

**Panther Trace II  
Community Development District**

**ANNUAL FINANCIAL REPORT**

**September 30, 2016**

**Panther Trace II Community Development District**

**ANNUAL FINANCIAL REPORT**

**Fiscal Year Ended September 30, 2016**

**TABLE OF CONTENTS**

<b>FINANCIAL SECTION</b>	<b><u>Page Number</u></b>
REPORT OF INDEPENDENT AUDITORS	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-7
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Position	8
Statement of Activities	9
Fund Financial Statements:	
Balance Sheet – Governmental Funds	10
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	11
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	12
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	13
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	14
Notes to Financial Statements	15-26
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	27-28
MANAGEMENT LETTER	29-31
INDEPENDENT ACCOUNTANT'S REPORT/COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES	32



Berger, Toombs, Elam,  
Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue  
Suite 200  
Fort Pierce, Florida 34950

772/461-6120 // 461-1155  
FAX: 772/468-9278

## **REPORT OF INDEPENDENT AUDITORS**

To the Board of Supervisors  
Panther Trace II Community Development District  
Hillsborough County, Florida

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

We have audited the accompanying basic financial statements of Panther Trace II Community Development District and the accompanying notes to financial statements as of and for the year ended September 30, 2016, as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 opinion.

Fort Pierce / Stuart

To the Board of Supervisors  
Panther Trace II Community Development District

## Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the District Panther Trace II Community Development District as of September 30, 2016, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

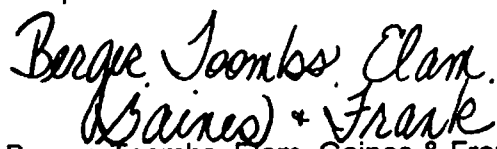
## Other Matters

### *Required Supplementary Information*

Governmental accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by *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 in accordance with governmental auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management regarding 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 a report dated February 27, 2017 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts. 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 Panther Trace II Community Development District's internal control over financial reporting and compliance.



Berger, Toombs, Elam, Gaines & Frank  
Certified Public Accountants PL  
Fort Pierce, Florida

February 27, 2017

**PANTHER TRACE II COMMUNITY DEVELOPMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2016**

Management's discussion and analysis of Panther Trace II Community Development District's (the "District") financial performance provides an objective and easily readable analysis of the District's financial activities. The analysis provides summary financial information for the District and should be read in conjunction with the District's financial statements.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The District's basic financial statements comprise three components; 1) *Government-wide financial statements*, 2) *Fund financial statements*, and 3) *Notes to financial statements*. The *Government-wide financial statements* present an overall picture of the District's financial position and results of operations. The *Fund financial statements* present financial information for the District's major funds. The *Notes to financial statements* provide additional information concerning the District's finances.

The *Government-wide financial statements* are the **statement of net position** and the **statement of activities**. These statements use accounting methods similar to those used by private-sector companies. Emphasis is placed on the net position of governmental activities and the change in net position. Governmental activities are primarily supported by special assessments.

The **statement of net position** presents information on all assets and liabilities of the District, with the difference between assets and liabilities reported as net position. Net position is reported in three categories; 1) net investment in capital assets, 2) restricted and 3) unrestricted. Assets, liabilities, and net position are reported for all Governmental activities.

The **statement of activities** presents information on all revenues and expenses of the District and the change in net position. Expenses are reported by major function and program revenues relating to those functions are reported, providing the net cost of all functions provided by the District. To assist in understanding the District's operations, expenses have been reported as governmental activities. Governmental activities financed by the District include general government, physical environment and interest on long-term debt.

*Fund financial statements* present financial information for governmental funds. These statements provide financial information for the major funds of the District. Governmental fund financial statements provide information on the current assets and liabilities of the funds, changes in current financial resources (revenues and expenditures), and current available resources.

**PANTHER TRACE II COMMUNITY DEVELOPMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2016**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

*Fund financial statements* include a **balance sheet** and a **statement of revenues, expenditures and changes in fund balances** for all governmental funds. A **statement of revenues, expenditures, and changes in fund balances – budget and actual**, is provided for the District's General Fund. *Fund financial statements* provide more detailed information about the District's activities. Individual funds are established by the District to track revenues that are restricted to certain uses or to comply with legal requirements.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the 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 District's near-term financing decisions. Both the governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balances provide reconciliations to facilitate this comparison between governmental funds and government-wide activities.

*Notes to financial statements* provide additional detail concerning the financial activities and financial balances of the District. Additional information about the accounting practices of the District, investments of the District, capital assets, and long-term debt are some of the items included in the *notes to financial statements*.

