

**TRAILER ESTATES PARK &
RECREATION DISTRICT**

FINANCIAL STATEMENTS

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2015**

TRAILER ESTATES PARK & RECREATION DISTRICT

2014–2015 FISCAL YEAR
BOARD OF TRUSTEES

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TRAILER ESTATES PARK & RECREATION DISTRICT
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Trailer Estates Park & Recreation District
Bradenton, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund (the General Fund) of Trailer Estates Park & Recreation District (the "District"), as of and for the year ended September 30, 2015, 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 major fund (the General Fund), of the District, as of September 30, 2015, and the respective changes in financial position and budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other financial information as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the District. The other financial information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other financial information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2016, 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 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.

Mauldin & Jenkins, LLC

Bradenton, Florida
February 19, 2016

TRAILER ESTATES PARK & RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2015
(Unaudited)

The following pages represent Management's Discussion and Analysis (MD&A) for the financial statements of Trailer Estates Park & Recreation District (the "District"). It depicts and reviews the financial picture and activities as of and for the year ending September 30, 2015.

The intent of this MD&A is to present a picture and assessment of the District's financial performance in an effort to more clearly demonstrate to readers the results of this year's financial operations. Readers should review this MD&A along with the basic financial statements and notes enclosed.

Financial Highlights

- The District's assets exceeded its liabilities (net position at September 30, 2015) by \$1,690,629 and net position increased during the year \$154,897.
- During the year ending September 30, 2015, revenues decreased \$17,920 or approximately 1.30% and expenses (including depreciation of \$78,090) increased \$64,974 or approximately 5.71 from the prior year.

Using the Financial Statements

The financial report includes a series of financial statements and notes to those financial statements. These statements are organized so the reader can understand the District as a financial whole, or as an entire operating entity. These financial statements consist of three sections: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to financial statements.

Government-wide Financial Statements

The government-wide financial statements provide both long- and short-term information about the District's overall financial status. These statements are prepared using the accrual basis of accounting similar to private sector businesses. They include a statement of net position and a statement of activities.

The statement of net position presents information on the District's assets and liabilities and the difference between the assets and liabilities (net position) using accounting methods similar to those used by private sector companies. This is a useful way to measure the financial health of the District.

The statement of activities presents information showing how the District's net position changed during the fiscal year. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

TRAILER ESTATES PARK & RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2015
(Unaudited)

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other governmental entities, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District only has one governmental fund, the General Fund.

The General Fund is used to account for essentially the same functions reported in the government-wide financial statements, but is prepared using the modified accrual basis of accounting. The fund financial statements focus on near-term inflows and outflow of spendable resources, as well as on the balances of spendable resources available at the end of the fiscal year. It is a narrower focus than the government-wide financial statements.

By comparing functions between the two sets of financial statements for the General Fund and governmental activities, readers may better understand the long-term impact of the District's near-term financing decisions. Both the General Fund balance sheet and the General Fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison.

The District adopts an annual appropriated budget for the General Fund. A budgetary comparison schedule has been provided in the basic financial statements.

Notes to Financial Statements

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

Government-wide Financial Analysis

Statement of Net Position

	2015	2014	Change
Current and other assets	\$ 1,066,046	\$ 971,692	\$ 94,354
Capital assets	716,795	659,861	56,934
Total assets	<u>\$ 1,782,841</u>	<u>\$ 1,631,553</u>	<u>\$ 151,288</u>
Current liabilities	\$ 75,154	\$ 78,291	\$ (3,137)
Noncurrent liabilities	17,058	17,530	(472)
Total liabilities	<u>\$ 92,212</u>	<u>\$ 95,821</u>	<u>\$ (3,609)</u>
Investment in capital assets	\$ 716,795	\$ 659,861	\$ 56,934
Unrestricted	973,834	875,871	97,963
Total net position	<u>\$ 1,690,629</u>	<u>\$ 1,535,732</u>	<u>\$ 154,897</u>

TRAILER ESTATES PARK & RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2015
(Unaudited)

Total assets increased \$151,288 as follows:

	<u>Change</u>
Cash and cash equivalents	\$ 67,590
Accounts receivable	800
Prepaid expenses	25,964
Capital assets	56,934

Cash increased due to fewer expenses being incurred and the planned savings set aside. The prepaid expenses increased due to the timing of payments made to Brighthouse. The increase in capital assets was due to the net effect of capital asset additions exceeding depreciation expense for the current year.

Liabilities decreased \$3,609 as follows:

	<u>Change</u>
Accounts payable and accrued expenses	\$ (7,644)
Accrued payroll	1,439
Deferred rental revenue	2,152
Refundable deposits	915
Compensated absences	(472)

The decrease of \$7,644 in accounts payable and accrued expenses is because most invoices, including attorney fees, were kept current through September 30, 2015. Unearned rental revenue increased from prior year due to payment timing differences. Refundable deposits increased due to an increase in related activity at year end.

