BAYSHORE GARDENS
PARK AND RECREATION DISTRICT
BRADENTON, FLORIDA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2025

BAYSHORE GARDENS PARK AND RECREATION DISTRICT
BRADENTON, FLORIDA

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Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

1001 Yamato Road ▪ Suite 301
Boca Raton, Florida 33431
(561) 994-9299 ▪ (800) 299-4728
Fax (561) 994-5823
www.graucpa.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Bayshore Gardens Park and Recreation District
Bradenton, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of Bayshore Gardens Park and Recreation District, Bradenton, Florida ("District") as of and for the fiscal year ended September 30, 2025, 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 and the major fund of the District as of September 30, 2025, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 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

The District's 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 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 GAAS 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 GAAS, 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 the 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 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, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information Included in the Financial Report

Management is responsible for the other information included in the financial report. The other information comprises the information for compliance with FL Statute 218.39 (3) (c), but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2026, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is 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 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 District's internal control over financial reporting and compliance.

Grau & Associates

October 20, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Bayshore Gardens Park and Recreation District, Bradenton, Florida ("District") provides a narrative overview of the District's financial activities for the fiscal year ended September 30, 2025. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year resulting in a net position balance of $3,618,677.

- The change in the District's total net position in comparison with the prior fiscal year was $147,151, an increase. The key components of the District's net position and change in net position are reflected in the table in the government-wide financial analysis section.

- At September 30, 2025, the District's governmental funds reported combined ending fund balances of $561,848, a decrease of ($165,467) in comparison with the prior fiscal year. A portion of the total fund balance is nonspendable for prepaid items and deposits, and the remainder is unassigned fund balance which is available for spending at the District's discretion.

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

The government-wide financial statements include all governmental activities that are principally supported by ad valorem taxes and rental revenues. The District does not have any business-type activities. The governmental activities of the District include the general government (management), maintenance and recreational functions.

Fund Financial Statements

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

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains one governmental fund for external reporting, the general fund, which is considered a major fund.

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

Notes to the Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

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

NET POSITION
SEPTEMBER 30,

	2025	2024
Current and other assets	$ 696,301	$ 879,709
Capital assets, net of depreciation	3,056,829	2,744,211
Total assets	3,753,130	3,623,920
Current liabilities	134,453	152,394
Total liabilities	134,453	152,394
Net position		
Net investment in capital assets	3,056,829	2,744,211
Unrestricted	561,848	727,315
Total net position	$ 3,618,677	$ 3,471,526

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The District's net position reflects its investment in capital assets (e.g. land, land improvements, and infrastructure) less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to residents; consequently, these assets are not available for future spending.

The District's net position increased during the most recent fiscal year. The majority of the increase represents the extent to which ongoing revenues exceeded the cost of operations and depreciation expense.

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

CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30,

	2025	2024
Revenues:		
Program revenues		
Charges for services	$ 294,412	$ 288,448
General revenues		
Ad valorem taxes	555,572	547,385
Unrestricted investment earnings	2,580	4,275
Miscellaneous	-	11,835
Total revenues	852,564	851,943
Expenses:		
General government	340,100	103,486
Physical environment	169,352	192,348
Parks and recreation	195,961	410,107
Total expenses	705,413	705,941
Change in net position	147,151	146,002
Net position - beginning	3,471,526	3,325,524
Net position - ending	$ 3,618,677	$ 3,471,526

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2025 was $705,413. The costs of the District's activities were primarily funded by program revenues and general revenues. Program revenues and general revenues, comprised primarily of property taxes and boat slip rentals, did not significantly change during the fiscal year. Expenses did not significantly change during the fiscal year.

GENERAL BUDGETING HIGHLIGHTS

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Trustees. Actual general fund expenditures for the fiscal year ended September 30, 2025 exceeded appropriations by $260,008.

CAPITAL ASSETS

Capital Assets

At September 30, 2025, the District had $5,079,616 invested in capital assets for its governmental activities. In the government-wide financial statements accumulated depreciation of $2,022,787 has been taken, which resulted in a net book value of $3,056,829. More detailed information about the District's capital assets is presented in the notes of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND OTHER EVENTS

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, landowners, customers, investors, taxpayers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact the Bayshore Gardens Park and Recreation District's Finance Department at 6919 26th Street West, Bradenton, Florida 34207.

