

BEACON MEADOWS
SPECIAL DEPENDENT TAX DISTRICT
Hillsborough County, Florida
for the year ended SEPTEMBER 30, 2015
FINANCIAL STATEMENTS

King & Walker, CPAs, PL

Certified Public Accountants

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**BEACON MEADOWS
SPECIAL DEPENDENT TAX DISTRICT**

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Members:
Florida Institute of CPAs
American Institute of CPAs
Government Audit Quality Center

2803 W. Busch Blvd Ste 106
Tampa, FL 33618
office (813) 892-4274 fax (813) 932-1913
www.KingandWalker.com

Independent Auditor's Report

To the Board of Trustees, Beacon Meadows Special Dependent Tax District,
Hillsborough County, Florida
Tampa, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the Beacon Meadows Special Dependent Tax District ("District"), Hillsborough County, Florida, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District, as of September 30, 2015, and the respective changes in financial position thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedule, and the Note to Required Supplementary Information, as listed on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historic 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 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 October 26, 2015 on our consideration of Beacon Meadows Special Dependent Tax District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Beacon Meadows Special Dependent Tax District's internal control over financial reporting and compliance.

Respectfully submitted,

King & Walker, CPAs

October 26, 2015
Tampa, Florida

**BEACON MEADOWS
SPECIAL DEPENDENT TAX DISTRICT
Hillsborough County, Florida
Management's Discussion and Analysis - Unaudited**

As management of the Beacon Meadows Special Dependent Tax District, (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, 2015.

Background

The Beacon Meadows Special Dependent Tax District (the District) was created by Hillsborough County Ordinance 87-53, pursuant to Section 189.4041(4), Florida Statutes, in December 1987, for the purpose of continued development, administration and maintenance of the common areas of Beacon Meadows, a 256 parcel subdivision in Hillsborough County, Florida.

The District is a special dependent tax district as defined in Section 189.403, Florida Statutes. The governing body of the District is the Board of Trustees, which is comprised of seven members. The general operating authority of the District is contained in Section 189.404, Florida Statutes.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$39,009.
- The District's total net position increased by \$1,510 from the prior fiscal year.
- Revenues from tax assessments remained materially unchanged from the prior fiscal year.
- The District's general operating expenditures increased by \$739 due to an increase in utilities incurred during the fiscal 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 basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

Government-Wide Financial Statements Reporting the District as a Whole.

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.

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

The government-wide financial statements can be found on the pages that follow.

**BEACON MEADOWS
SPECIAL DEPENDENT TAX DISTRICT**
Hillsborough County, Florida
Management's Discussion and Analysis - Unaudited

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District adopts an annual appropriated budget for its special revenue fund. A budgetary comparison statement has been provided for the special revenue fund to demonstrate compliance with this budget.

The basic government fund financial statements can be found on the pages that follow.

Notes to the Financial Statements

The notes provide additional information that is essential to full understanding of the data provide in the government-wide and fund financial statements. The notes to the financial statements can be found following the government-wide financial statements.

**BEACON MEADOWS
SPECIAL DEPENDENT TAX DISTRICT
Hillsborough County, Florida
Management's Discussion and Analysis - Unaudited**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The following is a summary of the District's net position as of September 30, 2014 and 2015:

	Net Position, End of Year		
	Governmental Activities		
	9-30-14	9-30-15	Increase (Decrease)
ASSETS			
Current Assets	\$ 31,241	\$ 34,448	\$ 3,207
Noncurrent Assets	80	80	-
Capital Assets	6,278	4,581	(1,697)
Total Assets	37,599	39,109	1,510
LIABILITIES			
Current Liabilities	100	100	-
Total Liabilities	100	100	-
NET POSITION			
Net Investment in Capital Assets	6,278	4,581	(1,697)
Restricted	31,221	34,428	3,207
Total Net Position	\$ 37,499	\$ 39,009	\$ 1,510

**BEACON MEADOWS
SPECIAL DEPENDENT TAX DISTRICT**
Hillsborough County, Florida
Management's Discussion and Analysis - Unaudited

The key elements of the changes in the District's net position for the fiscal years ended September 30, 2014 and 2015 are as follows:

Operating Results for the Year			
Governmental Activities			
	9-30-14	9-30-15	Increase (Decrease)
Revenues:			
Non-ad valorem Taxes	\$ 24,814	\$ 24,809	\$ (5)
Insurance Proceeds	1,005	-	(1,005)
Total Revenues	<u>25,819</u>	<u>24,809</u>	<u>(1,010)</u>
Expenses:			
Accounting & Auditing	900	900	-
Communication Services	-	5	5
Utilities	1,017	3,104	2,087
Insurance	101	101	-
Repairs and Maintenance	17,445	15,903	(1,542)
Printing and Binding	9	3	(6)
Other Charges & Fees	225	248	23
Operating Supplies	66	102	36
Books and Publications	130	248	118
Tax Collector/Property Appraiser Fees	971	988	17
Depreciation	<u>1,696</u>	<u>1,697</u>	<u>1</u>
Total Expenses	<u>22,560</u>	<u>23,299</u>	<u>739</u>
Increase/(Decrease) in Net Position	<u><u>\$ 3,259</u></u>	<u><u>\$ 1,510</u></u>	<u><u>\$ (1,749)</u></u>

Other Information

Required supplementary information is required by the Governmental Accounting Standards Board and includes reports on internal control, compliance with laws and regulations, and budgeting comparisons. These reports are also an integral part of the audited financial statements.

**BEACON MEADOWS SPECIAL DEPENDENT TAX DISTRICT
HILLSBOROUGH COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2015**

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 34,448
Deposits Receivable	80
Capital Assets	4,581
Total Assets	<u>39,109</u>
 LIABILITIES	
Accounts Payable	<u>100</u>
Total Liabilities	<u>100</u>
 NET POSITION	
Net Investment in Capital Assets	4,581
Restricted	34,428
Total Net Position	<u><u>\$ 39,009</u></u>

The accompanying notes are an integral part of the basic financial statements.

**BEACON MEADOWS SPECIAL DEPENDENT TAX DISTRICT
HILLSBOROUGH COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Expenses</u>	<u>Program Revenues</u>	<u>Net Revenue/ (Expense) and Change in Net Position Governmental Activities</u>
Functions/Programs:			
Governmental Activities:			
Environmental	\$ 23,299	\$ -	\$ (23,299)
 General Revenues			
Taxes:			
Property			24,809
Total General Revenues			24,809
Change in Net Position			1,510
Net Position - Beginning			37,499
Net Position - Ending			\$ 39,009

The accompany notes are an integral part of the basic financial statements.

**BEACON MEADOWS SPECIAL DEPENDENT TAX DISTRICT
HILLSBOROUGH COUNTY, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUND
SEPTEMBER 30, 2015**

	Special Revenue Fund
ASSETS	
Cash and Cash Equivalents	\$ 34,448
Deposits Receivable	80
Total Assets	<u>\$ 34,528</u>
 LIABILITIES	
Accounts Payable	\$ 100
Total Liabilities	<u>100</u>
 FUND BALANCE	
Nonspendable	80
Restricted	34,348
Total Fund Balance	<u>34,428</u>
Total Liabilities and Fund Balance	<u>\$ 34,528</u>

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND
BALANCE TO NET POSITION OF GOVERNMENTAL ACTIVITIES:**

Total Fund Balance - Governmental Fund	\$ 34,428
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 as assets in governmental funds.	4,581
Total Net Position - Governmental Activities	<u>\$ 39,009</u>

The accompanying notes are an integral part of the basic financial statements.

**BEACON MEADOWS SPECIAL DEPENDENT TAX DISTRICT
HILLSBOROUGH COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - GOVERNMENTAL FUND
SEPTEMBER 30, 2015**

	Special Revenue Fund
REVENUES	
Non-ad valorem taxes	\$ 24,809
Total Revenues	<u>24,809</u>
EXPENDITURES	
Current Operations - Environment:	
Accounting & Auditing	900
Communication Services	5
Utilities	3,104
Insurance	101
Repairs and Maintenance	15,903
Printing and Binding	3
Other Charges & Fees	248
Operating Supplies	102
Books and Publications	248
Tax Collector/Property Appraiser Fees	988
Total Expenditures	<u>21,602</u>
Net Change in Fund Balance	3,207
Fund Balance - Beginning	<u>31,221</u>
Fund Balance - Ending	<u><u>\$ 34,428</u></u>

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND TO THE
STATEMENT OF ACTIVITIES:**

Net Change in Fund Balance - Total Governmental Fund	\$ 3,207
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported in the governmental fund as expenditures. However, in the statement of activities, the cost of assets is allocated over their estimated useful lives as depreciation expense. This is the amount of depreciation expense (\$1,697) in excess of capital outlays (\$0) in the current period.	<u>(1,697)</u>
Change in Net Position - Governmental Activities	<u><u>\$ 1,510</u></u>

The accompanying notes are an integral part of the basic financial statements.