TRAILER ESTATES PARK & RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2015
(Unaudited)

Statement of Activities

	<u>2015</u>	<u>2014</u>	<u>Change</u>
Revenues			
Program revenues			
Charges for services	\$ 171,617	\$ 191,702	\$ (20,085)
General revenues			
Assessments	1,185,968	1,183,418	2,550
Investment income	895	1,280	(385)
Total revenues	<u>1,358,480</u>	<u>1,376,400</u>	<u>(17,920)</u>
Expenses			
Culture and recreation	<u>1,203,583</u>	<u>1,138,609</u>	<u>64,974</u>
Total expenses	<u>1,203,583</u>	<u>1,138,609</u>	<u>64,974</u>
Change in net position	154,897	237,791	(82,894)
Beginning net position	<u>1,535,732</u>	<u>1,297,941</u>	<u>237,791</u>
Ending net position	<u><u>\$ 1,690,629</u></u>	<u><u>\$ 1,535,732</u></u>	<u><u>\$ 154,897</u></u>

Total revenues decreased \$17,920 as follows:

	<u>Change</u>
Assessments	\$ 2,550
Rent and charges for services	2,021
Investment income	(385)
Social activities	(4,933)
Miscellaneous	(17,173)

The assessment increase is primarily due to the number of units increasing while the assessment stayed constant at \$990. Some assessments were paid later so the discount was not a factor. Rent increase was mainly due to increased marina usage. Investment income is down due to negligible interest rates and lower revenue invested. Social activities income is based on attendance and shows a significant decrease from prior year due the elimination of certain social activities. Miscellaneous is a culmination of different items that cannot be determined from year to year as a constant source of income.

TRAILER ESTATES PARK & RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2015
(Unaudited)

Total expenses increased \$64,974 as follows:

	<u>Change</u>
Payroll and employee benefits	\$ 9,659
Sanitation	229
Utilities	1,132
Cable TV	11,629
Repair and maintenance	14,201
Administrative	15,014
Social activities	212
Miscellaneous	2,337
Depreciation	(2,591)
Loss on asset disposal	13,152

Payroll and employee benefits increased due to the following aspects of the District workforce: (1) cost of living increase was approved for all employees; (2) with a stable workforce wages increased due to longevity; and (3) employee benefits increased. Utilities increased due to energy costs and usage. Repair and maintenance costs showed a change because of prior year under spending and current year spending of budgeted amounts. Administrative expenses, which also include attorney fees, were higher than the prior year due to increased attorney fees and current year election costs not required in 2014. During the year, the District replaced certain capital assets which were not yet fully depreciated which caused the loss on disposal. There were no such disposals in 2014.

Budgetary Highlights

In the second quarter of 2015, the Board of Trustees approved a budget for the fiscal year 2015-2016. State law requires the District have a balanced budget. With conclusion of legal proceedings and repayment of promissory notes in the prior year, capital outlay projects were emphasized along with continued social, cultural and recreation activities.

Capital Assets

At September 30, 2015, the District reported total capital assets of \$2,808,676 net of accumulated depreciation of \$2,091,881 for net capital assets of \$716,795. There were additions of \$148,176 offset by current depreciation expense of \$78,090, and net deletions of \$13,152 for a net increase of \$56,934.

TRAILER ESTATES PARK & RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2015
(Unaudited)

Capital Assets (Net of Accumulated Depreciation)

	<u>2015</u>	<u>2014</u>	<u>Change</u>
Land	\$ 232,252	\$ 232,252	\$ -
Buildings	147,162	157,721	(10,559)
Furniture and equipment	51,717	62,707	(10,990)
Improvements	285,664	207,181	78,483
	<u>\$ 716,795</u>	<u>\$ 659,861</u>	<u>\$ 56,934</u>

See NOTE C to the financial statements for a detail of activity during the fiscal year and other related information.

Long-term Debt

The District has no long term debt as of September 30, 2015.

Economic Factors and Next Year's Budget

The budget for fiscal year 2015-2016 maintains the assessment at \$990. This should cover all costs and provide for over \$150,000 of additional capital outlay/improvements. We are continuing to make changes to the entry doors increasing the number of areas with automatic doors, continuing also with ongoing replacement of air conditioning units and exercise room equipment. We are replacing the east marina dock, the flat roof on the shower/spa area and beginning to set aside funds for resurfacing of the pool. There are also funds being set aside for a new key system.

Related to the 2008 lawsuit which concluded in fiscal year 2011-2012, the District continues to pursue the collection of court costs, plus any accrued interest. The amount of \$38,262 was awarded to the District for court costs plus 4.75% interest per year which now makes the amount due \$41,983.

