

UNIVERSITY PARK RECREATION DISTRICT

FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

UNIVERSITY PARK RECREATION DISTRICT

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INDEPENDENT AUDITOR'S REPORT

February 2, 2025

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

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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, 2024, 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, 2024, 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 the 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 2, 2025, 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 FELDMAN GROUP, P.A.
Certified Public Accountants
Naples, Florida

UNIVERSITY PARK RECREATION DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2024, and September 30, 2023. Please read it in conjunction with the accompanying financial statements.

FINANCIAL HIGHLIGHTS

(Rounded to Thousands)

	September 30,		Increase/ Decrease
	2024	2023	
Total net position	\$ 24,115	\$ 23,906	\$ 209
Unrestricted net position available for future use	\$ (1,106)	\$ 396	\$ (1,502)
Governmental net position	\$ 85	\$ 1,620	\$ (1,535)
Total revenues from all sources	\$ 14,216	\$ 13,530	\$ 686
Governmental revenues	\$ 1,392	\$ 1,398	\$ (5)
Total cost of District programs	\$ 904	\$ 842	\$ 62
Governmental change in net position	\$ (1,536)	\$ (837)	\$ (699)
General fund revenues (under) over expenditures	\$ (11)	\$ (31)	\$ 20
General fund unassigned fund balance	\$ 19	\$ 17	\$ 3
As a percentage of general fund expenditures	6.15%	6.43%	-0.28%
Country Club operating income (loss)	\$ (881)	\$ (156)	\$ (725)
Country Club change in net position	\$ 1,745	\$ 1,466	\$ 279
Change in total long-term debt for the District	\$ 874	\$ (990)	\$ 1,864

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

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 four 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

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.
4. **Capital Irrigation Fund** - The Capital Irrigation Fund is a fund used to manage financial resources for the replacement of the Golf Course Irrigation System. This fund accounts for the Bond Anticipation Note (BAN), a short-term financing instrument, that was used to obtain temporary funding. The Series 2024 Bond Anticipation Note, also known as the Series 2024 Note or Series 2024 BAN, offered up to \$5,000,000 in funding with a 2-year maturity.

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 \$24,115,454 and \$23,906,256 at September 30, 2024, and September 30, 2023, 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 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

NET POSITION AT SEPTEMBER 30, 2024, and 2023

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets:						
Cash and other assets	\$ 32,335	\$ 26,518	\$ 979,835	\$ 1,436,019	\$ 1,012,170	\$ 1,462,537
Receivables	21,863,679	22,423,263	392,581	374,939	22,256,260	22,798,202
Due from another fund	-	-	-	-	-	-
Inventories	-	-	287,664	291,046	287,664	291,046
Prepaid expenses	289,599	314,725	175,469	106,577	465,068	421,302
Other assets	-	-	11,899	11,899	11,899	11,899
Restricted cash	1,648,502	1,655,012	180,112	1,446,432	1,828,614	3,101,444
Right of use leased assets, net	-	-	401,926	441,786	401,926	441,786
Capital assets, net	-	-	25,040,878	20,824,510	25,040,878	20,824,510
Total assets	23,834,115	24,419,518	27,470,364	24,933,208	51,304,479	49,352,726
Deferred outflows of resources:						
Liabilities:						
Current liabilities:						
Accounts payable	13,201	9,954	696,340	284,671	709,541	294,625
Accrued interest	301,663	302,048	2,679	1,023	304,342	303,071
Capital leases	-	-	118,951	398,325	118,951	398,325
Accrued expenses and other	-	-	854,947	544,174	854,947	544,174
Deferred dues	-	-	1,467,103	1,325,656	1,467,103	1,325,656
Long-term liabilities						
Capital leases	-	-	299,407	93,125	299,407	93,125
2019 Bond	21,929,734	22,487,494	-	-	21,929,734	22,487,494
Bond anticipation note	1,505,000.00	-	-	-	1,505,000	-
Total liabilities	23,749,598	22,799,496	3,439,427	2,646,974	27,189,025	25,446,470
Deferred inflows of resources:						
Net position:						
Net investment in capital assets	-	-	25,040,878	20,774,847	25,040,878	20,774,847
Restricted	-	1,288,733	180,112	1,446,432	180,112	2,735,165
Unrestricted	84,517	331,289	(1,190,053)	64,955	(1,105,536)	396,244
Total net position	\$ 84,517	\$ 1,620,022	\$ 24,030,937	\$ 22,286,234	\$ 24,115,454	\$ 23,906,256

UNIVERSITY PARK RECREATION DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

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	
	2024	2023	2024	2023	2024	2023
REVENUES:						
Non-ad valorem assessments	\$ 1,392,260	\$ 1,389,208	\$ -	\$ -	\$ 1,392,260	\$ 1,389,208
Charges for services	-	-	12,784,369	12,104,824	12,784,369	12,104,824
Other revenues and interest	97	8,371	39,638	27,151	39,735	35,522
Total Revenues	1,392,357	1,397,579	12,824,007	12,131,975	14,216,364	13,529,554
EXPENSES:						
Current:						
General government	351,599	301,979	-	-	351,599	301,979
Debt service:						
Principal	555,000	540,000	-	-	555,000	540,000
Interest	710,463	725,313	-	-	710,463	725,313
Capital Fund:						
Interest and debt issuance	106,800	-	-	-	106,800	-
Country Club:						
Operating expenses	-	-	12,090,173	10,840,619	12,090,173	10,840,619
Interest expense	-	-	31,841	46,951	31,841	46,951
Amortization expense	-	-	476,183	477,318	476,183	477,318
Depreciation expense	-	-	1,138,873	969,630	1,138,873	969,630
Total Expenses	1,723,862	1,567,292	13,737,070	12,334,518	15,460,932	13,901,810
Excess (deficiency) of revenues over (under) expenses	(331,505)	(169,713)	(913,063)	(202,543)	(1,244,568)	(372,256)
Contributions, transfers and other						
Capital transfers in (out)	(1,404,000)	(791,929)	1,404,000	791,929	-	-
Transfers in (out)	200,000	125,000	(200,000)	(125,000)	-	-
Other income/expenses (net)	-	-	1,453,766	1,001,530	1,453,766	1,001,530
Total contributions, transfers and other	(1,204,000)	(666,929)	2,657,766	1,668,459	1,453,766	1,001,530
Net change in net positions	(1,535,505)	(836,642)	1,744,703	1,465,916	209,198	629,274
Net position-beginning of year	1,620,022	2,456,664	22,286,234	20,820,318	23,906,256	23,276,982
Net position-end of year	\$ 84,517	\$ 1,620,022	\$ 24,030,937	\$ 22,286,234	\$ 24,115,454	\$ 23,906,256

