

HOLIDAY PARK
PARK AND RECREATION DISTRICT

Financial Statements for the
Year Ended September 30, 2016

and

Independent Auditors' Report

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Independent Auditors' Report

To the Board of Trustees
Holiday Park Park and Recreation District
North Port, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the General Fund of Holiday Park Park and Recreation District as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Holiday Park Park and Recreation 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.

Auditors' 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 auditors' 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 the General Fund of Holiday Park Park and Recreation District as of September 30, 2016, and the respective changes in financial position, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Board of Trustees
Holiday Park Park and Recreation District
North Port, Florida

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 3 through 6 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 Holiday Park Park and Recreation District's basic financial statements. The Schedule of Capital Outlay and Repairs and Maintenance Expenditures is presented for purposes of additional analysis and are not a required part of the financial statements. The Schedule of Capital Outlay and Repairs and Maintenance Expenditures are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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 May 23, 2017, on our consideration of Holiday Park Park and Recreation District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Holiday Park Park and Recreation District's internal control over financial reporting and compliance.



Suplee Shea Cramer & Rocklein, P.A.
Sarasota, Florida
May 23, 2017

HOLIDAY PARK PARK AND RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

The following is a narrative overview and analysis of the financial activities of the District for the fiscal year ended September 30, 2016. We encourage readers to consider the information presented here in conjunction with the additional detailed information contained in the body of the audited financial statements.

Financial Highlights

- The assets of the District exceeded its liabilities by \$1,706,600 at September 30, 2016.
- The District's total net position increased by \$58,392 for the year.
- Total revenues decreased \$5,676 in comparison to the prior year.
- Total expenses increased \$49,592 in comparison to the prior year, due primarily to increased depreciation and repair and maintenance expenditures in the current year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components:

- 1) Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.
- 2) Fund financial statements: Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the District rather than the District as a whole. The District has one fund, the General Fund.
- 3) Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 10-15 of this report.

The District is a single-program government and has only one governmental fund, the General Fund. For simplification purposes, the District's government-wide and governmental fund financial statements are presented together in two statements: (1) *Statement of Net Position and Governmental Funds Balance Sheet* and (2) *Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balances*. Both statements use an adjustments column to reconcile the fund financial data to the government-wide data.

(1) *Statement of Net Position and Governmental Funds Balance Sheet*. The government-wide statement of net position column presents information on all of the District's assets and liabilities, with the difference between the two reported as total net position. Over time, increases or decreases in total net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The District's only governmental fund, the General fund, is also presented in a column. However, unlike the government-wide financial statements, governmental fund financial statements focus 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.

HOLIDAY PARK PARK AND RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Overview of the Financial Statements (continued)

(2) *Statements of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balances.* The government-wide statement of activities column presents information showing how the District's net position changed during the most recent fiscal year. The governmental fund is 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.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The District's assets exceeded liabilities by \$1,706,600 at September 30, 2016.

Holiday Park Park and Recreation District's Net Position

	2016	2015
Current and other assets	\$ 400,353	\$ 701,792
Capital assets, net of depreciation	1,317,268	966,333
Total Assets	1,717,621	1,668,125
Current and other liabilities	11,021	19,917
Total Liabilities	11,021	19,917
Investment in capital assets, net of related debt	1,317,268	966,333
Reserved – Board Designated	275,603	477,790
Unrestricted	113,729	204,085
Total Net Position	\$ 1,706,600	\$ 1,648,208

The total net position of the District increased over the prior year by \$58,392.

The District's current and other assets at September 30, 2016 were \$1,717,621, the largest portion of which reflects cash and certificates of deposit and capital assets, net of accumulated depreciation. The District's total liabilities at September 30, 2016 were \$11,021 and were comprised of accounts payable, accrued expenses and compensated absences.

A significant portion of the District's net position (77.2%) reflects its investment in capital assets (e.g., land, buildings, improvements, and equipment.) The District uses these capital assets to provide services and amenities to its residents; consequently, these assets are not available for future spending.

An additional portion of the District's net position (16.1%) represents resources that are restricted to pay for the cost of major repairs and maintenance. The remaining balance of unrestricted net position, \$113,729, may be used to meet the District's ongoing obligations and expenses.

