - floating	1.00
	<u>100.00%</u>

Fund B, an additional pooled fund of Local Government Surplus Funds Trust Fund, is accounted for as a fluctuating NAV pool. Fund B consists of restructured or defaulted securities and is not rated by any nationally recognized statistical rating agency as to credit quality risk as of the current year end and has not participated in a securities lending program. As of September 30, 2014, the original principal balances held by the District in Fund B have been fully distributed to all participants and the weighted average life (based on expected future cash flows) is effectively zero. Additional deposits cannot be made to Fund B.

During the year ended September 30, 2014, the District recognized a loss of \$633 on the value of Fund B, which has been included with investment earnings for the current year.

The District's adjusted investment value in the Florida PRIME fund amounted to \$200,164 at September 30, 2014.

Interest rates on the PRIME fund varied from .15% to .18% during the year. Total interest earned on the SBA investment amounted to \$318. No interest earnings accrued on Fund B.

**B. Receivables**

Receivables at year end consisted primarily of amounts due from the Hillsborough County tax collector. The District determined that no allowance for uncollectible amounts was necessary.



**CARROLLWOOD RECREATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**C. Capital Assets**

Capital asset activity for the year ended September 30, 2014, was as follows:

Description	Balance October 01, 2013	Increases	Decreases	Balance September 30, 2014
<b>Governmental Activities:</b>				
Land	\$ 678,357	\$ -	\$ -	\$ 678,357
Buildings	2,271,171	-	-	2,271,171
Improvements	503,325	8,381	-	511,706
Equipment	267,639	7,508	-	275,147
Total	<u>3,720,492</u>	<u>15,889</u>	<u>-</u>	<u>3,736,381</u>
Less – accumulated depreciation				
Buildings	(356,859)	(59,672)	-	(416,531)
Improvements	(301,203)	(20,473)	-	(321,676)
Equipment	(121,245)	(18,924)	-	(140,169)
Total	<u>(779,307)</u>	<u>(99,069)</u>	<u>-</u>	<u>(878,376)</u>
Capital assets, net	\$ <u>2,941,185</u>	\$ <u>(83,180)</u>	\$ <u>-</u>	\$ <u>2,858,005</u>

Depreciation expense was charged to function/programs of the governmental activities as follows:

General government	\$ 1,494
Parks and recreation	93,756
Grounds maintenance	3,819
Total depreciation, governmental activities	<u>\$ 99,069</u>

During 2014, the District replaced fencing and improved landscaping throughout the community.

**D. Accounts Payable and Accrued Expenses**

Payables in the general fund are composed of the following:

Payables to vendors	\$ 2,921
Accrued salaries and benefits	2,097
	<u>\$ 5,018</u>

**CARROLLWOOD RECREATION DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**E. Long-term Debt**

A summary of general long-term debt is as follows:

Series 2006, a 4.96% Recreation District Revenue Note. Originally entered into as a non-revolving line of credit permitting draws during a defined construction period, after which the note converted into a term loan. The note provided for level monthly payments of principal and interest based on a 168 month amortization schedule with final payment due on December 9, 2020. Prior to its refunding on September 30, 2014, the note was secured by an irrevocable and exclusive lien on the tax revenues, including related deposits, investments and investment earnings.

Series 2006A, a 5.0933% Recreation District Revenue Note dated December 18, 2006. This note provided for a \$300,000 non-revolving line of credit that converted to a term loan with level monthly principal and interest payments based on a 162 month amortization schedule with final payment due on December 18, 2021. Prior to its refunding on September 30, 2014, this note was cross-collateralized and cross-defaulted with Note Series 2006.

Series 2014, a 3.06% Recreation District Revenue Note dated September 30, 2014. Supported by a Revenue Refunding Note, Series 14 (Carrollwood Recreation District) issued by Hillsborough County, Florida, this credit facility provides for level monthly payments of principal and interest based on a 96 month amortization schedule with final payment due on September 30, 2022. The note is secured by an irrevocable and exclusive lien on the tax revenues, including related deposits, investments and investment earnings.