UNIVERSITY PARK RECREATION DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2024, the Country Club charges for services (revenues) for the Business-type activities was \$12,784,369 and expenses were \$13,705,229. Overall results for the year was an excess of expenses over revenues of \$913,063. In addition, investments in capital assets of \$1,404,000 were paid through transfers from the Capital Irrigation Fund in the same amount. During the year, \$200,000 was transferred from the Propriety Fund to the General Fund to pay a portion of Governmental expenditures. The net position of the Proprietary Fund (Country Club) at September 30, 2024, was \$24,030,937.

For the fiscal year ended September 30, 2023, the Country Club charges for services (revenues) for the Business-type activities was \$12,104,824 and expenses were \$12,287,567. Overall results for the year was an excess of expenses over revenues of \$202,543. In addition, investments in capital assets of \$791,929 were paid through transfers from the Capital Acquisition and Construction Fund in the same amount. During the year, \$125,000 was transferred from the Propriety Fund to the General Fund to pay a portion of Governmental expenditures. The net position of the Proprietary Fund (Country Club) at September 30, 2023, was \$22,286,234.

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, 2024, the combined fund balance for all Governmental Funds was \$1,960,908, a decrease from the September 30, 2023 fund balance of \$1,994,565. Less than 1% of the combined ending fund balance (\$1,960,908) constitutes unrestricted (unassigned/assigned) fund balance totaling \$19,128, which is available for spending at the District's discretion. The remainder of fund balance (\$1,941,780) 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

Governmental Funds (Continued)

At September 30, 2023, the combined fund balance for all Governmental Funds was \$1,994,565, a decrease from the September 30, 2022 fund balance of \$2,527,487. Less than 1% of the combined ending fund balance (\$1,994,565) constitutes unrestricted (unassigned/assigned) fund balance totaling \$16,565, which is available for spending at the District's discretion. The remainder of fund balance (\$1,978,000) 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 \$19,128. As a measure of the General Fund's liquidity, it is helpful to compare the total fund balance which is 6.15% of total general fund expenditures of \$311,060.

The General Fund unassigned fund balance of \$19,128 represents an increase of \$2,563 from the 2023 unassigned General Fund balance of \$16,565.

At the end of September 30, 2023, the total fund balance of the General Fund was unassigned, this amount was \$16,565. As a measure of the General Fund's liquidity, it is helpful to compare the total fund balance which is 6.43% of total general fund expenditures of \$257,553.

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 2024 total appropriations adopted was \$311,060.

General Fund Budget Analysis

As shown on page 40 of this report, in the Schedule of Revenues and Expenditures Non-GAAP Budget and Actual - General Fund, there was no expenditure variance.

Debt Service 2019 Fund and Capital Acquisition and Construction Fund and Capital Irrigation Fund

The District formally adopted a budget for its Debt Service 2019 Fund but had no adopted budget for its Acquisition and Construction Fund since those funds were created initially upon the issuance of the District's Non-Ad Valorem Assessments Bonds Series 2019 and had no adopted budget for its newly formed Capital Irrigation Fund associated with the District's BAN issuance.

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, 2024, and September 30, 2023, respectively.

UNIVERSITY PARK RECREATION DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS (INCLUDING LEASES) AT SEPTEMBER 30, 2024 AND SEPTEMBER 30, 2023

	Business-Type Activities	
	2024	2023
Land	\$ 8,525,000	\$ 8,525,000
Land Improvements	135,876	135,876
Construction in progress	5,002,618	172,344
Golf course and improvements	6,332,840	6,332,840
Buildings	3,225,054	3,202,367
Dining Renovations	3,391,611	3,336,256
Machinery and equipment	1,658,058	1,276,851
Tennis/Pickleball courts	1,044,221	750,979
Leased assets	1,011,134	1,393,254
Total assets	\$ 30,326,412	\$ 25,125,767
Less accumulated depreciation	(4,274,400)	(2,908,003)
Less accumulated amortization	(609,208)	(951,468)
Net capital assets	\$ 25,442,804	\$ 21,266,296

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 dining facilities and a 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. These capital assets are included as transfers from the Capital Acquisition and Construction Fund, net of other capital asset activity during the periods. The Proprietary Fund recorded amortization and depreciation of \$1,615,056 for the year ended September 30, 2024, and \$1,446,948 for the year ended September 30, 2023.

The District's investment in capital assets for its business-type activities as of September 30, 2024, and September 30, 2023, was \$25,040,878 and \$20,774,847, respectively (net of accumulated depreciation and related lease obligations). The District had no investment in capital assets for its governmental activities in either fiscal year 2024 or 2023.

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. These intangible right-of-use assets (Capital Leases) totaled \$1,011,134 with accumulated amortization of \$609,208 as of September 30, 2024 and totaled \$1,393,254 with accumulated amortization of \$951,468 as of September 30, 2023.

