

UNIVERSITY PARK RECREATION DISTRICT

FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

UNIVERSITY PARK RECREATION DISTRICT

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INDEPENDENT AUDITOR'S REPORT

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February 6, 2023

To the Board of Supervisors
UNIVERSITY PARK RECREATION DISTRICT
University Park, Florida 34201

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of UNIVERSITY PARK RECREATION DISTRICT ("the District") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of UNIVERSITY PARK RECREATION DISTRICT as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the UNIVERSITY PARK RECREATION DISTRICT, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the UNIVERSITY PARK RECREATION DISTRICT's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 UNIVERSITY PARK RECREATION DISTRICT's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the UNIVERSITY PARK RECREATION DISTRICT's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 is the responsibility of management and, 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.

Required Supplementary Information (Continued)

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 February 6, 2023, on our consideration of the UNIVERSITY PARK RECREATION DISTRICT's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the UNIVERSITY PARK RECREATION DISTRICT'S internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the UNIVERSITY PARK RECREATION DISTRICT's internal control over financial reporting and compliance.


PHILLIPS HARVEY GROUP, P.A.
Certified Public Accountants
Naples, Florida

UNIVERSITY PARK RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2022

University Park Recreation District (the "District") Administration offers readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal years ended September 30, 2022, and September 30, 2021. Please read it in conjunction with the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

(rounded to thousands)

	September 30,		Increase (Decrease)
	2022	2021	
Total net position	\$ 23,277	\$ 22,979	\$ 298
Unrestricted net position available for future use	\$ 158	\$ 371	\$ (213)
Governmental net position	\$ 2,457	\$ 4,324	\$ (1,867)
Total revenues from all sources	\$ 12,215	\$ 10,294	\$ 1,921
Governmental revenues	\$ 1,396	\$ 1,399	\$ (3)
Total cost of District programs	\$ 776	\$ 783	\$ (7)
Governmental change in net position	\$ (1,867)	\$ (1,196)	\$ (671)
General fund revenues (under) over expenditures	\$ (21)	\$ (136)	\$ 115
General fund unassigned fund balance	\$ 61	\$ 82	\$ (21)
As a percent of general fund expenditures	30.29%	37.91%	(7.62)%
Country Club operating (loss)	\$ 214	\$ (288)	\$ 502
Country Club change in net position	\$ 2,165	\$ 1,750	\$ 415
Change in total long-term debt for the District	\$ (533)	\$ (1,841)	\$ 1,308

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The three components of the financial statements are: 1. Government-wide financial statements that include the Statement of Net Position and the Statement of Activities. These statements provide information about the activities of the District as a whole. 2. Fund financial statements tell how these services were financed, as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. 3. Notes to the basic financial statements expand upon information reported in the government-wide and funds financial statements.

REPORTING ON THE DISTRICT AS A WHOLE

Statement of Net Position and the Statement of Activities (Government-wide)

A frequently asked question regarding the District's financial health is whether the year's activities contributed positively to the overall financial well-being. The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector entities. All of the District's revenues and expenses are considered, regardless of when cash is received or paid.

UNIVERSITY PARK RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2022

These two statements report the District's net position and changes therein. Net position, the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, is one way to measure the District's financial health, or financial position. Over time, increases or decreases in net position are an indicator of whether the financial health is improving or deteriorating.

The statement of Net Position and the Statement of Activities present information about the following:

- **Governmental activities** - All of the District's basic services are considered to be governmental activities, including general government and recreation. Assessments and fees finance most of these activities.
- **Proprietary activities/Business-type activities** - The District charges fees to its members and non-members (i.e., public) to cover all or most of the cost of the services provided. The District's Country Club operations (University Park Country Club) are reported in this category.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

Fund financial statements provide detailed information about the most significant funds - not the District as a whole. Some funds are required to be established by State law. However, management may establish other funds at times, which aid in the management of resources for particular purposes or meet legal responsibilities associated with the usage of certain taxes, grants, and other resources. The District's two types of funds – governmental and proprietary - use different accounting approaches as explained below.

• **Governmental funds**

Most of the District's basic services are reported in governmental funds. Governmental funds focus on how resources flow in and out, with balances available for spending remaining at year-end. These funds are reported using an accounting method called the modified accrual accounting method, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information shows whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

The District maintains three individual governmental funds as follows:

1. **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.
2. **Debt Service 2019 Fund** - The Debt Service 2019 Fund accounts accumulated resources for, and the payment of, general long-term principal, interest and related costs for the 2019 project consisting of the acquisition of the existing 27-hole University Park golf course, clubhouse, restaurant, lounge, fitness center, tennis center, and other facilities and approximately 100 acres of additional land and certain renovations and upgrades to such facilities.

UNIVERSITY PARK RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022

3. **Acquisition and Construction Fund** - The Acquisition and Construction Fund accounts for the construction and acquisition of capital assets including the acquisition of the University Park golf course, clubhouse, restaurant, lounge, fitness center, tennis center, and other facilities and approximately 100 acres of additional land and certain renovations and upgrades to such facilities, as well as certain defined capital improvements described in the 2019 Bond Series Indenture.

The basic governmental fund financial statements can be found on pages 15 through 19 of the report.

The District maintains one proprietary fund for its business-type activities:

- **Proprietary Fund** - The District's Proprietary Fund is the Country Club Fund, which accounts for charges to members and non-members (i.e., public) for the services it provides and for expenses incurred to provide services. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The basic proprietary fund financial statements can be found on pages 21 through 23 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, over time the net position may serve as a useful indicator of a government's financial position. In the case of the District, the net position was \$23,276,982 and \$22,979,934 at September 30, 2022, and September 30, 2021, respectively.

A significant portion of the District's net position reflects its investment in capital assets (e.g., land, golf course and related improvements, buildings, machinery and equipment and tennis courts), less any related debt still outstanding, which was used to acquire those assets. The District uses these capital assets to provide services to property owners of the District and to non-members; consequently, these assets are not available for future spending.

UNIVERSITY PARK RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022

NET POSITION AT SEPTEMBER 30, 2022, and 2021

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Assets:						
Current and other assets	\$ 68,447	\$ 91,416	\$ 960,057	\$ 732,281	\$ 1,028,504	\$ 823,697
Receivables	22,962,101	23,492,980	239,703	235,756	23,201,804	23,728,736
Due from another fund	-	-	-	-	-	-
Inventories	-	-	263,476	205,984	263,476	205,984
Prepaid expenses	312,549	324,009	95,599	113,644	408,148	437,653
Other assets	-	-	12,630	8,886	12,630	8,886
Restricted cash	2,459,522	4,302,024	1,705,765	925,000	4,165,287	5,227,024
Capital assets, net	-	-	<u>20,269,421</u>	<u>19,184,088</u>	<u>20,269,421</u>	<u>19,184,088</u>
Total assets	<u>25,802,619</u>	<u>28,210,429</u>	<u>23,546,651</u>	<u>21,405,639</u>	<u>49,349,270</u>	<u>49,616,068</u>
Deferred outflows of resources:						
Liabilities:						
Current liabilities:						
Accounts Payable	7,583	9,447	215,694	162,623	223,277	172,070
Accrued Interest	308,118	314,015	975	-	309,093	314,015
Capital Lease	-	-	507,216	494,549	507,216	494,549
Accrued Payroll and Other	-	-	462,073	329,539	462,073	329,539
Deferred Dues	-	-	1,108,490	838,952	1,108,490	838,952
Long-term liabilities						
Capital Lease	-	-	421,709	894,011	421,709	894,011
2019 Bond	23,030,254	23,563,013	-	-	23,030,254	23,563,013
Other	-	-	<u>10,176</u>	<u>30,525</u>	<u>10,176</u>	<u>30,525</u>
Total liabilities	<u>23,345,955</u>	<u>23,886,475</u>	<u>2,726,333</u>	<u>2,750,199</u>	<u>26,072,288</u>	<u>26,636,674</u>
Deferred inflows of resources:						
Net position:						
Net investment in capital	-	-	19,330,320	17,765,003	19,330,320	17,765,003
Restricted	2,083,251	3,917,976	1,705,765	925,000	3,789,016	4,842,976
Unrestricted	<u>373,413</u>	<u>405,978</u>	<u>(215,767)</u>	<u>(34,563)</u>	<u>157,646</u>	<u>371,415</u>
Total net position	<u>\$ 2,456,664</u>	<u>\$ 4,323,954</u>	<u>\$ 20,820,318</u>	<u>\$ 18,655,440</u>	<u>\$ 23,276,982</u>	<u>\$ 22,979,394</u>

UNIVERSITY PARK RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022

Governmental Activities

Changes in net position show revenue and expenses for governmental and business-type activities of the District, along with transfers between District funds.

CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
REVENUES:						
Non-ad valorem assessments	\$ 1,389,003	\$ 1,390,780	\$ -	\$ -	\$ 1,389,003	\$ 1,390,780
Charges for services	-	-	10,797,677	8,854,160	10,797,677	8,854,160
Other revenues and interest	<u>7,285</u>	<u>8,153</u>	<u>19,581</u>	<u>40,707</u>	<u>26,866</u>	<u>48,860</u>
Total Revenues	<u>1,396,288</u>	<u>1,398,933</u>	<u>10,817,258</u>	<u>8,894,867</u>	<u>12,213,546</u>	<u>10,293,800</u>
EXPENDITURES:						
Current:						
General government	775,578	782,584	-	-	775,578	782,584
Debt service:						
Interest and debt issuance	739,887	754,050	-	-	739,887	754,050
Country Club:						
Operating expenses	-	-	9,508,961	8,018,147	9,508,961	8,018,147
Interest expense	-	-	69,048	103,000	69,048	103,000
Amortization expense	-	-	474,150	-	474,150	-
Depreciation expense	<u>-</u>	<u>-</u>	<u>752,561</u>	<u>1,164,914</u>	<u>752,561</u>	<u>1,164,914</u>
Total Expenditures	<u>1,515,465</u>	<u>1,536,634</u>	<u>10,804,720</u>	<u>9,286,061</u>	<u>12,320,185</u>	<u>10,822,695</u>
Excess (deficiency) of revenues over (under) expenditures	(119,177)	(137,701)	12,538	(391,194)	(106,639)	(528,895)
Contributions, transfers and other						
Capital transfers in (out)	(1,848,113)	(1,058,285)	1,848,113	1,058,285	-	-
Transfers in (out)	100,000	-	(100,000)	-	-	-
Other income/expenses (net)	<u>-</u>	<u>-</u>	<u>404,227</u>	<u>1,082,731</u>	<u>404,227</u>	<u>1,082,731</u>
Total contributions, transfers and other	<u>(1,748,113)</u>	<u>(1,058,285)</u>	<u>2,152,340</u>	<u>2,141,016</u>	<u>404,227</u>	<u>-</u>
Net change in net positions	(1,867,290)	(1,195,986)	2,164,878	1,749,822	297,588	553,836
Net position-beginning of year	<u>4,323,954</u>	<u>5,519,940</u>	<u>18,655,440</u>	<u>16,905,618</u>	<u>22,979,394</u>	<u>22,425,558</u>
Net position-end of year	<u>\$ 2,456,664</u>	<u>\$ 4,323,954</u>	<u>\$ 20,820,318</u>	<u>\$ 18,655,440</u>	<u>\$ 23,276,982</u>	<u>\$ 22,979,394</u>

UNIVERSITY PARK RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2022

Changes in Net Position (Continued)

Note - the District acquired the University Park County Club on November 22, 2019, from the issuance of its non-ad valorem assessment bonds series 2019.

The District's governmental activities programs include general government and debt service. Each program's net cost (total cost, less revenues generated by the activities) is presented above. The net cost shows the extent to which the District's general taxes support each of the District's programs.

Business-Type Activities

For the fiscal year ended September 30, 2022, the Country Club charges for services (revenues) for the Business-type activities was \$10,797,677 and expenses were \$10,735,672. Overall results for the year was an excess of revenues over expenditures of \$12,538. In addition, investments in capital assets of \$1,848,113 were paid through transfers from the Capital Acquisition and Construction Fund in the same amount. During the year, \$100,000 was transferred from the Proprietary Fund to the General Fund to pay a portion of Governmental expenditures. The net position of the Proprietary Fund (Country Club) at September 30, 2022, was \$20,820,318.

For the fiscal year ended September 30, 2021, the Country Club charges for services (revenues) for Business-type activities was \$8,854,160 and expenses were \$9,183,061. Other revenues of \$1,179,621 included \$855,783 of non-operating income relating to a Payroll Protection Plan loan that was forgiven by the Small Business Administration in April 2021. The loan was obtained by the County Club's management company (Park Boulevard Management) for management and staff personnel serving the County Club. Overall results for the year was an excess of expenditures over revenues of \$391,194. In addition, investments in capital assets of \$1,848,113 were paid through transfers from the Capital Asset fund in the same amount. The net position of the Proprietary Fund (Country Club) at September 30, 2021, was \$18,655,440.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The objective of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unrestricted (unassigned/assigned) fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At September 30, 2022, the combined fund balance for all Governmental Funds was \$2,527,487, a decrease from the September 30, 2021, fund balance of \$4,391,972. Approximately 2% of the combined ending fund balance (\$2,527,487) constitutes unrestricted (unassigned/assigned) fund balance totaling \$60,864, which is available for spending at the District's discretion. The remainder of fund balance (\$2,466,623) is restricted (non-spendable/restricted) to indicate that it is not available for new spending because it has already been committed for debt service, acquisition, and construction.

UNIVERSITY PARK RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022

Governmental Funds (Continued)

At September 30, 2021, the combined fund balance for all Governmental Funds was \$4,391,972, a decrease from the September 30, 2020 fund balance of \$5,578,401. Approximately 2% of the combined ending fund balance (\$4,391,972) constitutes unrestricted (unassigned/assigned) fund balance totaling \$81,968, which is available for spending at the District's discretion. The remainder of fund balance (\$4,310,004) is restricted (non-spendable/restricted) to indicate that it is not available for new spending because it has already been committed for debt service, acquisition, and construction.

General Fund

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the total fund balance of the General Fund was unassigned, this amount was \$60,864. As a measure of the General Fund's liquidity, it is helpful to compare the total fund balance which is 30.29% of total general fund expenditures of \$200,962.

The General Fund unassigned fund balance (\$60,864) represents a decrease of \$21,105 from the 2021 unassigned general fund balance of \$81,968.

At the end of September 30, 2021, the total fund balance of the General Fund was unassigned, this amount was \$81,968. As a measure of the General Fund's liquidity, it is helpful to compare the total fund balance which is 37.91% of total general fund expenditures of \$216,245.

General Fund Budgetary Highlights

There was a formal General Fund budget amendment executed during the year to reclass certain appropriations among its total appropriated expenditures. The General Fund's 2022 total appropriations adopted of \$234,000 was not amended.

General Fund Budget Analysis

As shown on page 40 of this report, in the Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual, there was an overall favorable expenditure variance of \$33,040.

Debt Service 2019 Fund and Capital Acquisition and Construction Fund

The District had no formal budgets adopted for its debt service 2019 fund and its acquisition and construction fund since these funds were created initially upon the issuance of the District's Non-Ad Valorem Assessments Bonds Series 2019.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Capital assets of the District are those assets that are used in the performance of the District's functions. Capital assets include land, golf course and related improvements, buildings, machinery and equipment, and tennis courts. There are no Governmental Activities capital assets at September 30, 2022, and September 30, 2021, respectively.

UNIVERSITY PARK RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022

CAPITAL ASSETS AT SEPTEMBER 30, 2022, AND SEPTEMBER 30, 2021

	Business-Type Activities	
	<u>2022</u>	<u>2021</u>
Land	\$ 8,525,000	\$ 8,525,000
Land improvements	101,297	-
Construction in progress	1,494,316	1,029,593
Golf course and improvements	5,629,729	5,168,613
Buildings	3,202,367	3,202,367
Dining renovations	1,065,609	-
Machinery and equipment	1,019,734	2,894,084
Tennis courts	318,742	233,977
Leased assets	<u>1,325,151</u>	<u>-</u>
Total assets	22,681,945	21,053,634
Less accumulated depreciation	(1,938,374)	(1,869,548)
Less accumulated amortization	<u>(474,150)</u>	<u>-</u>
Net capital assets	<u>\$ 20,269,421</u>	<u>\$ 19,184,086</u>

On November 22, 2019, the District acquired, for \$16,750,000, through designated bond proceeds, certain recreation facilities consisting of a 27-hole golf course and practice facilities, a pro shop, a clubhouse with kitchen, administrative and community facilities, tennis courts, a croquet court, a fitness center, a golf cart storage and other facilities with parcels of land within the University Park Country Club community. The Proprietary Fund recorded amortization and depreciation of \$1,226,711 for the year ended September 30, 2022, and \$1,164,914 for the year ended September 30, 2021. These capital assets are included as transfers from the Capital Acquisition and Construction Fund, net of other capital asset activity during the periods.

The District's investment in capital assets for its business-type activities as of September 30, 2022, and September 30, 2021, was \$19,330,320 and \$17,765,003, respectively (net of accumulated depreciation and related capital lease obligations). The District had no investment in capital assets for its governmental activities in either fiscal year 2022 or 2021.

On October 1, 2021, the District adopted the lease accounting standard GASB 87, which replaced the previous lease accounting method. GASB 87 is based on the principle that leases are financings of the right to use an asset and requires lessees to recognize an intangible right-of-use asset. This intangible right-of-use asset totaled \$1,325,151 with accumulated amortization of \$474,150 as of September 30, 2022.

Debt

Currently, the District uses debt financing on as-needed basis each year. At September 30, 2022, the District had total long-term debt of \$23,969,356 consisting of \$23,030,254 (including unamortized bond premium of \$75,254) in the governmental activities and \$939,102 in business-type activities. None of the District's long-term debt comprises debt backed by the full faith and credit of the County and Federal government.

UNIVERSITY PARK RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2022

OUTSTANDING DEBT AT SEPTEMBER 30, 2022, and SEPTEMBER 30, 2021

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Series 2019 Bonds	\$ 22,955,000	\$ 23,485,000	\$ -	\$ -	\$ 22,955,000	\$ 23,485,000
Capital leases	-	-	928,926	1,388,560	928,926	1,388,560
Loan payable	-	-	-	-	-	-
Equipment loans	-	-	10,176	30,525	10,176	30,525
Plus: Bond premium, net	75,254	78,013	-	-	75,254	78,013
Total	<u>\$ 23,030,254</u>	<u>\$ 23,563,013</u>	<u>\$ 939,102</u>	<u>\$ 1,419,085</u>	<u>\$ 23,969,356</u>	<u>\$ 24,982,098</u>

NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

FY2023 Budget

The District's Board of Supervisors ("The Board") adopted a preliminary FY2023 Budget for the Enterprise Fund (Country Club), General Fund, and Debt Service Fund at the May 13, 2022, Board Meeting. The Budgets, primarily the Enterprise Fund, were prepared assuming club operations continue to return to pre-COVID-19 activities, reflecting increased revenue, namely in Restaurant Operations and continued strength in Golf Operations.

