

**SOUTH SHORE CORPORATE PARK INDUSTRIAL  
COMMUNITY DEVELOPMENT DISTRICT  
HILLSBOROUGH COUNTY, FLORIDA  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2015**

**SOUTH SHORE CORPORATE PARK INDUSTRIAL COMMUNITY DEVELOPMENT DISTRICT  
HILLSBOROUGH COUNTY, FLORIDA**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors  
South Shore Corporate Park Industrial Community Development District  
Hillsborough County, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of South Shore Corporate Park Industrial Community Development District, Hillsborough County, Florida ("District") as of and for the fiscal 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 each major fund of the District as of September 30, 2015, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 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.

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

We have also issued our report dated June 28, 2016, on our consideration of the District's compliance with the requirements of Section 218.415, Florida Statutes, as required by Rule 10.556(10) of the Auditor General of the State of Florida. The purpose of that report is to provide an opinion based on our examination conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

June 28, 2016

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of South Shore Corporate Park Industrial Community Development District, Hillsborough County, Florida's ("District") financial accomplishments provides a narrative overview of the District's financial activities for the fiscal year ended September 30, 2015. 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 liabilities of the District exceeded its assets at the close of the most recent fiscal year resulting in a net position deficit balance of (\$9,844,873).
- The change in the District's total net position in comparison with the prior fiscal year was (\$9,938,458), a decrease. 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, 2015, the District's governmental funds reported combined ending fund balances of \$14,500, an increase of \$2,598 in comparison with the prior fiscal year. A portion of fund balance is non-spendable for deposits and prepaid items and the remainder is unassigned fund balance which is available for spending at the District's discretion.

### OVERVIEW OF FINANCIAL STATEMENTS

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

#### Government-Wide Financial Statements

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

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

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

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

#### Fund Financial Statements

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

## 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 balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains two governmental funds for external reporting. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and capital project fund, both of which are considered major funds.

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

### 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, liabilities exceeded assets 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,	
	2015	(Restated) 2014
Current and other assets	\$ 41,276	\$ 59,820
Capital assets, net	5,923,799	15,854,987
Total assets	5,965,075	15,914,807
Current liabilities	26,776	43,033
Long-term liabilities	15,783,172	15,778,189
Total liabilities	15,809,948	15,821,222
Net position		
Net investment in capital assets	(14,247,172)	76,798
Unrestricted	4,402,299	16,787
Total net position	\$ (9,844,873)	\$ 93,585

## GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

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

The remaining balance of unrestricted net position may be used to meet the District's other obligations.

The District's net position decreased during the most recent fiscal year. The decrease is attributed to the conveyance of completed infrastructure to other entities for maintenance and ownership responsibilities.

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,		
		(Restated)
	2015	2014
Revenues:		
Program revenues		
Operating grants and contributions	\$ 140,888	\$ 11,585,445
Capital grants and contributions	-	3,000,000
Total revenues	<u>140,888</u>	<u>14,585,445</u>
Expenses:		
General government	43,946	82,297
Maintenance and infrastructure	10,035,400	98,935
Interest	-	2,210,028
Total expenses	<u>10,079,346</u>	<u>2,391,260</u>
Change in net position	(9,938,458)	12,194,185
Net position - beginning (restated)	93,585	(12,100,600)
Net position - ending	<u>\$ (9,844,873)</u>	<u>\$ 93,585</u>

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2015 was \$10,079,346. The costs of the District's activities were partially funded by assessments. The decrease in revenues is mainly due to the receipt of prepaid assessments and grant revenues in fiscal year 2014 which were not received in the current fiscal year. The change in expenses is primarily due to interest payments made on long-term debt in fiscal year 2014 and the conveyance of completed infrastructure to other entities for maintenance and ownership responsibilities during the current 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 Supervisors.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

At September 30, 2015, the District had \$5,987,799 invested in land and infrastructure for its governmental activities. In the government-wide financial statements depreciation of \$64,000 has been taken, which resulted in a net book value of \$5,923,799. More detailed information about the District's capital assets is presented in the notes to the financial statements.

## CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

### Capital Debt

At September 30, 2015, the District had advances due to the Developer of \$15,783,172. More detailed information about the District's capital debt is presented in the notes to the financial statements.