**Financial Highlights:**

The following are the highlights of financial activity for the year ended September 30, 2016.

- The District's total assets exceeded total liabilities by \$12,866,159 (net position). Unrestricted net position for Governmental Activities was \$699,714. Reserved debt service was \$80,009 and net investment in capital assets was \$12,086,436.
- Governmental activities revenues totaled \$1,655,687 while governmental activities expenses totaled \$2,479,727.

**PANTHER TRACE II COMMUNITY DEVELOPMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2016**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Financial Analysis of the District**

The following schedule provides a summary of the assets, liabilities and net position of the District.

**Net Position**

	<b>Governmental Activities</b>	
	<b>2016</b>	<b>2015</b>
Current assets	\$ 756,893	\$ 592,358
Restricted assets	563,457	545,364
Capital assets, net	22,668,386	24,096,407
Total Assets	<u>23,988,736</u>	<u>25,234,129</u>
Current liabilities	643,074	632,348
Non-current liabilities	10,479,503	10,911,582
Total Liabilities	<u>11,122,577</u>	<u>11,543,930</u>
Net position - net investment in capital assets	12,086,436	13,087,378
Restricted for debt service	80,009	58,075
Net position - unrestricted	699,714	544,746
Total Net Position	<u>\$ 12,866,159</u>	<u>\$ 13,690,199</u>

The decrease in total assets is primarily the result of current year depreciation.

The decrease in total liabilities was due to the principal payments on long term debt and the reduction in accrued interest payable.

**PANTHER TRACE II COMMUNITY DEVELOPMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2016**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Financial Analysis of the District (Continued)**

The following schedule provides a summary of the changes in net position of the District.

**Change in Net Position**

	<b>Governmental Activities</b>	
	<b>2016</b>	<b>2015</b>
Program Revenues		
Charges for services	\$ 1,644,885	\$ 1,744,942
General Revenues		
Investments earnings	1,839	1,489
Other revenues	8,963	12,654
Total Revenues	<u>1,655,687</u>	<u>1,759,085</u>
Expenses		
General government	112,541	92,267
Physical environment	1,808,210	1,820,345
Culture/recreation	164,443	184,024
Interest on long-term debt	394,533	135,576
Total Expenses	<u>2,479,727</u>	<u>2,232,212</u>
Change in Net Position	(824,040)	(473,127)
Net Position - Beginning of Year	<u>13,690,199</u>	<u>14,163,326</u>
Net Position - End of Year	<u>\$ 12,866,159</u>	<u>\$ 13,690,199</u>

The decrease in total revenues is primarily due to a planned decrease debt service revenue for the current year.

The increase in interest expenses was the result of additional interest on bond payable during current year.



**PANTHER TRACE II COMMUNITY DEVELOPMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2016**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Capital Assets Activity**

The following schedule provides a summary of the District's capital assets as of September 30, 2016 and 2015.

Description	Governmental Activities	
	2016	2015
Land and improvements	\$ 577,900	\$ 577,900
Infrastructure	34,560,325	34,560,325
Land improvements	497,936	497,936
Building	589,978	589,978
Recreational facilities	705,359	705,359
Equipment/furniture	272,996	259,821
Accumulated depreciation	(14,536,108)	(13,094,912)
Total	<u>\$ 22,668,386</u>	<u>\$ 24,096,407</u>

Depreciation totaled \$1,441,196 in the current fiscal year. Current year capital additions amounted to \$13,175.

**General Fund Budgetary Highlights**

The budget exceeded actual governmental expenditures because of lower insurance and facility maintenance expenditures than were anticipated.

There were no amendments to the September 30, 2016 budget.

**Debt Management**

Governmental Activities debt includes the following:

- In September 2014, the District issued \$11,775,000 Series 2014 Special Assessment Refunding Bonds. These bonds were issued to pay and redeem the outstanding portion of the District's Special Assessment Revenue Bonds, Series 2005A. Bonds payable totaled \$0 at September 30, 2016.

**Economic Factors and Next Year's Budget**

Panther Trace II Community Development District does not expect any economic factors to have a significant effect on the financial position or results of operations of the District in fiscal year 2017.

**Request for Information**

The financial report is designed to provide a general overview of Panther Trace II Community Development District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Panther Trace II Community Development District, Development Planning & Finance Group, 15310 Amberly Drive, Suite 175, Tampa, FL 33647.