The fiscal year 2023 Budget includes plans for continued improvements to the University Park golf course while also emphasizing improved community appearance and financial stability. Most importantly, the budget provides necessary resources for the District to maintain and further improve services to our residents, members and guests without having to use the General Fund Unassigned Fund Balance.

The District's financial plan represents an aggressive approach to adequately maintain infrastructure and address gaps in the organization in order to deliver services to the community. While the budget allocates resources to improve the District's ability to address service and maintenance demands annually, there are also significant capital investments to be made to ensure proper services are maintained and provided to District residents, members and guests.

Results of Operations - Proprietary Fund, Enterprise - Country Club Fund

The overall results of operations were positive in fiscal 2022 despite increasing inflationary pressures and a challenging labor market. Golf Operations saw increases across all sectors, including member and public play rounds and increased greens fees and cart fees. Restaurant revenues increased by 23% over the preceding year with the completion of renovations to the indoor dining facility in January 2022. Operating expenses increased more than budgeted amounts in all departments due to increased labor costs and higher costs for food and supplies consumed in the restaurant and golf maintenance operations.

The District's delinquent account balance remains insignificant. The District had no delinquent accounts related to the 2019 Assessment as of year ended September 30, 2022. The Club Operations have no significant delinquent accounts.

UNIVERSITY PARK RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2022

CURRENT DEVELOPMENTS

Master Plan, Dining Renovations, Pickleball and Croquet Courts

Master Plan concepts for the Club, presented by Fawley Bryant Architecture of Bradenton, FL were previously accepted and formed the basis for the Board's focus on future Club improvements. Phase #1 projects include significant improvements to the dining facilities with a remodel of the indoor dining facilities and a complete renovation of the outdoor dining and social gathering spaces in the Café. This Phase is expected to be completed in the second quarter of 2023.

Master Plan concepts also included the installation of Pickleball Courts and relocating and enlarging the Croquet Pitch. The Pickleball Courts and expanded Croquet Pitch projects have been completed and have been well received by the members. Renovations of the Golf Course holes #19-27 was completed during the summer of 2022.

As of September 30, 2022, the Board committed \$950,000 for the completion of Phase #1 projects and also assigned \$400,000 to be used for future working capital needs.

Membership Plan

The Board of Supervisors approved a new Membership Plan that commenced on January 1, 2022. The plan has fewer membership categories, enhanced membership flexibility and an adjusted fee structure. The FY2023 Budget continues to reflect this new membership plan. The membership Plan provides flexible, a la carte options to all members, including the introduction of pickleball included in a Racquets membership and the option to add a Pickleball Pass to the Social membership. It also included the introduction of a Social Access Pass for the spouse/partner of a Full/Racquets single member and the requirement of a Social Family membership for all households that have more than one resident.

A summary of memberships as of December 31, 2022, and 2021 follows:

<u>Category</u>	<u>YE 2022</u>	<u>YE 2021</u>	<u>Difference</u>	<u>% Change</u>
Full	386	355	31	8.7%
Tennis/Racquets	125	124	1	0.8%
Social/Resident	762	747	15	2.0%
Jr. Exec	2	2	-	0%
Total	1,275	1,228	47	3.8%

At December 31, 2022, approximately 2,213 individuals are members of the Club.

New Member Activity included in YE 2022 results above:

Annual Fitness Passes Sold: 118
 Social Access Passes Sold: 126
 Twilight Tennis Passes Sold: 20
 Pickleball Passes Sold: 24

UNIVERSITY PARK RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2022

Capital Reserve Plan

Finally, in addition to the Enterprise Fund and General Fund Operating Budgets, Club Management commenced the creation of a long-term Capital Reserve plan for ongoing equipment replacement and capital improvement needs. This included the identification and tagging of all Club assets over \$2,500 in value with a useful life of 3 years or more. It does include aggregating like items that are less in value, identifying the useful lives of the assets, and quantifying the replacement value of these assets. In addition, an independent Capital Reserve Study was done by an industry expert, Club Benchmarking. This information provides the foundation for the Capital Reserve plan and is the basis for the introduction of Capital Dues. Capital Dues, which is reflected in the FY2023 budget, is a new charge to members that will help generate reserves to fund our current and future capital needs.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, guests, club members, and creditors with a general overview of the District's finances and to show the District's accountability for the resources it receives and consumes. If you have questions about this report or need additional financial information, please contact the General Manager at (941) 355-3888.

John Fetsick, General Manager
University Park, FL

PART I. FINANCIAL SECTION

UNIVERSITY PARK RECREATION DISTRICT

STATEMENT OF NET POSITION

SEPTEMBER 30, 2022

ASSETS	Governmental Activities	Business Activities	TOTAL
Cash	\$ 68,447	\$ 2,665,822	\$ 2,734,269
Receivables	22,962,101	239,703	23,201,804
Inventories	-	263,476	263,476
Prepaid expenses	312,549	95,599	408,148
Other assets	-	12,630	12,630
Restricted assets:			
Cash, restricted for debt and/or capital payments	2,459,522	-	2,459,522
Right of use leased assets, net of amortization	-	851,002	851,002
Capital assets, net:			-
Non-depreciable assets	-	12,026,711	12,026,711
Depreciable assets (net of depreciation)	-	7,391,708	7,391,708
Total capital assets, net	<u>-</u>	<u>19,418,419</u>	<u>19,418,419</u>
 Total assets	 <u>\$ 25,802,619</u>	 <u>\$ 23,546,651</u>	 <u>\$ 49,349,270</u>
 LIABILITIES			
Accounts payable	\$ 7,583	\$ 215,694	\$ 223,277
Accrued payroll and other	-	462,073	462,073
Accrued interest payable	308,118	975	309,093
Unearned revenue	-	1,108,490	1,108,490
Non-current obligations:	-	-	-
Portion due within one year	540,000	507,216	1,047,216
Portion due after one year	22,490,254	431,885	22,922,139
 Total Liabilities	 <u>23,345,955</u>	 <u>2,726,333</u>	 <u>26,072,288</u>
 NET POSITION			
Investment in capital assets, net	-	19,330,320	19,330,320
Net position-restricted:			
General fund	-	90,000	90,000
Capital allocation	-	665,765	665,765
Debt service fund	2,083,251	-	2,083,251
Acquisition and construction fund	-	950,000	950,000
Unrestricted:	<u>373,413</u>	<u>(215,767)</u>	<u>157,646</u>
 Total Net Position	 <u>\$ 2,456,664</u>	 <u>\$ 20,820,318</u>	 <u>\$ 23,276,982</u>

The accompanying notes are an integral part of these financial statements.

UNIVERSITY PARK RECREATION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Functions/Programs	Expenses	Charges for Services	Governmental Activities	Business-type Activities	TOTAL
Primary Government					
Governmental activities					
General government	\$ 245,578	\$ 866,289	\$ 620,711	\$ -	\$ 620,711
Interest on long term debt	739,888	-	(739,888)	-	(739,888)
	<u>985,466</u>	<u>866,289</u>	<u>(119,177)</u>	<u>-</u>	<u>(119,177)</u>
Business-type activities - country club	10,804,525	11,221,290	-	416,765	416,765
Total business-type activities	<u>10,804,525</u>	<u>11,221,290</u>	<u>-</u>	<u>416,765</u>	<u>416,765</u>
Total government	<u>\$ 11,789,991</u>	<u>\$ 12,087,579</u>	<u>\$ (119,177)</u>	<u>\$ 416,765</u>	<u>\$ 297,588</u>
 General Revenues and Transfers:					
Transfers-cash			100,000	(100,000)	-
Transfers-capital assets			(1,848,113)	1,848,113	-
Total general revenues and transfers			<u>(1,748,113)</u>	<u>1,748,113</u>	<u>-</u>
Change in net position			(1,867,290)	2,164,878	297,588
Net position, September 30, 2021			<u>4,323,954</u>	<u>18,655,440</u>	<u>22,979,394</u>
Net position, September 30, 2022			<u>\$ 2,456,664</u>	<u>\$ 20,820,318</u>	<u>\$ 23,276,982</u>

The accompanying notes are an integral part of these financial statements.

UNIVERSITY PARK RECREATION DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	MAJOR FUNDS			TOTAL GOVERNMENTAL FUNDS
	GENERAL	DEBT SERVICE 2019	ACQUISITION AND CONSTRUCTION	
ASSETS				
Cash	\$ 68,447	\$ 1,667,600	\$ 791,922	\$ 2,527,969
Receivables	-	22,962,101	-	22,962,101
Total Assets	<u>\$ 68,447</u>	<u>\$ 24,629,701</u>	<u>\$ 791,922</u>	<u>\$ 25,490,070</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 7,583	\$ -	\$ -	\$ 7,583
Total Liabilities	<u>7,583</u>	<u>-</u>	<u>-</u>	<u>7,583</u>
Deferred Inflows of Resources:				
Unavailable revenue-special assessments	-	22,955,000	-	22,955,000
Total Liabilities and Deferred Inflows of Resources	<u>7,583</u>	<u>22,955,000</u>	<u>-</u>	<u>22,962,583</u>
Fund Balances:				
Reserved for:				
Non-spendable	-	-	-	-
Restricted	-	1,674,701	791,922	2,466,623
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	60,864	-	-	60,864
Total Fund Balances	<u>60,864</u>	<u>1,674,701</u>	<u>791,922</u>	<u>2,527,487</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 68,447</u>	<u>\$ 24,629,701</u>	<u>\$ 791,922</u>	<u>\$ 25,490,070</u>

The accompanying notes are an integral part of these financial statements.

