

**Villages of Bloomingdale
Community Development District**

ANNUAL FINANCIAL REPORT

September 30, 2016

Villages of Bloomingdale Community Development District

ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2016

TABLE OF CONTENTS

FINANCIAL SECTION	<u>Page Number</u>
REPORT OF INDEPENDENT AUDITORS	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-8
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements:	
Balance Sheet – Governmental Funds	11
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	12
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	15
Notes to Financial Statements	16-28
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 <i>GOVERNMENT AUDITING STANDARDS</i>	29-30
MANAGEMENT LETTER	31-33
INDEPENDENT ACCOUNTANT'S REPORT/COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES	34



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REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors
Villages of Bloomingdale Community Development District
Hillsborough County, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of Villages of Bloomingdale Community Development District 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

- 1 -

To the Board of Supervisors
Villages of Bloomingdale 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 Villages of Bloomingdale 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 March 29, 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 Villages of Bloomingdale Community Development District's internal control over financial reporting and compliance.

*Berger, Toombs, Elam,
Gaines & Frank*

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

March 29, 2017

**Villages of Bloomingdale Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2016**

Management's discussion and analysis of Villages of Bloomingdale 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 are 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.

**Villages of Bloomingdale 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 governmental-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 liabilities exceeded total assets by \$(969,233) (net position). Unrestricted net position for Governmental Activities was \$687,542, restricted net position was \$164,985, and net investment in capital assets was \$(1,821,760).
- Governmental activities revenues totaled \$793,192 while governmental activities expenses totaled \$918,807.

**Villages of Bloomingdale 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

	Governmental Activities	
	2016	2015
Current assets	\$ 791,907	\$ 696,723
Restricted assets	208,266	325,326
Capital assets, net	2,279,673	2,456,509
Total Assets	3,279,846	3,478,558
Deferred Outflow of Resources	73,567	-
Current liabilities	47,646	219,261
Non-current liabilities	4,275,000	4,102,915
Total Liabilities	4,322,646	4,322,176
Net position - invested in capital assets, net of related debt	(1,821,760)	(1,389,712)
Restricted for debt service	67,823	26,906
Restricted for capital projects	97,162	82,140
Net position - unrestricted	687,542	437,048
Total Net Position	\$ (969,233)	\$ (843,618)

The decrease in capital assets, net is the result of current year depreciation.

The increase in non-current liabilities and the decrease in restricted assets was due to the refunding of the 2004 Series Bond with the 2016 Series Note during the current year.

**Villages of Bloomingdale 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

	Governmental Activities	
	2016	2015
Program Revenues		
Charges for services	\$ 788,983	\$ 770,164
General Revenues		
Investments earnings	2,685	1,008
Other revenues	1,524	20,709
Total Revenues	<u>793,192</u>	<u>791,881</u>
Expenses		
General government	91,050	101,891
Physical environment	218,191	220,059
Culture/recreation	192,450	191,569
Interest on long-term debt	417,116	254,312
Total Expenses	<u>918,807</u>	<u>767,831</u>
Change in Net Position	(125,615)	24,050
Net Position - Beginning of Year	<u>(843,618)</u>	<u>(867,668)</u>
Net Position - End of year	<u>\$ (969,233)</u>	<u>\$ (843,618)</u>

The decrease in general government expenses was primarily due to lower legal fees.

The increase in interest on long-term debt was due to refunding of the Series 2004 Bond for the Series 2016 Note series during the current year.

**Villages of Bloomingdale 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.

<u>Description</u>	<u>Governmental Activities</u>	
	<u>2016</u>	<u>2015</u>
Buildings	\$ 665,089	\$ 665,089
Improvements other than buildings	343,661	343,661
Infrastructure	3,016,745	3,016,745
Accumulated depreciation	(1,745,822)	(1,568,986)
Total	<u>\$ 2,279,673</u>	<u>\$ 2,456,509</u>

Depreciation totaled \$176,836 in the current fiscal year.

General Fund Budgetary Highlights

Budgeted expenditures were lower than actual expenditures primarily because of a decrease in legal fees during current year.

