

**BAYSHORE GARDENS PARK  
& RECREATION DISTRICT**

**FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2015**

**BAYSHORE GARDENTS PARK & RECREATION DISTRICT**  
**FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

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## INDEPENDENT AUDITOR'S REPORT

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Board of Trustees  
Bayshore Gardens Park & Recreation District  
Bradenton, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and major fund (the "General Fund") of Bayshore Gardens Park & Recreation District (the "District"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and major fund (the General Fund), of the District, as of September 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 and the Budgetary Comparison Schedule—General Fund on page 18 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 11, 2016, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Bradenton, Florida  
February 11, 2016

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**September 30, 2015**  
**(Unaudited)**

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This section of the Bayshore Gardens Park & Recreation District's (the "District") financial statements presents a narrative overview and analysis of the financial activities of the District for the fiscal year ending September 30, 2015. Please read the information presented here in conjunction with the financial statements and notes to financial statements that follow this section.

Financial Highlights

- The District's assets exceeded its liabilities (net position at September 30, 2015) by \$2,201,595.
- During the year ending September 30, 2015, expenses (including depreciation of \$64,038) increased from the prior year by \$47,869 or 11.2%. Revenues increased from the prior year by \$32,578 or 6.0%.
- The change in net position for the year was \$100,839.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's financial statements. These financial statements consist of three sections: (1) government-wide financial statements; (2) fund financial statements and; (3) notes to financial statements.

Government-wide Financial Statements

The government-wide financial statements provide both long and short-term information about the District's overall financial status. These statements are prepared using the accrual basis of accounting similar to private sector businesses. They include a statement of net position and a statement of activities.

The statement of net position presents information on the District's assets and liabilities and the difference between the assets and liabilities (net position) using accounting methods similar to those used by private sector companies. This is a useful way to measure the financial health of the District.

The statement of activities presents information showing how the District's net position changed during the fiscal year. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

Fund Financial Statements

The fund financial statement presentation will be more familiar to traditional users of government 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.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**September 30, 2015**  
**(Unaudited)**

The District, like other governmental entities, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District only has one governmental fund, the General Fund. The General Fund is used to account for essentially the same functions reported in the government-wide financial statements, but is prepared using the modified accrual basis of accounting. The fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on the balances of spendable resources available at the end of the fiscal year. It is a narrower focus than the government-wide financial statements.

By comparing functions between the two sets of financial statements for the General Fund and governmental activities, readers may better understand the long-term impact of the District's near-term financing decisions. Both the General Fund balance sheet and the General Fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison.

The District adopts an annual appropriated budget for the General Fund. A budgetary comparison schedule is provided as required supplementary information in order to present budgetary compliance.

Notes to Financial Statements

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

Required Supplementary Information

Generally accepted accounting principles (GAAP) call for certain unaudited information to accompany the audited basic financial statements and accompanying footnotes. This information is called required supplementary information and includes this analysis.

Government-wide Financial Analysis

**Statement of Net Position**

	<u>2015</u>	<u>2014</u>	<u>Change</u>
Current and other assets	\$ 1,170,956	\$ 1,095,470	\$ 75,486
Capital assets	1,105,219	1,091,307	13,912
Total assets	<u>\$ 2,276,175</u>	<u>\$ 2,186,777</u>	<u>\$ 89,398</u>
Current liabilities	\$ 74,580	\$ 86,021	\$ (11,441)
Total liabilities	<u>\$ 74,580</u>	<u>\$ 86,021</u>	<u>\$ (11,441)</u>
Investment in capital assets	\$ 1,105,219	\$ 1,091,307	\$ 13,912
Unrestricted	1,096,376	1,009,449	86,927
Total net position	<u>\$ 2,201,595</u>	<u>\$ 2,100,756</u>	<u>\$ 100,839</u>

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**September 30, 2015**  
**(Unaudited)**

The increase in assets is mainly due to an increase in cash and cash equivalents as a result of the net operating activity during the year.

As noted above, changes in net position over time can be a useful indicator of the District's financial position. As of September 30, 2015, the assets of the District exceeded liabilities by \$2,201,595 (net position). A portion of the District's net position (50%) reflects its investment in capital assets. The District uses these capital assets to provide services to residents of the District and others; consequently, these assets are not available for future spending.