UNIVERSITY PARK RECREATION DISTRICT

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION**

SEPTEMBER 30, 2022

Total Governmental Fund Balance (Page 17) \$ 2,527,487

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

The focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (assessments receivable) are offset by deferred inflow in the governmental funds and thus are not included in fund balance:

Adjustment of deferred inflows - unavailable revenue \$ 22,955,000

Long-term liabilities, including notes and bonds payable, are not due and payable in the current period and therefore are not reported in the funds. The amount borrowed is received in the governmental funds and increases fund balance. Also, the difference between those amounts are the amortization of bond premium and insurance costs over the life of the debt as well as year-end interest accrual adjustment in the statement of activities. Balance at year-end consist of:

Bonds and notes payable	\$ (22,955,000)	
Less: unamortized bond premium	(75,254)	
Plus: unamortized bond costs (insurance)	312,549	
Less: accrued interest payable on long-term debt	<u>(308,118)</u>	
		<u>(23,025,823)</u>

Total Net Position (Page 15) \$ 2,456,664

The accompanying notes are an integral part of these financial statements.

UNIVERSITY PARK RECREATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	MAJOR FUNDS			TOTAL GOVERNMENTAL FUNDS
	GENERAL	DEBT SERVICE 2019	ACQUISITION AND CONSTRUCTION	
REVENUES				
Non-ad valorem assessments	\$ -	\$ 1,389,003	\$ -	\$ 1,389,003
Other revenues and interest	-	7,199	86	7,285
Total Revenues	<u>-</u>	<u>1,396,202</u>	<u>86</u>	<u>1,396,288</u>
EXPENDITURES				
Current:				
General government	200,960	41,813	-	242,773
Debt service:				
Principal	-	530,000	-	530,000
Interest	-	739,887	-	739,887
Total Expenditures	<u>200,960</u>	<u>1,311,700</u>	<u>-</u>	<u>1,512,660</u>
(Deficiency) excess of revenues over expenditures	(200,960)	84,502	86	(116,372)
OTHER FINANCING SOURCES AND USES				
Transfers in (out)	179,856	(79,856)	-	100,000
Transfers-contributions to Enterprise Fund	-	-	(1,848,113)	(1,848,113)
Total Financing Sources (Uses)	<u>179,856</u>	<u>(79,856)</u>	<u>(1,848,113)</u>	<u>(1,748,113)</u>
Net Change in Fund Balances	<u>(21,104)</u>	<u>4,646</u>	<u>(1,848,027)</u>	<u>(1,864,485)</u>
Fund Balances, September 30, 2021	81,968	1,670,055	2,639,949	4,391,972
Fund Balances, September 30, 2022	<u>\$ 60,864</u>	<u>\$ 1,674,701</u>	<u>\$ 791,922</u>	<u>\$ 2,527,487</u>

The accompanying notes are an integral part of these financial statements.

UNIVERSITY PARK RECREATION 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, 2022

Net Change in Fund Balances - Total Governmental Funds (Page 19) \$ (1,864,485)

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

Governmental funds report annual collections of non-ad valorem assessments as revenue, including the portion collected for principal repayment. However, in the statement of activities, the principal repayment portion is eliminated and instead reduces the deferred inflows of resources on the statement of net position. (530,000)

Interest expense/other in the statement of activities differs from the amount reported in governmental funds for two reasons. The net effect of accrued interest on long-term debt (difference between amount that would have been accrued current year accrual), and adjustments arising from bond premium and bond insurance being amortized.

Net effect of accrued interest on long-term debt	5,895	
Amortization of bond premium	2,759	
Amortization of bond insurance costs	<u>(11,459)</u>	
		(2,805)

Repayments of long-term liabilities are reported as expenditures in the governmental fund statement, however, such repayments reduce liabilities in the statement of net position and are eliminated in the statement of activities. 530,000

Change in Net Position of Governmental Activities (Page 16) \$ (1,867,290)

The accompanying notes are an integral part of these financial statements.

UNIVERSITY PARK RECREATION DISTRICT

STATEMENT OF NET POSITION

PROPRIETARY FUND

SEPTEMBER 30, 2022

ASSETS	Enterprise (Country Club)
Current assets	
Cash	\$ 2,665,822
Accounts receivable (net)	239,703
Inventories	263,476
Prepaid expenses	95,599
Other assets	12,630
Total current assets	<u>3,277,230</u>
Non-current assets	
Right of use leased assets, net of amortization	851,002
Capital assets, net	19,418,419
Total non-current assets	<u>20,269,421</u>
Total assets	<u>23,546,651</u>
LIABILITIES	
Current liabilities	
Accounts payable	215,694
Accrued expenses	463,048
Unearned revenue	1,108,490
Lease liabilities	507,216
Total current liabilities	<u>2,294,448</u>
Non-current liabilities	
Lease liabilities	431,885
Total non-current liabilities	<u>431,885</u>
Total liabilities	<u>2,726,333</u>
NET POSITION	
Investment in capital assets, net	19,330,320
Net position-restricted:	
General fund	90,000
Capital allocation	665,765
Acquisition and construction fund	950,000
Unrestricted	<u>(215,767)</u>
Total net position	<u>\$ 20,820,318</u>

The accompanying notes are an integral part of these financial statements.

UNIVERSITY PARK RECREATION DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Enterprise (Country Club)</u>
Operating revenue	
Membership dues	\$ 4,335,398
Green/cart fees and other	4,174,327
Restaurant revenues	2,148,709
Racquets and fitness fees	139,243
Miscellaneous	19,581
Total operating revenues	<u>10,817,258</u>
Operating expenses	
Golf course maintenance	2,608,140
Golf and pro shop operations	1,336,666
Restaurant operations	3,208,185
Racquets and fitness	405,686
Administrative and general	1,602,350
Insurance	215,580
Depreciation and amortization	1,226,711
Total operating expenses	<u>10,603,318</u>
Operating income	213,940
Nonoperating revenues (expenses)	
Initiation fees	393,950
Gain on sale of assets	200
Interest expense	(69,048)
Hurricane expenses	(132,354)
Miscellaneous and other	10,077
Total nonoperating revenues (expenses)	<u>202,825</u>
Contributions and transfers	
Transfers in from Acquisition and Construction Fund	1,848,113
Transfer out to General Fund	(100,000)
Total contributions and transfers	<u>1,748,113</u>
Change in net position	2,164,878
Net position, beginning	<u>18,655,440</u>
Net position, ending	<u>\$ 20,820,318</u>

The accompanying notes are an integral part of these financial statements.

UNIVERSITY PARK RECREATION DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	<u>Enterprise</u> <u>(Country Club)</u>
Cash flows from operating activities:	
Receipts from customers	\$ 11,082,849
Payments to suppliers for goods or services	(5,655,253)
Payments to employees for services	(3,779,567)
Net cash provided by operating activities	1,648,029
Cash flows from capital and related financing activities:	
Transfers in from acquisition and construction fund	1,848,113
Transfer to general fund	(100,000)
Principal paid on capital lease obligations and loans	(479,984)
Initiation fees	393,950
Increase in construction in progress	(348,540)
Acquisition of capital assets, net	(1,953,027)
Net cash used in capital and related financing activities	(639,488)
Net increase in cash	1,008,541
Cash, beginning of year	1,657,281
Cash, end of year	\$ 2,665,822
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 213,940
Adjustment to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	1,226,711
Gain on disposal of asset	200
Interest expense	(69,448)
Change in assets and liabilities:	
Increase in accounts receivable	(3,947)
Increase in inventories	(57,492)
Decrease in prepaid expenses	18,045
Increase in other assets	(3,744)
Increase in accounts payable	54,046
Increase in accrued expenses	180
Increase in unearned revenue	269,538
Total adjustments	1,434,089
Net cash provided by operating activities	\$ 1,648,029
Supplemental Disclosures of Cash Flow Information:	
Capital assets obtained from transfers in from Acquisition and Construction Fund	\$ 1,848,113
Non-cash asset financing activity	\$ 665,010

The accompanying notes are an integral part of these financial statements.

UNIVERSITY PARK RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The UNIVERSITY PARK RECREATION DISTRICT ("the District") was created on August 3, 2018 pursuant to provisions of Chapters 418 and 189, Florida Statutes, as amended (the "Act"), created by Ordinance No.18-29 enacted by the Board of County Commissioners of Manatee County, Florida and operates within the criteria established. The District was established for the purposes of acquiring and improving recreation facilities benefitting property consisting of 1226 gross acres of land and 1201 residential units to be served by the District. The District has undertaken the acquisition, financing, renovation and improvement, in various stages of the recreation facilities known as "University Park County Club" and associated professional fees and incidental costs related thereto for the special benefit of the District lands, pursuant to the Act. The District is authorized to issue bonds for the purpose, among others, of financing, funding, planning, establishing, acquiring, constructing or re-constructing, enlarging or extending, equipping, operating and basic infrastructure for recreational facilities of all kinds, including, but not limited to real property, personal property, roads, parking lots, sidewalks, trails, paths, parks, ponds, lakes, preserves, lighting, landscaping, irrigation, signage, water sewer and parking within boundaries of the UNIVERSITY PARK RECREATION DISTRICT. The District is governed by a five-member Board of Supervisors, who were initially elected within certain defined terms.