Debt

Currently, the District uses debt financing on an as-needed basis each year. At September 30, 2024, the District had total long-term debt of \$23,853,092 consisting of \$23,434,734 (including unamortized bond premium of \$69,728 and Bond Anticipation Note of \$1,505,000) in the governmental activities and \$418,358 (Capital leases) 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

OUTSTANDING DEBT AT SEPTEMBER 30, 2024 and SEPTEMBER 30, 2023

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Series 2019 Bonds	\$ 21,860,000	\$ 22,415,000	\$ -	\$ -	\$ 21,860,000	\$ 22,415,000
Capital leases	-	-	418,358	491,450	418,358	491,450
Loan payable	-	-	-	-	-	-
Bond Anticipation Note	1,505,000	-	-	-	1,505,000	-
Equipment loans	-	-	-	-	-	-
Plus: Bond premium, net	69,734	72,494	-	-	69,734	72,494
Total	\$ 23,434,734	\$ 22,487,494	\$ 418,358	\$ 491,450	\$ 23,853,092	\$ 22,978,944

NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

FY2025 Budget

The District's Board of Supervisors adopted the preliminary FY2025 Budget for the Enterprise Fund (Country Club), General Fund, and Debt Service Fund on August 9, 2024. This budget represents a forward-thinking approach designed to sustain operational excellence, meet evolving community needs, and propel the District toward long-term success.

Key Revenue Drivers and Economic Outlook

Economic conditions in FY2025 are expected to remain favorable, supporting continued growth across key revenue streams. Golf Operations, Dining Services, and Membership Programs are projected to build on their FY2024 momentum, fueled by strong member engagement, innovative programming, and new initiatives such as the online Pro Shop launching in early 2025. Broader economic stability and increased market demand for recreational services further strengthen revenue projections.

Strategic Focus Areas for FY2025

The FY2025 Budget underscores a commitment to:

- **Enhancing Member and Guest Experiences:** Planned investments include upgraded amenities, expanded event offerings, and tailored member services to foster enhanced member satisfaction and loyalty.
- **Infrastructure and Capital Improvements:** Prioritized funding will address club facility renovations, golf course enhancements, and technology upgrades to ensure sustainability and operational efficiency.
- **Community Growth and Engagement:** Initiatives to attract new potential homeowners and members and cultivate inclusive, vibrant events align with the District's long-term vision.

UNIVERSITY PARK RECREATION DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Planned Capital Investments for FY2025

Key projects for FY2025 include:

- **Modernizing Club Facilities:** Enhancements to elevate the member experience and accommodate market competitiveness.
- **Golf Course Infrastructure Improvements:** Investments in playability and sustainability to maintain the course's competitive edge.
- **Technology Upgrades:** Implementation of advanced systems to streamline operations and enhance member interaction.

Positioning for Long-Term Success

The FY2025 Budget positions the District to effectively meet rising infrastructure and service demands while maintaining exceptional standards for residents, members, and guests. This financial strategy reinforces the District's commitment to fostering a thriving and dynamic club.

Master Plan, Golf Course Irrigation, Kitchen Renovations, Fitness Centre, Staff Workspace

The completion of the Golf Course Irrigation System replacement in the 2024 fiscal year was a significant achievement for the District and marked the successful conclusion of a critical step of the Master Plan Phase II. Financed through a Bond Anticipation Note, the new system was designed to optimize water usage and enhance sustainability, which will improve course playability and increase player satisfaction.

Despite the success of the irrigation system, the remaining projects in the Capital Improvement Plan are placed on hold due to legal complications surrounding the bond issuance. Although the issuance of the bond was approved by the Board of Supervisors and received approval from approximately 62% of voters in a referendum, the issuance has been contested. In the meantime, the Board of Supervisors and management remain confident that a final decision will be made soon, allowing the delayed projects to move forward.

Hurricane Milton

Hurricane Milton made landfall on Florida's Gulf Coast on Wednesday, October 9, 2024. The storm caused significant damage to the golf course, with numerous trees uprooted, debris scattered across the area, and bunkers and other areas of the course heavily saturated. The total cost for cleanup and repairs, including labor and external services, as well as the replanting of trees and plants amounted to \$378,415 as of the end of January 2025. The District has submitted a claim to both our insurance provider and FEMA and is presently awaiting a decision.

Membership

Membership activity continues to show strong growth, with Full Memberships increasing by 4.5% in 2024 compared to 2023. To address capacity concerns, a limit has been introduced for Full Memberships, and new non-resident Full Memberships are currently being paused. Admission for non-resident Full Members will now be based on space availability.

New residents enjoy priority access and can acquire Full Membership without restrictions. Additionally, Trial Memberships will be available exclusively to residents. Non-residents interested in joining are encouraged to explore Racquets Membership or join the waitlist for Full Membership.

UNIVERSITY PARK RECREATION DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

A summary of memberships as of December 31, 2024, and 2023 follows:

Category	YE 2024	YE 2023	Difference	% Change
Full	445	426	19	4.5%
Tennis/Racquets	108	109	(1)	-0.9%
Social/Resident	786	781	5	0.6%
Jr. Exec	-	2	(2)	-100%
Total	1,339	1,318	21	1.6%

Membership (Continued)

As of December 31, 2024, approximately 2,450 individuals are members of the Club.

Active Activity Passes as of December 31, 2024:

Annual Fitness Passes: 156

Social Access Passes: 131

Twilight Tennis Passes: 20

Pickleball Passes: 56

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, 2024

ASSETS	Governmental Activities	Business Activities	TOTAL
Cash and cash equivalents	\$ 32,335	\$ 979,835	\$ 1,012,170
Receivables	21,863,679	392,581	22,256,260
Inventories	-	287,664	287,664
Prepaid expenses	289,599	175,469	465,068
Other assets	-	11,899	11,899
Restricted assets:			
Cash, restricted for debt and/or capital investments	1,648,502	180,112	1,828,614
Right of use leased assets, net of amortization	-	401,926	401,926
Capital assets, net:			-
Non-depreciable assets	-	13,527,617	13,527,617
Depreciable assets (net of depreciation)	-	11,513,261	11,513,261
Total capital assets, net	-	25,040,878	25,040,878
 Total assets	 \$ 23,834,115	 \$ 27,470,364	 \$ 51,304,479
LIABILITIES			
Accounts payable	\$ 13,201	\$ 696,340	\$ 709,541
Accrued expenses and other	-	854,947	854,947
Accrued interest payable	301,663	2,679	304,342
Unearned revenue	-	1,467,103	1,467,103
Non-current obligations:			
Portion due within one year	575,000	118,951	693,951
Portion due after one year	22,859,734	299,407	23,159,141
 Total Liabilities	 23,749,598	 3,439,427	 27,189,025
NET POSITION			
Investment in capital assets, net	-	25,040,878	25,040,878
Net position-restricted:			
General fund	-	180,112	180,112
Unrestricted:	84,517	(1,190,053)	(1,105,536)
 Total Net Position	 \$ 84,517	 \$ 24,030,937	 \$ 24,115,454