The largest expense in our budget continues to be wages and benefits. We have four full-time employees and seven part-time employees. To help offset the increased costs related to employee health insurance coverage the full-time employees continue to work with the District's Board in finding a health insurance program that fits within the budget that has been set.

The bulk cost for television services (cable TV and local access station) continues to rise and will be reviewed by the Board. Options have been considered in the past; however, no other TV provider could match the low cost provided by Bighthouse.

TRAILER ESTATES PARK & RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2015
(Unaudited)

The District's Board continues to consider activity and facility needs, space and property acquisition for expansion and other matters as the future of the District is discussed. Some of the matters that are scheduled for this year are: (1) determining how we will use the recently purchased adjacent property (2.88 acres adjacent to the northeast corner of the park), and (2) contracting with the County on the use/leasing of the Bay Drive County property. Results of the 2012 property owner questionnaire were tabulated and shared through the District's website and Board presentation. These results have been analyzed and utilized as determinations were made regarding future endeavors.

As we look to the future, the District will continue to regulate our future assessments by addressing on-going costs and our own choices for future improvements or growth.

Request for Information

This financial report is designed to provide a general overview of the District's finances for all those with interest. Questions concerning any of the information in this report or requests for additional information should be addressed to the Treasurer and the Board of Trustees of Trailer Estates Park & Recreation District, 1903 69th Avenue West, Bradenton, Florida 34207.

TRAILER ESTATES PARK & RECREATION DISTRICT
STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 1,003,222
Accounts receivable	9,601
Prepaid expenses	53,223
Capital assets (net of accumulated depreciation)	
Land	232,252
Buildings	147,162
Furniture and equipment	51,717
Improvements	285,664
Total assets	1,782,841
LIABILITIES	
Current liabilities	
Accounts payable and accrued expenses	19,266
Unearned rental revenue	31,343
Refundable deposits	24,545
	75,154
Noncurrent liabilities	
Due within one year	14,013
Due in more than one year	3,045
	17,058
Total liabilities	92,212
NET POSITION	
Investment in capital assets	716,795
Unrestricted	973,834
Total net position	\$ 1,690,629

See accompanying notes to financial statements.

TRAILER ESTATES PARK & RECREATION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Change in Net Position Governmental Activities</u>
Governmental activities	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Expense) Revenue and Change in Net Position Governmental Activities</u>
Culture and recreation	<u>\$ 1,203,583</u>	<u>\$ 171,617</u>	<u>\$ -</u>	<u>\$ (1,031,966)</u>
Total governmental activities	<u>\$ 1,203,583</u>	<u>\$ 171,617</u>	<u>\$ -</u>	<u>(1,031,966)</u>
General revenues				
Assessments				1,185,968
Investment income				895
Total general revenues				<u>1,186,863</u>
Change in net position				154,897
Net position, beginning				<u>1,535,732</u>
Net position, ending				<u>\$ 1,690,629</u>

See accompanying notes to financial statements.

TRAILER ESTATES PARK & RECREATION DISTRICT
BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2015

ASSETS	
Cash and cash equivalents	\$ 1,003,222
Accounts receivable	9,601
Prepaid items	53,223
TOTAL ASSETS	<u>\$ 1,066,046</u>

LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable and accrued expenses	\$ 19,266
Unearned rental revenue	31,343
Refundable deposits	24,545
TOTAL LIABILITIES	<u>75,154</u>
FUND BALANCE	
Nonspendable, prepaid items	53,223
Committed, beautification	3,995
Committed, 50/50 funds	1,472
Unassigned	<u>932,202</u>
TOTAL FUND BALANCE	990,892

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

Capital assets used in governmental activities are not financial resources; therefore, are not reported in the General Fund.	716,795
Long-term liabilities (compensated absences of \$17,058), are not due and payable in the current period and, therefore, are not reported in the General Fund.	<u>(17,058)</u>
Net position of governmental activities	<u>\$ 1,690,629</u>

See accompanying notes to financial statements.

TRAILER ESTATES PARK & RECREATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	General
REVENUES	
Assessments	\$ 1,185,968
Rent	127,152
Investment income	895
Social activities	17,185
Miscellaneous	27,280
	1,358,480
Total revenues	1,358,480
EXPENDITURES	
Current	
Culture and recreation	
Payroll and employee benefits	345,368
Sanitation	126,229
Utilities	90,279
Cable TV	269,958
Repair and maintenance	95,429
Administrative	142,757
Social activities	31,095
Miscellaneous	11,698
Capital outlay	148,176
	1,260,989
Total expenditures	1,260,989
Net change in fund balance	97,491
FUND BALANCE, beginning	893,401
FUND BALANCE, ending	\$ 990,892

See accompanying notes to financial statements.

