

**TAMPA PALMS OPEN SPACE AND TRANSPORTATION  
COMMUNITY DEVELOPMENT DISTRICT  
HILLSBOROUGH COUNTY, FLORIDA  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2017**

**TAMPA PALMS OPEN SPACE AND TRANSPORTATION  
COMMUNITY DEVELOPMENT DISTRICT  
HILLSBOROUGH COUNTY, FLORIDA**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors  
Tampa Palms Open Space and Transportation Community Development District  
Hillsborough County, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Tampa Palms Open Space and Transportation Community Development District, Hillsborough County, Florida ("District") as of and for the fiscal year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2017, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2018, 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, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

### **Report on Other Legal and Regulatory Requirements**

We have also issued our report dated June 4, 2018, on our consideration of the District's compliance with the requirements of Section 218.415, Florida Statutes, as required by Rule 10.556(10) of the Auditor General of the State of Florida. The purpose of that report is to provide an opinion based on our examination conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.



June 4, 2018

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Tampa Palms Open Space and Transportation Community Development District, Hillsborough County, Florida's ("District") financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2017. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

### FINANCIAL HIGHLIGHTS

- The assets plus deferred outflows of resources of the District exceeded its liabilities at the close of the most recent fiscal year resulting in a net position balance of \$2,365,304.
- The change in the District's total net position in comparison with the prior fiscal year was \$1,497,653, an increase. The key components of the District's net position and change in net position are reflected in the table in the government-wide financial analysis section.
- At September 30, 2017, the District's governmental funds reported combined ending fund balances of \$2,419,269, a decrease of (\$376,024) in comparison with the prior fiscal year. The total fund balance is non-spendable for prepaid items and deposits, restricted for debt service, assigned for operating and maintenance reserves, and the remainder is unassigned fund balance which is available for spending at the District's discretion.

### OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as the introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### 1) Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual amount being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements include all governmental activities that are principally supported by assessments. The District does not have any business-type activities. The governmental activities of the District include general government (management), maintenance and operations, and parks and recreation functions.

## OVERVIEW OF FINANCIAL STATEMENTS (Continued)

### 2) Fund Financial Statements

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

#### Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a District'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 governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains five governmental funds for external reporting. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, debt service area 3, debt service area 6, debt service area 7 and the capital projects area 6 funds. All funds are considered to be major funds.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with the budget.

### 3) Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the District, assets plus deferred outflows of resources exceeded liabilities the close of the most recent fiscal year.

Key components of the District's net position are reflected in the following table:

	NET POSITION	
	SEPTEMBER 30,	
	2017	2016
Current and other assets	\$ 2,530,210	\$ 2,957,039
Capital assets, net of depreciation	1,775,500	1,669,686
Total assets	4,305,710	4,626,725
Deferred outflow of resources	51,098	76,644
Current liabilities	161,504	257,782
Long-term liabilities	1,830,000	3,577,936
Total liabilities	1,991,504	3,835,718
Net position		
Net investment in capital assets	(3,402)	(1,831,606)
Restricted	922,758	830,063
Unrestricted	1,445,948	1,869,194
Total net position	\$ 2,365,304	\$ 867,651

## GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The District's net position reflects its investment in capital assets (e.g. land, land improvements and infrastructure) less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to residents; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the District's other obligations.

The change in the District's net position during the most recent fiscal year was an increase. The majority of the change represents the extent to which ongoing program revenues exceeded the cost of operations, interest on long-term debt and depreciation expense.

Key elements of the change in net position are reflected in the following table:

CHANGES IN NET POSITION FOR THE FISCAL YEAR ENDED SEPTEMBER 30,		
	2017	2016
Revenues:		
Program revenues		
Charges for services	\$ 3,605,634	\$ 3,478,322
Operating grants and contributions	2,208	1,227
Capital grants and contributions	35	-
General revenues	17,615	14,224
Total revenues	3,625,492	3,493,773
Expenses:		
General government	253,564	270,873
Maintenance and operations	1,224,680	971,649
Parks and recreation	435,404	397,532
Interest	214,191	327,063
Total expenses	2,127,839	1,967,117
Change in net position	1,497,653	1,526,656
Net position - beginning	867,651	(659,005)
Net position - ending	\$ 2,365,304	\$ 867,651

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2017 was \$2,127,839. The costs of the District's activities were primarily funded by program revenues which increased in the current fiscal year. The increase is mainly the result of reimbursements from the Developer and the HOA for costs incurred on their behalf. Program revenues are comprised primarily of assessments, including those on Developer owned land. The remaining revenue is interest and miscellaneous revenues. In total, expenses, including depreciation, increased from the prior fiscal year. The majority of the increase was the result of an increase in repairs and maintenance costs.