**Statement of Activities**

	<u>2015</u>	<u>2014</u>	<u>Change</u>
<b>Revenues</b>			
Program revenues			
Charges for services	\$ 149,483	\$ 115,119	\$ 34,364
Operating grants and contributions	50	50	-
General revenues			
Property tax assessments	421,874	424,212	(2,338)
Interest income	899	1,348	(449)
Miscellaneous income	3,477	2,476	1,001
Total revenues	<u>575,783</u>	<u>543,205</u>	<u>32,578</u>
<b>Expenses</b>			
Culture and recreation	474,944	427,075	47,869
Total expenses	<u>474,944</u>	<u>427,075</u>	<u>47,869</u>
Change in net position	100,839	116,130	(15,291)
Beginning net position	<u>2,100,756</u>	<u>1,984,626</u>	<u>116,130</u>
Ending net position	<u>\$ 2,201,595</u>	<u>\$ 2,100,756</u>	<u>\$ 100,839</u>

Revenues increased by \$32,578 over the prior fiscal year mostly due to increased assessment fees and an increase in marina slip rental fees.

Expenses increased by \$47,869 over the fiscal year ending September 30, 2014. Some of these increases are as follows:

- Increase in total wages from the prior year in the amount of \$8,284
- Increase in repair and maintenance in the amount of \$20,034
- Increase in depreciation expense in the amount of \$4,084

Budgetary Highlights

The District's budget was not amended during the year ending September 30, 2015.

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**September 30, 2015**  
**(Unaudited)**

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A summary of significant General Fund variances from budget to actual are as follows:

- Rental revenues were \$33,054 over budget mainly due to increased hall rentals and increased non-resident slip rentals.
- Banner publications were \$4,201 over budget due to increased printing costs.
- Wages were over budget by \$11,792 due to the hiring of an additional employee .
- Capital outlays were under budget by \$80,491 due to conservative budget estimates.

Capital Assets Administration

Below is a schedule of the District's capital assets as of September 30, 2014 and 2015:

**Capital Assets (Net of Accumulated Depreciation)**

	2015	2014	Change
Land	\$ 400,000	\$ 400,000	\$ -
Buildings and improvements	629,169	629,659	(490)
Furniture, fixtures and equipment	76,050	61,648	14,402
	<u>\$ 1,105,219</u>	<u>\$ 1,091,307</u>	<u>\$ 13,912</u>

Major capital expenditures during the fiscal year included: New roof over breezeway and outside showers (\$27,160) and painting the outside structures (\$7,300).

See Note B to the financial statements for a detail of activity during the fiscal year and other related information.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with interest. Questions concerning any of the information in this report or requests for additional information should be addressed to the District Manager of the Bayshore Gardens Park & Recreation District, 6919 26th Street West, Bradenton, Florida 34207.



BAYSHORE GARDENS PARK & RECREATION DISTRICT

STATEMENT OF NET POSITION  
SEPTEMBER 30, 2015

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	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 1,155,430
Accounts receivable	7,652
Prepaid expenses	7,594
Deposits	280
Capital assets, nondepreciable	400,000
Capital assets, depreciable, net of accumulated depreciation	<u>705,219</u>
 TOTAL ASSETS	 <u>2,276,175</u>
LIABILITIES	
Current liabilities	
Accounts payable	627
Accrued liabilities	9,633
Unearned revenue	20,820
Security deposits	<u>43,500</u>
 TOTAL LIABILITIES	 <u>74,580</u>
NET POSITION	
Investment in capital assets	1,105,219
Unrestricted	<u>1,096,376</u>
 TOTAL NET POSITION	 <u>\$ 2,201,595</u>

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See accompanying notes.

**BAYSHORE GARDENS PARK & RECREATION DISTRICT**

**STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

<b>Functions/Programs</b>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental activities				
Culture and recreation	\$ 474,944	\$ 149,483	\$ 50	\$ (325,411)
Total governmental activities	<u>\$ 474,944</u>	<u>\$ 149,483</u>	<u>\$ 50</u>	<u>(325,411)</u>
General revenues				
Property tax assessments				421,874
Interest income				899
Miscellaneous income				<u>3,477</u>
Total general revenues				<u>426,250</u>
Change in net position				100,839
Net position, beginning of year				<u>2,100,756</u>
Net position, end of year				<u>\$ 2,201,595</u>

See accompanying notes.