TRAILER ESTATES PARK & RECREATION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF GENERAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

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

Net change in fund balance, General Fund	\$	97,491
<p>The General Fund reports 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. This is the amount by which capital outlays (\$148,176) exceeded depreciation expense (\$78,090) in the current year.</p>		
		70,086
<p>The net effect of the sale or disposal of capital assets is to decrease net position by the carrying value of those capital assets disposed.</p>		
		(13,152)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the General Fund.</p>		
Change in accrued compensated absences		472
Change in net position of governmental activities	\$	154,897

TRAILER ESTATES PARK & RECREATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Assessments	\$ 1,184,654	\$ 1,184,654	\$ 1,185,968	\$ 1,314
Rent	106,085	106,085	127,152	21,067
Investment income	1,000	1,000	895	(105)
Social activities	19,000	19,000	17,185	(1,815)
Miscellaneous	25,000	25,000	27,280	2,280
Total revenues	1,335,739	1,335,739	1,358,480	22,741
EXPENDITURES				
Current				
Culture and recreation				
Payroll and employee benefits	367,500	367,500	345,368	22,132
Sanitation	126,000	126,000	126,229	(229)
Utilities	100,000	100,000	90,279	9,721
Cable TV	295,000	295,000	269,958	25,042
Repair and maintenance	82,500	82,500	95,429	(12,929)
Administrative	175,500	175,500	142,757	32,743
Social activities	39,000	39,000	31,095	7,905
Miscellaneous	4,375	4,375	11,698	(7,323)
Capital outlay	181,100	181,100	148,176	32,924
Total expenditures	1,370,975	1,370,975	1,260,989	109,986
Net change in fund balance	(35,236)	(35,236)	97,491	132,727
FUND BALANCE, beginning of year	893,401	893,401	893,401	-
FUND BALANCE, end of year	<u>\$ 858,165</u>	<u>\$ 858,165</u>	<u>\$ 990,892</u>	<u>\$ 132,727</u>

See accompanying notes to financial statements.

TRAILER ESTATES PARK & RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies followed by the Trailer Estates Park & Recreation District (the “District”):

Reporting Entity: The District is a political subdivision of Manatee County, Florida, and was created in 1969, by special legislative act HR 2595 in accordance with Florida Law Chapter 69-1287. The District is governed by a nine-member Board of Trustees and is independent of all local governing bodies.

Although the District is a special district located within Manatee County (the “County”), the Manatee County Board of County Commissioners does not exercise any control over the District. Control is primarily determined based upon the financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. Because the District elects its own Board of Trustees, levies its own taxes and is responsible for its own operations, the District is not included with the County's financial statements and is presented independently of the County.

Criteria for determining if other entities are potential component units which should be reported within the District’s financial statements are described in GASB Statement No. 14, as amended by GASB Statements No. 39 and No. 61. The application of these criteria provide for identification of any entities for which the District is financially accountable and other organizations for which the nature and significance of their relationship with the District is such that exclusion would cause the District’s financial statements to be misleading or incomplete. Based on these criteria, no potential component units are required to be included within the reporting entity of the District.

The District is an instrumentality of the State of Florida, and is exempt from Federal income tax.

Basis of Presentation: The financial statements of the District have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB has issued a codification of governmental accounting and financial reporting standards. This codification and subsequent GASB pronouncements are recognized as GAAP for state and local governments.

Government-wide and Fund Financial Statements: The District’s basic financial statements include both government-wide (reporting on the District as a whole) and fund financial statements. The government-wide financial statements (i.e., Statement of Net Position and Statement of Activities) report information on all non-fiduciary activities of the District. The government-wide financial statements present governmental activities only. The District has no business-type activities. Separate financial statements are provided for the General Fund.

TRAILER ESTATES PARK & RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of a given function (or segment) are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other revenues not properly included among program revenues are reported instead as *general revenues*.

Measurement Focus and Basis of Accounting

Government-wide Financial Statements: The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax assessments 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 provider have been met.

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

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

The government reports the following major (and only) governmental fund:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

TRAILER ESTATES PARK & RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting: The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Treasurer and Budget Committee prepare a preliminary budget to be presented to the Board of Trustees and residents. Two or more meetings are held for resident comments and suggestions. Public hearings are conducted by the District to obtain taxpayer comments.
2. The budget is approved at the March Board of Trustees meeting.
3. Tax bills are rendered, become a lien against the property and are due on November 1, of each year. Payments of assessments due are allowed various discounts if paid in the months of November to February. Assessments become delinquent on April 1.
4. Tax certificates are sold by the County tax collector on June 1.
5. No expenditures in excess of total fund appropriations are allowable without Board of Trustee approval. The Board of Trustees may legally amend the budget.
6. Budgets for governmental funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
7. Appropriations lapse at year-end.

Cash and Cash Equivalents: Cash and cash equivalents include amounts on deposit in checking and money market accounts.

Receivables: All receivables are deemed collectible.