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

UNIVERSITY PARK RECREATION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL ACTIVITIES
Primary Government					
Governmental activities					
General government	\$ 458,784	\$ 837,356	\$ 378,572	\$ -	\$ 378,572
Interest on long term debt	710,077	-	(710,077)	-	(710,077)
	1,168,861	837,356	(331,505)	-	(331,505)
Business-type activities - Country Club	13,868,920	14,409,623	-	540,703	540,703
Total business-type activities	13,868,920	14,409,623	-	540,703	540,703
Total government	15,037,781	15,246,979	(331,505)	540,703	209,198
General Revenues and Transfers:					
Transfers-cash			(1,204,000)	1,204,000	-
Total general revenues and transfers			(1,204,000)	1,204,000	-
Change in net position			(1,535,505)	1,744,703	209,198
Net position, September 30, 2023			1,620,022	22,286,234	23,906,256
Net position, September 30, 2024			\$ 84,517	\$ 24,030,937	\$ 24,115,454

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

UNIVERSITY PARK RECREATION DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	MAJOR FUNDS				TOTAL GOVERNMENTAL FUNDS
	GENERAL	DEBT SERVICE 2019	ACQUISITION AND CONSTRUCTION	CAPITAL IRRIGATION	
ASSETS					
Cash and cash equivalents	\$ 32,335	\$ 1,648,498	\$ 4	\$ -	\$ 1,680,837
Receivables	-	21,863,679	-	-	21,863,679
Prepaid bond insurance	-	-	289,599	-	289,599
Prepaid expenses	-	-	-	-	-
Total Assets	<u>\$ 32,335</u>	<u>\$ 23,512,177</u>	<u># \$ 289,603</u>	<u>\$ -</u>	<u>\$ 23,834,115</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 13,207		\$ -	\$ -	\$ 13,207
Total Liabilities	<u>13,207</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,207</u>
Deferred Inflows of Resources:					
Unavailable revenue-special assessments	-	21,860,000	-	-	21,860,000
Total Liabilities and Deferred Inflows of Resources	<u>13,207</u>	<u>21,860,000</u>	<u>-</u>	<u>-</u>	<u>21,873,207</u>
Fund Balances:					
Reserved for:					
Non-spendable	-	-	289,599	-	289,599
Restricted	-	1,652,177	4	-	1,652,181
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	19,128	-	-	-	19,128
Total Fund Balances	<u>19,128</u>	<u>1,652,177</u>	<u>289,603</u>	<u>-</u>	<u>1,960,908</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 32,335</u>	<u>\$ 23,512,177</u>	<u>\$ 289,603</u>	<u>\$ -</u>	<u>\$ 23,834,115</u>

Transfers in from Capital Irrigation Fund

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, 2024

Total Governmental Fund Balance (Page 17) **\$ 1,960,908**

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 \$ 21,860,000

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	\$ (21,860,000)	
Proceeds from debt issuance-BAN	(1,505,000)	
Less: unamortized bond premium/other	(69,728)	
Less: accrued interest payable on long-term debt	<u>(301,663)</u>	
		<u>(23,736,391)</u>

Total Net Position (Page 15) **\$ 84,517**

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, 2024

	MAJOR FUNDS				TOTAL GOVERNMENTAL FUNDS
	GENERAL	DEBT SERVICE 2019	ACQUISITION AND CONSTRUCTION	CAPITAL IRRIGATION	
REVENUES					
Non-ad valorem assessments	\$ -	\$ 1,392,260	\$ -	\$ -	\$ 1,392,260
Other revenues and interest	-	97	-	-	97
Total Revenues	-	1,392,357	-	-	1,392,357
EXPENDITURES					
Current:					
General government	311,060	38,000	-	-	349,060
Debt service:					
Principal	-	555,000	-	-	555,000
Interest	-	710,463	-	-	710,463
Debt issuance costs	-	-	-	101,000	101,000
Bond insurance amortization	-	-	11,491	-	11,491
Total Expenditures	311,060	1,303,463	11,491	101,000	1,727,014
(Deficiency) excess of revenues over expenditures	(311,060)	88,894	(11,491)	(101,000)	(334,657)
OTHER FINANCING SOURCES AND USES					
Proceeds from debt issuance	-	-	-	1,505,000	1,505,000
Transfers in (out)	299,988	(99,988)	-	(1,404,000)	(1,204,000)
Total Financing Sources (Uses)	299,988	(99,988)	-	101,000	301,000
Net Change in Fund Balances	(11,072)	(11,094)	(11,491)	-	(33,657)
Fund Balances, September 30, 2023	30,200	1,663,271	301,094	-	1,994,565
Fund Balances, September 30, 2024	\$ 19,128	\$ 1,652,177	\$ 289,603	\$ -	\$ 1,960,908

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, 2024

Net Change in Fund Balances - Total Governmental Funds (Page 19) **\$ (33,657)**

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 balance sheet. (555,000)

The issuance of long-term debt (e.g. bond anticipation note (BAN)) provides current financial resources to governmental funds, while the repayment of the of the principal of the long-term debt consumes the current resources of governmental funds. This amount denoted is the net effect of these differences in the treatment of long-term debt and related items. (1,505,000)

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 in the current year accrual), and adjustments arising from bond premium and bond insurance being amortized.