## GENERAL BUDGETING HIGHLIGHTS

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. The general fund budget for the fiscal year ended September 30, 2017 was amended to increase appropriations and use of fund balance by \$556,487. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2017.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At September 30, 2017, the District had \$2,295,141 invested in capital assets for its governmental activities. In the government-wide financial statements depreciation of \$519,641 has been taken, which resulted in a net book value of \$1,775,500. More detailed information about the District's capital assets is presented in the notes of the financial statements.

### Capital Debt

At September 30, 2017, the District had \$1,830,000 in Bonds outstanding for its governmental activities. More detailed information about the District's capital debt is presented in the notes of the financial statements.

## ECONOMIC FACTORS AND NEXT YEARS BUDGETS AND OTHER EVENTS

The District does not anticipate any major projects or significant changes to its infrastructure maintenance program for the subsequent fiscal year. In addition, it is anticipated that the general operations of the District will remain fairly constant.

In connection with the District's future infrastructure maintenance and replacement plan, the District Board has included in the budget, an estimate of those anticipated future costs and has assigned a portion of current available resources for that purpose.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, land owners, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact the Tampa Palms Open Space and Transportation Community Development District's Finance Department at 210 N. University Drive, Suite 702, Coral Springs, Florida, 33071.



**TAMPA PALMS OPEN SPACE AND TRANSPORTATION COMMUNITY DEVELOPMENT DISTRICT  
HILLSBOROUGH COUNTY, FLORIDA  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2017**

	Governmental Activities
ASSETS	
Cash	\$ 1,262,659
Investments	202,087
Due from other governments	19,194
Accrued interest receivable	1,231
Other receivable	20,326
Prepays and deposits	65,341
Restricted assets:	
Investments	959,372
Capital assets:	
Nondepreciable	274,965
Depreciable, net	1,500,535
Total assets	<u>4,305,710</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding (debit)	51,098
Total deferred outflows of resources	<u>51,098</u>
LIABILITIES	
Accounts payable and other current liabilities	110,941
Accrued interest payable	50,563
Non-current liabilities:	
Due within one year	1,830,000
Total liabilities	<u>1,991,504</u>
NET POSITION	
Net invested in capital assets	(3,402)
Restricted for debt service	922,758
Unrestricted	1,445,948
Total net position	<u>\$ 2,365,304</u>

See notes to the financial statements

**TAMPA PALMS OPEN SPACE AND TRANSPORTATION COMMUNITY DEVELOPMENT DISTRICT  
HILLSBOROUGH COUNTY, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary government:					
Governmental activities:					
General government	\$ 253,564	\$ 253,564	\$ -	\$ -	\$ -
Maintenance and operations	1,224,680	866,940	-	-	(357,740)
Parks and recreation	435,404	435,404	-	-	-
Interest on long-term debt	214,191	2,049,726	2,208	35	1,837,778
Total governmental activities	2,127,839	3,605,634	2,208	35	1,480,038
General revenues:					
Unrestricted investment earnings					17,615
Total general revenues					17,615
Change in net position					1,497,653
Net position - beginning					867,651
Net position - ending					<u>\$ 2,365,304</u>

See notes to the financial statements

**TAMPA PALMS OPEN SPACE AND TRANSPORTATION COMMUNITY DEVELOPMENT DISTRICT  
HILLSBOROUGH COUNTY, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2017**

	Major Funds						Total
	General	Debt Service Area 3	Debt Service Area 6	Debt Service Area 7	Capital Projects Area 6	Governmental Funds	
<b>ASSETS</b>							
Cash	\$ 1,262,659	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,262,659
Investments	202,087	652,164	64,769	225,653	16,786		1,161,459
Due from other governments	8,696	4,252	2,300	3,946	-		19,194
Accrued interest receivable	1,231	-	-	-	-		1,231
Other receivable	20,326	-	-	-	-		20,326
Due from other funds	-	296	19,666	275	-		20,237
Prepays and deposits	65,341	-	-	-	-		65,341
Total assets	\$ 1,560,340	\$ 656,712	\$ 86,735	\$ 229,874	\$ 16,786	\$ -	\$ 2,550,447
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Accounts payable and accrued liabilities	\$ 64,828	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,828
Due to other funds	3,451	-	-	-	16,786		20,237
Refundable deposits	46,113	-	-	-	-		46,113
Total liabilities	114,392	-	-	-	16,786		131,178
<b>Fund balances:</b>							
Nonspendable:							
Prepays and deposits	65,341	-	-	-	-		65,341
Restricted for:							
Debt service	-	656,712	86,735	229,874	-		973,321
Assigned to:							
Operating reserves	381,776	-	-	-	-		381,776
Other reserves	572,116	-	-	-	-		572,116
Unassigned	426,715	-	-	-	-		426,715
Total fund balances	1,445,948	656,712	86,735	229,874	-		2,419,269
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,560,340	\$ 656,712	\$ 86,735	\$ 229,874	\$ 16,786	\$ -	\$ 2,550,447