BEACON MEADOWS SPECIAL DEPENDENT TAX DISTRICT
HILLSBOROUGH COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Beacon Meadows Special Dependent Tax District (the District) was created by Hillsborough County Ordinance 87-53, pursuant to Section 189.4041(4), Florida Statutes, in December 1987, for the purpose of continued development, administration and maintenance of the common areas of Beacon Meadows, a 256 parcel subdivision in eastern Hillsborough County, Florida.

The District is a special dependent tax district as defined in Section 189.403, Florida Statutes. The governing body of the District is the Board of Trustees, which is comprised of seven elected members who serve four-year terms of office. The general operating authority of the District is contained in Section 189.404, Florida Statutes.

Criteria for defining the reporting entity are identified and described in the Governmental Accounting Standards Board's (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Sections 2800 and 2600. These criteria were used to evaluate potential component units for which the District is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's basic financial statements to be misleading or incomplete. Based on the application of these criteria, no component units are included within the reporting entity of the District.

Basis of Presentation

Government-wide Financial Statements – The government-wide financial statements, including the statement of net position and statement of activities, present information about the District as a whole.

The government-wide financial statements are prepared using the economic resources measurement focus. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented to better identify the relationship between the two types of statements.

The District operated one fund as follows:

GOVERNMENTAL FUND TYPE – Special Revenue Fund - to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

BEACON MEADOWS SPECIAL DEPENDENT TAX DISTRICT
Hillsborough County, Florida
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are prepared using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year which they are levied.

The governmental fund financial statements are prepared using the modified accrual basis of accounting. Revenues are recognized when they become 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. The District considers revenues to be available if they are collected within 30 days of the end of the current fiscal year.

Cash Deposits

The District's cash deposits are held by a commercial bank qualified as a public depository under Florida law. All deposits are insured by Federal depository insurance.

Capital Assets

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net position but are not reported in the governmental fund financial statements. Capital assets are defined by the District as those costing more than \$1,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Signage	7 years
Other Improvements	15 years

BEACON MEADOWS SPECIAL DEPENDENT TAX DISTRICT
HILLSBOROUGH COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until then. The District does not have any items that qualify for reporting in this category.

Net Position and Fund Balance Classification

Government-wide Financial Statements

Net position is classified and reported in three components:

- Net Investment in Capital Assets – consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any borrowings that are attributed to the acquisition or improvement of those assets.
- Restricted Net Position – consists of net position with constraints placed on their use either by external groups such as creditors, contributors, or laws or regulations of other governments.
- Unrestricted Net Position – all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Fund Financial Statements

GASB Codification Section 1800.142, *Fund Balance Reporting and Governmental Fund Type Definitions*, defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB requires the fund balance amounts to be reported within one of the following fund balance categories:

- Nonspendable – fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned). All nonspendable fund balances at year end relate to assets that are in nonspendable form.
- Restricted – fund balance that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.
- Committed – fund balance that can be used only for the specific purposes determined by a formal action of the District’s Board of Governance.

BEACON MEADOWS SPECIAL DEPENDENT TAX DISTRICT
HILLSBOROUGH COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

- Assigned – fund balance that is intended to be used by the District’s management for specific purposes but does not meet the criteria to be classified as restricted or committed.
- Unassigned – fund balance that is the residual amount for the District’s general fund and includes all spendable amounts not contained in the other classifications.

Revenue Sources

The District’s primary source of revenue is a tax assessed in the Beacon Meadows Subdivision on all improved residential parcels. The District is authorized to levy a non-ad valorem tax up to \$100 on each improved residential parcel of property located within the District. Property taxes are recognized in the fiscal year when they become measurable and available. The taxes are collected by Hillsborough County and remitted to the District net of an early payment discount (4% starting in November and gradually decreasing by 1% per month until March) and net of a 4% fee retained by the Property Appraiser and Tax Collector.

Estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Subsequent Events

Management has evaluated all events subsequent to the balance sheet date and through the report date, which is the date these financial statements were available to be issued. Management determined there are no subsequent events which require disclosure.

NOTE 2: CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2015 was as follows:

<u>GOVERNMENTAL ACTIVITIES</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Depreciable Capital Assets:				
Signage	\$ 13,573	\$ -	\$ -	\$ 13,573
Other Improvements	5,091			5,091
Total Depreciable Assets	<u>18,664</u>	<u>-</u>	<u>-</u>	<u>18,664</u>
Less Accumulated Depreciation:				
Signage	(8,823)	(1,357)		(10,180)
Other Improvements	<u>(3,563)</u>	<u>(340)</u>		<u>(3,903)</u>
Total Accumulated Depreciation	<u>(12,386)</u>	<u>(1,697)</u>	<u>-</u>	<u>(14,083)</u>
Governmental Activities Capital Assets, Net	<u>\$ 6,278</u>	<u>\$ (1,697)</u>	<u>\$ -</u>	<u>\$ 4,581</u>