Net effect of accrued interest on long-term debt	385	
Amortization of bond premium	<u>2,767</u>	
		3,152

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. 555,000

Change in Net Position of Governmental Activities (Page 16) **\$ (1,535,505)**

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

UNIVERSITY PARK RECREATION DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
SEPTEMBER 30, 2024

	Enterprise (Country Club)
ASSETS	
Current assets	
Cash and cash equivalents	\$ 979,835
Accounts receivable (net)	392,581
Inventories	287,664
Prepaid expenses	175,469
Other assets	11,899
Restricted assets: cash and cash equivalents	180,112
Total current assets	<u>2,027,560</u>
Non-current assets	
Right of use leased assets, net of amortization	401,926
Capital assets, net	<u>25,040,878</u>
Total non-current assets	<u>25,442,804</u>
Total assets	<u><u>\$ 27,470,364</u></u>
LIABILITIES	
Current liabilities	
Accounts payable	\$ 696,340
Accrued expenses and other	854,947
Accrued interest payable	2,679
Unearned revenue	1,467,103
Lease liabilities	118,951
Total current liabilities	<u>3,140,020</u>
Non-current liabilities	
Lease liabilities	<u>299,407</u>
Total non-current liabilities	<u>299,407</u>
Total liabilities	<u>3,439,427</u>
NET POSITION	
Investment in capital assets, net	25,040,878
Net position-restricted:	
General fund	180,112
Unrestricted	<u>(1,190,053)</u>
Total net position	<u><u>\$ 24,030,937</u></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, 2024

	Enterprise (Country Club)
Operating revenue	
Membership dues	\$ 5,459,414
Green/cart fees and other	4,002,895
Dining revenues	3,080,318
Racquets and fitness fees	241,742
Miscellaneous	39,638
Total operating revenues	<u>12,824,007</u>
Operating expenses	
Golf course maintenance	2,910,158
Golf and pro shop operations	1,440,721
Dining operations	4,907,798
Racquets and fitness	566,696
Administrative and general	1,959,665
Insurance	305,135
Depreciation and amortization	1,615,056
Total operating expenses	<u>13,705,229</u>
Operating income (loss)	(881,222)
Nonoperating revenues (expenses)	
Initiation fees	1,224,275
Capital dues	340,886
(Loss) on sale of assets	(3,327)
Interest expense	(31,841)
Nonoperating expenses	(128,523)
Miscellaneous and other	20,455
Total nonoperating revenues (expenses)	<u>1,421,925</u>
Contributions and transfers	
Transfers in from Capital Irrigation Fund	1,404,000
Transfer out to General Fund	(200,000)
Total contributions and transfers	<u>1,204,000</u>
Change in net position	1,744,703
Net position, beginning	<u>22,286,234</u>
Net position, ending	<u><u>\$ 24,030,937</u></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, 2024

	Enterprise (Country Club)
Cash flows from operating activities:	
Receipts from members and customers	\$ 12,947,812
Payments to suppliers for goods or services	(6,036,195)
Payments to contracted employees for services	(5,797,957)
Net cash provided by operating activities	<u>1,113,660</u>
Cash flows from capital and related financing activities:	
Transfers in from Capital Irrigation Fund	1,404,000
Transfer to general fund	(200,000)
Principal paid on lease obligations and loans	(512,743)
Initiation fees	1,224,275
Capital dues	340,886
Increase in construction in progress	(4,564,086)
Acquisition of capital assets, net	(528,496)
Net cash used in capital and related financing activities	<u>(2,836,164)</u>
Net increase (decrease) in cash	(1,722,504)
Cash and cash equivalents, beginning of year	2,882,451
Cash and cash equivalents, end of year	<u>\$ 1,159,947</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income (loss)	\$ (881,222)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	1,615,056
Loss on disposal of asset	3,327
Interest expense	(31,841)
Nonoperating income and expenses	(108,068)
Change in assets and liabilities:	
Transfers in from Capital Irrigation Fund	(17,642)
Decrease in inventories	3,382
Increase in prepaid expenses	(68,892)
Decrease in other assets	-
Increase in accounts payable	145,684
Increase in accrued payroll and other	312,429
Increase in interest payable	-
Increase in unearned revenue	141,447
Total adjustments	<u>1,994,882</u>
Net cash provided by operating activities	<u>\$ 1,113,660</u>
Supplemental Disclosures of Cash Flow Information:	
Capital assets obtained from transfers in from Capital Irrigation Fund	\$ 1,404,000
Non-cash asset financing activity-retainage/leases	<u>\$ (702,308)</u>

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

UNIVERSITY PARK RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

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 1,226 gross acres of land and 1,201 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 are 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 2024. 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 members, 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

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.

Capital Irrigation Fund - The Capital Irrigation Fund accounts for the golf course irrigation capital project and related debt funding.

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

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 Fund include the cost of sales and amenity services, administrative expenses and depreciation and amortization of 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, Debt Service 2019 Fund and Proprietary Fund budgets and amendments are approved by the Board of Supervisors. There were no formal budgets adopted for the District's Acquisition and Construction and Capital Irrigation Funds during this fiscal year. The District's Debt Service 2019 Fund and Acquisition and Construction 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. Expenditure 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, 2024, in the accompanying fund statements.

UNIVERSITY PARK RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

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

Accounts Receivable

Accounts receivable in the Enterprise 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, 2024. The District's collection policy includes sending a collection letter at 30 days past payment due date, sending a second 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 (totaling \$21,860,000 as of September 30, 2024) 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 as shown in the 2019 Bond Series Indenture.

UNIVERSITY PARK RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

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 input 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, 2024 are in money market accounts. Investments held at year-end by the District were considered cash equivalents due to their maturation date upon purchase.

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, 2024, 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, 2024. 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

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

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 legally approved 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.