HOLIDAY PARK PARK AND RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Government-wide Financial Analysis (continued)

The following is a summary of the information presented in the Statement of Activities and Governmental Fund Revenues, Expenditures, and Changes in Fund Balance:

Changes in Net Position		
	2016	2015
General Revenues		
Property assessments	\$ 1,014,860	\$ 1,015,471
Other	56,455	61,520
Total revenues	1,071,315	1,076,991
Expenses		
Park and recreation	1,012,923	963,331
Total expenses	1,012,923	963,331
Increase in Net Position	\$ 58,392	\$ 113,660

The District has only one primary source of income and that is the assessment levied each year on the residents. The total revenue for the year ended September 30, 2016 was \$1,071,315. The amount collected from assessments was \$1,014,860. The difference of \$56,455 was from interest income and miscellaneous revenues as shown on the financial statement. Revenues decreased from the prior year by \$5,676. Assessments for the year ended September 30, 2016 and 2015 were \$1,212 per residence.

Financial Analysis of the Governmental Fund

The fund financial statements are combined with the government-wide financial statements. The focus of the District's government fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

Changes in Fund Balance		
	2016	2015
Revenue and other sources	\$ 1,071,420	\$ 1,075,641
Expenditures and other uses	1,363,963	1,463,544
Decrease in fund balance	\$ (292,543)	\$ (387,903)

The General Fund of the District has shown a decrease in fund balance in the current year. This shows that using the modified accrual basis, the General Fund expenses exceeded revenues. The revenues reported under the government wide financials are the same as those reported in the fund financials. Fund balance, however, does not take into account depreciation expense and the capitalization of assets. The fund balance does include the cost of asset purchases and major repairs and replacements. Total expenses decreased \$99,581 from the prior year.

HOLIDAY PARK PARK AND RECREATION DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Budgetary Highlights

The District's total revenues were \$28,489 over budget. Assessments actually received were \$12,453 over budget. Interest income and miscellaneous income were \$16,036 over budget. Total expenses were \$6,643 over budget. The District’s actual expenses in all areas except for capital expenditures, payroll, gate house, and landscaping were consistently under budget.

Capital Assets

Net Capital Assets and Depreciation Expense for the Years Ended September 30,

	2016	2015	Increase
Governmental fund	\$ 1,317,268	\$ 966,333	\$ 350,935
Depreciation expense	\$ 120,405	\$ 65,984	\$ 54,421

The increase in capital assets is attributable to the difference between the cost of the assets purchases and the depreciation expense for the year ended September 30, 2016. The cost of the assets added during the year amounted to \$471,445, net asset dispositions totaled \$105, and the depreciation expense for the year was \$120,405, causing a net increase in assets of \$350,935.

Economic Factors and Next Year’s Budget

The District established the assessment per lot at \$1,212 for next year. This will generate revenue from assessments of \$1,048,380. The District has been able to meet the community’s required maintenance costs as well as fund the reserve for future replacements and major repairs.

Requests for Information

This financial report is designed to provide users with a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Holiday Park Park and Recreation District's Board of Trustees, 5401 Holiday Park Blvd, North Port, FL 34287.

HOLIDAY PARK PARK AND RECREATION DISTRICT
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER 30, 2016

	<u>General Fund</u>	<u>Adjustments (Note 3)</u>	<u>Statement of Net Position</u>
<u>Assets</u>			
Cash and certificates of deposit	\$ 380,710	\$ -	\$ 380,710
Investments	17,633	-	17,633
Accounts receivable	576	-	576
Prepaid insurance	954	-	954
Deposits	480	-	480
Nondepreciable capital assets	-	73,400	73,400
Other capital assets, net of accumulated depreciation	-	1,243,868	1,243,868
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 400,353</u>	<u>\$ 1,317,268</u>	<u>\$ 1,717,621</u>
<u>Liabilities</u>			
Accounts payable	\$ 1,297	\$ -	\$ 1,297
Accrued expenses	7,755	-	7,755
Compensated absences	1,969	-	1,969
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>11,021</u>	<u>-</u>	<u>11,021</u>
<u>Fund Balances/Net Position</u>			
Fund Balances:			
Nonspendable	1,434	(1,434)	-
Committed	274,169	(274,169)	-
Unassigned	113,729	(113,729)	-
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>389,332</u>	<u>(389,332)</u>	<u>-</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 400,353</u>	<u> </u>	<u> </u>
<u>Net Position:</u>			
Invested in capital assets, net of related debt		1,317,268	1,317,268
Unrestricted		389,332	389,332
		<u> </u>	<u> </u>
Total Net Position		<u>\$ 1,706,600</u>	<u>\$ 1,706,600</u>

