

Tri-Par Estates Park & Recreation District

Financial Statements for the
Year Ended September 30, 2018

And

Independent Auditors' Report

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Independent Auditors' Report

To the Board of Trustees
Tri-Par Estates Park and Recreation District
Sarasota, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the General Fund of Tri-Par Estates Park and Recreation District as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Tri-Par Estates 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. 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 the General Fund of Tri-Par Estates Park and Recreation District as of September 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Trustees
Tri-Par Estates Park and Recreation District
Sarasota, 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 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2019, on our consideration of Tri-Par Estates 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 solely 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 effectiveness of the Tri-Par Estates Park and Recreation District's 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 Tri-Par Estates Park and Recreation District's internal control over financial reporting and compliance.



Suplee Shea Cramer & Rocklein, P.A.

Sarasota, Florida
June 28, 2019

**Tri-Par Estates Park & Recreation District
Management's Discussion and Analysis
For the Year Ended September 30, 2018**

Introduction

Tri-Par Estates Park and Recreation District (the District) is an age restricted community of manufactured homes. The District has 872.5 buildable lots each being charged an annual assessment for the use and maintenance of the facilities. The District also owns 47.5 vacant lots purchased from the Airport Authority under agreement that they never be used for commercial or residential purposes. The vacant lots are not subject to assessments. As Trustees of the District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended September 30, 2018. 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

- Total assets exceeded liabilities by \$1,785,589, reported as net position. Assets totaled \$1,794,824 and liabilities were \$9,235.
- Total net position decreased \$60,083 from the prior year.
- The General Fund reported a fund balance of \$743,044, which represents a decrease of \$32,309 from the prior year.
- Total revenues for year ended September 30, 2018 were \$800,455, which was an increase of 8.1% from the prior year.
- The amount of revenue from assessments was \$751,697.
- Total expenses for the year ended September 30, 2018 were \$861,720, an increase of 4.9% from the prior year.
- Capital assets decreased \$27,774 from the prior year, due to capital additions being less than disposals and depreciation expense for the 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 two types of funds: governmental and fiduciary.
- 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 12-16 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. The fiduciary funds are presented separately.

**Tri-Par Estates Park & Recreation District
Management's Discussion and Analysis
For the Year Ended September 30, 2018**

Overview of the Financial Statements (continued)

(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.

(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 General 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.

The governmental fund portion of the statements is prepared on an accounting basis that is significantly different from that used to prepare the government-wide portion. In general, the governmental fund portion has a short-term emphasis and, for the most part, measures and accounts for cash and other assets that can easily be converted to cash. For example, amounts reported on the balance sheet include items such as cash and receivables collectible within a short period of time, but do not include capital assets such as land and buildings. Fund liabilities include amounts that are to be paid within a short period after the end of the fiscal year. The difference between the General Fund's total assets and total liabilities is labeled as the fund balance, and generally indicates the amount that can be used to finance the next year's activities. The statement of revenues, expenditures, and changes in fund balances for governmental funds reports only those revenues and expenditures that were collected or paid during the current period or very shortly after the end of the year.

The government-wide portion of the statements are prepared in a manner similar to the approach used by a private-sector business in that revenues are recognized when earned or established criteria are satisfied, and expenses are reported when incurred. Accordingly, revenues and expenses are recorded even though they may not have provided or used cash during the current period.

Because the focus of governmental funds is narrower than that of the government-wide financials, it is useful to compare the information presented for the governmental fund column with the government-wide column. As previously noted, both statements mentioned above provide an adjustments column to reconcile the fund financial data to the government-wide data.

Fiduciary Funds

Fiduciary fund financial statements consist of a statement of fiduciary net assets and a statement of changes in fiduciary net assets. Assets held by the District for other parties, either as a trustee or as an agent, and that cannot be used to finance the District's own operating program are reported in the fiduciary funds. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for the government-wide financial statements.

**Tri-Par Estates Park & Recreation District
Management's Discussion and Analysis
For the Year Ended September 30, 2018**

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 \$1,785,589 at September 30, 2018.

Tri-Par Estates Park and Recreation District's Net Position

	<u>2018</u>	<u>2017</u>
Current and other assets	\$ 752,279	\$ 781,673
Capital assets, net of depreciation	1,042,545	1,070,319
Total Assets	<u>1,794,824</u>	<u>1,851,992</u>
Current and other liabilities	9,235	6,320
Total Liabilities	<u>9,235</u>	<u>6,320</u>
Investment in capital assets, net of accumulated depreciation	1,042,545	1,070,319
Unrestricted	743,044	775,353
Total Net Position	<u>\$ 1,785,589</u>	<u>\$ 1,845,672</u>

The District's current and other assets at September 30, 2018 were \$752,279, the largest portion of which reflects cash. The District's total liabilities at September 30, 2018 were \$9,235 and were comprised of accounts payable and payroll taxes payable.