**PANTHER TRACE II COMMUNITY DEVELOPMENT DISTRICT**  
**STATEMENT OF NET POSITION**  
**September 30, 2016**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Current Assets	
Cash	\$ 744,726
Assessments receivable	10,035
Prepaid expenses	67
Deposits	2,065
Total Current Assets	<u>756,893</u>
Non-current Assets	
Restricted assets	
Investments	563,457
Capital assets, being depreciated	
Land and improvements	577,900
Buildings	589,978
Equipment and furniture	272,996
Improvements other than buildings	497,936
Infrastructure	34,560,325
Recreational facilities	705,359
Less: Accumulated depreciation	<u>(14,536,108)</u>
Total Non-current Assets	<u>23,231,843</u>
Total Assets	<u>23,988,736</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts payable and accrued liabilities	34,017
Due to developer	17,959
Bonds payable	430,000
Accrued interest	161,098
Total Current Liabilities	<u>643,074</u>
Non-current liabilities	
Bonds payable	<u>10,479,503</u>
Total Liabilities	<u>11,122,577</u>
<b>NET POSITION</b>	
Net investment in capital assets	12,086,436
Restricted debt service	80,009
Unrestricted	699,714
Total Net Position	<u>\$ 12,866,159</u>

*See accompanying notes to financial statements.*

**PANTHER TRACE II COMMUNITY DEVELOPMENT DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2016**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues Charges for Services</b>	<b>Net (Expense) Revenues and Changes in Net Position Governmental Activities</b>
<b>Primary government</b>			
Governmental Activities			
General government	\$ (112,541)	\$ 140,044	\$ 27,503
Physical environment	(1,808,210)	548,373	(1,259,837)
Culture/recreation	(164,443)	112,962	(51,481)
Interest on long-term debt	(394,533)	843,506	448,973
Total Governmental Activities	<u>\$ (2,479,727)</u>	<u>\$ 1,644,885</u>	<u>(834,842)</u>
<b>General Revenues</b>			
Investment earnings			1,839
Miscellaneous revenues			8,963
Total General Revenues			<u>10,802</u>
Change in Net Position			(824,040)
Net Position - October 1, 2015			13,690,199
Net Position - September 30, 2016			<u>\$ 12,866,159</u>

*See accompanying notes to financial statements.*

**PANTHER TRACE II COMMUNITY DEVELOPMENT DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**September 30, 2016**

	General	Debt Service	Total Governmental Funds
<b>ASSETS</b>			
Cash	\$ 744,726	\$ -	\$ 744,726
Assessments receivable	4,889	5,146	10,035
Due from other funds	-	57	57
Prepaid expenses	67	-	67
Deposits	2,065	-	2,065
Restricted assets			
Investments, at fair value	-	563,457	563,457
<b>Total Assets</b>	<b>\$ 751,747</b>	<b>\$ 568,660</b>	<b>\$ 1,320,407</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ 34,017	\$ -	\$ 34,017
Due to other funds	57	-	57
Due to developer	17,959	-	17,959
<b>Total Liabilities</b>	<b>\$ 52,033</b>	<b>\$ -</b>	<b>\$ 52,033</b>
<b>Fund Balances</b>			
Nonspendable - deposits/prepays	\$ 2,132	\$ -	\$ 2,132
Restricted for debt service	-	568,660	568,660
Unassigned	697,582	-	697,582
<b>Total Fund Balances</b>	<b>699,714</b>	<b>568,660</b>	<b>1,268,374</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 751,747</b>	<b>\$ 568,660</b>	<b>\$ 1,320,407</b>

*See accompanying notes to financial statements.*

**PANTHER TRACE II COMMUNITY DEVELOPMENT DISTRICT  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO NET POSITION OF GOVERNMENTAL ACTIVITIES  
September 30, 2016**

Total Governmental Fund Balances	\$ 1,268,374
----------------------------------	--------------

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

Capital assets not being depreciated, land and improvements, used in governmental activities are not financial resources and therefore, are not reported in the funds.	577,900
--	---------

Capital assets being depreciated, buildings \$589,978, infrastructure \$34,560,325, improvements other than buildings \$497,936, recreational facilities \$705,359 and equipment and furniture \$272,996, net of accumulated depreciation \$(14,536,108), are not financial resources and therefore, are not reported in the funds.	22,090,486
---	------------

Long-term liabilities, including bonds payable, \$(10,965,000) net of bond discounts (\$55,497) are not due and payable in the current period and, therefore, are not reported in the funds.	(10,909,503)
--	--------------

Accrued interest expense for long-term debt is not a financial use and; therefore, is not reported in the funds.	<u>(161,098)</u>
--	------------------