Revenue and Expenses

Operating Revenues and Expenses

Operating revenues and expenses are those that result from providing and delivering goods and/or services. It also includes all revenue and expenses not related to financing or investing activities.

Nonoperating Revenues and Expenses

Nonoperating revenues and expenses represent revenue and expense items that are not incurred from the normal user activity of the District. This classification primarily includes revenues received from investments, interest received on special assessments, capital assessments, new member and initiation fees, deferred maintenance assessments, and interest expense and fiscal costs.

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 8.

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.

UNIVERSITY PARK RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

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

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.

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 2024. 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, 2024 by each governmental major fund consisted of:

	GENERAL	DEBT SERVICE 2019	ACQUISITION AND CONSTRUCTION	CAPITAL IRRIGATION	TOTAL
Demand Deposits	\$ 32,335	\$ 1,648,498	\$ 4	\$ -	\$ 1,680,837

UNIVERSITY PARK RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - CASH (DEPOSITS) AND CASH EQUIVALENTS (Continued)

Deposits

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 for public depositories to ensure public monies in banks and saving and loans are collateralized with the Treasurer as agent for the public entities. Chapter 280 defines deposits as demand deposit accounts, time deposit accounts, and certificates of deposit.

Financial institutions qualifying as public depositories shall deposit with the Florida State Treasurer eligible collateral pursuant to the specific requirements provided in Chapter 280. 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, and therefore the District is not exposed to custodial credit risk.

The District participates in a deposit placement agreement in which balances are placed with participating banks in deposit accounts up to the maximum Federal Deposit Insurance Corporation (FDIC) coverage of \$250,000. At times there are balances waiting to be allocated to participating banks, these amounts are subject to a single FDIC maximum of \$250,000. As of September 30, 2024, the District had excess funds of \$857,603 of deposits in this program which were not covered by FDIC.

Cash Equivalents

The District's investment policy is to follow Florida Statute 218.415(17), the District is authorized to make investments in:

- Local Government Surplus Funds Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969, as provided in s. 163.01;
- Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
- Interest-bearing time deposits or savings accounts in qualified public depositories, as defined in Florida Statute 280.02; and
- Direct obligations of the U.S. Treasury.
- Other investments authorized by law and/or denoted at Section 218.415 (16) of the Florida Statutes.

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

UNIVERSITY PARK RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - CAPITAL ASSETS, NET

Capital asset activity for the fiscal year ended September 30, 2024 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>Business-type activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 8,525,000	\$ -	\$ -	\$ 8,525,000
Construction in progress	<u>172,344</u>	<u>5,250,594</u>	<u>(420,320)</u>	<u>5,002,618</u>
Total capital assets, not being depreciated	<u>8,697,344</u>	<u>5,250,594</u>	<u>(430,320)</u>	<u>13,527,618</u>
Capital assets, being depreciated:				
Golf course and improvements	6,332,840	-	-	6,332,840
Land improvements	135,876	-	-	135,876
Buildings	3,202,367	22,687	-	3,225,054
Dining renovations	3,336,256	55,355	-	3,391,611
Machinery and equipment	1,276,851	157,212	223,994	1,658,057
Tennis courts	<u>750,979</u>	<u>293,242</u>	<u>-</u>	<u>1,044,221</u>
Total capital assets being depreciated	<u>15,035,169</u>	<u>528,496</u>	<u>223,994</u>	<u>15,787,659</u>
Less accumulated depreciation for:				
Golf course and improvements	(1,475,421)	(442,248)	-	(1,917,669)
Land improvements	(15,640)	(19,077)	-	(34,717)
Buildings	(470,593)	(127,045)	-	(597,638)
Dining renovations	(214,086)	(274,665)	-	(488,751)
Machinery and equipment	(520,095)	(155,717)	227,522	(903,334)
Tennis courts	<u>(212,168)</u>	<u>(120,122)</u>	<u>-</u>	<u>(332,290)</u>
Total accumulated depreciation	<u>(2,908,003)</u>	<u>(1,138,874)</u>	<u>227,522</u>	<u>(4,274,399)</u>
Total capital assets, being depreciated, net	<u>12,127,166</u>	<u>(610,378)</u>	<u>(3,528)</u>	<u>11,513,260</u>
Business-type activities capital assets, net	<u>\$ 20,824,510</u>	<u>\$ 4,640,216</u>	<u>\$ (423,848)</u>	<u>\$ 25,040,878</u>

The Enterprise (Country Club) Fund depreciation and amortization expenses for the year ended September 30, 2024 totaled \$1,138,874 and \$476,183, respectively. Of the \$5,779,090 in capital asset additions above, \$1,404,000 were paid with transfers from the Capital Irrigation Fund during the fiscal year.

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, Bond Anticipation Note (BAN) Series 2024, office and equipment leases, and equipment loans.

UNIVERSITY PARK RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

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

Changes in long-term liability activity for the fiscal year ended September 30, 2024 was as follows:

	BALANCE SEPTEMBER 30, 2023	ADDITIONS	(REDUCTIONS)	BALANCE SEPTEMBER 30, 2024	DUE WITHIN ONE YEAR
<u>Governmental activities:</u>					
Series 2019 Bonds	\$ 22,415,000	\$ -	\$ (555,000)	\$ 21,860,000	\$ 575,000
Plus: bond premium	72,494	-	(2,760)	69,734	-
Series 2024 BAN	-	1,505,000	-	1,505,000	-
<u>Business-type activities:</u>					
Office/equipment leases	491,450	436,322	(509,414)	418,358	118,951
Equipment loans	-	-	-	-	-
	<u>\$ 22,978,944</u>	<u>\$ 1,941,322</u>	<u>\$ (1,067,174)</u>	<u>\$ 23,853,092</u>	<u>\$ 693,951</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, 2021 totaling \$515,000 with increases of \$15,000 in principal each year thereafter. The final principal payment of \$1,225,000 is due 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 requirements 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 or defined in the Indenture.