Property Taxes: Property taxes become due and payable on November 1, of each year. The County tax collector remits the District's portion as such revenues are received. The District collects nearly all of its tax revenues during the period November 1 through April 1, at which time the taxes become delinquent. The maximum rates of tax are set by the Legislature of the State of Florida. The actual amount assessed is determined by the Board of Trustees of the District, on or before June 1, through adoption of a resolution.

Capital Assets: Capital assets, which include land, buildings, improvements, and infrastructure assets, are reported in the governmental activities of the government-wide financial statements. Capital assets are defined by the District as assets with an initial cost of more than \$500 and an estimated useful life of more than one year. Purchased or constructed capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Depreciation is provided using the straight-line method.

TRAILER ESTATES PARK & RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The estimated useful lives of the various classes of depreciable capital assets are as follows:

	<u>Years</u>
Buildings	10 - 39
Furniture and equipment	3 - 10
Improvements	5 - 20

Long-term Obligations: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. In the fund financial statements, the face amount of debt issued is reported as other financing sources.

Compensated Absences: The District allows salaried employees vacation and sick leave based upon the number of years of service to the District. Unused vacation hours lapse at year-end. Sick leave vests at 50% for up to 100 days after 20 years of service and the attainment of age 55, or with any number of years of service after reaching a retirement age of 65. The District has recorded a liability for accrued sick leave in the amount of \$17,058 as of September 30, 2015, based on expected future payments.

Fund Equity: Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net position.”

Fund Balance: Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- *Nonspendable:* Fund balances are reported as nonspendable when amounts cannot be spent because they are either: (a) not in spendable form (i.e., items that are not expected to be converted to cash), or (b) legally or contractually required to be maintained intact.
- *Restricted:* Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- *Committed:* Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Trustees. Only the Board of Trustees may modify or rescind the commitment.
- *Assigned:* Fund balances are reported as assigned when amounts are constrained by the District’s intent to be used for specific purposes, but are neither restricted nor committed. Currently the Board of Trustees is authorized to assign fund balances.

TRAILER ESTATES PARK & RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- *Unassigned:* Fund balances are reported as unassigned as the residual amount when balances do not meet any of the above criterion. The District reports a positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in other funds should the District establish other funds at a later time.

Net position: Net position represents the difference between assets and liabilities in the Statement of Net Position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets, excludes unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, laws or regulations.

All net position not reported investment in capital assets or restricted net position is reported as unrestricted net position.

Flow Assumptions: When both restricted and unrestricted amounts of fund balance/net position are available for use for expenditures/expenses incurred, it is the District's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the District's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

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

NOTE B – CASH AND CASH EQUIVALENTS

At September 30, 2015, the carrying amount of the District's deposits was \$1,003,222 and the bank balance was \$1,047,286. The Federal Deposit Insurance Corporation (FDIC) insures each depositor up to \$250,000. At September 30, 2015, the District had \$797,286 of cash balances not insured by the FDIC. However, all deposits are with institutions that are Qualified Public Depositories and, therefore, are covered by amounts in excess of depository insurance pursuant to the Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*.

TRAILER ESTATES PARK & RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE C – CAPITAL ASSETS

Changes in capital assets by major classes of assets during the year ended September 30, 2015, consist of:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 232,252	\$ -	\$ -	\$ 232,252
Capital assets being depreciated				
Buildings	1,381,330	25,857	-	1,407,187
Furniture and equipment	290,521	3,377	-	293,898
Improvements	783,143	118,942	(26,746)	875,339
Total capital assets being depreciated	<u>2,454,994</u>	<u>148,176</u>	<u>(26,746)</u>	<u>2,576,424</u>
Less accumulated depreciation for				
Buildings	1,223,609	36,416	-	1,260,025
Furniture and equipment	227,814	14,367	-	242,181
Improvements	575,962	27,307	(13,594)	589,675
Total accumulated depreciation	<u>2,027,385</u>	<u>78,090</u>	<u>(13,594)</u>	<u>2,091,881</u>
Total capital assets being depreciated, net	<u>427,609</u>	<u>70,086</u>	<u>(13,152)</u>	<u>484,543</u>
Governmental activities capital assets, net	<u>\$ 659,861</u>	<u>\$ 70,086</u>	<u>\$ (13,152)</u>	<u>\$ 716,795</u>

Depreciation expense of \$78,090 was charged to governmental activities—culture and recreation.

NOTE D – LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2015, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Compensated absences	\$ 17,530	\$ 10,609	\$ (11,081)	\$ 17,058	\$ 14,013
Total long-term liabilities	<u>\$ 17,530</u>	<u>\$ 10,609</u>	<u>\$ (11,081)</u>	<u>\$ 17,058</u>	<u>\$ 14,013</u>

The compensated absences liability will be paid from the General Fund from which employees' salaries are paid.

TRAILER ESTATES PARK & RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE E – 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 for which the District carries commercial insurance. The District has not had any reduction in insurance coverage and the amount of claims resulting from these risks has not exceeded insurance coverage for the past three years.