Net Position of Governmental Activities	<u><u>\$ 12,866,159</u></u>
---	-----------------------------

*See accompanying notes to financial statements.*

**PANTHER TRACE II COMMUNITY DEVELOPMENT DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
For the Year Ended September 30, 2016**

	General	Debt Service	Totals Governmental Funds
Revenues			
Special assessments	\$801,379	\$ 843,506	\$ 1,644,885
Investment earnings	1,799	40	1,839
Miscellaneous revenues	8,963	-	8,963
Total Revenues	<u>812,141</u>	<u>843,546</u>	<u>1,655,687</u>
Expenditures			
Current			
General government	112,541	-	112,541
Physical environment	440,679	-	440,679
Culture and recreation	90,778	-	90,778
Capital Outlay	13,175	-	13,175
Debt service			
Principal	-	430,000	430,000
Interest	-	395,240	395,240
Other debt service	-	-	-
Total Expenditures	<u>657,173</u>	<u>825,240</u>	<u>1,482,413</u>
Net Change in Fund Balances	154,968	18,306	173,274
Fund Balances - October 1, 2015	<u>544,746</u>	<u>550,354</u>	<u>1,095,100</u>
Fund Balances - September 30, 2016	<u><u>\$699,714</u></u>	<u><u>\$ 568,660</u></u>	<u><u>\$ 1,268,374</u></u>

*See accompanying notes to financial statements.*

**PANTHER TRACE II COMMUNITY DEVELOPMENT DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended September 30, 2016**

Net Change in Fund Balances -Total Governmental Funds	\$ 173,274
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays \$(13,175) as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation \$(1,441,196). This is the amount that depreciation exceeded capital outlay in the current period.	(1,428,021)
Repayments of bond principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	430,000
Governmental funds report bond discounts as expenditures. However, in the Statement of Activities, the cost of those assets are amortized over the life of the debt as interest expense. This is the amount of interest expense in the current year.	(2,921)
In the Statement of Activities, interest is accrued on outstanding bonds; whereas in governmental funds, interest expenditures are reported when due. This is the net change in accrued interest in the current period.	<u>3,628</u>
Change in Net Position of Governmental Activities	<u><u>\$ (824,040)</u></u>

*See accompanying notes to financial statements.*

**PANTHER TRACE II COMMUNITY DEVELOPMENT DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND  
For the Year Ended September 30, 2016**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Revenues				
Special assessments	\$ 811,811	\$ 811,811	\$ 801,379	\$ (10,432)
Investment earnings	300	300	1,799	1,499
Miscellaneous revenues	3,000	3,000	8,963	5,963
Total Revenues	<u>815,111</u>	<u>815,111</u>	<u>812,141</u>	<u>(2,970)</u>
Expenditures				
Current				
General government	155,359	155,359	112,541	42,818
Physical environment	442,318	442,318	440,679	1,639
Culture/recreation	122,518	122,518	90,778	31,740
Capital outlay	13,500	13,500	13,175	325
Total Expenditures	<u>733,695</u>	<u>733,695</u>	<u>657,173</u>	<u>76,522</u>
Excess of revenues over expenditures	81,416	81,416	154,968	73,552
Other financing sources/(uses)				
Transfers in	<u>130,000</u>	<u>130,000</u>	<u>-</u>	<u>(130,000)</u>
Net Change in Fund Balances	211,416	211,416	154,968	(56,448)
Fund Balances - October 1, 2015	<u>371,391</u>	<u>371,391</u>	<u>544,746</u>	<u>173,355</u>
Fund Balances - September 30, 2016	<u><u>\$ 582,807</u></u>	<u><u>\$ 582,807</u></u>	<u><u>\$ 699,714</u></u>	<u><u>\$ 116,907</u></u>

*See accompanying notes to financial statements.*



**PANTHER TRACE II COMMUNITY DEVELOPMENT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2016**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's more significant accounting policies are described below.

**1. Reporting Entity**

The District was established, as a Community Development District, on September 5, 2003, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), by Ordinance 03-22 of the Board of County Commissioners of Hillsborough County. The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of the infrastructure necessary for community development within its jurisdiction. The District is authorized to issue bonds for the purpose, among others, of financing, funding, planning, establishing, acquiring and/or constructing district roads and stormwater management facilities landscaping, recreation, water, wastewater distribution and reuse facilities and other basic infrastructure projects within or without the boundaries of the Panther Trace II Community Development District. The District is governed by a five-member Board of Supervisors who are elected by qualified electors on an at-large basis for four year terms. The District operates within the criteria established by Chapter 190, Florida Statutes.