For the year ended September 30, 2018 the District had a decrease in net position of \$60,083.

Changes in Net Position

	<u>2018</u>	<u>2017</u>
General Revenues:		
Property assessment	\$ 751,697	\$ 719,926
Other	48,758	20,246
Total Revenues	<u>800,455</u>	<u>740,172</u>
Program Expenses:		
Other	861,720	821,720
Total Expenses	<u>861,720</u>	<u>821,720</u>
Transfers in (out)	1,182	641
Increase (Decrease) in Net Position	<u>\$ (60,083)</u>	<u>\$ (80,907)</u>

Revenues

For the year ended September 30, 2018, total revenues were \$800,455. Total revenues increased by \$60,283 over the year ended September 30, 2017. Assessments were \$890 per buildable lot per year for the year ended September 30, 2018. Assessments were \$852 per buildable lot per year for the year ended September 30, 2017. Assessment income increased by \$31,771 and miscellaneous income increased by \$9,348 from the prior year. Rental income and interest income decreased from the prior year by a combined total of \$1,441.

**Tri-Par Estates Park & Recreation District
Management's Discussion and Analysis
For the Year Ended September 30, 2018**

Expenses

For the year ended September 30, 2018, expenses totaled \$861,720. Expenses increased compared to the year ended September 30, 2017 by \$40,000. The District's expenditures for contingencies increased by \$6,050, payroll expenses increased by \$10,516, administration expenses increased by \$5,242, cable television fees increased by \$24,896, general maintenance costs decreased by \$3,522, recreation expenses decreased by \$3,090, and utilities decreased by \$2,483. The balance of the increase in expenditures over the prior year is made up of smaller increases in various accounts.

Financial Analysis of the General 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. Unassigned 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

	<u>2018</u>	<u>2017</u>
Revenue and other sources	\$ 802,440	\$ 764,037
Expenditures and other uses	835,931	1,103,771
Transfers in	1,182	641
Increase (Decrease) in fund balance	<u>\$ (32,309)</u>	<u>\$ (339,093)</u>

The revenues reported in the General Fund are the same as those reported in the government wide financials, except for the loss on disposals of capital assets. Expenses differ from the total reported in the government wide financial statements because the fund balance does not take into account depreciation expense and the capitalization of assets. The fund balance does include the cost of assets purchased during the year.

Budgetary Highlights

The District's budgeted revenues for the year ended September 30, 2018 were \$779,696 and the actual revenues were \$802,440, resulting in a favorable budget variance of \$22,744. Actual assessment revenue collected was \$756 under the budgeted amount of \$752,453. The District's total expenditures were \$56,235 over the total budget of 779,696, due mostly to maintenance and capital improvements made during the year.

Capital Assets

The District's investment in capital assets as of September 30, 2018, amounts to \$1,042,545 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements and equipment. During the year ended September 30, 2018, the cost of capital assets acquired was \$49,044. The net book value of assets disposed of during the year ended September 30, 2018 was \$1,985. Depreciation expense was \$74,833. The costs of assets acquired less depreciation expense and disposal of assets resulted in a net decrease in assets of \$27,774. At September 30, 2018, the District had assets, including land, with a total cost of \$2,543,525 and related accumulated depreciation of \$1,500,980.

**Tri-Par Estates Park & Recreation District
Management's Discussion and Analysis
For the Year Ended September 30, 2018**

Economic Factors and Next Year's Budget

The annual assessment for the year ending September 30, 2019 has been budgeted to increase to \$1,000 per buildable lot per year, resulting in budgeted revenue from assessments of \$845,452 after accounting for discounts. Total revenues and expenses have been budgeted at \$876,652 each. 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 Tri-Par Estates Park and Recreation District's Board of Trustees, 1616 Presidio Street, Sarasota, Florida 34234.