BEACON MEADOWS SPECIAL DEPENDENT TAX DISTRICT
HILLSBOROUGH COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 3: REVENUE

The 2014 tax roll assessments for the Beacon Meadows Special Dependent Tax District were as follows:

	<u>Amount</u>
Non-ad Valorem Taxes Assessed	\$ 25,600
Excess Fees	126
Interest	21
<i>Less: Discounts</i>	<u>(938)</u>
Total Non-ad Valorem Tax Revenue	<u>24,809</u>
 <i>Less: Tax Collector Fees</i>	 (494)
<i>Less: Property Appraiser Fees</i>	<u>(494)</u>
Total Remittances to the District	<u><u>\$ 23,821</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

BEACON MEADOWS SPECIAL DEPENDENT TAX DISTRICT
HILLSBOROUGH COUNTY, FLORIDA
BUDGETARY COMPARISON STATEMENT - GOVERNMENTAL FUND-(Unaudited)
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Original Budget	Final Budget	Actual	Variance with Budget Positive/ (Negative)
Revenues				
Non-ad valorem Taxes	\$ 25,600	\$ 25,600	\$ 24,809	\$ (791)
Total Revenues	<u>25,600</u>	<u>25,600</u>	<u>24,809</u>	<u>(791)</u>
Expenditures				
Current Operations - Environment				
Accounting & Auditing	900	900	900	-
Communication Services	175	81	5	76
Utilities	1,440	2,940	3,104	(164)
Insurance	101	101	101	-
Repairs and Maintenance	51,808	50,308	15,903	34,405
Printing and Binding	-	4	3	1
Other Charges & Fees	250	250	248	2
Office Supplies	25	25	-	25
Operating Supplies	210	210	102	108
Books and Publications	160	250	248	2
Tax Collector/Property Appraiser Fees	1,024	1,024	988	36
Total Expenditures	<u>56,093</u>	<u>56,093</u>	<u>21,602</u>	<u>34,491</u>
Net Change in Fund Balance	(30,493)	(30,493)	3,207	33,700
Fund Balance - Beginning	<u>34,273</u>	<u>34,273</u>	<u>31,221</u>	<u>3,052</u>
Fund Balance - Ending	<u>\$ 3,780</u>	<u>\$ 3,780</u>	<u>\$ 34,428</u>	<u>\$ 36,752</u>

See Independent Auditor's Report.

**BEACON MEADOWS SPECIAL DEPENDENT TAX DISTRICT
HILLSBOROUGH COUNTY, FLORIDA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2015**

NOTE 1: BUDGETARY BASIS OF ACCOUNTING

The District prepares and adopts a budget for the Special Revenue Fund for the fiscal year commencing October 1 in accordance with Section 189.418(3), Florida Statutes. The operating budget is prepared on the accrual basis of accounting and presented as required supplementary information.

**Independent Auditor's Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

To the Board of Trustees, Beacon Meadows Special Dependent Tax District,
Hillsborough County, Florida
Tampa, 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 Beacon Meadows Special Dependent Tax District ("District"), Hillsborough County, Florida, as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 26, 2015.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

A handwritten signature in black ink that reads "King & Walker, CPAs". The signature is written in a cursive, flowing style.

October 26, 2015
Tampa, Florida

Independent Auditor's Management Letter

To the Board of Trustees, Beacon Meadows Special Dependent Tax District,
Hillsborough County, Florida
Tampa, FL

Report on the Financial Statements

We have audited the financial statements of the Beacon Meadows Special Dependent Tax District ("District"), Hillsborough County, Florida, as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated October 26, 2015.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Other Reports and Schedules

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

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The District did not have findings and 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 Beacon Meadows Special Dependent Tax District was established by Hillsborough County Ordinance #87-53, pursuant to Section 189.4041(4), Florida Statutes, in December 1987, for the purpose of continued development, administration and maintenance of the common areas of Beacon Meadows. The District does not have any component units.

Financial Condition

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

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Annual Financial Report

Section 10.554(1)(i)5.b. 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 District for the fiscal year ended September 30, 2015, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2015. In connection with our audit, we determined that these two reports were in agreement.

Special District Component Units

Section 10.554(1)(i)5.d., Rules of the Auditor General, requires that we determine whether or not a special district is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit, within the audit financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that all special district component units provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Other Matters

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

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Hillsborough County, Florida, 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.

Respectfully submitted,

A handwritten signature in black ink that reads "King & Walker, CPAs". The signature is written in a cursive, flowing style.

October 26, 2015
Tampa, Florida