As required by GAAP, these financial statements present the Panther Trace II Community Development District (the primary government) as a stand-alone government. The reporting entity for the District includes all functions of government in which the District's Board exercises oversight responsibility. Oversight responsibility includes, but is not limited to, financial interdependency, selection of governing authority, designation of management, significant ability to influence operations and accountability for fiscal matters.

Based upon the application of the above-mentioned criteria as set forth by the Governmental Accounting Standards Board, the District has identified no component units.

**PANTHER TRACE II COMMUNITY DEVELOPMENT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2016**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

The basic financial statements of the District are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to financial statements

**a. Government-wide Financial Statements**

Government-wide financial statements report all non-fiduciary information about the reporting government as a whole and its discretely-presented component unit. These statements include all the governmental activities of the primary government and its discretely-presented component unit. The effect of interfund activity has been removed from these statements.

Governmental activities are supported by special assessments, and interest. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program

In the Government-wide financial statement, amounts paid to acquire capital assets are capitalized as assets, rather than reported as an expenditure.

Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

**b. Fund Financial Statements**

The underlying accounting system of the District is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental funds are presented after the government-wide financial statements. These statements provide information about major funds.

**PANTHER TRACE II COMMUNITY DEVELOPMENT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2016**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2. Measurement Focus and Basis of Accounting (Continued)**

**b. Fund Financial Statements (Continued)**

**Governmental Funds**

The District classifies fund balance according to the Governmental Accounting Standards Board Statement 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*. The Statement requires the fund balance for governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The District has various policies governing the fund balance classifications.

**Nonspendable Fund Balance** – This classification consists of amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

**Restricted Fund Balance** – This classification includes amounts that can be spent only for specific purposes stipulated by the state constitution, external resource providers, or through enabling legislation.

**Assigned Fund Balance** – This classification consists of the Board of Supervisors' intent to be used for specific purposes, but are neither restricted nor committed.

**Unassigned Fund Balance** – This classification is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. Unassigned fund balance is considered to be utilized first when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

**Fund Balance Spending Hierarchy** - For all governmental funds except special revenue funds, when restricted, committed, assigned, and unassigned fund balances are combined in a fund, qualified expenditures are paid first from restricted or committed fund balance, as appropriate, then assigned and finally unassigned fund balances.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Interest associated with the current fiscal period is considered to be an accrual item and so has been recognized as revenue of the current fiscal period.

**PANTHER TRACE II COMMUNITY DEVELOPMENT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2016**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2. Measurement Focus and Basis of Accounting (Continued)**

**b. Fund Financial Statements (Continued)**

**Governmental Funds (Continued)**

Governmental funds generally report assets that are available spendable resources in the near term and liabilities that are payable from “available spendable resources.” Unassigned fund balance may serve as a useful measure of net resources available for spending at the end of the fiscal year.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the fund financial statement in the year that resources are expended, rather than as fund assets. In addition, the proceeds of long-term debt are recorded as an other financing source rather than as a fund liability. Debt service expenditures are recorded only when payment is due.

**3. Basis of Presentation**

**a. Governmental Major Funds**

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

Debt Service Fund - Accounts for debt service requirements to retire the special assessment bonds which were used to finance the construction of District infrastructure improvements. The bond series is secured by a pledge of all available debt service special assessment revenues in any fiscal year and a first lien on all acreage of benefited land within the District with the exception of the Phase IV property.

**PANTHER TRACE II COMMUNITY DEVELOPMENT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2016**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**a. Cash and Investments**

Florida Statutes require state and local governmental units to deposit monies with financial institutions classified as "Qualified Public Depositories," a multiple financial institution pool whereby groups of securities pledged by the various financial institutions provide common collateral from their deposits of public funds. This pool is provided as additional insurance to the federal depository insurance and allows for additional assessments against the member institutions, providing full insurance for public deposits.

The District is authorized to invest in those financial instruments as established by Section 218.415, Florida Statutes. The authorized investments consist of:

1. Direct obligations of the United States Treasury;
2. The Local Government Surplus Funds Trust or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperative Act of 1969;
3. Interest-bearing time deposits or savings accounts in authorized qualified public depositories;
4. Securities and Exchange Commission, registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

Cash equivalents include time deposits and certificates of deposit with original maturities of three months or less and held in a qualified public depository as defined by Section 280.02, Florida Statutes.