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

HOLIDAY PARK PARK AND RECREATION DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	General Fund	Adjustments (Note 3)	Statement of Activities
<u>Revenues</u>			
Assessments	\$ 1,014,860	\$ -	\$ 1,014,860
Interest	2,120	-	2,120
Miscellaneous	54,440	(105)	54,335
	1,071,420	(105)	1,071,315
<u>Expenditures/expenses</u>			
Current Operating:			
Payroll	354,575	-	354,575
Insurance	115,498	-	115,498
Administrative	12,278	-	12,278
Gate house	2,040	-	2,040
Legal, audit, and fees	13,363	-	13,363
Utilities	70,252	-	70,252
Recreation and grounds	243,875	-	243,875
Repairs and maintenance	80,637	-	80,637
Depreciation	-	120,405	120,405
Capital outlay	471,445	(471,445)	-
	1,363,963	(351,040)	1,012,923
Excess (deficiency) of revenues over expenditures	(292,543)	292,543	-
Change in net position	-	58,392	58,392
<u>Fund Balances/Net Position</u>			
Beginning of the year	681,875	966,333	1,648,208
End of the year	\$ 389,332	\$ 1,317,268	\$ 1,706,600

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

HOLIDAY PARK PARK AND RECREATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN GENERAL FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues</u>				
Assessments	\$ 1,002,407	\$ 1,002,407	\$ 1,014,860	\$ 12,453
Interest	3,500	3,500	2,120	(1,380)
Miscellaneous	37,024	37,024	54,440	17,416
				-
Total revenues	<u>1,042,931</u>	<u>1,042,931</u>	<u>1,071,420</u>	<u>28,489</u>
<u>Expenditures</u>				
Current				
Payroll	349,128	349,128	354,575	(5,447)
Insurance	131,002	131,002	115,498	15,504
Administrative	17,700	17,700	12,278	5,422
Gate house	-	-	2,040	(2,040)
Legal, audit, and fees	35,500	35,500	13,363	22,137
Utilities	74,500	74,500	70,252	4,248
Landscaping and grounds	242,840	242,840	243,875	(1,035)
Repairs and maintenance	91,500	91,500	80,637	10,863
Capital outlay	100,761	472,386	471,445	941
Total expenditures	<u>1,042,931</u>	<u>1,414,556</u>	<u>1,363,963</u>	<u>50,593</u>
Net change in fund balance	-	(371,625)	(292,543)	79,082
Fund balance - beginning	681,875	681,875	681,875	-
Fund balance - ending	<u>\$ 681,875</u>	<u>\$ 310,250</u>	<u>\$ 389,332</u>	<u>\$ 79,082</u>

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

HOLIDAY PARK PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

Holiday Park Park and Recreation District is an independent special taxing district and a political subdivision of the state of Florida, created and governed under Chapter 81 - 441, Laws of Florida. The special acts relating to the District were amended and reenacted pursuant to Chapter 2001-342, House Bill 1855, dated May 25, 2001, and Chapters 82 - 380 and 87 - 445, Laws of Florida. The District is located in Sarasota County, within the incorporated boundaries of the City of North Port. The business and affairs of the District are conducted and administered by a nine member Board of Trustees. The financial statements of the District include only the functions and operations of Holiday Park Park and Recreation District. There are no component units related to the entity.

The Board of Trustees has the right and authority to levy an assessment and collect a recreation district tax assessed against each improved residential parcel of real property within the district. The district tax is not an ad valorem tax but a unit tax assessed equally against all improved residential parcels. Prior to August 1 of each year, the Trustees, by resolution and after public hearings, fix the amount of the assessment. The Property Appraiser of Sarasota County is directed to assess the tax and the Tax Collector of Sarasota County collects the tax. For their services, the offices of the Sarasota County Property Appraiser and Tax Collector receive compensation of 1½% of the gross tax receipts.

Basis of Presentation

The financial statements of Holiday Park Park and Recreation District (“the District”) have been prepared in conformity with accounting principles generally accepted (GAAP) in the United States of America 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.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all the non-fiduciary activities of the primary government. The statement of activities demonstrates the degree to which the general expenses of the District are offset by their general revenues.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the *current financial resources measurements 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.

Recreation district taxes and interest associated with the current period collected by the Sarasota County tax collector are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the District receives cash.