See notes to the financial statements

**TAMPA PALMS OPEN SPACE AND TRANSPORTATION COMMUNITY DEVELOPMENT DISTRICT  
HILLSBOROUGH COUNTY, FLORIDA  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2017**

Total fund balances - governmental funds \$ 2,419,269

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The statement of net position includes those capital assets, net of any accumulated depreciation, in the net position of the government as a whole.

Cost of capital assets	2,295,141	
Accumulated depreciation	<u>(519,641)</u>	1,775,500

Deferred charges on refunding of long-term debt are shown as deferred outflows/inflows of resources in the government-wide financial statements; however, this amount is expensed in the governmental fund financial statements.

Deferred amount on debt refunding	383,196	
Accumulated amortization on deferred amount	<u>(332,098)</u>	51,098

Liabilities not due and payable from current available resources are not reported as liabilities in the governmental fund statements. All liabilities, both current and long-term, are reported in the government-wide financial statements.

Accrued interest payable	(50,563)	
Bonds and note payable	<u>(1,830,000)</u>	<u>(1,880,563)</u>
Net position of governmental activities		<u><u>\$ 2,365,304</u></u>

See notes to the financial statements

**TAMPA PALMS OPEN SPACE AND TRANSPORTATION COMMUNITY DEVELOPMENT DISTRICT  
HILLSBOROUGH COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

	Major Funds						Total Governmental Funds
	General	Debt Service Area 3	Debt Service Area 6	Debt Service Area 7	Capital Projects Area 6		
<b>REVENUES</b>							
Assessments	\$ 1,375,006	\$ 695,679	\$ 363,675	\$ 624,356	\$ -	\$	\$ 3,058,716
Developer assessment revenue	138,407	367,014	-	-	-		505,421
Interest income	17,615	1,247	299	662	35		19,858
Other income	43,253	-	-	-	-		43,253
Total revenues	1,574,281	1,063,940	363,974	625,018	35		3,627,248
<b>EXPENDITURES</b>							
Current:							
General government	230,871	9,191	4,972	8,530	-		253,564
Maintenance and operations	1,150,723	-	-	-	-		1,150,723
Parks and recreation	403,954	-	-	-	-		403,954
Debt service:							
Principal	-	860,000	300,000	555,000	32,936		1,747,936
Interest	-	137,125	46,500	51,075	1,174		235,874
Capital outlay	211,221	-	-	-	-		211,221
Total expenditures	1,996,769	1,006,316	351,472	614,605	34,110		4,003,272
Excess (deficiency) of revenues over (under) expenditures	(422,488)	57,624	12,502	10,413	(34,075)		(376,024)
<b>OTHER FINANCING SOURCES/(USES)</b>							
Transfer in	-	-	-	-	34,075		34,075
Transfer (out)	-	-	(34,075)	-	-		(34,075)
Total other financing sources/(uses)	-	-	(34,075)	-	34,075		-
Net change in fund balances	(422,488)	57,624	(21,573)	10,413	-		(376,024)
Fund balances - beginning	1,868,436	599,088	108,308	219,461	-		2,795,293
Fund balances - ending	\$ 1,445,948	\$ 656,712	\$ 86,735	\$ 229,874	\$ -	\$	\$ 2,419,269

See notes to the financial statements

**TAMPA PALMS OPEN SPACE AND TRANSPORTATION COMMUNITY DEVELOPMENT DISTRICT  
HILLSBOROUGH COUNTY, FLORIDA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

Net change in fund balances - total governmental funds	\$ (376,024)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, the cost of capital assets is eliminated in the statement of activities and capitalized in the statement of net position.	211,221
Depreciation of capital assets is not recognized in the governmental fund financial statements, but is reported as an expense in the statement of activities.	(105,407)
The change in unavailable revenue between the current and prior fiscal year is recorded in the statement of activities but not in the governmental fund financial statements.	(1,756)
Repayment of long-term liabilities are reported as expenditures in the governmental fund financial statements but such repayments reduce liabilities in the statement of net position and are eliminated in the statement of activities.	1,747,936
Amortization of the deferred charge on refunding is not recognized in the governmental fund financial statements, but is reported as an expense in the statement of activities.	(25,546)
The change in accrued interest on long-term liabilities between the current and prior fiscal year is recorded in the statement of activities, but not in the governmental fund financial statements.	<u>47,229</u>
Change in net position of governmental activities	<u><u>\$ 1,497,653</u></u>