**b. Restricted Net Position**

Certain net position of the District is classified as restricted on the statement of net position because their use is limited either by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors. In a fund with both restricted and unrestricted net position, qualified expenses are considered to be paid first from restricted net position and then from unrestricted net position.

**PANTHER TRACE II COMMUNITY DEVELOPMENT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2016**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**4. Assets, Liabilities, and Net Position or Equity (Continued)**

**c. Capital Assets**

Capital assets, which include land and improvements, are reported in the governmental activities column.

The District defines capital assets as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. The valuation basis for all assets is historical cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

**d. Budgets**

Budgets are prepared and adopted after public hearings for the governmental funds, pursuant to Section 200.065, Florida Statutes. The District utilizes the same basis of accounting for budgets as it does for revenues and expenditures in its various funds. The legal level of budgetary control is at the fund level. All budgeted appropriations lapse at year end. Formal budgets are adopted for the general funds. As a result, deficits in the budget columns of the accompanying financial statements may occur.

**NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**1. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position**

“Total fund balances” of the District’s governmental funds \$1,268,374 differs from “net position” of governmental activities \$12,866,159 reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the governmental fund balance sheet. The effect of the differences is illustrated as follows.

**PANTHER TRACE II COMMUNITY DEVELOPMENT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2016**

**NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)**

**1. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position (Continued)**

**Capital related items**

When capital assets are purchased or constructed, the cost of these assets is reported as an expenditure in governmental funds. However, the Statement of Net Position includes those capital assets among the assets of the District as a whole.

Land	\$ 577,900
Buildings	589,978
Improvements other than buildings	497,936
Infrastructure	34,560,325
Recreational facilities	705,359
Equipment and furniture	272,996
Less: Accumulated depreciation	<u>(14,536,108)</u>
Total	<u>\$ 22,668,386</u>

**Long-term debt transactions**

Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the Statement of Net Position. Balances at September 30, 2016 were:

Bonds payable	\$ (10,965,000)
Bond discount, net	<u>55,497</u>
Total	<u>\$ (10,909,503)</u>

**Accrued interest**

Accrued liabilities in the Statement of Net Position differ from the amount reported in governmental funds due to the accrued interest on bonds.

Accrued interest	<u>\$ (161,098)</u>
------------------	---------------------

**PANTHER TRACE II COMMUNITY DEVELOPMENT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2016**

**NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)**

**2. Explanation of Differences Between the Governmental Fund Operating Statements and the Statement of Activities**

The “net change in fund balances” for government funds, \$173,274, differs from the “change in net position” for governmental activities, \$(824,040), reported in the Statement of Activities. The differences arise primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

**Capital related items**

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balances decrease by the amount of financial resources expended, whereas net position decreases by the amount of depreciation and capital outlay charged for the year.

Depreciation	\$ (1,441,196)
Capital Outlay	<u>13,175</u>
	<u>\$ (1,428,021)</u>

**Long-term debt transactions**

Repayments of bond principal are reported as an expenditure in the governmental funds and, thus, have the effect of reducing fund balance because current financial resources have been used. Amortization of the bond discount is reported as an expense in the statement of activities, but does not require the use of current financial resources. Therefore, it is not reported as an expenditure in the governmental funds.

Bond principal payments	\$ 430,000
Amortization of bond discount	<u>(2,921)</u>
Total	<u>\$ 427,079</u>

Some expenses reported in the statement of activities do not require the use of current financial resources; and therefore, are not reported as expenditures in governmental funds.

Net change in accrued interest payable	<u>\$ 3,628</u>
--	-----------------



**PANTHER TRACE II COMMUNITY DEVELOPMENT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2016**

**NOTE C - CASH AND INVESTMENTS**

All deposits are held in qualified public depositories and are included on the accompanying balance sheet as cash and investments.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk; however, they follow the provisions of Chapter 280, Florida Statutes regarding deposits and investments. As of September 30, 2016, the District's bank balance was \$750,365 and the carrying value was \$744,726. Exposure to custodial credit risk was as follows. The District maintains all deposits in a qualified public depository in accordance with the provisions of Chapter 280, Florida Statutes, which means that all deposits are fully insured by Federal Depositors Insurance or collateralized under Chapter 280, Florida Statutes up to \$250,000. As of September 30, 2016, Deposits of \$252,073 are not insured by FDIC.

As of September 30, 2016, the District had the following investments and maturities:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
First American Treasury Obligations Fund	N/A	<u>\$ 563,457</u>

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The District's investments in treasury funds, commercial paper, and government loans are limited by state statutory requirements and bond compliance. The District has no investment policy that would further limit its investment choices. As of September 30, 2016, the District's investment in First American Government Obligations was rated AAAM by Standard & Poor's.