## ECONOMIC FACTORS AND NEXT YEARS BUDGET

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 maintenance expenditures of the District will increase as Phase 1 of the project has been completed.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide landowners, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact the District's Finance Department at 3434 Colwell Avenue, Suite 200, Tampa, Florida 33614.



## **FINANCIAL STATEMENTS**

**SOUTH SHORE CORPORATE PARK INDUSTRIAL COMMUNITY DEVELOPMENT DISTRICT  
HILLSBOROUGH COUNTY, FLORIDA  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2015**

	Governmental Activities
<b>ASSETS</b>	
Cash	\$ 32,228
Prepays and deposits	9,048
Capital assets:	
Nondepreciable	4,387,799
Depreciable, net	1,536,000
Total assets	5,965,075
 <b>LIABILITIES</b>	
Accounts payable	15,187
Due to Developer	11,589
Non-current liabilities:	
Developer advances	15,783,172
Total liabilities	15,809,948
 <b>NET POSITION</b>	
Net investment in capital assets	(14,247,172)
Unrestricted	4,402,299
Total net position	\$ (9,844,873)

See notes to the financial statements

**SOUTH SHORE CORPORATE PARK INDUSTRIAL COMMUNITY DEVELOPMENT DISTRICT  
HILLSBOROUGH COUNTY, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
Primary government:		<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental activities:			
General government	\$ 43,946	\$ 43,946	\$ -
Maintenance and infrastructure	10,035,400	96,942	(9,938,458)
Total governmental activities	10,079,346	140,888	(9,938,458)
			Change in net position (9,938,458)
			Net position - beginning (restated) 93,585
			Net position - ending \$ (9,844,873)

See notes to the financial statements

**SOUTH SHORE CORPORATE PARK INDUSTRIAL COMMUNITY DEVELOPMENT DISTRICT  
HILLSBOROUGH COUNTY, FLORIDA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2015**

	Major Fund		Total Governmental Funds
	General	Capital Projects	
<b>ASSETS</b>			
Cash	\$ 28,622	\$ 3,606	\$ 32,228
Prepays and deposits	9,048	-	9,048
Total assets	<u>\$ 37,670</u>	<u>\$ 3,606</u>	<u>\$ 41,276</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 15,187	\$ -	\$ 15,187
Due to developer	7,983	3,606	11,589
Total liabilities	<u>23,170</u>	<u>3,606</u>	<u>26,776</u>
Fund balances:			
Nonspendable:			
Prepays and deposits	9,048	-	9,048
Unassigned, reported in:			
General fund	5,452	-	5,452
Total fund balance	<u>14,500</u>	<u>-</u>	<u>14,500</u>
<b>Total liabilities and fund balance</b>	<u><u>\$ 37,670</u></u>	<u><u>\$ 3,606</u></u>	<u><u>\$ 41,276</u></u>

See notes to the financial statements

**SOUTH SHORE CORPORATE PARK INDUSTRIAL COMMUNITY DEVELOPMENT DISTRICT  
HILLSBOROUGH COUNTY, FLORIDA  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2015**

Fund balance - governmental funds	\$	14,500
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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	5,987,799	
Accumulated depreciation	<u>(64,000)</u>	5,923,799

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

Developer advances		(15,783,172)
Net position of governmental activities		<u><u>\$ (9,844,873)</u></u>

See notes to the financial statements

**SOUTH SHORE CORPORATE PARK INDUSTRIAL COMMUNITY DEVELOPMENT DISTRICT  
HILLSBOROUGH COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

	Major Fund		Total Governmental Funds
	General	Capital Projects	
<b>REVENUES</b>			
Assessments	\$ 145,773	\$ -	\$ 145,773
Total revenues	145,773	-	145,773
<b>EXPENDITURES</b>			
Current:			
General government	38,963	4,983	43,946
Maintenance and operations	104,212	-	104,212
Total expenditures	143,175	4,983	148,158
Excess (deficiency) of revenues over (under) expenditures	2,598	(4,983)	(2,385)
<b>OTHER FINANCING SOURCES</b>			
Developer advances	-	4,983	4,983
Total other financing sources	-	4,983	4,983
Net change in fund balances	2,598	-	2,598
Fund balance - beginning	11,902	-	11,902
Fund balance - ending	\$ 14,500	\$ -	\$ 14,500