See notes to the financial statements

**TAMPA PALMS OPEN SPACE AND TRANSPORTATION COMMUNITY DEVELOPMENT DISTRICT  
HILLSBOROUGH COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY**

Tampa Palms Open Space and Transportation Community Development District ("District") was created on January 31, 1990 by the Florida Land and Water Adjudicatory Commission under the "Uniform Community Development District Act of 1980", otherwise known as Chapter 190, Florida Statutes. The Act provides among other things, the power to manage basic services for community development, power to borrow money and issue bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of a portion of the infrastructure necessary for community development within the District.

The District encompasses approximately 2,843 acres of land entirely within the jurisdictional boundaries of the City of Tampa, Florida. All of the infrastructure improvements have been completed for each area. Located within the District are three separate areas as follows:

Area 3

Area 3 consists of approximately 785 gross acres, of which approximately 366.9 acres are developable.

Area 6

Area 6, also known as Richmond Place encompasses approximately 565 acres.

Area 7

Area 7, also known as West Meadows, consists of approximately 1,240 gross acres, of which approximately 513 are developable.

The District is governed by the Board of Supervisors ("Board"), which is composed of five members. The Supervisors are elected by the owners of the property within the District. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes.

The Board has the responsibility for:

1. Assessing and levying assessments.
2. Approving budgets.
3. Exercising control over facilities and properties.
4. Controlling the use of funds generated by the District.
5. Approving the hiring and firing of key personnel.
6. Financing improvements.

The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statements. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the District is considered to be financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that, if excluded, the financial statements of the District would be considered incomplete or misleading. There are no entities considered to be component units of the District; therefore, the financial statements include only the operations of the District.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### **Government-Wide and Fund Financial Statements**

The basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; operating-type special assessments for maintenance and debt service are treated as charges for services and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not included among program revenues are reported instead as *general revenues*.

### **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Assessments are recognized as revenues in the year for which they are levied. Grants and similar items are to be recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement* focus and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

### **Assessments**

Assessments are non-ad valorem assessments on benefited lands within the District. Assessments are levied to pay for the operations and maintenance of the District. For debt service, certain amounts are collected at lot closings as advance payments and are used to prepay a portion of the Bonds outstanding. Otherwise, assessments are collected annually to provide funds for the debt service on the portion of the Bonds which are not paid with prepaid assessments. The fiscal year for which annual assessments are levied begins on October 1 with discounts available for payments through February 28 and become delinquent on April 1. The District's annual assessments for operations and debt service are billed and collected by the County Tax Assessor/Collector for non-Developer owned lots. The amounts remitted to the District are net of applicable discounts or fees. In addition, amounts remitted by the County Tax Assessor/Collector include interest on monies held from the day of collection to the day of distribution.

Assessments and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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 other revenue items are considered to be measurable and available only when cash is received by the government.



## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

The District reports the following major governmental funds:

#### **General Fund**

The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

#### **Debt Service Fund Area 3**

The debt service fund is used to account for the accumulation of resources for the annual payment of principal and interest on long-term debt for Area 3.

#### **Debt Service Fund Area 6**

The debt service fund is used to account for the accumulation of resources for the annual payment of principal and interest on long-term debt for Area 6.

#### **Debt Service Fund Area 7**

The debt service fund is used to account for the accumulation of resources for the annual payment of principal and interest on long-term debt for Area 7.

#### **Capital Projects Area 6**

The District currently has a capital projects Area 6. The Area 6 fund is used to account for the promissory note discussed in Note 7.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first for qualifying expenditures, then unrestricted resources as they are needed.

### **Assets, Liabilities and Net Position or Equity**

#### **Restricted Assets**

These assets represent cash and investments set aside pursuant to Bond covenants or other contractual restrictions.

#### **Deposits and Investments**

The District's cash and cash equivalents are considered to be cash on hand and demand deposits.

The District has elected to proceed under the Alternative Investment Guidelines as set forth in Section 218.415 (17) Florida Statutes. The District may invest any surplus public funds in the following:

- a) The Local Government Surplus Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act;
- b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
- c) Interest bearing time deposits or savings accounts in qualified public depositories;
- d) Direct obligations of the U.S. Treasury.

Securities listed in paragraphs c and d shall be invested to provide sufficient liquidity to pay obligations as they come due. In addition, surplus funds may be deposited into certificates of deposit which are insured and any unspent Bond proceeds are required to be held in investments as specified in the Bond Indenture.