The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statements related to the *Financial Reporting Unit*, which establishes standards for defining and reporting on the financial reporting entity. Under the provisions of those standards, the definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of the elected officials. The financial reporting entity consists of the District 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. The District is financially accountable for a component unit if it appoints a voting majority of the organization's governing board and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the District, or the District has operational responsibility on the organization. Based upon the application of these criteria, there were no entities that met the criteria described above. Therefore, the financial statements include only the operations of the District.

The District's financial statements include both government wide and fund financial statements:

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 District. *Governmental activities*, which normally are supported by taxes, are reported separately from *business-type activities* of which the District had such activities during 2022. For the most part, the effect of inter-fund 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 are 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 or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as *general revenues*.

UNIVERSITY PARK RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds even though such funds are excluded from the government-wide financial statements. All governmental funds of the District are reported as major individual funds.

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. Non-ad valorem assessments are recognized as revenues in the year for which they are levied. Grants and similar items are 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 all revenues available if they are collected within 60 days after year-end. Expenditures generally are recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. The primary revenue sources associated with the current fiscal period that are susceptible to accrual are non-ad valorem assessments and any investment interest. All other revenue items become measurable and available only when cash is received by the District and are recognized as revenue at that time.

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 2019 Fund - This Debt Service 2019 Fund accounts accumulated resources for, and the payment of, general long-term principal, interest and related costs for the 2019 Project consisting of the acquisition of an existing 27-hole University Park championship golf course, clubhouse, restaurant, lounge, fitness center, tennis center, and other facilities and approximately 100 acres of additional land and certain renovations and upgrades to such facilities.

Acquisition and Construction Fund - This Acquisition and Construction Fund accounts for the construction and acquisition of capital assets such as acquisition of University Park club facilities as well as certain defined capital improvements noted in the 2019 Bond Series Indenture.

The District reports the following major (and only) proprietary fund:

Enterprise (Country Club) Fund - This Fund accounts for the activities related to the University Park Country Club.

UNIVERSITY PARK RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary fund distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and selling goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the District's Enterprise (Country Club) Fund are charges to members and the public for sales and services. Operating expenses for the Enterprise (Country Club) Fund include the cost of sales and amenity services, administrative expenses and depreciation and amortization on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Budgetary Process

The District's General Fund and Proprietary Fund budgets and amendments are approved by the Board of Supervisors. There were no formal budgets adopted for the District's Debt Service 2019 Fund or the Acquisition and Construction Fund during this fiscal year. Those Funds are adhering to and following the specific mandates as delineated in the 2019 Bond Series Indenture. The adopted budgets are prepared on a basis consistent with U.S. generally accepted accounting principles except the Proprietary Fund does not budget for depreciation. The adopted budget amounts presented in the accompanying basic financial statements are originally adopted, unless subsequently amended, by the District's Board of Supervisors. Budgetary control is established by the District through the appropriated budget for all applicable Funds.

The annual budgets serve as the legal authorization for expenditures. Expenditures cannot legally exceed the total amounts budgeted. All budget amendments, which change the legally adopted total appropriation, are approved by the Board of Supervisors. Appropriations, if any, lapse at the year-end.

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

- a) Each year the District management team submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
- b) A public hearing is conducted to obtain taxpayer comments.
- c) Prior to October 1, the budget is legally adopted via resolution by the District Board.
- d) All budget changes must be approved by the District Board.
- e) All 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.

Encumbrances

Encumbrance accounting under which purchase orders and other commitments for expenditures of monies are recorded is not employed by the District and thus no amount has been included in these financial statements for encumbrances.

Due To and From Other Funds

Interfund receivables and payables, if any, arise from interfund transactions and are recorded by funds affected in the period in which transactions are executed. There were no amounts due to and from other funds on September 30, 2022 in the accompanying fund statements.

UNIVERSITY PARK RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Total Column on the Statement of Net Position, Statement of Activities, Balance Sheet - Governmental Funds and the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

The total columns on the statement of net position, statement of activities, balance sheet - governmental funds and the statement of revenues, expenditures and changes in fund balances - governmental funds is presented only to facilitate financial analysis and also is utilized for reconciliation purposes to the government-wide financial statements. Data in this column does not present financial position or results of operations in conformity with generally accepted accounting principles, and such data is not comparable to a consolidation.

Cash and Cash Equivalents

Cash and cash equivalents consist of petty cash, deposits in checking accounts and money market accounts. Cash equivalents would be short-term investment items with a maturity of three months or less when purchased.

Accounts Receivable

Accounts receivable in the Enterprise (Country Club) Fund are stated at the amount management expects to collect from outstanding balances. These accounts represent member charges for goods and/or services provided. It is the District's policy to charge off uncollectible amounts when management determines the receivable will not be collected. There were no accounts receivable written-off during the year and \$3,000 was included as an allowance for any uncollectible accounts at September 30, 2022. The District's collection policy includes sending a friendly collection letter at 30 days past payment due date, sending a stronger letter outlining consequences for nonpayment at 45 days past payment due date and consideration of suspension of members at 60 days past payment due date for nonpayment. Members will then have 15 days to make payment or their membership may be recalled by Club management. Any past due member balance that includes unpaid dues is subject to the suspension of Club privileges at the 30 days past payment due date. Members who join the Club after January 1 each year will have their dues prorated to the effective date of membership.

Assessments Receivable/Unavailable Revenue

Assessments receivable recorded in the Debt Service 2019 Fund represent the balance of outstanding assessments levied at the time the related debt issuance was authorized. The receivables are collected in annual installments together with assessments for interest and collection costs in amounts sufficient to meet the annual 2019 Bond Series debt service requirements.

The District reports unavailable revenue as a deferred inflow of resources in the fund financial statements in an amount equal to the assessments receivable since this revenue will be collected in future years. This assessment revenue is not deferred in the government-wide financial statements. Instead, it is recognized as revenue at the time the assessments are levied.

Restricted Assets

Certain resources set aside for the repayment of the District's special assessment bond proceeds are classified as restricted assets on the statement of net position because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The "Cash", restricted for principal and interest account is used to segregate resources accumulated for future debt service payments and certain capital improvements as shown in the 2019 Bond Series Indenture.

UNIVERSITY PARK RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

Investments, if any, are reported and are equal or equivalent to fair value. The District follows Florida Statutes Section 218.415 (17) when investments are acquired. For any investments held, the District categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair values of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. All District funds held with US Bank (Bond Trustee) at September 30, 2022 are in money market accounts. The District held no investments at year-end.

Inventories

Inventories in the Enterprise (Country Club) Fund are stated at the lower of cost (first-in, first-out method) or net realizable value and consist of food, beverage, and merchandise held for sale in the pro shop. The costs of governmental fund type inventory, if any, are recorded as expenditures when consumed rather than when purchased.

Prepaid Items

Payments made to vendors for services that will be benefit periods beyond September 30, 2022, in the governmental funds are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and showing the expenditure/expense in the year in which the services are consumed. At the fund reporting level, an equal amount of the fund balance is classified as non-spendable, as this amount is not available for general appropriation.

Capital Assets and Depreciation

Capital assets, which include land, golf course and related improvements, buildings, machinery and equipment and tennis courts are reported in the business-type activities columns in the government-wide financial statements (see Note 3). The District had no governmental capital assets at September 30, 2022. Capital assets are defined by the District as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of one year. Capital assets are carried at historical cost or estimated fair value at date of purchase. Contributed assets are recorded at acquisition value as of the date received. As the District constructs or acquires capital assets each period, such assets are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life.

The District's golf course and improvements (excluding land), buildings, machinery and equipment and tennis courts are being depreciated using the straight-line method over the following estimated useful lives.

	<u>YEARS</u>
Golf course and improvements	15
Buildings	28
Machinery and equipment	5 - 7
Tennis courts	7

UNIVERSITY PARK RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Payables and Accruals

Payable and accrual amounts are recorded as expenses and liabilities when incurred in the government wide financial statements and as expenditures and liabilities in the fund financial statements when expected to be liquidated with available current expendable financial resources.

Compensated Absences

The District's staff are granted compensated absence pay for vacation and sick leave in varying amounts based on length of service and other adopted policies. Compensated absences are accrued when earned in the government-wide and proprietary financial statements.

Unearned Revenue

The District reports unearned revenue on its government-wide and proprietary fund statements of net position. Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. On both the government-wide statements and proprietary fund statement, unearned revenues represent the corresponding liability for cash advances received, related primarily to club membership dues and fees to fund future expected expenditures. In subsequent periods, when revenue recognition criteria are met the revenue will be recognized and the unearned revenue will be released.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position may report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District had no items that qualify for reporting in this category. In addition to liabilities, the statement of net position may report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental Debt Service 2019 fund reported unavailable revenues from the balance of outstanding assessments levied by the District to repay outstanding debt. These amounts are deferred and recognized as an inflow of resources in the future periods that the amounts become available.

Long-Term Obligations

2019 Series bond payable is reported as a liability in the government-wide statement of net position. This liability is not reported in the fund financial statements as they are considered to be current liabilities. 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 over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds are reported net of the applicable bond premium or discount. Bond issuance costs, other than prepaid insurance, are expensed at issuance. Prepaid insurance associated with the issuance of debt is reported as an asset and amortized over the term of the related debt. Related interest is expensed in the accompanying statement of activities.