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

Debt Management

Governmental Activities debt includes the following:

- In November 2004, the District issued \$6,475,000 Series 2004 Special Assessment Revenue Bonds. These bonds were issued to finance the cost of acquisition, construction, and equipping of certain master infrastructure improvements. The Series 2004 Bonds were refunded by the Series 2016 Special Assessment Revenue Refunding Note during the current year.
- In June 7, 2016, the District issued \$4,275,000 Special Assessment Revenue Refunding Note, Series 2016. Bonds payable totaled \$4,275,000 at September 30, 2016.

Economic Factors and Next Year's Budget

Villages of Bloomingdale 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.

**Villages of Bloomingdale Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2016**

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Request for Information

The financial report is designed to provide a general overview of Villages of Bloomingdale 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 Villages of Bloomingdale Community Development District, Governmental Management Services, CF, LLC, 135 West Central Boulevard, Suite 320, Orlando, FL 32801.

Villages of Bloomingdale Community Development District
STATEMENT OF NET POSITION
September 30, 2016

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash	\$ 333,297
Investments	433,148
Due from other governments	4,487
Prepaid expenses	18,675
Deposits	<u>2,300</u>
Total Current Assets	<u>791,907</u>
Non-current Assets	
Restricted assets	
Investments	208,266
Capital assets, being depreciated	
Buildings	665,089
Improvements other than buildings	343,661
Infrastructure	3,016,745
Less: Accumulated depreciation	<u>(1,745,822)</u>
Total Non-current Assets	<u>2,487,939</u>
Total Assets	<u>3,279,846</u>
 DEFERRED OUTFLOW OF RESOURCES	
Deferred amount on refunding	<u>73,567</u>
Total Assets and Defered Outflow of Resources	<u>3,353,413</u>
 LIABILITIES	
Current Liabilities	
Accounts payable and accrued liabilities	5,013
Accrued interest	<u>42,633</u>
Total Current Liabilities	<u>47,646</u>
Non-current liabilities	
Bonds payable	<u>4,275,000</u>
Total Liabilities	<u>4,322,646</u>
 NET POSITION	
Net investment in capital assets	(1,821,760)
Restricted for debt service	67,823
Restricted for capital projects	97,162
Unrestricted	<u>687,542</u>
Total Net Position	<u><u>\$ (969,233)</u></u>

See accompanying notes to financial statements.

Villages of Bloomingdale Community Development District
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2016

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenues and Changes in Net Position Governmental Activities
Primary government			
Governmental Activities			
General government	\$ (91,050)	\$ 118,016	\$ 26,966
Physical environment	(218,191)	96,706	(121,485)
Culture/recreation	(192,450)	206,342	13,892
Interest on long-term debt	(417,116)	367,919	(49,197)
Total Governmental Activities	\$ (918,807)	\$ 788,983	(129,824)
General Revenues			
			2,685
			1,524
			4,209
			(125,615)
			(843,618)
			\$ (969,233)

See accompanying notes to financial statements.

**VILLAGES OF BLOOMINGDALE COMMUNITY DEVELOPMENT DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2016**

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash	\$ 236,135	\$ -	\$ 97,162	\$ 333,297
Investments	433,148	-	-	433,148
Due from other governments	2,297	2,190	-	4,487
Prepaid expenses	18,675	-	-	18,675
Deposits	2,300	-	-	2,300
Restricted assets				
Investments, at fair value	-	208,266	-	208,266
Total Assets	\$ 692,555	\$ 210,456	\$ 97,162	\$ 1,000,173
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and accrued liabilities	\$ 5,013	\$ -	\$ -	\$ 5,013
Fund Balances				
Nonspendable - deposits/prepays	20,975	-	-	20,975
Restricted for debt service	-	210,456	-	210,456
Restricted for capital projects	-	-	97,162	97,162
Unassigned	666,567	-	-	666,567
Total Fund Balances	687,542	210,456	97,162	995,160
Total Liabilities and Fund Balances	\$ 692,555	\$ 210,456	\$ 97,162	\$ 1,000,173

See accompanying notes to financial statements.