See notes to the financial statements

**SOUTH SHORE CORPORATE PARK INDUSTRIAL COMMUNITY DEVELOPMENT DISTRICT  
HILLSBOROUGH COUNTY, FLORIDA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

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

Net change in fund balances - total governmental funds	\$	2,598
Depreciation of capital assets is not recognized in the governmental fund financial statements, but is reported as an expense in the statement of activities.		(64,000)
Certain revenues were unavailable for the governmental fund financial statements in the prior fiscal year. In the current fiscal year, these revenues were recorded in the governmental fund financial statements.		(4,885)
Conveyances of infrastructure improvements to other governments of previously capitalized capital assets is recorded as an expense in the statement of activities.		(9,867,188)
Governmental funds report Developer advances as financial resources when cash is received, whereas these amounts are eliminated in the statement of activities and recognized as long-term liabilities in the statement of net position.		<u>(4,983)</u>
Change in net position of governmental activities	\$	<u><u>(9,938,458)</u></u>

See notes to the financial statements

**SOUTH SHORE CORPORATE PARK INDUSTRIAL COMMUNITY DEVELOPMENT DISTRICT  
HILLSBOROUGH COUNTY, FLORIDA  
NOTES TO THE FINANCIAL STATEMENTS**

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

South Shore Corporate Park Industrial Community Development District ("District") was established pursuant to Ordinance 08-4 of Hillsborough County, effective March 17, 2008, pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes. The Act provides, among other things, the power to manage basic services for community development, power to borrow money and issue bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

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

The District is governed by the Board of Supervisors ("Board"), which is composed of five members. The Supervisors are elected by the owners of the property within the District. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes. At September 30, 2015, three of the Board members are affiliated with South Shore Corporate Park, LLC ("Developer").

The Board has the final responsibility for, among other things:

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



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

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

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

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

### **Assessments**

Assessments, including debt service assessments and operation and maintenance assessments, are non-ad valorem assessments imposed on all lands located within the District and benefitted by the District's activities. Operation and maintenance assessments are levied by the District prior to the start of the fiscal year which begins October 1st and ends on September 30th. Operation and maintenance special assessments are imposed upon all benefitted lands in the District. Debt service special assessments are imposed upon certain lots and lands described in each resolution imposing the special assessment for each series of Bonds issued by the District.

Assessments and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. The portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period.

The District reports the following major governmental funds:

### **General Fund**

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

### **Capital Projects Fund**

This fund accounts for the financial resources to be used for the acquisition or construction of major infrastructure within the District.

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

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

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

#### **Restricted Assets**

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

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

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

#### Deposits and Investments

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

The District does not have a formal investment policy; however, funds are invested in accordance with Section 218.415, 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;

In addition, surplus funds may be deposited into certificates of deposit which are insured. The District records all interest revenue related to investment activities in the respective funds and reports investments at fair value.

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

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

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

<u>Assets</u>	<u>Years</u>
Infrastructure	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.

#### Long-Term Obligations

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

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

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

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

#### Unearned Revenue

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

#### Deferred Outflows/Inflows of Resources

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

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

#### Fund Equity/Net Position

In the fund financial statements, governmental funds report non spendable and restricted fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. 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 Supervisors. Commitments may be changed or lifted only by the Board of Supervisors taking the same formal action (resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Assigned fund balance – Includes spendable fund balance amounts established by the Board of Supervisors 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 are categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents net position related to infrastructure and property, plant and equipment. Restricted net position represents the assets restricted by the District's Bond covenants or other contractual restrictions. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

### **Other Disclosures**

#### Use of Estimates

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

### NOTE 3 – BUDGETARY INFORMATION

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

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

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

### NOTE 4 – CASH

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

### NOTE 5 – CAPITAL ASSETS

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

	Beginning Balance	Additions	Disposals	Ending Balance
<u>Governmental activities</u>				
Capital assets, not being depreciated				
Land and land improvements	\$ 4,387,799	\$ -	\$ -	\$ 4,387,799
Infrastructure under construction	11,467,188	-	11,467,188	-
Total capital assets, not being depreciated	<u>15,854,987</u>	<u>-</u>	<u>11,467,188</u>	<u>4,387,799</u>
Capital assets, being depreciated				
Infrastructure	-	1,600,000	-	1,600,000
Total capital assets, being depreciated	<u>-</u>	<u>1,600,000</u>	<u>-</u>	<u>1,600,000</u>
Less accumulated depreciation for:				
Infrastructure	-	(64,000)	-	(64,000)
Total accumulated depreciation	<u>-</u>	<u>(64,000)</u>	<u>-</u>	<u>(64,000)</u>
Total capital assets, being depreciated, net	<u>-</u>	<u>1,536,000</u>	<u>-</u>	<u>1,536,000</u>
Governmental activities capital assets, net	<u>\$ 15,854,987</u>	<u>\$ 1,536,000</u>	<u>\$ 11,467,188</u>	<u>\$ 5,923,799</u>