Tri-Par Estates Park & Recreation District
Statement of Net Position and Governmental Funds Balance Sheet
September 30, 2018

	<u>General Fund</u>	<u>Adjustments (Note 4)</u>	<u>Statement of Net Position</u>
<u>Assets</u>			
Cash and certificates of deposit	\$ 743,188	\$ -	\$ 743,188
Prepays	9,091	-	9,091
Land	-	340,000	340,000
Other capital assets, net of accumulated depreciation	-	702,545	702,545
Total Assets	<u>752,279</u>	<u>1,042,545</u>	<u>1,794,824</u>
<u>Liabilities</u>			
Accounts payable	5,258	-	5,258
Payroll and payroll taxes payable	3,977	-	3,977
Total Liabilities	<u>9,235</u>	<u>-</u>	<u>9,235</u>
<u>Fund Balances/Net Position</u>			
Fund Balances:			
Nonspendable	9,091	(9,091)	-
Assigned	558,384	(558,384)	-
Unassigned	175,569	(175,569)	-
Total Fund Balances	<u>743,044</u>	<u>(743,044)</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 752,279</u>		
Net Position:			
Invested in capital assets, net of related debt		1,042,545	1,042,545
Unrestricted		743,044	743,044
Total Net Position		<u>\$ 1,785,589</u>	<u>\$ 1,785,589</u>

Tri-Par Estates Park & Recreation District
Statement of Activities and Governmental Fund Revenues,
Expenditures, and Changes in Fund Balance
For the Year Ended September 30, 2018

	<u>General Fund</u>	Adjustments (Note 5)	<u>Statement of Activities</u>
<u>Revenues</u>			
Recreation district tax	\$ 751,697	\$ -	\$ 751,697
Rental income	7,563	-	7,563
Interest income	3,827	-	3,827
Miscellaneous	28,753	-	28,753
Sales	10,600	-	10,600
Other sources:			
Gain/(loss) on disposals	-	(1,985)	(1,985)
Total Revenues	<u>802,440</u>	<u>(1,985)</u>	<u>800,455</u>
<u>Expenditures/Expenses</u>			
Current operating:			
Payroll	174,600	-	174,600
Employee benefits	19,368	-	19,368
Administration	94,456	-	94,456
Television maintenance	327,214	-	327,214
General maintenance	73,493	-	73,493
Street lights	26,324	-	26,324
Other utilities	49,744	-	49,744
Commissions and discounts	7,546	-	7,546
Recreation	8,092	-	8,092
Contingencies	6,050	-	6,050
Depreciation	-	74,833	74,833
Capital outlay	49,044	(49,044)	-
Total Expenditures/Expenses	<u>835,931</u>	<u>25,789</u>	<u>861,720</u>
Deficiency of revenues over expenditures	(33,491)		
Other financing sources:			
Transfers in	1,182	-	1,182
Change in fund balance/net position	<u>(32,309)</u>	<u>(27,774)</u>	<u>(60,083)</u>
<u>Fund balances/Net Position</u>			
Beginning of the year	775,353	1,070,319	1,845,672
End of the year	<u>\$ 743,044</u>	<u>\$ 1,042,545</u>	<u>\$ 1,785,589</u>

Tri-Par Estates Park & Recreation District
Statement of Revenues, Expenditures, and Changes
in General Fund Balance - Budget and Actual
For the Year Ended September 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual (GAAP Basis)</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Recreation district tax	\$ 752,453	\$ 752,453	\$ 751,697	\$ (756)
Miscellaneous	27,243	27,243	50,743	23,500
Total Revenues	<u>779,696</u>	<u>779,696</u>	<u>802,440</u>	<u>22,744</u>
<u>Expenditures</u>				
Current operating:				
Payroll & employee benefits	190,024	190,024	193,968	(3,944)
Administration	93,927	93,927	102,002	(8,075)
Television maintenance	315,795	315,795	327,214	(11,419)
General maintenance	59,000	59,000	73,493	(14,493)
Utilities	72,950	72,950	76,068	(3,118)
Recreation	8,000	8,000	8,092	(92)
Contingencies	20,000	20,000	6,050	13,950
Capital outlay	20,000	20,000	49,044	(29,044)
Total Expenditures	<u>779,696</u>	<u>779,696</u>	<u>835,931</u>	<u>(56,235)</u>
Net change in fund balance	-	-	(33,491)	(33,491)
Transfers	-	-	1,182	1,182
Fund balance - beginning	<u>775,353</u>	<u>775,353</u>	<u>775,353</u>	-
Fund balance - ending	<u>\$ 775,353</u>	<u>\$ 775,353</u>	<u>\$ 743,044</u>	<u>\$ (32,309)</u>