BAYSHORE GARDENS PARK AND RECREATION DISTRICT
BRADENTON, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	Governmental Activities
ASSETS	
Cash, cash equivalents and investments	$ 648,789
Prepaid items	47,477
Other assets	35
Capital assets:	
Non-depreciable	400,000
Depreciable, net	2,656,829
Total assets	3,753,130
LIABILITIES	
Accounts payable and accrued expenses	28,193
Other liabilities	45,540
Unearned revenues	60,720
Total liabilities	134,453
NET POSITION	
Net investment in capital assets	3,056,829
Unrestricted	561,848
Total net position	$ 3,618,677

See notes to the financial statements

BAYSHORE GARDENS PARK AND RECREATION DISTRICT
BRADENTON, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Primary government:			
Governmental activities:			
General government	$ 340,100	$ -	$ (340,100)
Physical environment	169,352	-	(169,352)
Parks and recreation	195,961	294,412	98,451
Total governmental activities	705,413	294,412	(411,001)
General revenues:			
Ad valorem taxes			555,572
Unrestricted investment earnings			2,580
Total general revenues			558,152
Change in net position			147,151
Net position - beginning			3,471,526
Net position - ending			$ 3,618,677

See notes to the financial statements

BAYSHORE GARDENS PARK AND RECREATION DISTRICT
BRADENTON, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	Major Funds	
	General Fund	Total Governmental Funds
ASSETS		
Cash, cash equivalents and investments	648,789	$ 648,789
Prepaid items	47,477	47,477
Other assets	35	35
Total assets	$ 696,301	$ 696,301
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
Liabilities:		
Accounts payable	21,556	$ 21,556
Other liabilities	45,540	45,540
Unearned revenue	60,720	60,720
Accrued payroll liabilities	6,637	6,637
Total liabilities	134,453	134,453
Fund balance:		
Non spendable:		
Prepaid items and deposits	47,512	47,512
Unassigned	514,336	514,336
Total fund balance	561,848	561,848
Total liabilities, deferred inflows of resources, and fund balance	$ 696,301	$ 696,301

See notes to the financial statements

BAYSHORE GARDENS PARK AND RECREATION DISTRICT
BRADENTON, FLORIDA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

Fund balance - governmental funds		$ 561,848
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The statement of net position includes those capital assets, net of any accumulated depreciation, in the net position of the government as a whole.		
Cost of capital assets	5,079,616	
Accumulated depreciation	(2,022,787)	3,056,829
Net position of governmental activities		$ 3,618,677

See notes to the financial statements

BAYSHORE GARDENS PARK AND RECREATION DISTRICT
BRADENTON, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Major Funds	
	General Fund	Total Governmental Funds
REVENUES		
Property taxes	$ 555,572	$ 555,572
Rental revenue	270,831	270,831
Miscellaneous	23,581	23,581
Interest income	2,580	2,580
Total revenues	852,564	852,564
EXPENDITURES		
Current:		
General government	153,579	153,579
Physical environment	169,352	169,352
Parks and recreation	195,961	195,961
Capital outlay	499,139	499,139
Total expenditures	1,018,031	1,018,031
Excess (deficiency) of revenues over (under) expenditures	(165,467)	(165,467)
Fund balance - beginning	727,315	727,315
Fund balance - ending	$ 561,848	$ 561,848

See notes to the financial statements

BAYSHORE GARDENS PARK AND RECREATION DISTRICT
BRADENTON, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

Net change in fund balance - total governmental funds	$	(165,467)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures; however, the cost of capital assets is eliminated in the statement of activities and capitalized in the statement of net position.		499,139
Depreciation of capital assets is not recognized in the governmental fund financial statements, but is reported as an expense in the statement of activities.		(186,521)
Change in net position of governmental activities	$	147,151

See notes to the financial statements

BAYSHORE GARDENS PARK AND RECREATION DISTRICT
BRADENTON, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY

Bayshore Gardens Park and Recreation District ("District") is a political subdivision of the State of Florida established with Legislative Act H.R. 1233 of the 1979 Florida Legislature and amended as Florida Law 2002-365. The District is administered by a Board of nine Trustees elected by the property owners of the Bayshore Gardens Subdivision. The District operates a recreational park and facility, which includes a marina for the benefit of the residents.