A summary of debt activity during this fiscal year is as follows:

Description	Balance October 01, 2013	Issued	Retired	Balance September 30, 2014
Tax Revenue Note, Series 2006	\$ 1,277,624	\$ -	\$ (1,277,624)	\$ -
Tax Revenue Note, Series 2006A	202,752	-	(202,752)	-
Tax Revenue Note, Series 2014	-	1,353,398	-	1,353,398
	<u>\$ 1,480,376</u>	<u>\$ 1,353,398</u>	<u>\$ (1,480,376)</u>	<u>\$ 1,353,398</u>

**CARROLLWOOD RECREATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

The remaining debt service requirements to maturity, including principal and interest are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 151,641	\$ 39,299
2016	156,347	34,593
2017	161,199	29,741
2018	166,202	24,739
2019 - 2022	718,009	45,752
	<u>\$ 1,353,398</u>	<u>\$ 174,124</u>

Loan covenants under the 2014 series note requires the District to maintain its primary operating and deposit accounts with the lender until such time as all obligations under the loan are paid in full. The above notes were authorized through Board Resolutions.

**NOTE 3 - OTHER NOTES**

**A. 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; injuries to employees; and natural disasters.

Significant losses are covered by commercial insurance for all major areas. There have been no significant reductions in insurance coverage, nor have settlement amounts exceeded insurance coverage for the current year or the three prior years.

**B. License Agreement with Carrollwood Civic Association**

Under the terms of an irrevocable license agreement with the Carrollwood Civic Association, the District has the right to possess, use and maintain certain land and beaches owned by the Association located within the District for an annual fee, payable on April 1 of each year. The agreement authorized a fee of \$28,000 for the current year.

**C. Pension Plans**

All employees are considered hourly or part-time and do not participate in the State of Florida Retirement System.

**D. Subsequent Events**

In preparing these financial statements, management considered the effects of events occurring through February 18, 2015; the date the financial statements were available for issuance.

## REQUIRED SUPPLEMENTARY INFORMATION

**CARROLLWOOD RECREATION DISTRICT  
REQUIRED SUPPLEMENTAL INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Charges for services	\$ 20,000	\$ 20,000	\$ 14,206	\$ (5,794)
Investment earnings	1,000	1,000	618	(382)
Special assessments	555,000	555,000	538,409	(16,591)
Other miscellaneous revenue	9,000	9,000	10,074	1,074
Total Revenues	585,000	585,000	563,307	(21,693)
<b>EXPENDITURES:</b>				
Culture and recreation				
Personal services:				
Salaries	36,100	36,100	32,774	3,326
Worker's compensation	400	400	1,877	(1,477)
Payroll taxes	3,400	3,400	2,281	1,119
Total personal services	39,900	39,900	36,932	2,968
Other services and charges:				
Professional services	23,100	23,100	63,652	(40,552)
Contractual services	97,000	97,000	67,153	29,847
Telephone	3,600	3,600	2,529	1,071
Utilities	35,000	35,000	28,820	6,180
Rents and leases	28,000	28,000	28,000	-
Property taxes	500	500	-	500
Insurance	37,000	37,000	38,794	(1,794)
Repairs and maintenance	61,200	61,200	65,415	(4,215)
Other charges	4,400	4,400	4,427	(27)
Office supplies	7,250	7,250	6,522	728
Property appraiser commission	4,000	4,000	5,280	(1,280)
Tax collector commission	12,000	12,000	10,665	1,335
Undesignated expenditures	10,900	10,900	-	10,900
Total other services and charges	323,950	323,950	321,257	2,693
Total culture and recreation	363,850	363,850	358,189	5,661
Capital outlay	96,600	96,600	15,889	80,711
Debt Service:				
Principal retirement	162,240	162,240	1,480,375	(1,318,135)
Interest	37,920	37,920	77,803	(39,883)
Total expenditures	660,610	660,610	1,932,256	(1,271,646)
Deficiency of revenues over expenditures	(75,610)	(75,610)	(1,368,949)	(1,293,339)
<b>OTHER FINANCING SOURCES (USES) -</b>				
Capital related debt issued	-	-	1,353,398	1,353,398
Excess of revenues over expenditures and other financing sources	(75,610)	(75,610)	(15,551)	60,059
Fund balances - October 1, 2013	398,535	398,535	398,535	-
Fund balances - September 30, 2014	\$ 322,925	\$ 322,925	\$ 382,984	\$ 60,059