**Tri-Par Estates Park & Recreation District
 Fiduciary Funds
 For the Year Ended September 30, 2018**

Statement of Fiduciary Net Assets - September 30, 2018

	<u>Private Purpose Trusts</u>
<u>Assets</u>	
Cash and certificates of deposit	\$ 28,406
Total Assets	<u>28,406</u>
<u>Liabilities</u>	
Accounts payable	966
Total Liabilities	<u>966</u>
<u>Net Assets</u>	
Held in trust for private and other purposes	<u>\$ 27,440</u>

**Statement of Changes in Fiduciary Net Assets - For the
 Year Ended September 30, 2018**

	<u>Private Purpose Trusts</u>
<u>Additions</u>	
Recreation activities	\$ 10,282
Flea market income	9,633
Interest	43
Total Additions	<u>19,958</u>
<u>Deductions</u>	
Recreation expenses	10,109
Flea market expenses	6,372
Total Deductions	<u>16,481</u>
<u>Other financing uses</u>	
Transfer out	<u>(1,182)</u>
Change in Net Assets	2,295
Net assets - beginning of the year	<u>25,145</u>
Net assets - end of the year	<u>\$ 27,440</u>

Note 1 - Summary of Significant Accounting Policies

The financial statements of Tri-Par Estates 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.

Reporting Entity and Its Operations

Tri-Par Estates Park and Recreation District is an independent special taxing district and a political subdivision of the state of Florida, created by Chapter 78-618, Laws of Florida. During the year 2001, all special acts related to the District were codified in Chapter 2001-343. 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 Tri-Par Estates Park and Recreation District. There are no component units related to the entity.

Revenue is provided for in the enabling act by assessment and collection of a recreation district tax assessed against each 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 residential parcels. Additional revenue is collected from the rental of building space and other miscellaneous sources.

Disbursements are made to maintain the district property, cover administration expenses, and other miscellaneous expenditures.

Basis of Presentation

Government-wide 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 nonfiduciary 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. Separate financial statements are provided for fiduciary funds.

Fund Financial Statements: The fund financial statements provide information about the District’s funds, including its fiduciary funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on the major governmental funds.

The government reports the following major governmental funds:

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.

Additionally the government reports the following fund types:

The private purpose trusts are accounted for in essentially the same manner as governmental funds.

Measurement Focus, Basis of Accounting

Government-wide and Fiduciary Fund Financial Statements: The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and available, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are available.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurements focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. The District considers revenues to be available if they are collected by the end of the current fiscal period.

Note 1 - Summary of Significant Accounting Policies (continued)

Expenditures are recorded when the related fund liability is incurred. General capital asset acquisitions are reported as expenditures in governmental funds.

The District's general spending prioritization policy is to consider restricted resources to have been used first, followed by committed, assigned, and unassigned amounts when expenditures have been incurred for which resources in more than one classification could be used.

Accumulated Compensated Absences

Accumulated compensated absences are not recorded in the accounts of the District, as the amounts are not material.

Land and Other Capital Assets

Capital assets are capitalized at cost. Interest paid on debt during the construction period of fixed assets, if any, is capitalized. The District does not have "infrastructure" general fixed assets. Depreciation is computed on a straight-line basis over the following estimated useful lives of the depreciable assets:

	<u>Years</u>
Building and improvements	30
Equipment	5-25

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".

Note 2 - Stewardship, Compliance, and Accountability

The annual budget is adopted on a basis consistent with generally accepted accounting principles for the General Fund. All annual appropriations lapse at fiscal year end.

On or before July 1 of each year, the trustees prepare and adopt an itemized budget 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 furnished by mail to each taxpayer within the District within 30 days of its preparation and a copy made available for public inspection at the principal office of the District at reasonable hours.

Tri-Par Estates Park & Recreation District
Notes to the Financial Statements
September 30, 2018

Note 2 - Stewardship, Compliance, and Accountability (continued)

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, has not been employed by the District since any excess funds over budgeted amounts are not restricted and may be used in future years.

Note 3 - Recreation District Tax

The Recreation District Tax is an enforceable lien on property. The fiscal year of the District commences October 1. The Board of Trustees, on or before July 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.

A four percent discount is allowed if the taxes are paid in November, with the discount declining by one percent each month thereafter.

Note 4 - Explanation of Certain Differences Between the Statement of Net Position and Governmental Funds Balance Sheet

Total fund balance – governmental fund balance	\$ 743,044
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	<u>1,042,545</u>
Net position of governmental activities	<u>\$ 1,785,589</u>

Note 5 - Explanation of Certain Differences Between the Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance

Net change in fund balances – governmental funds	\$ (32,309)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which depreciation expense exceeded capital outly in the current period.	(25,789)
In the Statement of Activities, only the loss on capital assets is reported, while in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital asset.	<u>(1,985)</u>
Change in net position of governmental activities	<u>\$ (60,083)</u>

Tri-Par Estates Park & Recreation District
Notes to the Financial Statements
September 30, 2018

Note 6 - Cash Deposits with Financial Institutions

The District is authorized to invest surplus funds in accordance with its enabling act and Florida Statutes 218.345 regarding investments of Special Districts.