UNIVERSITY PARK RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

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, 2024.

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, 2024, 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>
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	615,000	652,713	1,267,713
2029	630,000	637,338	1,267,338
2030 - 2034	3,430,000	2,904,500	6,334,500
2035 - 2039	3,995,000	2,347,469	6,342,469
2040 - 2044	4,680,000	1,658,906	6,338,906
2045 - 2049	5,530,000	807,388	6,337,388
2050	1,225,000	42,872	1,267,872
Total	<u>\$ 21,860,000</u>	<u>\$ 11,097,825</u>	<u>\$ 32,957,825</u>

Bond Anticipation Note ("BAN"), Series 2024

The District adopted Resolution No. 2024-20 on June 27, 2024, authorizing the issuance of Bond Anticipation Note, Series 2024 not to exceed \$5,000,000 with Regions Capital Advantage, Inc. Total BAN proceeds (not to exceed \$5m) will be used to: (1) finance the golf course irrigation improvements; (2) fund interest through and including maturity, and (3) pay the District's related costs of issuance. The BAN is secured by non-ad valorem assessments as delineated in the District's adopted Resolution No. 2024-12 adopted on November 3, 2023. BAN is bearing interest at a variable rate per annum equal to 79% of month SOFR plus eight basis points (0.0080). Interest is paid semiannually on February 12 and August 12 each year. Principal is due upon maturity. BAN matures on August 12, 2026. The BAN outstanding balance at September 30, 2024 was \$1,505,000.

UNIVERSITY PARK RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

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

Business Type Activities

Lease Obligations

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

Amortization and interest expenses related to these leases for the year ended September 30, 2024, consisted of the following:

Lease expense	
Amortization expense by class of underlying asset	
Equipment	\$ 455,650
Copy machines	20,533
Total amortization expense	476,183
Interest on lease liabilities	31,841
Variable lease expense	-
Total Lease Expense	\$ 508,024

The following is a schedule by years of future minimum lease payments as of September 30, 2024:

Maturity Analysis for Years Ending September 30,			
	Principal	Interest	Total Payments
2025	\$ 118,951	\$ 29,822	\$ 148,773
2026	89,440	22,126	111,566
2027	97,587	13,979	111,566
2028	77,689	5,710	83,399
2029	34,691	940	35,631
Total Future Payments	<u>\$ 418,358</u>	<u>\$ 72,577</u>	<u>\$ 490,935</u>

Principal and interest payments are due monthly. As of September 30, 2024, the principal amounts outstanding were \$418,358 and the net book value of the equipment was \$401,926. 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 occurrence 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, 2024 were as follows:

Cost	<u>\$ 1,011,134</u>
Accumulated depreciation	<u>\$ 609,208</u>
Right-of-use assets, net	<u>\$ 401,926</u>

UNIVERSITY PARK RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

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 Capital Irrigation Fund to the Enterprise (Country Club) Fund for specific District funds expended to make certain capital improvements as provided in Resolution No.2024-20, 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.

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:		
Capital Irrigation Fund	\$ -	\$ (1,404,000)
Debt Service 2019 Fund	-	(99,988)
General Fund	299,988	-
Proprietary Fund:		
Enterprise (Country Club) Fund	<u>1,404,000</u>	<u>(200,000)</u>
Total Interfund Transfers	<u>\$ 1,703,988</u>	<u>\$ (1,703,988)</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 on September 30, 2024.

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 the year ended September 30, 2024.

NOTE 7 - MANAGEMENT CONTRACTS

The District has contracted with PFM Group Consulting, LLC, a management company, through September 30, 2024 to perform management advisory services. One employee of the management company serves as Secretary of the District. Under the agreement, the District compensated the management company for administrative, management, and other ancillary costs, in the amount of \$70,000 during the year ending September 30, 2024. Additionally, the District paid \$7,229 to US Bank for bond administration costs.

The District has contracted with Park Boulevard Management, LLC ("PBM"), a management company, through September 30, 2024 to perform the management, operation, organization, administration and maintenance of the University Park Country Club in accordance with the terms of the agreement.

UNIVERSITY PARK RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 7 - MANAGEMENT CONTRACTS (Continued)

Park Boulevard Management, LLC is owned by the University Park Community Association, Inc (“the Association”). PBM is a company active in the management of the Association and the District. PBM acts as an agent on behalf of the Association and the District and provides payroll services to the Association and the District. As an agent in 2024, PBM has no net income as all charges for payroll services are paid out as salary or payroll taxes.

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 2024 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 expenditure is made.

UNIVERSITY PARK RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

NOTE 8 - FUND BALANCE DISCLOSURE (Continued)

A schedule of the District's government fund balances at September 30, 2024 is as follows:

	MAJOR FUNDS				TOTAL GOVERNMENTAL FUNDS
	GENERAL	DEBT SERVICE 2019	ACQUISITION AND CONSTRUCTION	CAPITAL IRRIGATION	
Non-spendable	\$ -	\$ -	\$ 289,599	\$ -	\$ 289,599
Restricted	-	1,652,177	4	-	1,652,181
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	19,128	-	-	-	19,281
Total	<u>\$ 19,128</u>	<u>\$ 1,652,177</u>	<u>\$ 289,603</u>	<u>\$ -</u>	<u>\$ 1,960,908</u>

The District's enterprise fund balance has restricted fund balances for the general fund and for various capital allocations, of \$180,112 and \$1,277,105, respectively.

NOTE 9 - SUBSEQUENT EVENTS

In preparing the financial statements, the District has evaluated events and transactions for potential recognition or disclosure through February 2, 2025, the date that the financial statements were available to be issued. The following matters were identified as subsequent events:

1. In November 2024, the District paid interest of \$348,294 on the Series 2019 Bonds.
2. Hurricane Milton made landfall on Florida's Gulf Coast on Wednesday, October 9, 2024. The storm caused significant damage to the golf course and other areas. The total cost for cleanup and repairs, including labor and external services, as well as the replanting of trees and plants amounted to \$378,415 as of the end of January 2025. The District has submitted a claim to both our insurance provider and FEMA and is presently awaiting a decision.