The District records all interest revenue related to investment activities in the respective funds. Investments are measured at amortized cost or reported at fair value as required by generally accepted accounting principles.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Assets, Liabilities and Net Position or Equity (Continued)

#### Inventories and Prepaid Items

Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

#### Capital Assets

As part of Governmental Accounting Standards Board Statement 34 released in June 1999 there was a phase-in period for requirements for retroactive infrastructure reporting for major infrastructure assets acquired or that had major renovations in fiscal years ending after June 30, 1980. Under the phase-in requirements, local governments were required to report capital assets prospectively but certain smaller governments were able to delay the retroactive reporting of certain infrastructure and certain others were encouraged, but not required, to adopt the retroactive infrastructure requirements. The District is not required to retroactively report its general infrastructure, however, as required, the District does report all capital assets prospectively.

Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads, sidewalks and similar items) are reported in the government activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Furniture, fixtures and equipment	15
Equipment - other	10 - 20
Buildings - community and recreation	50
Infrastructure - community and recreation	20

In the governmental fund financial statements, amounts incurred for the acquisition of capital assets are reported as fund expenditures. Depreciation expense is not reported in the governmental fund financial statements.

#### Refundings of Debt

For current refundings and advance refundings resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources and recognized ratably as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter. In connection with the refunding, \$25,546 was recognized as a component of interest expense in the current fiscal year.

#### Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

#### Compensated Absences

Employees may accumulate hours of vacation at varying amounts based on the years of service. Upon termination of employment, all unused vacation benefits are paid to employees. Employees may accumulate sick leave, however, time is forfeited upon termination of employment. All sick and vacation leave is accrued when earned in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The estimated accrued vacation benefits were minimal at September 30, 2017; therefore, no accrued amounts have been reflected in the accompanying financial statements.

#### Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized ratably over the life of the Bonds. Bonds payable are reported net of applicable premiums or discounts. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to future reporting period(s). For example, the District would record deferred outflows of resources on the statement of net position related to debit amounts resulting from current and advance refundings resulting in the defeasance of debt (i.e. when there are differences between the reacquisition price and the net carrying amount of the old debt).

Deferred inflows of resources represent an acquisition of net position that applies to future reporting period(s). For example, when an asset is recorded in the governmental fund financial statements, but the revenue is unavailable, the District reports a deferred inflow of resources on the balance sheet until such times as the revenue becomes available.

#### Fund Equity/Net Position

In the fund financial statements, governmental funds report non-spendable and restricted fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

The District can establish limitations on the use of fund balance as follows:

Committed fund balance – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board of Supervisors. Commitments may be changed or lifted only by the Board of Supervisors taking the same formal action (resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Assigned fund balance – Includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted nor committed. The Board may also assign fund balance as it does when appropriating fund balance to cover differences in estimated revenue and appropriations in the subsequent year's appropriated budget. Assignments are generally temporary and normally the same formal action need not be taken to remove the assignment.

## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

#### **Fund Equity/Net Position (Continued)**

The District first uses committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net position is the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position in the government-wide financial statements are categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents net position related to infrastructure and property, plant and equipment. Restricted net position represents the assets restricted by the District's Bond covenants or other contractual restrictions. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

### **Other Disclosures**

#### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

## **NOTE 3 – BUDGETARY INFORMATION**

The District is required to establish a budgetary system and an approved Annual Budget. Annual Budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. All annual appropriations lapse at fiscal year-end.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

- a) Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
- b) Public hearings are conducted to obtain comments.
- c) Prior to October 1, the budget is legally adopted by the District Board.
- d) All budget changes must be approved by the District Board.
- e) The budgets are adopted on a basis consistent with generally accepted accounting principles.
- f) Unused appropriation for annually budgeted funds lapse at the end of the year.

## **NOTE 4 – DEPOSITS AND INVESTMENTS**

### **Deposits**

The District's cash balances and certificates of deposits as shown below were entirely covered by federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", requires all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. Governmental and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

## NOTE 4 – DEPOSITS AND INVESTMENTS (Continued)

### Investments

The District's investments were held as follows at September 30, 2017:

	Amortized cost	Credit Risk	Maturities
Certificate of Deposit - Bank United	\$ 202,087	Not Applicable	1/23/2018
First American Government			Weighted average of the
Obligation Funds CL Y	40,651	S&P AAAM	fund portfolio: 23 days
US Bank NA Open Commercial			
Paper	918,721	S&P A-1+	Open ended
Total Investments	<u>\$ 1,161,459</u>		

The commercial paper investments are held by the trustee or agent but not in the District's name.