UNIVERSITY PARK RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-Term Obligations (Continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as another financing source. Premiums received on debt issuances are reported as another financing source while discounts on debt issuances are reported as another financing use. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Related principal and interest payments are reported as expenditures in such statement.

Net Position

Net Position in the government-wide statements is displayed in three categories: (1) investment in capital assets, net (2) restricted or (3) unrestricted. Investment in capital assets, net, consist of capital assets reduced by accumulated depreciation and by any outstanding debt/liabilities. Restricted net position represents the assets restricted by the District's bond covenants net of accrued interest payable, as well as other internal restrictions approved by the Board of Supervisors for specific use. Unrestricted net position consists of the remaining net position that does not meet the definition of either of the other two categories.

Fund Balances

The District establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in governmental funds. The District's fund balances classifications are: Non-spendable, Restricted, Committed, Assigned and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restrictions placed upon fund balance. Fund balances can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance. For further details of various fund balance classifications refer to Note 7.

Net Position Flow Assumption

At times the District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amount to report as restricted-net position and unrestricted-net position in the government-wide financial statements, a flow assumption must be made about the order in which resources are considered to be applied. It is the District's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

Fund Balance Flow Assumption

At times the District will fund outlays for a particular purpose from both restricted and unrestricted resources (total of committed, assigned and unassigned fund balance). In order to calculate the amount to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of the unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

UNIVERSITY PARK RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Risk Management

The District is exposed to various risks of loss related to torts; theft, damage, and destruction of assets; errors and omissions; and natural disasters. Insurance coverage for such losses is purchased from third-party carriers. The financial impact of the District's risk management activities are reported in the General and Enterprise (Country Club) funds. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. There was no such type of occurrence during fiscal 2022. No accrual has been provided for claims and incidents not reported to the insurer. Claims made have not exceeded the insurance coverage for the current year.

Use of Estimates

The preparation of financial statements in conformity with U.S. 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 2 - CASH (DEPOSITS) AND CASH EQUIVALENTS

Cash (deposits) and cash equivalents held at September 30, 2022 by each governmental major fund consisted of:

	<u>GENERAL</u>	<u>DEBT SERVICE 2019</u>	<u>ACQUISITION AND CONSTRUCTION</u>	<u>TOTAL</u>
Demand Deposits	\$ 68,447	\$ 1,667,600	\$ 791,922	\$ 2,527,969

All deposits with banks are entirely insured by Federal Depository Insurance. All District depositories are banks designated by the Florida State Treasurer as qualified public depositories. Chapter 280 of the Florida Statutes "Florida Security for Public Deposits Act" provides procedures as discussed below for public depositories to ensure public monies in banks are collateralized with the Treasurer as agent for the public entities.

The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. Chapter 280 defines deposits as demand deposit accounts, time deposit accounts, and certificates of deposit.

At September 30, 2022, the District's bank balance and carrying amounts were \$2,528,187 and \$2,527,969 respectively. District's deposits at year-end are considered 100% insured for custodial credit risk purposes.

UNIVERSITY PARK RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

NOTE 3 - CAPITAL ASSETS, NET

Capital asset activity for the fiscal year ended September 30, 2022 was as follows:

	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>TRANSFERS (DELETIONS)</u>	<u>ENDING BALANCE</u>
<u>Governmental activities:</u> (None for the year)	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>	\$ <u> -</u>
<u>Business-type activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 8,525,000	\$ -	\$ -	\$ 8,525,000
Construction in progress	<u>1,029,593</u>	<u>1,893,783</u>	<u>(1,429,060)</u>	<u>1,494,316</u>
Total capital assets, not being depreciated	<u>9,554,593</u>	<u>1,893,783</u>	<u>(1,429,060)</u>	<u>10,019,316</u>
Capital assets, being depreciated:				
Golf course and improvements	5,168,613	461,115	-	5,629,728
Land improvements	-	101,297	-	101,297
Buildings	3,202,367	-	-	3,202,367
Machinery and equipment	2,894,086	1,181,419	(665,010)	3,410,495
Tennis courts	<u>233,977</u>	<u>84,765</u>	<u>-</u>	<u>318,742</u>
Total capital assets being depreciated	<u>11,499,043</u>	<u>1,828,596</u>	<u>(665,010)</u>	<u>12,662,629</u>
Less accumulated depreciation for:				
Golf course and improvements	(643,138)	(395,289)	-	(1,038,427)
Land improvements	-	(1,206)	-	(1,206)
Buildings	(219,285)	(125,654)	-	(344,939)
Machinery and equipment	(940,520)	(661,572)	683,733	(918,359)
Tennis courts	<u>(66,605)</u>	<u>(42,988)</u>	<u>-</u>	<u>(109,593)</u>
Total accumulated depreciation and amortization	<u>(1,869,548)</u>	<u>(1,226,709)</u>	<u>683,733</u>	<u>(2,412,524)</u>
Total capital assets, being depreciated, net	<u>9,629,495</u>	<u>500,590</u>	<u>18,723</u>	<u>10,148,808</u>
Business-type activities capital assets, net	<u>\$ 19,184,088</u>	<u>\$ 2,495,670</u>	<u>\$ (1,410,337)</u>	<u>\$ 20,269,421</u>

The Enterprise (Country Club) Fund depreciation and amortization expenses for the year ended September 30, 2022 totaled \$752,561 and \$474,150, respectively. Of the \$3,621,082 in capital asset additions above, \$1,848,113 were paid with transfers from the Acquisition and Construction Fund during the fiscal year.

UNIVERSITY PARK RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

NOTE 4 - LONG-TERM OBLIGATIONS AND PLEDGED FUTURE REVENUES

Long term obligations are comprised of limited obligations bonds (special assessment debt), Series 2019 bond premium loans, office and equipment leases, and equipment loans.

Changes in long-term liability activity for the fiscal year ended September 30, 2022 was as follows:

	<u>BALANCE SEPTEMBER 30, 2021</u>	<u>ADDITIONS</u>	<u>(REDUCTIONS)</u>	<u>BALANCE SEPTEMBER 30, 2022</u>	<u>DUE WITHIN ONE YEAR</u>
<u>Governmental activities:</u>					
Series 2019 Bonds	\$ 23,485,000	\$ -	\$ (530,000)	\$ 22,955,000	\$ 540,000
Plus: bond premium	78,013	-	(2,759)	75,254	-
<u>Business-type activities:</u>					
Office/equipment leases	1,388,560	-	(459,635)	928,925	507,216
Equipment loans	30,525	-	(20,349)	10,176	10,176
	<u>\$ 24,982,098</u>	<u>\$ -</u>	<u>\$ (1,012,743)</u>	<u>\$ 23,969,355</u>	<u>\$ 1,057,392</u>

Government Activities

Special Assessment Debt with Governmental Commitment

Special assessment debt with governmental commitment is not backed by the full faith and credit of the District but is payable solely from the secured lien on and pledge of (non-ad valorem assessments) of the properties benefited by the improvements.

Non-Ad Valorem Assessment Bonds, Series 2019

The District adopted Resolution No. 2019-20 on February 8, 2019 and Resolution No. 2020-02 as ratified and reaffirmed on November 4, 2019 (the "Resolution"), and a Master Trust Indenture (the "Indenture", as amended) on November 1, 2019, authorizing the issuance of Non-Ad Valorem Revenue Assessment Bonds, Series 2019, in one or more Series in the aggregate. Total bonds issued of \$24,000,000 were used to finance the cost of acquiring recreation facilities known as the "University Park Country Club", make certain defined improvements to such facilities and to fund the 2019 bond reserve requirements, the 2020 interest payments and various issuance costs including municipal bond insurance. The Bonds are secured by a covenant to budget and appropriate legally available non-ad valorem revenues of the District.

The Series 2019 Bonds is a tax-exempt issuance for \$24,000,000 bearing interest at rates from 2.5% to 3.5%. Interest is paid semiannually on each May 1 and November 1 and principal is paid annually each May 1. Principal payments began May 1, 2022 totaling \$530,000 with the final principal payment on May 1, 2050.

The Series 2019 Bonds are subject to optional redemption prior to their stated date of maturity beginning May 1, 2029. The Series 2019 Bonds maturing on May 1, 2031 are subject to mandatory sinking fund redemption beginning May 1, 2030 and thereafter as defined in the Indenture. The Series 2019 Bonds are subject to extraordinary mandatory redemption prior to maturity, in whole or in part on any date at the redemption price of 100% of the principal amount plus accrued interest to the redemption date as denoted in the Indenture.

UNIVERSITY PARK RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

NOTE 4 - LONG-TERM OBLIGATIONS AND PLEDGED FUTURE REVENUES (Continued)

Non-Ad Valorem Assessment Bonds, Series 2019 (Continued)

The Bond Indenture required establishment of certain funds. The District's key major funds established upon issuance were: (1) Debt Service 2019 Fund and (2) Acquisition and Construction Fund. The Indenture requires a reserve requirement for the Series 2019 Bonds at an amount (calculated from time to time) equal to maximum annual debt service on the Series 2019 Bonds outstanding, initially of \$1,270,244. The Series 2019 Bonds reserve requirement was met for fiscal year ended September 30, 2022.

In addition, the District has established in these accompanying financial statements a Proprietary Fund-Enterprise (Country Club) Fund for the University Park Country Club acquisition.