The Board has the responsibility for:
1. Allocating and levying assessments.
2. Approving budgets.
3. Exercising control over facilities and properties.
4. Controlling the use of funds generated by the District.
5. Approving the hiring and firing of key personnel.
6. Financing improvements.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Property Taxes
Property taxes are ad valorem and levied each November 1 on property as of the previous January 1. The fiscal year for which annual assessments are levied begins on October 1 with a maximum discount available for payments through November 30 and assessments become delinquent on April 1. The taxes are billed and collected by the County Tax Assessor/Collector on behalf of the District. The amounts remitted to the District are net of applicable discounts or fees.

The District reports the following major governmental fund:

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.

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

Assets, Liabilities and Net Position or Equity

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

Deposits and Investments
The District's cash and cash equivalents are considered to be cash on hand and demand deposits (interest and non-interest bearing).

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

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

Securities listed in paragraphs c and d shall be invested to provide sufficient liquidity to pay obligations as they come due.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

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

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

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

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

Assets	Years
Furniture and Equipment	10-15
Buildings and Improvements	25

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

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

Deferred Outflows/Inflows of Resources
In addition to assets, the statement of financial position will sometimes 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.

In addition to liabilities, the statement of financial position will sometimes 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Fund Equity/Net Position

In the fund financial statements, governmental funds report non spendable and restricted fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subject to change.

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

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

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

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

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

Other Disclosures

Use of Estimates

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

NOTE 3 – BUDGETARY INFORMATION

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

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

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

NOTE 4 – DEPOSITS

Deposits
The District's cash balances were fully insured by federal depository insurance or secured by a collateral pool pledged to the State Treasurer. Under Chapter 280, Florida Statutes, the Florida Security for Public Deposits Act, qualified depositories must pledge eligible collateral for public deposits exceeding applicable insurance limits. Required collateral levels depend on each depository's financial history and compliance with Chapter 280 and generally consist of U.S. government and agency securities, state or local government debt, or corporate bonds. If a qualified public depository fails, the remaining qualified public depositories are responsible for covering any resulting losses.

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2025 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	$ 400,000			$ 400,000
Total capital assets, not being depreciated	400,000	-	-	400,000
Capital assets, being depreciated				
Buildings and improvements	3,844,190	382,817	-	4,227,007
Furniture and equipment	336,287	116,322	-	452,609
Total capital assets, being depreciated	4,180,477	499,139	-	4,679,616
Less accumulated depreciation for:				
Buildings and improvements	1,514,754	169,080	-	1,683,834
Furniture and equipment	321,512	17,441	-	338,953
Total accumulated depreciation	1,836,266	186,521	-	2,022,787
Total capital assets, being depreciated, net	2,344,211	312,618	-	2,656,829
Governmental activities capital assets, net	$ 2,744,211	$ 312,618	$ -	$ 3,056,829

Depreciation expense was charged to general government.

NOTE 6 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations.

BAYSHORE GARDENS PARK AND RECREATION DISTRICT
BRADENTON, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts Original & Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Property taxes	$ 525,793	$ 555,572	$ 29,779
Rental revenue	232,230	270,831	38,601
Miscellaneous	-	23,581	23,581
Interest income	-	2,580	2,580
Total revenues	758,023	852,564	94,541
EXPENDITURES			
Current:			
General government	368,800	153,579	215,221
Physical environment	220,723	169,352	51,371
Parks and recreation	10,000	195,961	(185,961)
Capital outlay	158,500	499,139	(340,639)
Total expenditures	758,023	1,018,031	(260,008)
Net change in fund balance	$ -	(165,467)	$ (165,467)
Fund balance - beginning		727,315	
Fund balance - ending		$ 561,848	

See notes to required supplementary information

BAYSHORE GARDENS PARK AND RECREATION DISTRICT
BRADENTON, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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

The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Trustees. Actual general fund expenditures for the fiscal year ended September 30, 2025 exceeded appropriations by $260,008.