HOLIDAY PARK PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

Note 1 – Summary of Significant Accounting Policies (continued)

Budgets and Budgetary Accounting

The District prepares an annual operating budget for the governmental funds for the fiscal year commencing October 1. Prior to July 1 of each year, the trustees prepare and adopt an itemized budget for the next fiscal year showing the amount of money necessary for the operation of the district for the next fiscal year, and the district tax to be assessed and collected upon the taxable property of the district for the next year. A copy of the budget is mailed to each taxpayer within the district within 30 days of its preparation. A copy of the budget is made available for public inspection at the principal office of the District at reasonable hours. Changes to the budget must be approved by the Board of Trustees. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The District does not utilize the encumbrance system.

Net Position

Net Position is classified and displayed in three components:

Invested in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and related debt.

Restricted net position - Consists of net position with constraints placed on the use either by 1) external groups, such as creditors, grantors, contributors, or laws and regulations of other governments or 2) law through constitutional provisions or enabling legislation. Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net position is reclassified to unrestricted net position and reported in the statement of activities as net position released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

Unrestricted net position - All other components of net position that do not meet the definition of "restricted" or "invested in capital assets".

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes and local ordinances authorize the District to invest in various types of investments. The District invests funds throughout the year with Local Government Surplus Funds Trust Fund, an investment pool administered by the State Board of Administration (SBA), under regulatory oversight of the State of Florida and in Certificate of Deposits.

The Local Government Surplus Funds Trust Fund is administered by the State Board of Administration, under the regulatory oversight of the State of Florida, Chapter 19-7 of the Florida Administrative Code. The value of the District's investment position in the Local Government Surplus Trust Fund external investment pool is the same as the value of the pool shares. Separate financial statements for the Local Government Surplus Trust Fund can be found on-line at the State Board of Administration's Local Government Investment Pool's website.

HOLIDAY PARK PARK AND RECREATION DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2016

Note 1 – Summary of Significant Accounting Policies (continued)

Land and Other Capital Assets

Capital assets include land, land improvements, buildings and building improvements, improvements other than buildings, and furniture and equipment. Capital assets are capitalized at cost. Interest paid on debt during the construction period of fixed assets, if any, is capitalized. Depreciation is computed on a straight-line basis over the following estimated useful lives of the depreciable assets:

	<u>Years</u>
Buildings	15
Land improvements	15
Improvements other than buildings	10
Equipment	5-7

Compensated Absences

The District allows salaried employees vacation and sick leave based upon the numbers of years of service to the District. Unused vacation hours lapse at calendar year end. There is \$1,969 of compensated absences reflected in the entity-wide statement as of September 30, 2016.

Estimates

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

Note 2 – Recreation District Tax

The Recreation District Tax is an enforceable lien on property. The Board of Trustees, on or before August 1 of each year, by resolution fixes the amount of the assessment for the next ensuing year. The District Tax is levied on November 1 of each year, and is included on the Sarasota County tax roll and collected in the manner provided for collection of county taxes.

The District Tax is remitted to the District net of allowable discounts and fees.

The amount of the assessment was \$1,212 per lot for the year ended September 30, 2016.

Note 3 – Financial Statement Reconciliations

The reconciliations of the Government-wide Financial Statements with the Governmental Fund Financial Statements are as follows:

Statement of Net Position and Governmental Fund Balance Sheet

Total fund balance - governmental fund balance	\$ 389,332
Amounts reported for governmental activities in the Statement of Net Position are different because	
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the General Fund	1,317,268
Net position of governmental activities	\$ 1,706,600

HOLIDAY PARK PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

Note 3 – Financial Statement Reconciliations (continued)

Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance

Net changes in fund balance	\$ (292,543)
Governmental funds report capital outlay as expenditures rather than as assets in the General Fund. 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 outlay exceeded depreciation expense in the current period.	350,935
Change in net position	\$ 58,392

Note 4 – Deposits and Investments

Deposits

The District maintains cash balances at several financial institutions. At September 30, 2016, accounts at each institution were insured by the Federal Deposit Insurance Corporation up to \$250,000 per institution. Chapter 280, Florida Statutes, require that the District maintain all funds in Qualified Public Depositories. As of September 30, 2016, all funds were held in Qualified Public Depository financial institutions.