*Credit risk* – For investments, credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investment ratings by investment type are included in the preceding summary of investments.

*Concentration risk* – The District places no limit on the amount the District may invest in any one issuer.

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

However, the Bond Indenture limits the type of investments held using unspent proceeds.

*Fair Value Measurement* – When applicable, the District measures and records its investments using fair value measurement guidelines established in accordance with GASB Statements. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques.

These guidelines recognize a three-tiered fair value hierarchy, in order of highest priority, as follows:

- *Level 1:* Investments whose values are based on unadjusted quoted prices for identical investments in active markets that the District has the ability to access;
- *Level 2:* Investments whose inputs - other than quoted market prices - are observable either directly or indirectly; and,
- *Level 3:* Investments whose inputs are unobservable.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the entire fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

Money market investments that have a maturity at the time of purchase of one year or less and are held by governments other than external investment pools should be measured at amortized cost. Non-negotiable, non-transferable certificates of deposits that do not consider market rates are required to be reported at amortized cost. Accordingly, the District's investments have been reported at amortized cost above.

## NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund receivables and payable at September 30, 2017 were as follows;

Fund	Receivable	Payable
General	\$ -	\$ 3,451
Debt service Area 3	296	-
Debt service Area 6	19,666	-
Debt service Area 7	275	-
Capital project	-	16,786
Total	<u>\$ 20,237</u>	<u>\$ 20,237</u>

## NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Continued)

The balances between the debt service area 6 and capital projects funds relate to funds that will be returned to the debt service fund and close out the capital projects fund.

Interfund transfers for the fiscal year ended September 30, 2017 were as follows:

Fund	Transfer in	Transfer out
Debt service Area 6	\$ -	\$ 34,075
Capital project	34,075	-
Total	<u>\$ 34,075</u>	<u>\$ 34,075</u>

Transfers are used to move revenues from the fund where collection occurs to the fund where funds have been reallocated for use. In the case of the District, excess reserves were transferred from the debt service fund to the capital projects fund in accordance with the Bond Indenture to pay principal and interest on the Note payable.

## NOTE 6 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2017 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Governmental activities</u>				
Capital assets, not being depreciated				
Land and land improvements	\$ 274,965	\$ -	\$ -	\$ 274,965
Total capital assets, not being depreciated	<u>274,965</u>	<u>-</u>	<u>-</u>	<u>274,965</u>
Capital assets, being depreciated				
Furniture, fixtures and equipment	73,106	-	-	73,106
Equipment - other	228,527	94,200	(9,140)	313,587
Buildings - community and recreation	660,625	23,627	-	684,252
Infrastructure - community and recreation	855,837	93,394	-	949,231
Total capital assets, being depreciated	<u>1,818,095</u>	<u>211,221</u>	<u>(9,140)</u>	<u>2,020,176</u>
Less accumulated depreciation for:				
Furniture, fixtures and equipment	65,798	4,874	-	70,672
Equipment - other	29,918	22,793	(9,140)	43,571
Buildings - community and recreation	106,522	26,576	-	133,098
Infrastructure - community and recreation	221,136	51,164	-	272,300
Total accumulated depreciation	<u>423,374</u>	<u>105,407</u>	<u>(9,140)</u>	<u>519,641</u>
Total capital assets, being depreciated, net	<u>1,394,721</u>	<u>105,814</u>	<u>-</u>	<u>1,500,535</u>
Governmental activities capital assets, net	<u>\$ 1,669,686</u>	<u>\$ 105,814</u>	<u>\$ -</u>	<u>\$ 1,775,500</u>

In a prior year the District's infrastructure had been estimated to cost approximately \$41,000,000. Certain of those improvements were funded by the issuance of Bonds and a portion would be Developer funded. Once complete, certain of those improvements were conveyed to others for ownership and maintenance. In addition, as noted previously, the District is not required to retroactively report its general infrastructure. The District reports all of its capital assets prospectively.

Depreciation was charged to function/programs as follows:

General government	
Maintenance and operations	\$ 73,957
Parks and recreation	31,450
Total depreciation expense	<u>\$ 105,407</u>

## NOTE 7 – LONG-TERM LIABILITIES

At September 30, 2017 the District has the following Bond issues outstanding:

Series	Issue Date	Original Face Amount	Interest Rate	Mandatory Redemption Beginning May 1	Maturity
Special Assessment Bonds:					
Area 3 - Series 1997	November 1997	\$5,380,000	8.00%	2000	May 1, 2018
Area 3 - Series 1999	April 1999	\$4,545,000	7.25%	2000	May 1, 2018
Capital Improvement Revenue Bonds:					
Area 6 - Series 1996	December 1996	\$3,875,000	7.50%	1998	May 1, 2018
Capital Improvement Revenue Refunding Bonds:					
Area 7 - Series 2004	July 2004	\$1,870,000	3.125%	2005	May 1, 2009
Area 7 - Series 2004	July 2004	\$1,755,000	4.00%	2005	May 1, 2013
Area 7 - Series 2004	July 2004	\$2,660,000	4.50%	2005	May 1, 2018

The Special Assessment Bonds, Series 1997 and 1999 and the Capital Improvement Series 1996 Bonds were issued to finance the acquisition and construction of certain improvements for the District. The Capital Improvement Revenue Refunding Bonds, Series 2004 in the amount of \$6,285,000 were issued to refund the Capital Improvement Revenue Bonds – Series 1996 – Area 7 and Capital Improvement Revenue Bonds – Series 1997 – Area 7.

Interest is to be paid semi-annually for each Bond Series on May 1 and November 1. Principal is to be paid annually.

Each Bond Series is subject to optional and extraordinary mandatory redemption prior to maturity as outlined in the respective Bond Indentures. Each Bond Indenture has certain restrictions and requirements relating principally to the use of proceeds and the procedures to be followed by the District on assessments to property owners. In addition, there is a reserve requirement in the Bond Indenture for the Capital Improvement Revenue Bonds, Series 1996 and for the Capital Improvement Revenue Refunding Bonds, Series 2004. There is no reserve requirement in the Bond Indenture for the Special Assessment Bonds, Series 1997 or for the Special Assessment Bonds, Series 1999. For the Series 2004 Bonds, the District is required to have on deposit in the reserve account an insurance policy issued by MBIA in an amount equal to 50% of the maximum annual debt. The market value of policy was \$298,300 at September 30, 2017. The District is in compliance with these respective Bond requirements at September 30, 2017. See Note – 11 Subsequent Events for extraordinary redemption amounts subsequent to year end.

### **Promissory Note - Area 6**

During the fiscal year ended September 30, 1999, a promissory note was signed in the amount of \$381,875 to the Developer. The promissory note was to be paid from the construction and acquisition account for Area 6, however, the project was previously completed. The Trust Indenture also provides for the transfer of funds from the Capital Improvement Revenue Bonds - Series 1996 - Area 6 Debt Service Reserve Fund as the reserve requirement is reduced to pay amounts due on the promissory note. The promissory note will be terminated on the earlier of the maturity date of the Bonds or the date all principal and accrued interest owed on the promissory note is paid in full. Interest on the outstanding principal balance will accrue at a rate of 7.5%.

During the fiscal year ended September 30, 2017, the District paid off the Promissory Note.



## NOTE 7 – LONG-TERM LIABILITIES (Continued)

### Long-term Debt Activity

Changes in long-term liability activity for the fiscal year ended September 30, 2017 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
Bonds payable:					
Area 3 - Series 1997	\$ 980,000	\$ -	\$ 470,000	\$ 510,000	\$ 510,000
Area 3 - Series 1999	810,000	-	390,000	420,000	420,000
Area 6 - Series 1996	620,000	-	300,000	320,000	320,000
Area 7 - Series 2004	1,135,000	-	555,000	580,000	580,000
	3,545,000	-	1,715,000	1,830,000	1,830,000
Note payable	32,936	-	32,936	-	-
Total	\$ 3,577,936	\$ -	\$ 1,747,936	\$ 1,830,000	\$ 1,830,000

At September 30, 2017, the scheduled debt service requirements on the long-term debt were as follows:

Year ending September 30:	Governmental Activities		
	Principal	Interest	Total
2018	\$ 1,830,000	\$ 121,350	\$ 1,951,350
Total	\$ 1,830,000	\$ 121,350	\$ 1,951,350

## NOTE 8 – DEVELOPER TRANSACTIONS

New Tampa, Inc., the Developer for Area 3, owns land within the District and is assessed on those lots. For the fiscal year ended September 30, 2017, Developer assessment revenues in the general and debt service Area 3 funds were \$138,407 and \$367,014, respectively. The District is economically dependent of the Developer.

## NOTE 9 – MANAGEMENT COMPANY

The District has contracted with a management company to perform management advisory services, which include financial and accounting services. Certain employees of the management company also serve as officers of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, and other administrative costs.

## NOTE 10 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. There were no settled claims during the past three years.

## NOTE 11 – SUBSEQUENT EVENTS

### Bond Payments

Subsequent to fiscal year end, the District prepaid a total of \$5,000 of the Series 2004 Bonds, \$15,000 of the Series 1997 Bonds, and \$15,000 of the Series 1999 Bonds. The prepayments were considered extraordinary mandatory redemptions as outlined in the Bond Indenture.