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one fund. The investments in First American Treasury Obligations are 100% of the District's total investments.

The types of deposits and investments and their level of risk exposure as of September 30, 2016 were typical of these items during the fiscal year then ended. The District considers any decline in fair value for certain investments to be temporary.

**PANTHER TRACE II COMMUNITY DEVELOPMENT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2016**

**NOTE D – SPECIAL ASSESSMENT REVENUES**

Assessments are non-ad valorem assessments on benefitted property within the District. Operating and Maintenance Assessments are based upon adopted budget and levied annually. Debt Service Assessments are levied when bonds are issued and collected annually. The District may collect assessments directly or utilize the uniform method of collection (Chapter 197.3632, Florida Statutes). Direct collected assessments are due as determined by annual assessment resolution adopted by the Board of Supervisors. Assessments collected under the uniform method are mailed by County Tax Collector on November 1 and due on or before March 31 of each year. Property owners may prepay a portion or all of the Debt Service Assessments on their property subject to various provisions in the bond documents.

Assessments and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period.

All unpaid assessments become delinquent as of April 1. Unpaid assessments are collected via the sale of tax certificates on or prior to, June 1.

**NOTE E – CAPITAL ASSETS**

Capital Asset activity for the year ended September 30, 2016 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Governmental Activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 577,900	\$ -	\$ -	\$ 577,900
Capital assets, being depreciated:				
Infrastructure	34,560,325	-	-	34,560,325
Land improvements	497,936	-	-	497,936
Building	589,978	-	-	589,978
Recreational facilities	705,359	-	-	705,359
Equipment and furniture	259,821	13,175	-	272,996
Total Capital Assets Being Depreciated	36,613,419	13,175	-	36,626,594
Less accumulated depreciation for:				
Infrastructure	(13,094,912)	(1,441,196)	-	(14,536,108)
Total Capital Assets Being Depreciated, Net	23,518,507	(1,414,846)	-	22,090,486
Governmental Activities Capital Assets	<u>\$ 24,096,407</u>	<u>\$ (1,428,021)</u>	<u>\$ -</u>	<u>\$ 22,668,386</u>

Current year depreciation of \$1,367,531 was charged to physical environment and \$73,665 was charged to culture/recreation.

**PANTHER TRACE II COMMUNITY DEVELOPMENT DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2016**

**NOTE F – LONG-TERM DEBT**

The following is a summary of activity of the long-term debt of the District for the year ended September 30, 2016:

Long-term debt at October 1, 2015	\$ 11,395,000
Principal payments	<u>(430,000)</u>
Long-term debt at September 30, 2016	<u>\$ 10,965,000</u>

Long-term debt is comprised of the following:

**Special Assessment Refunding Revenue Bonds**

\$11,775,000 Series 2014 Special Assessment Revenue Refunding Bonds due in annual installments beginning May 1, 2015 and maturing May 1, 2035. Interest from 2.000% to 4.125% is due in May and November starting in May 2015.	\$ 10,965,000
Bond Discount, Net	<u>(55,497)</u>
Bonds Payable, Net	<u>\$ 10,909,503</u>

The annual requirements to amortize the principal and interest of bonded debt outstanding as of September 30, 2016 are as follows:

<u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 430,000	\$ 386,636	\$ 816,636
2018	440,000	381,476	821,476
2019	445,000	374,436	819,436
2020	455,000	365,536	820,536
2021	470,000	354,616	824,616
2022-2026	2,585,000	1,542,146	4,127,146
2027-2031	3,135,000	1,010,231	4,145,231
2032-2035	<u>3,005,000</u>	<u>316,181</u>	<u>3,321,181</u>
Totals	<u>\$10,965,000</u>	<u>\$ 4,731,258</u>	<u>\$ 15,696,258</u>

**PANTHER TRACE II COMMUNITY DEVELOPMENT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2016**

**NOTE F – LONG-TERM DEBT (CONTINUED)**

**SUMMARY OF SIGNIFICANT BONDS RESOLUTION TERMS AND COVENANTS**

Special Assessment Refunding Revenue Bonds, Series 2014.

Depository Funds - The bond indenture establishes certain funds and determines the order in which revenues are to be deposited into these funds. A description of the significant funds, including their purposes, is as follows:

Reserve Fund - A reserve requirement was established in an amount equal to one hundred percent (100%) of the maximum annual debt service requirement, \$816,092, of the 2014 Bonds. The 2014 Reserve Account partially covers this reserve requirement and is funded from the proceeds of the Series 2014 Bonds. Monies held in the reserve accounts will be used only for the purposes established in the Trust Indenture.