Investments

The District’s Board of Trustees has not adopted a written investment policy. Florida Statutes authorize the District to invest in the Local Government Surplus Funds Trust Fund investment pools administered by the State Board of Administration; interest-bearing time deposits and savings accounts in qualified public depositories; direct obligations of the United States Treasury; obligations of Federal agencies and instrumentalities; and other investments approved by the District’s Board of Trustees as authorized by law. At September 30, 2016, the District’s investments were as follows:

<u>Investment Type</u>	<u>Amount</u>
External Investment Pools:	
State Board of Administration Local Government Surplus Funds Trust Fund	\$ 17,906
Less: Allowance for Unrealized Gains/Losses	(273)
Total	\$ 17,633

At September 30, 2016, the District reported investments at fair value totaling \$17,906 in the Local Government Surplus Funds Trust Fund Investment Pool (LGIP) administered by the State Board of Administration (SBA) pursuant to Section 218.405, Florida Statutes. The investments in the LGIP, which the SBA indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, at September 30, 2016, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. The LGIP carried a credit rating of AAAM by Standard and Poor’s and has a weighted average days to maturity of 31 days at September 30, 2016. The investments in the LGIP are reported at fair value, which is amortized cost.

Note 5– Risk Management

The District’s risk management activities are provided by commercial insurance coverage for all major categories of risk. There have been no significant reductions in insurance coverage from coverage in the prior year. Settlement amounts have not exceeded insurance coverage for the current year or four prior years.

HOLIDAY PARK PARK AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

Note 6 – Land and Other Capital Assets

The following is a summary of changes in the land and other capital assets accounts:

	Balance 9/30/2015	Additions	Reductions	Balance 9/30/2016
Governmental activities				
Capital assets not being depreciated				
Land	\$ 73,400	\$ -	\$ -	\$ 73,400
	<u>73,400</u>	<u>-</u>	<u>-</u>	<u>73,400</u>
Other capital assets				
Construction in progress	550,912	-	550,912	-
Buildings and improvements	1,531,490	986,347	-	2,517,837
Furniture and equipment	247,204	28,159	2,343	273,020
Improvements other than building	416,040	7,851	-	423,891
	<u>2,745,646</u>	<u>1,022,357</u>	<u>553,255</u>	<u>3,214,748</u>
Less accumulated depreciation				
Building and improvements	1,340,975	91,576	-	1,432,551
Furniture and equipment	193,504	16,692	2,238	207,958
Improvements other than building	318,234	12,137	-	330,371
	<u>1,852,713</u>	<u>120,405</u>	<u>2,238</u>	<u>1,970,880</u>
Governmental activities capital assets, net	<u>\$ 966,333</u>	<u>\$ 901,952</u>	<u>\$ 551,017</u>	<u>\$ 1,317,268</u>

Depreciation expense was \$120,405 for the year ended September 30, 2016.

Note 7- Postemployment Benefits Other Than Pension (OPEB)

The District obtained an actuarial valuation for post-employment benefits other than pension under GASB 45 for the year ended September 30, 2016. The OPEB obligation was determined to be not material to the financial statements and disclosure has been discontinued.

Note 8 – Fund Balance Classifications

Beginning in the year ended September 30, 2011, the District implemented Governmental Accounting Standards Board Statement No. 54 (GASB 54). GASB 54 requires that fund balances be reported within one of five different categories:

- Nonspendable: such as fund balance associated with inventories, prepayments, long-term loans and notes receivable, and property held for resale.
- Restricted: includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- Committed: includes amounts that can be used only for specific purposes determined by a formal action of the Board of Trustees (the District’s highest level of decision-making authority).

HOLIDAY PARK PARK AND RECREATION DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2016

Note 8 – Fund Balance Classifications (continued)

- Assigned: includes amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.
- Unassigned: the residual classification for the government’s general fund and includes all spendable amounts not contained in the other classifications.

The District is currently only reporting fund balances in three different categories: nonspendable, committed, and unassigned. When an expenditure is incurred for purposes for which amounts in either committed or unassigned fund balance classifications could be used, the District’s policy is to consider committed amounts to have been spent first, followed by unassigned.

For the year ended September 30, 2016, the district has established a nonspendable fund balance of \$1,434 for prepayments and utility deposits.