BAYSHORE GARDENS PARK AND RECREATION DISTRICT
BRADENTON, FLORIDA
OTHER INFORMATION – DATA ELEMENTS
REQUIRED BY FL STATUTE 218.39(3)(C)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025
UNAUDITED

Element	Comments
Number of District employees compensated in the last pay period of the District's fiscal year being reported.	5
Number of independent contractors compensated to whom nonemployee compensation was paid in the last month of the District's fiscal year being reported.	6
Employee compensation	$137,666
Independent contractor compensation	$160,015
Construction projects to begin on or after October 1; ($65K)	N/A
Budget variance report	See the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
Ad Valorem taxes;	N/A
Outstanding Bonds:	N/A
Non ad valorem special assessments;	
Special assessment rate	$417
Special assessments collected	$555,572

Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

1001 Yamato Road ▪ Suite 301
Boca Raton, Florida 33431
(561) 994-9299 ▪ (800) 299-4728
Fax (561) 994-5823
www.graucpa.com

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees
Bayshore Gardens Park and Recreation District
Bradenton, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Bayshore Gardens Park and Recreation District, Bradenton, Florida ("District") as of and for the fiscal year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated October 20, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

We noted certain matters that we reported to management of the District in a separate letter dated October 20, 2026.

The District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying Management Letter. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Gray & Associates

October 20, 2026

Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

1001 Yamato Road ▪ Suite 301
Boca Raton, Florida 33431
(561) 994-9299 ▪ (800) 299-4728
Fax (561) 994-5823
www.graucpa.com

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

To the Board of Trustees
Bayshore Gardens Park and Recreation District
Bradenton, Florida

We have examined Bayshore Gardens Park and Recreation District, Bradenton, Florida's ("District") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2025. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

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

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2025.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, management, and the Board of Trustees of Bayshore Gardens Park and Recreation District, Bradenton, Florida and is not intended to be and should not be used by anyone other than these specified parties.

Grau & Associates

October 20, 2026

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Boca Raton, Florida 33431
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MANAGEMENT LETTER PURSUANT TO THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

To the Board of Trustees
Bayshore Gardens Park and Recreation District
Bradenton, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of Bayshore Gardens Park and Recreation District, Bradenton, Florida ("District") as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated October 20, 2026.

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 G*overnment Auditing Standards,* issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards;* and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated October 20, 2026, should be considered in conjunction with this management letter.

Purpose of this Letter

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

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

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

We wish to thank Bayshore Gardens Park and Recreation District, Bradenton, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements, and the courtesies extended to us.

Grau & Associates

October 20, 2026

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

2025-01 Budget:

Observation: Actual expenditures exceeded appropriations in the general fund for the fiscal year ended September 30, 2025.

Recommendation: The District should amend the budget during the fiscal year or within statutory guidelines to ensure that all expenditures are properly budgeted.

Management Response: We will make sure that the proper resolutions necessary are processed.

2025-02 Financial Reporting and Account Reconciliations:

Observation: During the audit, adjusting journal entries were needed to correct the District's account balances. Capital asset balances were included in the unadjusted trial balance even though these assets do not belong on the General Fund balance sheet, and beginning fund balance did not agree to the prior-year audited General Fund balance.

Prior-year deferred revenue of $39,451 and a roof deposit of $40,725 remained on the books without the updates needed for current-year activity. Accounts payable included journal entries dating back to 2017 and 2020, as well as payments that had not been matched to the corresponding bills. A $10,477 current-year invoice was also charged directly to fund balance rather than an expenditure account. These items indicate that account balances and supporting details were not fully reviewed and reconciled before the audit.

Unresolved accounting items reduce the reliability of financial information used by management and the Board throughout the year. The additional work needed to resolve these items can also delay audit completion and result in increased audit fees.

Recommendation: Perform timely account reconciliations throughout the year and complete a year-end review before providing records for audit. Keep capital asset balances separate from the General Fund records, record approved audit adjustments, and reconcile beginning fund balance to the prior-year audited statements. Review prior-year accruals and deferred revenue for appropriate reversal or recognition, update prepaid balances as amounts are used, and match payments to bills. Have a knowledgeable individual review the reconciled trial balance and supporting schedules for accuracy and completeness before the audit begins.