The reserve requirement was met at September 30, 2016 through a combination of cash in the amount of \$327,554 in the Reserve Fund and a debt service insurance policy.

**NOTE G – RISK MANAGEMENT**

The government is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance.



Berger, Toombs, Elam,  
Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue  
Suite 200  
Fort Pierce, Florida 34950

772/461-6120 // 461-1155  
FAX: 772/468-9278

**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 Supervisors  
Panther Trace II Community Development District  
Hillsborough County, Florida

We have audited the financial statements of Panther Trace II Community Development District as of and for the year ended September 30, 2016, and have issued our report thereon dated February 27, 2017. 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.

**Internal Control Over Financial Reporting**

Management of Panther Trace II Community Development District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Panther Trace II Community Development District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Panther Trace II Community Development District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Panther Trace II Community Development District's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

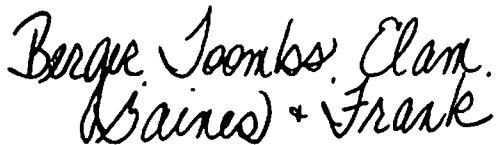
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

To the Board of Supervisors  
Panther Trace II Community Development District

### **Compliance and Other Matters**

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

This report is intended solely for the information and use of the Board of Supervisors, Management, others within the entity and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than those specified parties.



Berger, Toombs, Elam, Gaines & Frank  
Certified Public Accountants  
Fort Pierce, Florida

February 27, 2017



Berger, Toombs, Elam,  
Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue  
Suite 200  
Fort Pierce, Florida 34950

772/461-6120 // 461-1155  
FAX: 772/468-9278

## MANAGEMENT LETTER

To the Board of Supervisors  
Panther Trace II Community Development District  
Hillsborough County, Florida

### Report on the Financial Statements

We have audited the financial statements of the Panther Trace II Community Development District as of and for the year ended September 30, 2016, and have issued our report thereon dated February 27, 2017.

### Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States; 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 Florida Auditor General.

### Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and our Independent Auditor's Report on an examination conducted in accordance with AICPA Professionals Standards, Section 601 regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in that report, which is dated February 27, 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 address in the Management Letter, if not already addressed in the auditor's report on compliance and internal controls, whether or not recommendations made in the preceding annual financial report have been followed. There were no recommendations made in the preceding audit report.

To the Board of Supervisors  
Panther Trace II Community Development District

### **Financial Condition**

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that we report the results of our determination as to whether or not Panther Trace II Community Development District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions met. In connection with our audit, we determined that the Panther Trace II Community Development 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 conditions assessment procedures. It is management's responsibility to monitor the Panther Trace II Community Development District's financial condition; our financial condition assessment was based in part on the representations made by management and the review of the financial information provided by the same.

### **Annual Financial Report**

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the Panther Trace II Community Development 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.

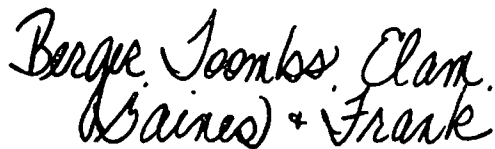
Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the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



To the Board of Supervisors  
Panther Trace II Community Development District

**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.



Berger, Toombs, Elam, Gaines & Frank  
Certified Public Accountants PL  
Fort Pierce, Florida

February 27, 2017



Berger, Toombs, Elam,  
Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue  
Suite 200  
Fort Pierce, Florida 34950

772/461-6120 // 461-1155  
FAX: 772/468-9278

**INDEPENDENT ACCOUNTANT'S REPORT/COMPLIANCE  
WITH SECTION 218.415, FLORIDA STATUTES**

To the Board of Supervisors  
Panther Trace II Community Development District  
Hillsborough County, Florida

We have examined Panther Trace II Community Development District's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2016. Management is responsible for Panther Trace II Community Development District's compliance with those requirements. Our responsibility is to express an opinion on Panther Trace II Community Development 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 Panther Trace II Community Development 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 Panther Trace II Community Development District's compliance with the specified requirements.

In our opinion, Panther Trace II Community Development District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2016.

*Berger, Toombs, Elam,  
Gaines & Frank*

Berger, Toombs, Elam, Gaines & Frank  
Certified Public Accountants PL  
Fort Pierce, Florida

February 27, 2017