BAYSHORE GARDENS PARK & RECREATION DISTRICT

BALANCE SHEET  
GENERAL FUND  
SEPTEMBER 30, 2015

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ASSETS

Current assets

Cash and cash equivalents	\$ 1,155,430
Accounts receivable	7,652
Prepaid items	7,594
Deposits	<u>280</u>

TOTAL ASSETS \$ 1,170,956

LIABILITIES AND FUND BALANCE

Current liabilities

Accounts payable	\$ 627
Accrued liabilities	9,633
Unearned revenue	20,820
Security deposits	<u>43,500</u>

TOTAL LIABILITIES 74,580

FUND BALANCE

Fund balance

Nonspendable, prepaid items	7,594
Assigned	
Capital projects	234,034
Legal	4,000
Unassigned	<u>850,748</u>

TOTAL FUND BALANCE 1,096,376

Amounts reported for the 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 in the funds.

Cost	\$ 1,915,891	
Less accumulated depreciation	<u>(810,672)</u>	<u>1,105,219</u>

TOTAL NET POSITION, GOVERNMENTAL ACTIVITIES \$ 2,201,595

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See accompanying notes.

BAYSHORE GARDENS PARK & RECREATION DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

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REVENUES		
Property tax assessments	\$	421,874
Slip and trailer rental		118,744
Rental		12,003
Publications		10,323
Interest income		899
Pool rental		679
Concessions		2,179
Donations		50
Other miscellaneous income		9,032
		<hr/>
TOTAL REVENUES		575,783
		<hr/>
EXPENDITURES		
Current		
Culture and recreation		
Wages		176,442
Administrative		91,361
Repairs and maintenance		70,015
Utilities		34,372
Publications, Banner		21,582
Payroll taxes		13,889
Security		1,500
Concessions		1,645
Senior dances and social activities		100
Capital outlay		77,950
		<hr/>
TOTAL EXPENDITURES		488,856
		<hr/>
NET CHANGE IN FUND BALANCE		86,927
FUND BALANCE, beginning of year		1,009,449
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FUND BALANCE, end of year	\$	1,096,376
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See accompanying notes.

**BAYSHORE GARDENS PARK & RECREATION DISTRICT**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE—GENERAL FUND TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

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

NET CHANGE IN FUND BALANCE, General Fund \$ 86,927

The General Fund reports capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.

Capital outlay	\$ 77,950	
Depreciation expense	<u>(64,038)</u>	<u>13,912</u>
Change in net position of governmental activities		<u><u>\$ 100,839</u></u>

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See accompanying notes.

# BAYSHORE GARDENS PARK & RECREATION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies followed by the Bayshore Gardens Park & Recreation District, Bradenton, Florida (the "District"):

Reporting Entity: The District was created by the Florida Legislature in 1979 by House Bill 1233 and was enacted under the Laws of Florida, Chapter 97-255. This enabling act was revised in 2002, and is now under the Laws of Florida, Chapter 2002-365. The District is an independent recreation district and a political subdivision of the State of Florida, pursuant to Chapter 418, Florida Statutes. The District is governed by a nine member board of trustees, which are elected by the residents of the District. The District operates a recreational park and facility, which includes a marina for the benefit of the residents.

Criteria for determining if other entities are potential component units which should be reported within the District's financial statements are described in GASB Statement No. 14, as amended by GASB Statements No. 39 and No. 61. The application of these criteria provide for identification of any entities for which the District is financially accountable and other organizations for which the nature and significance of their relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. Based on these criteria, no potential component units are required to be included within the reporting entity of the District.

The District is an instrumentality of the State of Florida, and is exempt from Federal income tax.

Basis of Presentation: The financial statements of the District have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB has issued a codification of governmental accounting and financial reporting standards. This codification and subsequent GASB pronouncements are recognized as GAAP for state and local governments.

Government-wide and Fund Financial Statements: The District's basic financial statements include both government-wide (reporting on the District as a whole) and fund financial statements. The government-wide financial statements (i.e., Statement of Net Position and Statement of Activities) report information on all non-fiduciary activities of the District. The government-wide financial statements present governmental activities only. The District has no business-type activities. Separate financial statements are provided for the General Fund.

In the government-wide Statement of Net Position, all long-term assets and receivables as well as long-term debt and obligations are recognized. The District's net position is reported in three parts (as applicable): (1) net investment in capital assets; (2) restricted net position and; (3) unrestricted net position.

# BAYSHORE GARDENS PARK & RECREATION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of a given function (or segment) are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a 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 revenues not properly included among program revenues are reported instead as *general revenues*.

#### Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recognized when they are earned, and expenses are recognized at the time liabilities are incurred, regardless of the time of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Non-exchange transactions including grants are recognized in the fiscal year in which all eligibility requirements are met. Funds received for which eligibility requirements have not been met are recorded as unearned revenue.