**Villages of Bloomingdale Community Development District
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2016**

Total Governmental Fund Balances	\$ 995,160
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets being depreciated, buildings, \$665,089, infrastructure, \$3,016,745, and improvements other than buildings, \$343,661, net of accumulated depreciation, \$(1,745,822), are not financial resources and therefore, are not reported at the governmental fund level.	2,279,673
Long-term liabilities, including bonds payable, \$(4,275,000), are not due and payable in the current period and, therefore, are not reported at the governmental fund level.	(4,275,000)
Deferred outflows of resources, \$76,031, net of amortization, \$(2,464), are not financial resources and therefore, are not reported at the governmental fund level.	73,567
Accrued interest expense for long-term debt is not a financial use and; therefore, is not reported at the governmental fund level.	<u>(42,633)</u>
Net Position of Governmental Activities	<u><u>\$ (969,233)</u></u>

See accompanying notes to financial statements.

VILLAGES OF BLOOMINGDALE COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended September 30, 2016

	General	Debt Service	Capital Projects	Totals Governmental Funds
Revenues				
Special assessments	\$ 421,064	\$ 367,919	\$ -	\$ 788,983
Investment earnings	2,341	307	37	2,685
Miscellaneous revenues	1,524	-	-	1,524
Total Revenues	<u>424,929</u>	<u>368,226</u>	<u>37</u>	<u>793,192</u>
Expenditures				
Current				
General government	91,035	-	15	91,050
Physical environment	74,610	-	-	74,610
Culture/recreation	159,195	-	-	159,195
Debt service				
Principal	-	4,240,000	-	4,240,000
Interest	-	249,100	-	249,100
Other debt service cost	-	270,837	-	270,837
Total Expenditures	<u>324,840</u>	<u>4,759,937</u>	<u>15</u>	<u>5,084,792</u>
Excess revenues over/(under) expenditures	<u>100,089</u>	<u>(4,391,711)</u>	<u>22</u>	<u>(4,291,600)</u>
Other financing sources/(uses)				
Bond Proceeds	-	4,275,000	-	4,275,000
Transfers in	-	-	15,000	15,000
Transfers out	(15,000)	-	-	(15,000)
Total other financing sources/(uses)	<u>(15,000)</u>	<u>4,275,000</u>	<u>15,000</u>	<u>4,275,000</u>
Net Change in Fund Balances	85,089	(116,711)	15,022	(16,600)
Fund Balances - October 1, 2015	<u>602,453</u>	<u>327,167</u>	<u>82,140</u>	<u>1,011,760</u>
Fund Balances - September 30, 2016	<u>\$ 687,542</u>	<u>\$ 210,456</u>	<u>\$ 97,162</u>	<u>\$ 995,160</u>

See accompanying notes to financial statements.

**Villages of Bloomingdale 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	\$	(16,600)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation. This is the amount of depreciation in the current period.		(176,836)
Debt proceeds provide current financial resources to governmental funds at the fund level, but increases long term liabilities at the government wide level.		(4,275,000)
Repayments of bond principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		4,240,000
The increase in deferred amount of refunding in the current year is recognized as other debt service cost at the fund level but is a deferred outflow at the government wide level.		45,212
The deferred amount of refunding is amortized in the Statement of Activities. this is the amount of amortization in the current year.		(2,464)
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.		(1,266)
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>61,339</u>
Change in Net Position of Governmental Activities	<u>\$</u>	<u>(125,615)</u>

See accompanying notes to financial statements.

Villages of Bloomingdale Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended September 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Special assessments	\$ 405,684	\$ 405,684	\$ 421,064	\$ 15,380
Investment earnings	600	600	2,341	1,741
Miscellaneous Revenues	1,100	1,100	1,524	424
Total Revenues	<u>407,384</u>	<u>407,384</u>	<u>424,929</u>	<u>17,545</u>
Expenditures				
Current				
General government	102,525	102,525	91,035	11,490
Physical environment	101,996	101,996	74,610	27,386
Culture/recreation	187,863	187,863	159,195	28,668
Total Expenditures	<u>392,384</u>	<u>392,384</u>	<u>324,840</u>	<u>67,544</u>
Excess of revenues over expenditures	15,000	15,000	100,089	85,089
Other financing sources/(uses)				
Transfers out	<u>(15,000)</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>
Net Change in Fund Balances	-	-	85,089	85,089
Fund Balances - October 1, 2015	<u>-</u>	<u>-</u>	<u>602,453</u>	<u>602,453</u>
Fund Balances - September 30, 2016	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 687,542</u>	<u>\$ 687,542</u>

See accompanying notes to financial statements.