NOTE F – COMMITMENTS AND CONTINGENCIES

Litigation: The District is not currently involved in any lawsuits.

Grant Contingencies: The District has received Federal and state grants in prior years for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the District believes such disallowances, if any, will not be significant.

NOTE G – SUBSEQUENT EVENTS

The District has evaluated all subsequent events through February 19, 2016, the date the financial statements were available to be issued.

OTHER INDEPENDENT AUDITOR'S REPORTS



**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***

Board of Trustees
Trailer Estates Park & Recreation District
Bradenton, 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 major fund of Trailer Estates Park & Recreation District (the "District"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 19, 2016.

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 of 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 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.

Mauldin & Jenkins, LLC

Bradenton, Florida
February 19, 2016



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Board of Trustees
Trailer Estates Park & Recreation District
Bradenton, Florida

Report on the Financial Statements

We have audited the financial statements of the Trailer Estates Park & Recreation District (the "District") as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated February 19, 2016.

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 Auditor General.

Other Reports and Schedule

We have issued our 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*. Disclosures in that report, which are dated February 19, 2016, 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. No audit findings were noted in the District's September 30, 2014, 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 District is a political subdivision of Manatee County, Florida, and was created in 1969, by special legislative act HR 2595 in accordance with Florida Law Chapter 69-1287. The District has no component units.

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 Section 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, 2015, 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, 2015. 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 noted item 2015-001 as listed on the following Current Year Findings and Recommendations summary.

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 the 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 Commissioners and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Bradenton, Florida
February 19, 2016