**NOTE 5 – CAPITAL ASSETS (Continued)**

The infrastructure intended to serve the District has been estimated at a total cost of approximately \$56,000,000. The infrastructure will include roadways, potable water and wastewater systems and landscaping improvements. The project costs are expected to be financed with the proceeds from the issuance of Bonds; however, as the District has yet to issue Bonds, the District and the Developer entered into the Acquisition of Certain Work Product, Infrastructure and Real Property Agreement (“Acquisition Agreement”), whereby the Developer agreed to advance fund and commence work on behalf of the District to enable the District to expeditiously provide the District’s improvement plan. As part of the agreement, the District will pay the actual reasonable cost inclusive of reasonable financing costs incurred by the Developer in preparation of the improvements. As part of the Acquisition Agreement, the Developer conveyed completed improvements totaling \$22,230,594 to the District during a prior fiscal year. During the current fiscal year, the District conveyed capital assets of \$9,867,188 to another governmental entity for ownership and maintenance responsibilities. Phase 1 of the project has been completed.

During the prior fiscal year, the District was awarded a grant from the Florida Department of Transportation for \$3,000,000. The grant was awarded for construction of specific roadway improvements within the District. The roadway improvements were originally funded by the Developer and once grant funds were received, the Developer was reimbursed.

**NOTE 6 – PRIOR PERIOD ADJUSTMENT**

The 2015 report has adjusted the following items listed in the 2014 report:

	<u>Governmental Activities</u>
Net position - as previously stated	\$ 2,303,613
Understatement of liabilities	<u>(2,210,028)</u>
Net position - as restated	<u>\$ 93,585</u>

**NOTE 7 – LONG-TERM DEBT**

In a prior year, the District authorized the issuance of \$130 million in aggregate Bonds. As of September 30, 2015, Bonds have not been issued.

The advances below represent amounts paid by the Developer for capital assets. See Note 8 – Related Party Agreements and Transactions for additional information regarding Developer advances.

At September 30, 2015, Developer advances were as follows:

<u>Governmental activities</u>	Beginning Balance (Restated)	Additions	Reductions	Ending Balance	Due Within One Year
Advances payable:					
Developer advances	\$ 15,778,189	\$ 4,983	\$ -	\$ 15,783,172	\$ -
Governmental activity long-term liabilities	<u>\$ 15,778,189</u>	<u>\$ 4,983</u>	<u>\$ -</u>	<u>\$ 15,783,172</u>	<u>\$ -</u>

## **NOTE 8 – RELATED PARTY AGREEMENTS AND TRANSACTIONS**

### **Acquisition Agreement – First Promissory Note Agreement**

In order to avoid a delay in the implementation of the District's improvement program, which would also delay the Developer from implementing its planned development program, the Developer has completed certain components of the improvements identified in the District's improvement plan. The District, who wishes to acquire those improvements in advance of receiving proceeds from certain Bond issuances, has agreed to pay the Developer the actual reasonable cost inclusive of all reasonable financing costs incurred by the Developer for the construction of the improvements from the proceeds of future Bond issuances. Interest on the advances shall accrue at a rate not to exceed 5.5%, but such interest shall only be payable to the extent that such accrued interest may lawfully be included as a permitted cost of a future issuance of Bonds or Notes to repay the obligations.

Additionally, in the event Bond proceeds are not available to pay the acquisition price of the improvements, the District's obligation to pay any unpaid portion of the applicable purchase price less the value of any contribution of improvements to be made by the Developer to the District under the applicable agreements shall become deferred obligations and shall be paid, if ever, solely from funds available from the proceeds of Debt or specifically made available under the Trust Indenture to pay deferred obligations. Additionally, the Developer shall be obligated to construct and complete the District's improvements and convey the improvements as provided by the Acquisition Agreement between the District and the Developer whether proceeds of the Debt or other amounts for that purpose under the Trust Indenture are available to pay the applicable acquisition price.