Villages of Bloomingdale 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 June 11, 2004, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), by Ordinance 04-29 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 Villages of Bloomingdale 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 Villages of Bloomingdale 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 including, but 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.

Villages of Bloomingdale 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.

Villages of Bloomingdale 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.

Villages of Bloomingdale 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.

Capital Projects Fund - Established by the District for future capital projects.

Villages of Bloomingdale 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.

Villages of Bloomingdale 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 building, improvements other than buildings and infrastructure, 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.

Depreciation of capital assets is computed and recorded by utilizing the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows:

Infrastructure	25 years
Buildings	20 years
Improvements other than buildings	15 years

d. Budgets

Budgets are prepared and adopted after public hearings for the governmental funds, pursuant to Chapter 190, 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 and debt service funds.

e. Deferred Outflows of Resources

Deferred outflows of resources is the consumption of net position by the government that is applicable to a future reported period. Deferred amount on refunding is amortized and recognized as a component of interest expense over the life of the bond.

Villages of Bloomingdale Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

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, \$995,160, differs from “net position” of governmental activities, \$(969,233), 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.

Capital related items

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

Buildings	\$	665,089
Improvements other than buildings		343,661
Infrastructure		3,016,745
Less: Accumulated depreciation		<u>(1,745,822)</u>
Total		<u>\$ 2,279,673</u>

Deferred outflows of resources

Deferred outflows of resources applicable to the District's governmental activities are not financial resources and therefore, are not reported as assets at the fund level.

Deferred amount on refunding	\$	<u>73,567</u>
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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	\$	<u>(4,275,000)</u>
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Villages of Bloomingdale 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)

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>\$ (42,633)</u>
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2. Explanation of Differences Between the Governmental Fund Operating Statements and the Statement of Activities

The “net change in fund balances” for government funds, \$(16,600), differs from the “change in net position” for governmental activities, \$(125,615), 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 is 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 decrease by the amount of depreciation charged for the year.

Depreciation	<u>\$ (176,836)</u>
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Deferred amount of refunding

The deferred amount on refunding created as a result of the issuance of new debt is not a financial resource and therefore, is not reported at the fund statement level.

Deferred amount on refunding	<u>\$ 45,212</u>
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Villages of Bloomingdale 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 (Continued)

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.

Debt proceeds	\$ (\$4,275,000)
Bond principal payments	4,240,000
Amortization of bond discount	(1,266)
Amortization of deferred amount of refunding	<u>(2,464)</u>
Total	<u>\$ (38,730)</u>

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

Net change in accrued interest payable	<u>\$ 61,339</u>
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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 \$347,325 and the carrying value was \$ \$333,297. 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.

Villages of Bloomingdale Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE C - CASH AND INVESTMENTS (CONTINUED)

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

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Florida SBA Prime Fund	N/A	\$ 433,148
FI Community Bank Business Money Market	N/A	208,266
		<u>\$ 641,414</u>

The District categorizes its fair value measurements within the fair value hierarchy recently established by generally accepted accounting principles. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The District uses a market approach in measuring fair value that uses prices and other relevant information generated by market transactions involving identical or similar assets, liabilities, or groups of assets and liabilities.

Assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted price for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtaining quoted prices for identical or similar assets, or liabilities, in markets that are not active. Level 3 is the least reliable and uses significant unobservable inputs that uses the best information available under the circumstances, which includes the District's own data in measuring unobservable inputs.

Investments

The District's investment policy allows management to invest funds in investments permitted under Section 218.415, Florida Statutes. Among other investments, the policy allows the District to invest in the State Board of Administration Local Government Surplus Trust Funds.

Cash placed with the State Board of Administration represents the District's participation in the Local Government Surplus Trust Funds Investment Pool and is reported at fair value. As a pool participant the District invests in pools of investments in which shares are owned in the pool rather than the underlying investments.

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.

Villages of Bloomingdale Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE C - CASH AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one fund. The investments in Florida Community Bank Business Money Market are 32% of the District's total investments. The investments in Florida Prime are 68% 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.

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.