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

Findings

None noted

Recommendations

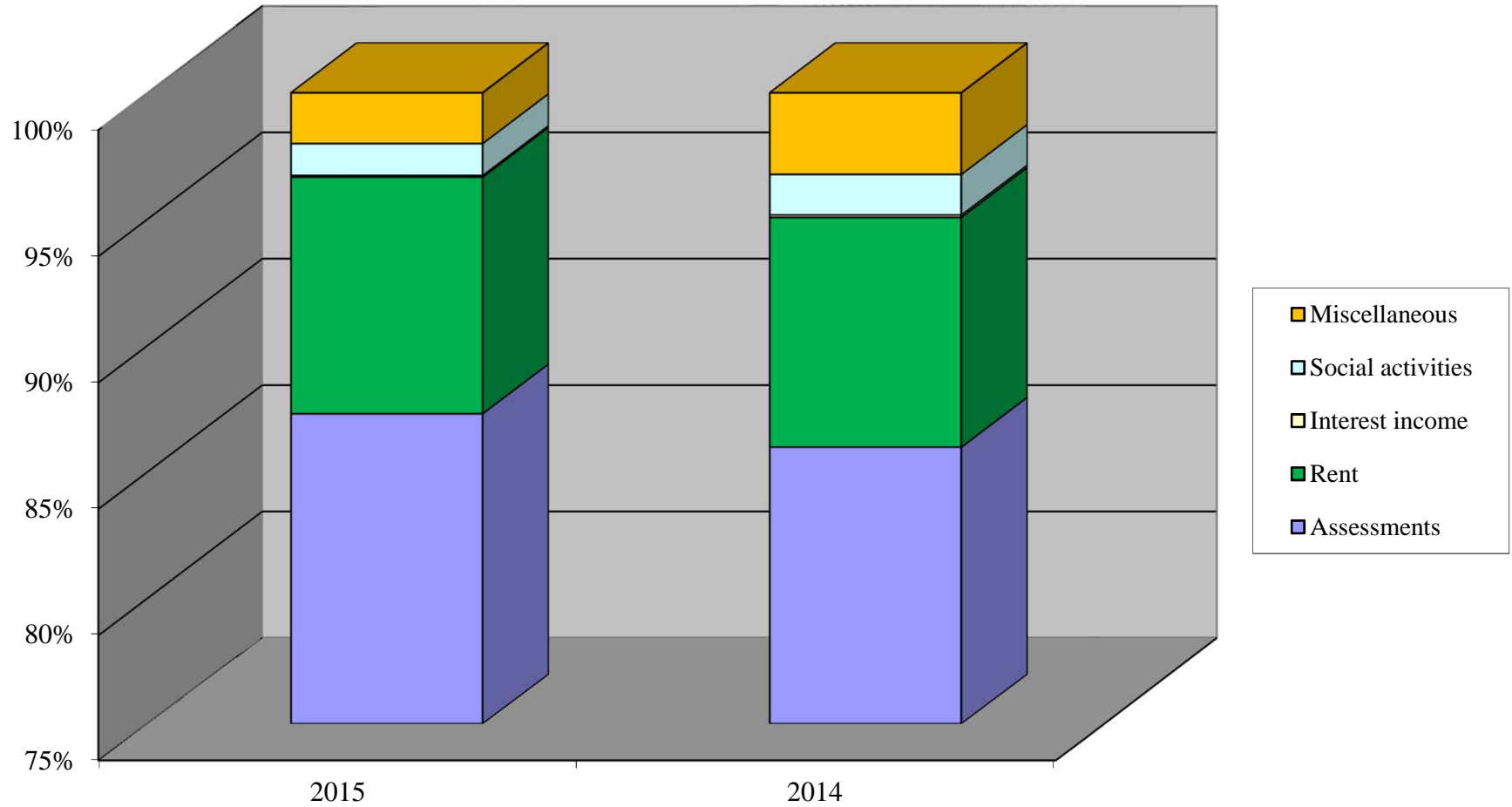
2015-001: Audit Adjustments

The District is responsible for accurate financial reporting which includes detecting and preventing misstatements in the financial statements, as well as within the underlying financial records. Our audit revealed several audit adjustments that were necessary for the fair presentation of the financial statements. These entries were a result of a lack of oversight and monitoring of the year end reporting process.

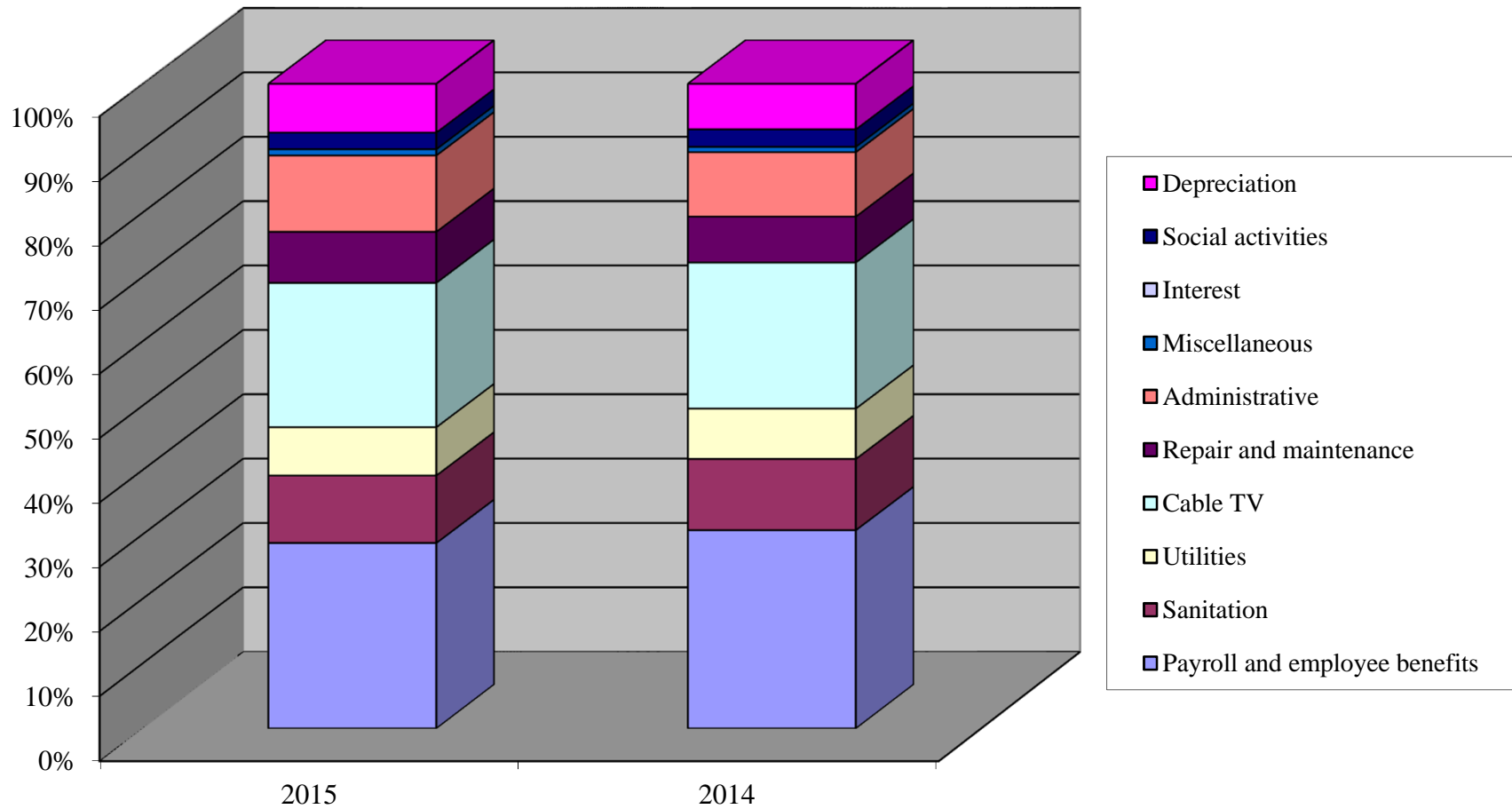
Adjustments were needed to properly state accounts receivable, unearned revenues, capital assets, accounts payable, and fund balance. We recommend the District Treasurer continue to work with the District's bookkeeper monthly and during the year end close process to review, oversee, and make necessary adjustments to the financial records to ensure proper reporting in accordance with generally accepted accounting principles.