**TAMPA PALMS OPEN SPACE AND TRANSPORTATION COMMUNITY DEVELOPMENT DISTRICT  
HILLSBOROUGH COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
Assessments	\$ 1,371,193	\$ 1,371,193	\$ 1,375,006	\$ 3,813
Developer assessment revenues	138,407	138,407	138,407	-
Interest income	9,500	9,500	17,615	8,115
Other revenues	8,000	8,000	43,253	35,253
Total revenues	1,527,100	1,527,100	1,574,281	47,181
EXPENDITURES				
Current:				
General government	232,486	244,994	230,871	14,123
Maintenance and operations	1,008,467	1,410,418	1,150,723	259,695
Parks and recreation	285,703	303,779	403,954	(100,175)
Capital outlay	444	134,396	211,221	(76,825)
Total expenditures	1,527,100	2,093,587	1,996,769	96,818
Excess (deficiency) of revenues over (under) expenditures	-	\$ (566,487)	(422,488)	\$ 143,999
OTHER FINANCING SOURCES/(USES)				
Use of fund balance	-	566,487	-	(566,487)
TOTAL OTHER FINANCING SOURCES/(USES)	-	566,487	-	(566,487)
Net change in fund balances	\$ -	\$ -	(422,488)	\$ (422,488)
Fund balance - beginning			1,868,436	
Fund balance - ending			\$ 1,445,948	

See notes to required supplementary information

**TAMPA PALMS OPEN SPACE AND TRANSPORTATION COMMUNITY DEVELOPMENT DISTRICT  
HILLSBOROUGH COUNTY, FLORIDA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

The District is required to establish a budgetary system and an approved Annual Budget for the general fund. The District's budgeting process is based on estimates of cash receipts and cash expenditures which are approved by the Board. The budget approximates a basis consistent with accounting principles generally accepted in the United States of America (generally accepted accounting principles).

The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. The general fund budget for the fiscal year ended September 30, 2017 was amended to increase appropriations and use of fund balance by \$556,487. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2017.



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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  
Tampa Palms Open Space and Transportation Community Development District  
Hillsborough County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Tampa Palms Open Space and Transportation Community Development District, Hillsborough County, Florida ("District") as of and for the fiscal year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated June 4, 2018.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

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



June 4, 2018



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE  
REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY  
RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Board of Supervisors  
Tampa Palms Open Space and Transportation Community Development District  
Hillsborough County, Florida

We have examined Tampa Palms Open Space and Transportation Community Development District, Hillsborough County, Florida's ("District") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2017. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced in Section 218.415, Florida Statutes. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2017.

This report 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, management, and the Board of Supervisors of Tampa Palms Open Space and Transportation Community Development District, Hillsborough County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

*Grau & Associates*

June 4, 2018



**MANAGEMENT LETTER PURSUANT TO THE RULES OF  
THE AUDITOR GENERAL FOR THE STATE OF FLORIDA**

To the Board of Supervisors  
Tampa Palms Open Space and Transportation Community Development District  
Hillsborough County, Florida

We have audited the accompanying basic financial statements of Tampa Palms Open Space and Transportation Community Development District, Hillsborough County, Florida ("District") as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated June 4, 2018.

**Auditor's Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

**Other Reporting Requirements**

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 the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 4, 2018, should be considered in conjunction with this management letter.

**Purpose of this Letter**

The purpose of this letter is to comment on those matters required by Chapter 10.550 of the Rules of the Auditor General of the state of Florida. Accordingly, in connection with our audit of the financial statements of the District, as described in the first paragraph, we report the following:

- I. Current year findings and recommendations.**
- II. Status of prior year findings and recommendations.**
- III. Compliance with the Provisions of the Auditor General of the State of Florida.**

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, as applicable, management, and the Board of Supervisors of Tampa Palms Open Space and Transportation Community Development District, Hillsborough County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank Tampa Palms Open Space and Transportation Community Development District, Hillsborough County, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements, and the courtesies extended to us.

*Grau & Associates*

June 4, 2018

## **REPORT TO MANAGEMENT**

### **I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS**

None

### **II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS**

None

### **III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2016.

2. Any recommendations to improve the local governmental entity's financial management.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2017.

3. 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.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2017.

4. The name or official title and legal authority of the District are disclosed in the notes to the financial statements.

5. The financial report filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes agrees with the September 30, 2017 financial audit report.

6. The District has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.

7. We applied financial condition assessment procedures and no deteriorating financial conditions were noted as of September 30, 2017. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.