At September 30, 2022, the scheduled future debt service requirements on the District's outstanding Series 2019 Bonds are as follows:

<u>YEAR ENDING SEPTEMBER 30</u>	<u>SERIES 2019 BONDS</u>		
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2023	\$ 540,000	\$ 725,313	\$ 1,265,313
2024	555,000	710,463	1,265,463
2025	570,000	696,588	1,266,588
2026	585,000	682,338	1,267,338
2027	600,000	667,713	1,267,713
2028 - 2032	3,240,000	3,093,800	6,333,800
2033 - 2037	3,760,000	2,583,356	6,343,356
2038 - 2042	4,385,000	1,953,425	6,338,425
2043 - 2047	5,165,000	1,168,956	6,333,956
2048 - 2050	3,555,000	251,649	3,806,649
Total	<u>\$ 22,955,000</u>	<u>\$ 12,533,601</u>	<u>\$ 35,488,601</u>

Business Type Activities

Lease Obligations

In 2017, the Governmental Accounting Standards Board (GASB) published the lease accounting standard GASB 87. This standard was created to increase visibility into lease obligations and remove ambiguity around lease obligations in financial disclosures, particularly balance sheets and income statements, and replaces the current operating and capital lease categories with a single model for lease accounting based on a definition of leases as contracts that convey control of the right to use a non-financial asset. The new rules require lessees to recognize a lease liability and an intangible right-of-use asset.

The District has entered into agreements with certain vendors for use of office equipment, golf course maintenance equipment, and golf carts.

UNIVERSITY PARK RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

NOTE 4 - LONG-TERM OBLIGATIONS AND PLEDGED FUTURE REVENUES (Continued)

Lease Obligations (Continued)

Upon adoption of GASB 87, the District recorded the following entries:

Lease Assets	Beginning of Year	Additions	End of Year
Equipment	\$ 1,245,795	\$ 17,428	\$ 1,263,223
Copy Machine	61,929	-	61,929
	<u>1,307,724</u>	<u>17,428</u>	<u>1,325,152</u>
Less: Accumulated Amortization			
Equipment	-	(455,095)	(455,095)
Copy Machine	-	(19,055)	(19,055)
	<u>-</u>	<u>(474,150)</u>	<u>(474,150)</u>
Total Lease Assets, net	<u>\$ 1,307,724</u>	<u>\$ (456,722)</u>	<u>\$ 851,002</u>

Amortization and interest expenses related to these leases for the year ended September 30, 2022 consisted of the following:

Lease expense	Year Ending September 30, 2022
Amortization expense by class of underlying asset	
Equipment	\$ 455,095
Copy Machine	19,055
Total amortization expense	<u>474,150</u>
Interest on lease liabilities	69,048
Variable lease expense	-
Total Lease Expense	<u>\$ 543,198</u>

The following is a schedule by years of future minimum lease payments as of September 30, 2022:

UNIVERSITY PARK RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

NOTE 4 - LONG-TERM OBLIGATIONS AND PLEDGED FUTURE REVENUES (Continued)

Business Activities

Capital Lease Obligations (Continued)

Maturity Analysis for Years Ending September 30,	Principal	Interest	Total Payments
2023	\$ 507,216	\$ 41,553	548,769
2024	400,606	12,134	412,740
2025	21,103	181	21,284
2026	-	-	-
2027	-	-	-
Total Future Payments	<u>\$ 928,925</u>	<u>\$ 53,868</u>	<u>982,793</u>

Principal and interest payments are due monthly. As of September 30, 2022, the principal amounts outstanding were \$928,925 and the net book value of the equipment was \$851,002. Amortization of leased equipment under right-of-use assets is grouped with depreciation expense. The interest or discount rates on the leases range from 5.02% to 13.46%. The lease agreements include a provision that upon the occurrences of any event of default, the lessor may retake possession of the equipment under lease.

Right-of-use assets included on the statement of net position and the related accumulated amortization as of September 30, 2022 were as follows:

Cost	<u>\$ 1,325,151</u>
Accumulated depreciation	<u>\$ 474,149</u>

Equipment Loan (Vendor Financed)

The District has a noninterest-bearing equipment loans collateralized by equipment with monthly payments of approximately \$1,454. This loan matures in fiscal year 2023. The borrowing under this loan as of September 30, 2022 totaled \$10,176.

NOTE 5 - INTERFUND TRANSACTIONS

Transfers of resources from a fund receiving revenue to the fund through which the resources will be expended are recorded as transfers and are reported as other financing sources (uses) in the governmental or proprietary funds. Non-recurring or non-routine transfers of equity between funds are also reported as transfers. These transfers were made in the year from the Acquisition and Construction Fund to the Enterprise (Country Club) Fund for specific District funds expended to make certain capital improvements as provided in Series 2019 Bond documents, as well as other transfers of excess income from the Debt Service 2019 and Enterprise (Country Club) Fund to the General Fund for operation and management purposes.

UNIVERSITY PARK RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

Following is a summary of transfers individually by Major Funds and the Enterprise (Country Club) Fund for the year and also between governmental activities and business-type activities in the government-wide statement of activities:

	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>
Major Funds:		
Acquisition and Construction Fund	\$ -	\$ (1,848,113)
Debt Service 2019 Fund	-	(79,856)
General Fund	179,856	-
Proprietary Fund:		
Enterprise (Country Club) Fund	<u>1,848,113</u>	<u>(100,000)</u>
Total Interfund Transfers	<u>\$ 2,027,969</u>	<u>\$ (2,027,969)</u>

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year, if any, are referred to as "due to/from other funds". There were no amounts due from and to other funds at September 30, 2022.

NOTE 6 - RETIREMENT PLAN

The District offers a 401(k) retirement plan through its management company for the benefit of its staff. Each eligible employee is permitted to make a contribution to the plan in amounts as provided by Internal Revenue Service regulations. The current plan does not require matching contributions by the District of the employee's deferral amount. Consequently, there was no contribution expense for 2022.

NOTE 7 - MANAGEMENT CONTRACTS

The District contracted with PFM Group Consulting, LLC, a management company, through September 30, 2024 to perform management advisory services, which included advisory services. One employee of the management company serves as Secretary of the District. Under the agreement, the District compensates the management company for administrative, management, and other ancillary costs. Management fees totaling \$77,574 were paid for the year ending September 30, 2022.

In September 2022, the District elected to renew the management agreement through September 30, 2024 with Park Boulevard Management, LLC, that is responsible for the management, operation, organization, administration and maintenance of the University Park Country Club in accordance with the terms of the agreement. There were no required fee charges for these management services during the year.

UNIVERSITY PARK RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

NOTE 7 - MANAGEMENT CONTRACTS (Continued)

The District entered into a Collection Agreement with PFM Grouping Consulting, LLC to act as collection agent (the "Collection Agent") to monitor payments of the Series 2019 Non-Ad Valorem Assessments. The Collection Agent is required to maintain a lien book for the assessed properties evidencing the requirement of payment of the Series 2019 Non-Ad Valorem Assessments including any prepayment of the such assessments on subjected properties. The Collection Agent is authorized to release the applicable lien upon receipt of each Series 2019 Non-Ad Valorem Assessment. The Collection Agreement established procedures for the Collection Agent to monitor properties subject to the assessment lien and to assure payment is being delivered to the Trustee. Total Collection Agent fees paid for 2022 was \$5,000.

NOTE 8 - FUND BALANCE DISCLOSURE

In accordance with GASB No. 54, the District classifies governmental fund balances (as applicable) as follows:

- Non-spendable - includes fund balance amounts that cannot be spent either because they are not in spendable form or because of legal or contractual requirements.
- Restricted - includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, lenders or amounts constrained due to constitutional provisions or enabling legislation.
- Committed - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the District through a formal action of the highest level of decision-making authority.
- Assigned - includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balances may be assigned by the Supervisors to assign amounts for specific purposes.
- Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above classifications. Unassigned fund balance may include negative balances for any governmental fund is expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The District uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents and/or contracts that prohibit doing this, such as grant agreements requiring certain dollars spent. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

UNIVERSITY PARK RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2022

NOTE 8 - FUND BALANCE DISCLOSURE (Continued)

A schedule of the District's government fund balances at September 30, 2022 is as follows:

	MAJOR FUNDS			TOTAL GOVERNMENTAL FUNDS
	GENERAL	DEBT SERVICE 2019	ACQUISITION AND CONSTRUCTION	
Non-spendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	1,681,802	791,922	2,473,724
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	<u>60,864</u>	<u>-</u>	<u>-</u>	<u>60,864</u>
Total	<u>\$ 60,864</u>	<u>\$ 1,681,802</u>	<u>\$ 791,922</u>	<u>\$ 2,534,588</u>

NOTE 9 - SUBSEQUENT EVENTS

In preparing the financial statements, the District has evaluated events and transactions for potential recognition or disclosure through February 6, 2023, the date that the financial statements were available to be issued. The following matters were identified as a subsequent event:

1. In November 2022, the District paid interest of \$362,656 on the Series 2019 Bonds.

NOTE 10 - LITIGATION AND DISPUTES

The District deals with various legal matters involving District residents and certain government agencies arising in the ordinary course of its governmental activities and services. The District believes that these various legal matters will not adversely affect the overall District's financial position. The outcome of any legal matters is uncertain and thus it is not possible to predict with any degree of certainty the outcome or result of any such litigation nor is it possible to predict with any degree of certainty the impact of any such litigation on the District.