Governmental funds are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the modified accrual basis of accounting, revenues are recognized when measurable and available. Revenues are considered to be *available* when they are collected within the current period or within 60 days after year end. Grant revenues are recognized when eligibility requirements are met and related amounts are available from the grantor. Expenditures are recorded when the fund liability is incurred.

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

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

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**BAYSHORE GARDENS PARK & RECREATION DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

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NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets and Budgetary Accounting: The District prepares an annual operating budget for the governmental funds for the fiscal year commencing October 1. Prior to July 1 of each year, the Trustees are required to prepare and adopt an itemized budget for the next fiscal year, which is subject to public hearing and record. The budget is based on prior year analysis of actual revenues and expenditures along with anticipated spending and revenue sources. Expenditures should not exceed the total appropriations. Appropriations lapse at year end. Changes to the budget must be approved by the Board of Trustees. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The District does not utilize the encumbrance system.

Cash and Cash Equivalents: The District considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. The carrying amounts of cash and cash equivalents are equal to their market value. The District maintains cash and cash equivalents in checking, savings and certificates of deposit. All deposits are with institutions that are Qualified Public Depositories and, therefore, covered by amounts in excess of depository insurance pursuant to Florida Statutes Chapter 280 "Florida Security for Public Deposits Act."

Receivables: All receivables are deemed collectible.

Property Taxes: Property taxes become due and payable on November 1, of each year. The county tax collector remits the District's portion as such revenues are received. The District collects nearly all of its tax revenues during the period November 1 through April 1, at which time the taxes become delinquent. The maximum rates of tax are set by the Legislature of the State of Florida. The actual amount assessed is determined by the Board of Trustees of the District, on or before June 1, through adoption of a resolution.

Capital Assets: Capital assets, which include land, buildings, improvements, and infrastructure assets, are reported in the governmental activities of the government-wide financial statements. Capital assets are defined by the District as assets with an initial cost of more than \$500 and an estimated useful life of more than one year. Purchased or constructed capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Depreciation is provided using the straight-line method. The estimated useful lives of the various classes of depreciable capital assets are as follows:

	<u>Life - Years</u>
Buildings and improvements	15- 30
Furniture, fixtures and equipment	5 - 10

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# BAYSHORE GARDENS PARK & RECREATION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity: Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net position.”

*Fund Balance*: Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- *Nonspendable*: Fund balances are reported as nonspendable when amounts cannot be spent because they are either: (1) not in spendable form (i.e., items that are not expected to be converted to cash); or (2) legally or contractually required to be maintained intact.
- *Restricted*: Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- *Committed*: Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Trustees. Only the Board of Trustees may modify or rescind the commitment.
- *Assigned*: Fund balances are reported as assigned when amounts are constrained by the District’s intent to be used for specific purposes, but are neither restricted nor committed. Currently the Board of Trustees is authorized to assign fund balances.
- *Unassigned*: Fund balances are reported as unassigned as the residual amount when balances do not meet any of the above criterion. The District reports a positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in other funds should the District establish other funds at a later time.

*Net position*: Net position represents the difference between assets and liabilities in the Statement of Net Position. Net position, net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position net investment in capital assets, excludes unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, laws, or regulations. All net position not reported as net position, net investment in capital assets and restricted net position, is reported as unrestricted net position.

**BAYSHORE GARDENS PARK & RECREATION DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Flow Assumptions:* When both restricted and unrestricted amounts of fund balance/net position are available for use for expenditures/expenses incurred, it is the District's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the District's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE B: CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2015, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers</u>	<u>Ending Balance</u>
Capital assets, not being depreciated				
Land	\$ 400,000	\$ -	\$ -	\$ 400,000
Total capital assets not being depreciated	<u>400,000</u>	<u>-</u>	<u>-</u>	<u>400,000</u>
Capital assets, being depreciated				
Buildings and improvements	1,196,620	53,993	-	1,250,613
Furniture, fixtures and equipment	241,321	23,957	-	265,278
Total capital assets being depreciated	<u>1,437,941</u>	<u>77,950</u>	<u>-</u>	<u>1,515,891</u>
Less accumulated depreciation for				
Buildings and improvements	566,961	54,483	-	621,444
Furniture, fixtures and equipment	179,673	9,555	-	189,228
Total accumulated depreciation	<u>746,634</u>	<u>64,038</u>	<u>-</u>	<u>810,672</u>
Total capital assets being depreciated, net	<u>691,307</u>	<u>13,912</u>	<u>-</u>	<u>705,219</u>
Capital assets, net	<u>\$ 1,091,307</u>	<u>\$ 13,912</u>	<u>\$ -</u>	<u>\$ 1,105,219</u>

Depreciation expense of \$64,038 was charged to the culture and recreation function.