Management Response: All accounts will be reconciled on a monthly basis. We will audit the trial balance to provide accuracy prior to sending to you for the audit.

2025-03 Maintain Complete Capital Asset Records:

Observation: The District does not maintain a detailed capital asset register showing each asset's description, category, acquisition date, original cost, accumulated depreciation, annual depreciation, and disposal date, when applicable. Without a complete, updated register, additional work is needed during the audit to determine asset balances and prepare the capital asset schedule, which can delay completion and increase audit fees.

Recommendation: Maintain a detailed capital asset register using a spreadsheet or asset management system, not QuickBooks. Reconcile it to the capital asset schedule in the audited financial statements at each year-end. At the start of each audit, provide the updated register and a schedule showing beginning balances, additions, disposals, depreciation, and ending balances to support the financial statement disclosures and government-wide adjustments.

Management Response: We will create and maintain a capital asset register and make sure that it is reconciled.

2025-04 Separate Advance Rental Collections from Accounts Receivable

Observation**:** The District collects payments in September for slip rentals beginning in October but credits those payments to accounts receivable before the related invoices are recorded. This creates customer credit balances that offset amounts owed by other customers, making it difficult to determine the actual receivable and unearned revenue balances at September 30. Reclassifying only the net credit balance may leave both receivables and unearned revenue understated.

Recommendation: Use the following process to track advance rental collections separately:

1. Establish an **Unearned Slip Rental Revenue** liability account in QuickBooks and create an **Advance Slip Rental Payment** item linked to that account.

2. Send renewal notices identifying the slip, rental period, and amount due. When an advance payment arrives, enter a sales receipt under the customer's name using the advance payment item. Record checks awaiting deposit in Undeposited Funds, then transfer them to the bank account when deposited.

3. When the rental period begins, prepare the rental invoice and apply the customer's advance using the same advance payment item as a deduction on the invoice. This reduces the advance liability and the amount the customer owes. Recognize rental revenue in the appropriate period.

4. At September 30, prepare separate lists of unpaid customer balances and advance payments, identifying the customer, slip, and rental period. Reconcile each list to its general ledger account and investigate differences rather than offsetting advances against amounts owed by other customers.

Management Response: As of October 1st of the fiscal year every slip that is occupied is invoiced. All payments received prior to the end of the fiscal year are posted to the customer accounts. Rather than post to Accounts Receivable we will create the Unearned Slip Rental Revenue liability account. We will create a spreadsheet detailing unpaid customer balances and advance payments.

2025-05 Record Year End Payables Without Backdating Checks

Observation**:** The District dates certain checks issued in October as September transactions to record prior-year expenditures. This understates year-end cash and accounts payable and causes the accounting records to show payments before they were actually issued.

Recommendation**:** Use QuickBooks' accounts payable process to separate the recording of an expenditure from its payment:

1. Review invoices received after September 30 to identify goods or services received by year-end.

2. Use **Enter Bills** to record unpaid year-end obligations in accounts payable and the appropriate expenditure account. Retain the vendor's actual invoice date and number in the supporting records. For invoices dated in October that relate to September, have the accountant record a September 30 accrual rather than changing the invoice date.

3. Use **Pay Bills** when payment is made, selecting the applicable bill and dating the payment when the check is actually issued.

4. Match subsequent bills and payments to any year-end accruals, reversing or clearing those accruals as appropriate to avoid recording the expenditure twice.

5. Reconcile the September 30 accounts payable listing to the general ledger before the audit.

Management Response: We will enter all invoices received through Enter Bills and use Bill Pay to issue the disbursements. We will reconcile the September 30th accounts payable with the general ledger prior to sending information to you for the audit. In addition we will provide your firm with a detailed general ledger for the fiscal year as backup for the audit process.

II. PRIOR YEAR FINDINGS

None

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

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

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

   There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2024.

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

   There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2025, except as noted above.

3. Noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance.

   There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2025.

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

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

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

7. Management has provided the specific information required by Section 218.39(3)(c) in the Other Information section of the financial statements on page 21.