On September 30, 2018, the District had bank balances of approximately \$792,102. Chapter 280, Florida Statutes, require that the District maintain all funds in Qualified Public Depositories. The District maintains all their funds in Qualified Public Depositories, and as such, all funds are fully insured.

Note 7 - Land and Other Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 340,000	\$ -	\$ -	\$ 340,000
Total capital assets not being depreciated	340,000	-	-	340,000
Other capital assets:				
Buildings & improvements	1,689,362	20,872	9,858	1,700,376
Equipment	474,977	28,172	-	503,149
Total other capital assets at historical cost	2,164,339	49,044	9,858	2,203,525
Less accumulated depreciation for:				
Buildings & improvements	1,192,065	48,258	-	1,240,323
Equipment	241,955	26,575	7,873	260,657
Total accumulated depreciation	1,434,020	74,833	7,873	1,500,980
Governmental activities capital assets, net	<u>\$ 1,070,319</u>	<u>\$ (25,789)</u>	<u>\$ 1,985</u>	<u>\$ 1,042,545</u>

Depreciation expense was \$74,833 for the year ended September 30, 2018.

Note 8 – Fund Balance Classifications

For the year ended September 30, 2018, 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).
- 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.

Tri-Par Estates Park & Recreation District
Notes to the Financial Statements
September 30, 2018

Note 8 – Fund Balance Classifications (continued)

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

For the year ended September 30, 2018, the district has established a nonspendable fund balance of \$9,091 for prepayments.

The District’s assigned fund balance is fund balance reporting occurring by Board of Trustees authority. The board has allocated the following amounts as assigned General Fund balance:

Assigned	
Major repairs	\$ 8,384
Self-insurance: hurricane, flood, & sinkhole coverage	100,000
Rainy day/emergency	50,000
Capital improvement	<u>400,000</u>
	<u>\$ 558,384</u>

Note 9 - 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.



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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
Tri-Par Estates Park and Recreation District
Sarasota, 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 Tri-Par Estates Park and Recreation District, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Tri-Par Estates Park and Recreation District's basic financial statements, and have issued our report thereon dated June 28, 2019.

Internal Control Over Financial Reporting

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

Suplee Shea Cramer & Rocklein, P.A.

Sarasota, Florida
June 28, 2019



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Independent Auditors' Management Letter and Other Comments

To the Board of Trustees of
Tri-Par Estates Park and Recreation District
Sarasota, Florida

Report on the Financial Statements

We have audited the financial statements of the Tri-Par Estates Park and Recreation District (the District) as of and for the year ended September 30, 2018, and have issued our report thereon dated June 28, 2019.

Auditors' 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* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 28, 2019, 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. The Tri-Par Estates Park and Recreation District was established by Chapter 96-507 Laws of Florida. There are no component units.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Tri-Par Estates Park and Recreation District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Tri-Par Estates 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 for the Tri-Par Estates Park and Recreation District. It is management's responsibility to monitor the Tri-Par Estates 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.

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

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we communicate 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 warrants the attention of those charged with governance. In connection with our audit, we did not note 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 Supervisors, 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, Florida
June 28, 2019



SUPLEE SHEA CRAMER & ROCKLEIN, P.A.

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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH FLORIDA STATUTE SECTION 218.415 – INVESTMENTS OF PUBLIC FUNDS

To the Board of Trustees of
Tri-Par Estates Park & Recreation District
Sarasota, Florida

We have examined the Tri-Par Estates Park & Recreation District's compliance with Section 218.415, *Florida Statutes - Local Government Investment Policies*, during the fiscal year ended September 30, 2018. Management is responsible for the Tri-Par Estates Park & Recreation District's compliance with these requirements. Our responsibility is to express an opinion on the Tri-Par Estates Park & 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether Tri-Par Estates Park & Recreation District complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether Tri-Par Estates Park & Recreation District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on Tri-Par Estates Park & Recreation District's compliance with specified requirements.

In our opinion, the Tri-Par Estates Park & Recreation District complied, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2018.

This report is intended solely for the information and use of the Florida Auditor General, the Board of Trustees of the Tri-Par Estates Park & Recreation District, 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, Florida
June 28, 2019