## BAYSHORE GARDENS PARK & RECREATION DISTRICT

### NOTES TO FINANCIAL STATEMENTS

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#### NOTE C: 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 for which the District carries commercial insurance. The District has not had any reduction in insurance coverage and the amount of claims resulting from these risks has not exceeded insurance coverage for the past three years.

#### NOTE D: COMMITMENTS AND CONTINGENCIES

Litigation: The District is not currently involved in any lawsuits.

Grant Contingencies: The District has received Federal and state grants in prior years for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, management of the District believes such disallowances, if any, will not be significant.

#### NOTE E: SUBSEQUENT EVENTS

The District has evaluated all subsequent events through February 11, 2016, the date the financial statements were available to be issued. No material subsequent events occurred which would have a material impact on the District's financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**BAYSHORE GARDENS PARK & RECREATION DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE—GENERAL FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

	Original and Final Budget	Actual	Variance With Final Budget
<b>REVENUES</b>			
Property assessments (net of collection fee)	\$ 415,800	\$ 421,874	\$ 6,074
Rental	97,693	130,747	33,054
Publications, Banner	12,093	10,323	(1,770)
Pool income	2,100	2,858	758
Interest income	1,000	899	(101)
Donations	-	50	50
Other miscellaneous income	6,000	9,032	3,032
<b>TOTAL REVENUES</b>	<b>534,686</b>	<b>575,783</b>	<b>41,097</b>
<b>EXPENDITURES</b>			
Current			
General government			
Wages	164,650	176,442	(11,792)
Administrative	83,422	91,361	(7,939)
Repairs and maintenance	62,718	70,015	(7,297)
Utilities	36,963	34,372	2,591
Publications, Banner	17,381	21,582	(4,201)
Payroll taxes	13,600	13,889	(289)
Security	1,200	1,500	(300)
Concessions	1,500	1,645	(145)
Senior dances and social activities	-	100	(100)
Capital outlay	158,441	77,950	80,491
<b>TOTAL EXPENDITURES</b>	<b>539,875</b>	<b>488,856</b>	<b>51,019</b>
Excess (deficit) of revenues over expenditures	(5,189)	86,927	92,116
Fund balance, beginning of year	1,009,449	1,009,449	-
Fund balance, end of year	\$ 1,004,260	\$ 1,096,376	\$ 92,116

**BAYSHORE GARDENS PARK & RECREATION DISTRICT**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

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**NOTE A: BUDGETARY INFORMATION**

An annual budget was adopted for the General Fund on the modified accrual basis of accounting, and is used to account for the activity in the General Fund. Appropriations are controlled at the fund level. Appropriations lapse at year end.

**OTHER INDEPENDENT AUDITOR'S 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***

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Board of Trustees  
Bayshore Gardens Park & 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 major fund of Bayshore Gardens Park & Recreation District (the "District"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 11, 2016.

**Internal Control Over Financial Reporting**

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

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

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



## Compliance and Other Matters

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

## 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.

*Mauldin & Jenkins, LLC*

Bradenton, Florida  
February 11, 2016



## INDEPENDENT AUDITOR'S MANAGEMENT LETTER

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Board of Trustees  
Bayshore Gardens Park & Recreation District  
Bradenton, Florida

### **Report on the Financial Statements**

We have audited the financial statements of the Bayshore Gardens Park & Recreation District (the "District") as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated February 11, 2016.

### **Auditor's Responsibility**

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

### **Other Reports and Schedule**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which are dated February 11, 2016, 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. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report as recommendation 2014-001 was corrected during the current year and is not repeated in this year's 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 Bayshore Gardens Park & Recreation District is an independent special district created by the Florida Legislature in 1979 by House Bill 1233. The District has no component units.

## **Financial Condition**

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that we report the results of our determination as to whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the 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.

## **Annual Financial Report**

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the District for the fiscal year ended September 30, 2014, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2015. In connection with our audit, we determined that these two reports were in agreement.

## **Other Matters**

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

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

## **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 Trustees and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Mauldin & Jenkins, LLC*

Bradenton, Florida  
February 11, 2016