OTHER FINANCIAL INFORMATION

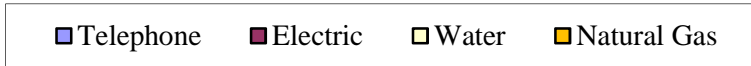
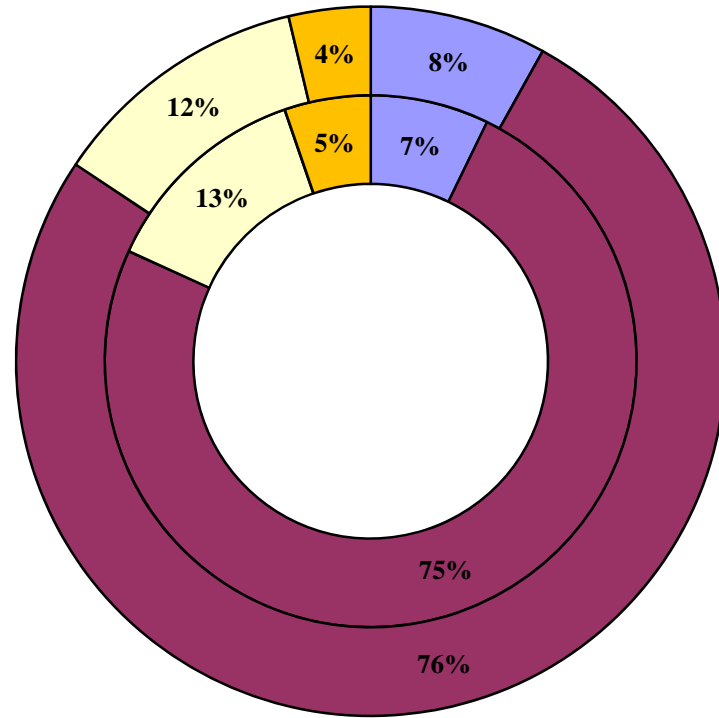
Trailer Estates Park and Recreation District Revenue Composition



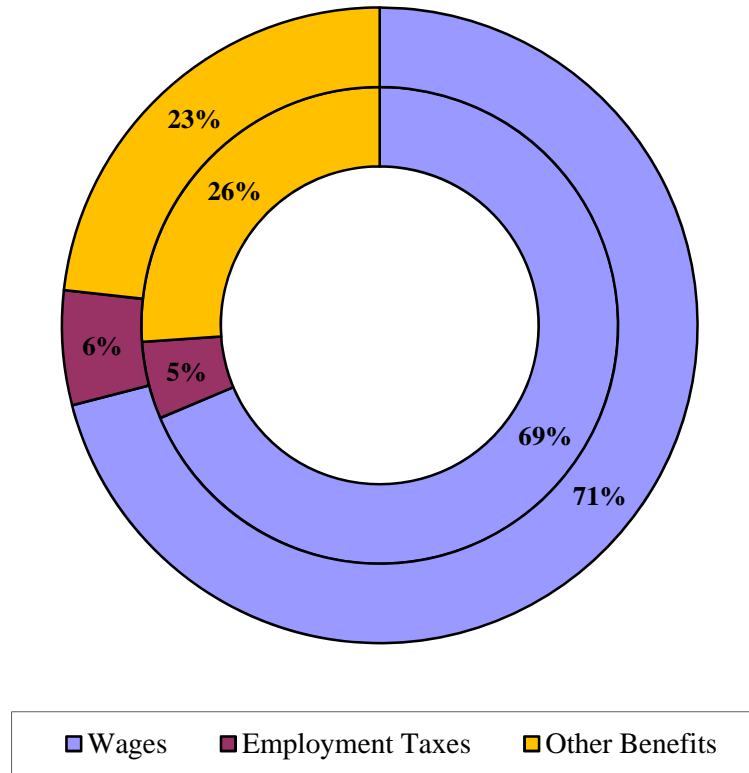
Trailer Estates Park and Recreation District Expense Composition



**Trailer Estates Park and Recreation District
Utilities Expense Detail
2015 (outer) vs. 2014 (inner)**



**Trailer Estates Park and Recreation District
Payroll and Related Benefits Expense Detail
2015 (outer) vs. 2014 (inner)**



Trailer Estates Park and Recreation District Administration Expense Detail 2015 (outer) vs. 2014 (inner)