The District’s committed fund balance is fund balance reporting determined by Board of Trustees authority and formal action. The board has designated the following amounts as committed general fund balance:

Phase I Pool Renovation	\$	6,072
Phase II Pool Renovation		13,212
Phase II Ceramic Roof		7,500
Phase I Roof		15,473
Phase II Roof		40,000
Road Resurfacing		48,325
Building Renovations		18,500
Work Horse for Grounds Cleanup		5,886
All Flooring Needs		23,423
Company Work Truck		12,833
Fence & Gate Replacement		50,028
Sidewalk Reserve		23,999
Pickle Ball Court		4,052
Bocci Court		4,033
Storage Building Roof		833
Total	\$	274,169

HOLIDAY PARK PARK AND RECREATION DISTRICT
SCHEDULE OF CAPITAL OUTLAY AND REPAIRS
AND MAINTENANCE EXPENDITURES COMPARED TO BUDGET - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Capital Outlay</u>				
Furniture and equipment	\$ 1,500	\$ 1,500	\$ 1,797	\$ (297)
Other capital	8,000	8,000	6,762	1,238
Roadway improvements - reserves	50,000	364,389	364,389	-
Other capital outlay - reserves	41,261	98,497	98,497	-
Total capital outlay	<u>\$ 100,761</u>	<u>\$ 472,386</u>	<u>\$ 471,445</u>	<u>\$ 941</u>
<u>Repairs and Maintenance</u>				
Janitorial cleaning	\$ 8,000	\$ 8,000	\$ 6,980	\$ 1,020
Pool and pond maintenance	17,000	17,000	13,695	3,305
Grounds maintenance	10,000	10,000	9,628	372
General maintenance	29,000	29,000	30,879	(1,879)
Tools and equipment	1,500	1,500	1,448	52
Vehicle repairs	8,000	8,000	6,309	1,691
Recreational supplies	18,000	18,000	11,698	6,302
Total repairs and maintenance	<u>\$ 91,500</u>	<u>\$ 91,500</u>	<u>\$ 80,637</u>	<u>\$ 10,863</u>

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

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

To the Board of Trustees
Holiday Park Park and Recreation District
North Port, 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 the General Fund of Holiday Park Park and Recreation District, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Holiday Park Park and Recreation District 's basic financial statements, and have issued our report thereon dated May 23, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Holiday Park Park and Recreation 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 Holiday Park Park and Recreation District's internal control. Accordingly, we do not express an opinion on the effectiveness of Holiday Park Park and Recreation 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 Holiday Park Park and Recreation 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.



Suplee Shea Cramer & Rocklein, P.A.

Sarasota, Florida
May 23, 2017

MANAGEMENT LETTER

To the Board of Trustees of
Holiday Park Park and Recreation District
North Port, Florida

Report on the Financial Statements

We have audited the financial statements of the Holiday Park Park and Recreation District (the District) as of and for the year ended September 30, 2016, and have issued our report thereon dated May 23, 2017.

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 Schedules

We have issued our Independent Auditors' 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 is dated May 23, 2017, 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 significant findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding annual financial 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. There are no component units.

Financial Condition

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires that we apply appropriate procedures and report the results of our determination as to whether or not the Holiday Park Park and Recreation 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 Holiday Park Park and Recreation District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Section 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 Holiday Park Park and Recreation 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. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the Holiday Park Park and Recreation District for the fiscal year ended September 30, 2016, 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, 2016. In connection with our audit, we determined that these two reports were in agreement.

Other Matters

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

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the determination of financial statement amounts 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 Trustees and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



Suplee Shea Cramer & Rocklein, P.A.

Sarasota, FL
May 23, 2017

EXAMINATION REPORT ON THE ENTITY'S COMPLIANCE WITH SPECIFIED REQUIREMENTS

To the Board of Trustees of
Holiday Park Park and Recreation District
North Port, Florida

We have examined the Holiday Park Park and Recreation District's compliance with Section 218.415, *Florida Statutes - Local Government Investment Policies*, during the fiscal year ended September 30, 2016. Management is responsible for the Holiday Park Park and Recreation District's compliance with these requirements. Our responsibility is to express an opinion on the Holiday Park Park and Recreation District's compliance based on our examination.

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

In our opinion, the Holiday Park Park and Recreation District complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2016.

This report is intended solely for the information and use of management and the Board of Trustees of the Holiday Park Park and Recreation District and is not intended to be and should not be used by anyone other than these specified parties.



Suplee Shea Cramer & Rocklein, P.A.

Sarasota, Florida
May 23, 2017