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.

In addition, the District initially took steps to issue a \$21,000,000 bond for improvements to the District. A certain District resident opposed the proposed improvements and the issuance of the Bonds. Presently, this matter is awaiting a decision by the Supreme Court or an Order requiring Oral Argument. As such bond issuance is in dispute, the District authorized the issuance of a Bond Anticipation Note, Series 2024 not to exceed \$5,000,000 with Regions Capital Advantage, Inc. The BAN Series 2024 outstanding balance at September 30, 2024 was \$1,505,000, see Note 4.

PART II. REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

UNIVERSITY PARK RECREATION DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES
NON-GAAP BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

REVENUES	GENERAL FUND			
	BUDGETED AMOUNTS		ACTUAL AMOUNT	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Prior Year Surplus	\$ 4,737	\$ 16,564	\$ -	\$ (16,564)
Inter-Fund Transfers from Debt Service	70,000	99,988	99,988	-
Inter-Fund Transfers from Country Club	175,263	194,508	200,000	5,492
Total Revenues	250,000	311,060	299,988	(11,072)
EXPENDITURES				
Current:				
General government	250,000	310,340	310,340	-
Capital outlay	-	-	-	-
Contingency/revenue reserve	-	720	720	-
Debt service:		-		-
Principal retirement	-	-	-	-
Interest	-	-	-	-
Total Expenditures	250,000	311,060	311,060	-
(Deficiency) excess of revenues over expenditures	-	-	(11,072)	(11,072)
OTHER FINANCING SOURCES AND (USES)				
Inter-Fund Transfers from Debt Service	-	-	-	-
Inter-Fund Transfers from Country Club	-	-	-	-
Total Other Financing Sources and (Uses)	-	-	-	-
Net Change in Net Position	\$ -	\$ -	(11,072)	\$ (11,072)
Net Position, September 30, 2023			30,200	
Net Position, September 30, 2024			\$ 19,128	
Transfers in from Capital Irrigation Fund				

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

UNIVERSITY PARK RECREATION DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES
NON-GAAP BUDGET AND ACTUAL - DEBT SERVICE 2019
FOR THE YEAR ENDED SEPTEMBER 30, 2024

REVENUES	DEBT SERVICE 2019			
	BUDGETED AMOUNTS		ACTUAL AMOUNT	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Non ad valorem assessments	\$ 1,613,756	\$ 1,751,745	\$ 1,392,357	\$ (359,388)
Interest income	-	-	-	-
Total Revenues	1,613,756	1,751,745	1,392,357	(359,388)
EXPENDITURES				
Current:				
General government	-	38,000	38,000	-
Capital outlay	-	-	-	-
Contingency/revenue reserve	-	-	-	-
Debt service:				
Principal retirement	555,000	555,000	555,000	-
Interest	710,463	710,463	710,463	-
Total Expenditures	1,265,463	1,303,463	1,303,463	-
(Deficiency) excess of revenues over expenditures	348,293	448,282	88,894	(359,388)
OTHER FINANCING SOURCES AND (USES)				
Inter-Fund Transfers	-	-	-	-
Inter-Fund Transfers out	-	(99,988)	(99,988)	-
Total Other Financing Sources and (Uses)	-	(99,988)	(99,988)	-
Net Change in Net Position	\$ 348,293	\$ 348,294	(11,094)	\$ (359,388)
Net Position, September 30, 2023			1,663,271	
Net Position, September 30, 2024			\$ 1,652,177	

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
David N. Phillips, CPA, MBA
Michelle V. Schalmo, CPA
Shannon Huber, CPA
Keith S. Boyle, CPA
Bethany Bohall, CPA

February 2, 2025

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, 2024, 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 2, 2025.

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 2, 2025

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 FELDMAN 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
David N. Phillips, CPA, MBA
Michelle V. Schalmo, CPA
Shannon Huber, CPA
Keith S. Boyle, CPA
Bethany Bohall, CPA

February 2, 2025

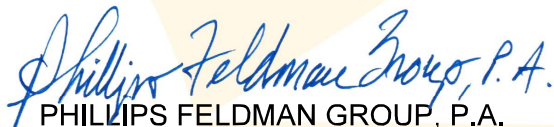
To the Board of Supervisors
UNIVERSITY PARK RECREATION DISTRICT
University Park, Florida 34201

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, 2024. 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, 2024.

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 FELDMAN GROUP, P.A.
Certified Public Accountants
Naples, Florida



MANAGEMENT LETTER
LOCAL GOVERNMENT ENTITIES

Nathan A. Phillips, CPA
Stephanie J. Feldman, CPA
David N. Phillips, CPA, MBA
Michelle V. Schalmo, CPA
Shannon Huber, CPA
Keith S. Boyle, CPA
Bethany Bohall, CPA

February 2, 2025

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, 2024, and have issued our report thereon dated February 2, 2025.

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 2, 2025, 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 any component units as of September 30, 2024.

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)(c), 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 38.
- c. All compensation earned by or awarded to contracted employees, whether paid or accrued, regardless of contingency as \$5,800,660.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$454,697.
- 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: Golf course irrigation system, with associated project cost of \$5,592,048; short game project \$314,181; pro shop renovation project \$94,823; kitchen renovation & expansion \$3,000,000; fitness center renovation and expansion \$3,500,000; activity & admin center \$5,500,000 and additional parking \$500,000.
- 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: the 2024 budget for the District's Enterprise and General funds were amended, see page 40.

To the Board of Supervisors
UNIVERSITY PARK RECREATION DISTRICT
February 2, 2025

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 \$1,392,357.
- c. The total amount of outstanding bonds issued by the District and the terms of such bonds as \$22,860,000.

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 FELDMAN GROUP, P.A.
Certified Public Accountants
Naples, Florida