**CARROLLWOOD RECREATION DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO THE BUDGETARY COMPARISON SCHEDULE  
SEPTEMBER 30, 2014**

**NOTE 1 - BUDGETARY ACCOUNTING**

Section 7 of Chapter 99-418, Laws of Florida (the special act of the Florida Legislature which governs the District) provides for advertising, public hearing, and adoption of an itemized budget on or before July 1 of each year. The act also gives the Board of Trustees the power to transfer funds between line items of the budget, after adoption, up to a maximum of twenty percent by majority vote of such trustees to meet unforeseen contingencies.

The budget is adopted on the modified accrual basis of accounting. All District activity is budgeted within the general fund, including activity for the capital projects fund. Consequently, the actual column includes both funds for ease of comparison with the budget.

Formal integration of budgetary accounts into the general ledger is not employed; however, monthly financial reports are presented to the Board of Trustees reflecting actual revenues and expenditures for the year-to-date, budgeted amounts, and the variance between the budgeted and actual amounts for each line item.

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

**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**

Board of Trustees  
Carrollwood Recreation District  
Tampa, Florida

We have audited, 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, the financial statements of the governmental activities, and each major fund of Carrollwood Recreation District (the "District") as of and for the year ended September 30, 2014 (which collectively comprise the District's basic financial statements) and have issued our report thereon dated February 18, 2015.

Internal Control Over Financial Reporting

Management of the District is responsible for establishing and maintaining effective 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 opinion 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. 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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. 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 of 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*.

We did not note any matters that needed to be reported to management of the District in our management letter dated February 18, 2015.

### 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended for the information and use of the District's Board of Trustees, others within the entity 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. However, this report is a matter of public record and its distribution is not limited.

*Kingery & Crouse, P.A.*

Kingery & Crouse, P.A.  
Tampa, Florida

February 18, 2015

## MANAGEMENT LETTER





Board of Trustees  
Carrollwood Recreation District  
Tampa, Florida

We have audited the financial statements of the Carrollwood Recreation District (the "District"), whose headquarters is located in Tampa, Florida, as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated February 18, 2015.

We conducted our audit in accordance with United States generally accepted auditing standards, and *Government Auditing Standards* issued by the Comptroller General of the United States. We have issued our 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*. Disclosures in that report, if any, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

The Rules of the Auditor General require that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. No such recommendations were made in the preceding annual financial audit report.

As required by the Rules of the Auditor General, the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes, regarding investment of public funds. In connection with our audit, we determined that the District appeared to be in compliance with Section 218.415, Florida Statutes.

The Rules of Auditor General require that we address in the management letter any findings and recommendations to improve financial management, accounting procedures, and internal controls. In connection with our audit, we did not have any such findings.

The Rules of the Auditor General require that we address 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. In connection with our audit, we did not have any such findings.

The Rules of the Auditor General provide that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of contracts or grant agreements, fraud, illegal acts, or

abuse, and (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.

The Rules of the Auditor General require that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The District was established by Section 12 of Chapter 72-565, Laws of Florida as amended and superseded by Chapter 99-418. The District does not include any component units.

Rules of the Auditor General require a statement be included as to whether or not the local governmental entity 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 Section 218.503(1), Florida Statutes.

Rules of the Auditor General require that we determine whether the annual financial report of 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.

Pursuant to Sections 10.554(1) (i) 7.c. and 10.556(7), 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.

**Current Year Findings and Recommendations:**

No recommendations have been made for the current year audit.

**Prior Year Findings and Recommendations:**

No recommendations were made for the prior year audit.

Pursuant to Chapter 119, Florida Statutes, this management letter is a matter of public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

*Kingery & Crouse, P.A.*

Kingery & Crouse, P.A.  
Tampa, Florida

February 18, 2015