Villages of Bloomingdale Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

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>				
Buildings	\$ 665,089	\$ -	\$ -	\$ 665,089
Improvements other than buildings	343,661	-	-	343,661
Infrastructure	<u>3,016,745</u>	<u>-</u>	<u>-</u>	<u>3,016,745</u>
Total Capital Assets Being Depreciated	4,025,495	-	-	4,025,495
Less accumulated depreciation for:				
Infrastructure	<u>(1,568,986)</u>	<u>(176,836)</u>	<u>-</u>	<u>(1,745,822)</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 2,456,509</u>	<u>\$ (176,836)</u>	<u>\$ -</u>	<u>\$ 2,279,673</u>

Current year depreciation of \$176,836 was charged to physical environment (\$143,581) and culture/recreation (\$33,255).

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	\$ 4,240,000
Principal payments	(4,240,000)
Bond proceeds	<u>4,275,000</u>
Long-term debt at September 30, 2016	<u>\$ 4,275,000</u>

Long-term debt is comprised of the following:

Special Assessment Revenue Refunding Note

\$4,275,000 Special Assessment Revenue Refunding Note, Series 2016, due in annual principal installments, beginning November 1, 2017. Interest is due semi-annually on May 1 and November 1, at a rate of 3.00% and 5.875%. \$ 4,275,000

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

**Villages of Bloomingdale Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2016**

NOTE F – LONG-TERM DEBT (CONTINUED)

Year Ending September 30,	Principal	Interest	Total
2017	\$ -	\$ 115,069	\$ 115,069
2018	220,000	124,950	344,950
2019	230,000	118,200	348,200
2020	235,000	111,225	346,225
2021	245,000	104,025	349,025
2022-2026	1,320,000	405,450	1,725,450
2027-2032	1,330,000	404,788	1,734,788
2033-2034	695,000	46,559	741,559
Totals	<u>\$ 4,275,000</u>	<u>\$ 1,430,266</u>	<u>\$ 5,705,266</u>

SUMMARY OF SIGNIFICANT NOTE RESOLUTION TERMS AND COVENANTS

Refunding Note Series 2016

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 - The 2016 Reserve Account is funded from the proceeds of the Series 2016 Notes. Monies held in the reserve accounts will be used only for the purposes established in the Trust Indenture.

	Special Assessment Revenue Refunding Notes	
	Reserve Balance	Reserve Requirement
Series 2016 Special Assessment Revenue Refunding Note	<u>\$ 100,000</u>	<u>\$ 100,000</u>

The reserve requirement was met at September 30, 2016.

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.



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**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
Villages of Bloomingdale Community Development District
Hillsborough County, Florida

We have audited the financial statements of Villages of Bloomingdale Community Development District as of and for the year ended September 30, 2016, and have issued our report thereon dated March 29, 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 Villages of Bloomingdale Community Development District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Villages of Bloomingdale 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 Villages of Bloomingdale Community Development District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Villages of Bloomingdale 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
Villages of Bloomingdale Community Development District

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Villages of Bloomingdale 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*.

We noted certain matters that we reported to management of Villages of Bloomingdale Community Development District in a separate letter dated March 29, 2017.

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*

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

March 29, 2017



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MANAGEMENT LETTER

To the Board of Supervisors
Villages of Bloomingdale Community Development District
Hillsborough County, Florida

Report on the Financial Statements

We have audited the financial statements of the Villages of Bloomingdale Community Development District as of and for the year ended September 30, 2016, and have issued our report thereon dated March 29, 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 March 29, 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. The following recommendation was made in a preceding audit report:

Finding 2012-01, 2013-01, 2014-01

Finding - The District did not meet the debt service reserve in prior years.

Management Response – The District continues to deal with the affects of the economic downturn. All debt service payments were made during the current fiscal year and the District will strive to replenish the reserve account to the extent required by the Trust Indenture.

Current Status - The District refunded 2004 bond series during the year and issued Series 2016 Note. The debt service reserve was met at September 30, 2016.

To the Board of Supervisors
Villages of Bloomingdale 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 Villages of Bloomingdale 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 Villages of Bloomingdale 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 Villages of Bloomingdale 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 Villages of Bloomingdale 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
Villages of Bloomingdale 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*

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

March 29, 2017



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

To the Board of Supervisors
Villages of Bloomingdale Community Development District
Hillsborough County, Florida

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

In our opinion, Villages of Bloomingdale 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
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Fort Pierce, Florida

March 29, 2017