NOTE 11 - HURRICANE IAN

On September 28, 2022, Hurricane Ian made landfall in Southwest Florida and directly impacted the District. Hurricane-related remediation costs of approximately \$132,000 were accrued as of September 30, 2022 and reported in Nonoperating revenues (expenses) on the statement of revenues, expenses and changes in net position - proprietary fund. Insurance proceeds receivable, if any, were not estimated nor probable as of September 30, 2022.

PART II. REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

UNIVERSITY PARK RECREATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	GENERAL FUND			
	BUDGETED AMOUNTS		ACTUAL AMOUNT	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Other income and financing sources	\$ 70,000	\$ 70,000	\$ -	\$ (70,000)
Prior Year Surplus	64,000	64,000	-	(64,000)
Total Revenues	<u>134,000</u>	<u>134,000</u>	<u>-</u>	<u>(134,000)</u>
EXPENDITURES				
Current:				
General government	194,000	194,000	200,319	(6,319)
Capital outlay	-	-	-	-
Contingency/revenue reserve	40,000	40,000	641	39,359
Debt service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>234,000</u>	<u>234,000</u>	<u>200,960</u>	<u>33,040</u>
(Deficiency) excess of revenues over expenditures	(100,000)	(100,000)	(200,960)	(100,960)
OTHER FINANCING SOURCES AND (USES)				
Inter-Fund Transfers from Debt Service	-	-	79,856	79,856
Inter-Fund Transfers from Country Club	100,000	100,000	100,000	-
Total Other Financing Sources and (Uses)	<u>100,000</u>	<u>100,000</u>	<u>179,856</u>	<u>79,856</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (21,104)</u>	<u>\$ (21,104)</u>
Fund Balances, September 30, 2021			81,968	
Fund Balances, September 30, 2022			<u>\$ 60,864</u>	

The accompanying notes are an integral part of these financial statements.

UNIVERSITY PARK RECREATION DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
PROPRIETARY FUND: ENTERPRISE (UNIVERSITY PARK COUNTRY CLUB)
FOR THE YEAR ENDED SEPTEMBER 30, 2022

REVENUES	ENTERPRISE (COUNTRY CLUB) FUND			
	BUDGETED AMOUNTS		ACTUAL AMOUNT	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Operating revenue				
Membership dues	\$ 3,905,211	\$ 3,905,211	\$ 4,335,398	\$ 430,187
Green/cart fees and other	3,094,216	3,094,216	4,174,327	1,080,111
Restaurant revenues	1,910,971	1,910,971	2,148,709	237,738
Tennis and fitness fees	66,305	66,305	139,243	72,938
Miscellaneous	5,000	5,000	19,581	14,581
Total operating revenues	<u>8,981,703</u>	<u>8,981,703</u>	<u>10,817,258</u>	<u>1,835,555</u>
Operating expenses				
Golf course maintenance expenses	2,741,586	2,741,586	2,608,140	133,446
Golf and pro shop operations	1,303,113	1,303,113	1,336,666	(33,553)
Restaurant expenses	2,600,337	2,600,337	3,208,185	(607,848)
Tennis and fitness	337,447	337,447	405,686	(68,239)
Administrative and general	1,608,440	1,608,440	1,602,350	6,090
Insurance	-	-	215,580	(215,580)
Depreciation and amortization	-	-	1,226,711	(1,226,711)
Total operating expenses	<u>8,590,923</u>	<u>8,590,923</u>	<u>10,603,318</u>	<u>(2,012,395)</u>
Operating income (loss)	390,780	390,780	213,940	(176,840)
Nonoperating revenues (expenses)				
Initiation fees	212,900	212,900	393,950	181,050
Gain on sale of assets	-	-	200	200
Interest expense	-	-	(69,048)	(69,048)
Hurricane expenses	-	-	(132,354)	(132,354)
Miscellaneous and other	-	-	10,077	10,077
Total nonoperating revenues (expenses)	<u>212,900</u>	<u>212,900</u>	<u>202,825</u>	<u>(10,075)</u>
Contributions and transfers				
Capital contributions	-	-	1,848,113	1,848,113
Transfer out	(100,000)	(100,000)	(100,000)	-
Total contributions and transfers	<u>(100,000)</u>	<u>(100,000)</u>	<u>1,748,113</u>	<u>1,848,113</u>
Change in net position	<u>\$ 503,680</u>	<u>\$ 503,680</u>	<u>2,164,878</u>	<u>\$ 1,661,198</u>
Net position, September 30, 2021			<u>18,655,440</u>	
Net position, September 30, 2022			<u>\$ 20,820,318</u>	

The accompanying notes are an integral part of these financial statements.

PART III. OTHER REPORTS



**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**

Nathan A. Phillips, CPA
Stephanie J. Feldman, CPA
Deborah L. Harvey, CPA (Decd)

David N. Phillips, CPA, MBA
Michelle V. Schalmo, CPA
Shannon Huber, CPA
Courtney L. Cound, CPA
Keith S. Boyle, CPA

February 6, 2023

To the Board of Supervisors
UNIVERSITY PARK RECREATION DISTRICT
University Park, Florida 34201

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, business – type activities and each major fund of UNIVERSITY PARK RECREATION DISTRICT, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the UNIVERSITY PARK RECREATION DISTRICT'S basic financial statements, and have issued our report thereon dated February 6, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered UNIVERSITY PARK RECREATION DISTRICT'S internal control over financial reporting (internal control) as a basis for designing 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 UNIVERSITY PARK RECREATION DISTRICT'S internal control. Accordingly, we do not express an opinion on the effectiveness of UNIVERSITY PARK RECREATION DISTRICT'S internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District'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.

To the Board of Supervisors
UNIVERSITY PARK RECREATION DISTRICT
February 6, 2023

Report on Compliance and Other Matters

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

Purpose of this Report

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


PHILLIPS HARVEY GROUP, P.A.
Certified Public Accountants
Naples, Florida



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
SECTION 218.415, FLORIDA STATUTES**

Nathan A. Phillips, CPA
Stephanie J. Feldman, CPA
Deborah L. Harvey, CPA (*Decd*)

David N. Phillips, CPA, MBA
Michelle V. Schalmo, CPA
Shannon Huber, CPA
Courtney L. Cound, CPA
Keith S. Boyle, CPA

February 6, 2023

To the Board of Supervisors
UNIVERSITY PARK RECREATION DISTRICT
University Park, Florida 34201

We have examined UNIVERSITY PARK RECREATION DISTRICT's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2022. UNIVERSITY PARK RECREATION DISTRICT's management is responsible for compliance with those requirements. Our responsibility is to express an opinion on UNIVERSITY PARK RECREATION DISTRICT's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether UNIVERSITY PARK RECREATION DISTRICT complied, in all material respects, with those requirements. An examination involves performing procedures to obtain evidence about whether UNIVERSITY PARK RECREATION DISTRICT complied with those 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 UNIVERSITY PARK RECREATION DISTRICT's compliance with the specified requirements.

In our opinion, UNIVERSITY PARK RECREATION DISTRICT complied, in all material respects, with Section 218.415 of the Florida Statutes for the year ended September 30, 2022.

This report is intended solely for the information and use of the UNIVERSITY PARK RECREATION DISTRICT and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.



PHILLIPS HARVEY GROUP, P.A.
Certified Public Accountants
Naples, Florida



**MANAGEMENT LETTER
LOCAL GOVERNMENT ENTITIES**

Nathan A. Phillips, CPA
Stephanie J. Feldman, CPA
Deborah L. Harvey, CPA (*Decd*)

David N. Phillips, CPA, MBA
Michelle V. Schalmo, CPA
Shannon Huber, CPA
Courtney L. Cound, CPA
Keith S. Boyle, CPA

February 6, 2023

To the Board of Supervisors
UNIVERSITY PARK RECREATION DISTRICT
University Park, Florida 34201

Board of Supervisors:

Report on the Financial Statements

We have audited the financial statements of UNIVERSITY PARK RECREATION DISTRICT, Florida, as of and for the fiscal year ended September 30, 2022 and have issued our report thereon dated February 6, 2023.

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 Florida 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 Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 6, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The District discloses this information in the notes to the financial statements. The District does not have an component units as of September 30, 2022.

Financial Condition and Management

Sections 10.554(1)(i)5.a and 10.556(7), Rules of the Auditor General, requires us to apply appropriate procedures and communicate the results of our determination as to whether or not UNIVERSITY PARK RECREATION DISTRICT met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that UNIVERSITY PARK RECREATION DISTRICT did not meet any of the conditions described in the Section 218.503(1), Florida Statutes.

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

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

Specific Information

As required by Section 218.39(3)l, Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, UNIVERSITY PARK RECREATION DISTRICT reported:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as 0.
- b. The total number of independent contractors to whom nonemployee compensation were paid in the last month of the district's fiscal year as 8.
- c. All compensation earned by or awarded to contracted employees, whether paid or accrued, regardless of contingency as \$4,583,535.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$117,362.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported: none.
- f. A budget variance report based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as included below: no amendments were made for the District's General or Enterprise Funds.

To the Board of Supervisors
UNIVERSITY PARK RECREATION DISTRICT
February 6, 2023

Specific Information (Continued)

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the UNIVERSITY PARK RECREATION DISTRICT reported:


- a. The rate or rates of non-ad valorem special assessments imposed by the District as 2.5 to 3.5%.
- b. The total amount of special assessments collected by or on behalf of the district as \$1,389,003.
- c. The total amount of outstanding bonds issued by the district and the terms of such bonds as \$22,955,000.

Additional Matters

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Supervisors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.


PHILLIPS HARVEY GROUP, P.A.
Certified Public Accountants
Naples, Florida