During the prior fiscal year, \$11,393,398 was received from RELP Tampa, LLC. \$9,119,361 of the funds received were used to pay down the Developer advance and the balance paid was accrued interest due on the obligation. As a result, the original Developer advance to the District totaled \$10,773,050 at September 30, 2015. A second note was issued in the prior fiscal year.

### **Second Promissory Note Agreement**

On August 1, 2014, the District and the Developer executed a second promissory note agreement whereby the Developer conveyed completed infrastructure assets related to the 30<sup>th</sup> Street Project that have been funded by the District. The total costs were \$8,010,122, \$3 million of which were funded by grants. The remaining \$5,010,122 is to be repaid to the Developer. If Bonds have been issued prior to the maturity date of the second promissory note agreement, the Developer will be repaid from such proceeds. In the event Bonds are not issued prior to the maturity date, the District has no obligation to repay the Developer. As of the date of the report, Bonds have not been issued. The note matured on August 31, 2015, but the maturity date of both Notes was extended subsequent to fiscal year end. See Note 12 – Subsequent Events for additional information.

Per the agreement, the first promissory note is subordinate in all respects to the second promissory note.

## **NOTE 9 – CONCENTRATION**

The District's activity is dependent upon the continued involvement of the Developer Landowner, the loss of which could have a material adverse effect on the District's operations.

## **NOTE 10 – MANAGEMENT COMPANY**

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

## **NOTE 11 – 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. The District has not filed any claims under this commercial coverage during the last three years.

## **NOTE 12 – SUBSEQUENT EVENTS**

### **Consolidated Amended and Restated Promissory Payment Agreement**

On January 7, 2016, the District entered into Consolidated Amended and Restated Promissory Payment Agreement with the Developer. The District promises to pay the Developer \$15,783,172 (the "Principal Balance"), which represents the sum of the First and Second Promissory Notes discussed in Note 8 on or before August 31, 2020. The obligations under this Agreement are not general obligations of the District and the Principal Balance shall be paid only from the proceeds received by the District from the issuance, to a bona fide third party purchaser not affiliated with the Developer, of Bonds. In the event that the District cannot obtain sufficient proceeds from the issuance of the Bonds to repay the full amount of the Principal Balance, the Principal Balance shall be reduced by the amount that the District cannot obtain from proceeds received from the issuance of the Bonds. Interest at a rate not to exceed 5.5% continues to accrue, but any and all such interest shall only be payable to the extent that accrued interest may lawfully be included as a permitted cost of a future issuance of Bonds or notes to repay the obligations.

**SOUTH SHORE CORPORATE PARK INDUSTRIAL COMMUNITY DEVELOPMENT DISTRICT  
HILLSBOROUGH COUNTY, FLORIDA  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amount Original & Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>REVENUES</b>			
Assessments	\$ 145,773	\$ 145,773	\$ -
Total revenues	145,773	145,773	-
<b>EXPENDITURES</b>			
Current:			
General government	42,022	38,963	3,059
Maintenance and operations	103,751	104,212	(461)
Total expenditures	145,773	143,175	2,598
Excess (deficiency) of revenues over (under) expenditures	\$ -	2,598	\$ 2,598
Fund balance - beginning		11,902	
Fund balance - ending		\$ 14,500	

See notes to required supplementary information



**SOUTH SHORE CORPORATE PARK INDUSTRIAL COMMUNITY DEVELOPMENT DISTRICT  
HILLSBOROUGH COUNTY, FLORIDA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

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

The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors.



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

To the Board of Supervisors  
South Shore Corporate Park Industrial Community Development District  
Hillsborough County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of South Shore Corporate Park Industrial Community Development District, Hillsborough County, Florida ("District") as of and for the fiscal 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 opinion thereon dated June 28, 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 agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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

June 28, 2016



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

To the Board of Supervisors  
South Shore Corporate Park Industrial Community Development District  
Hillsborough County, Florida

We have examined South Shore Corporate Park Industrial Community Development District, Hillsborough County, Florida's ("District") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2015. 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 and, accordingly, included examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2015.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, management, and the Board of Supervisors of South Shore Corporate Park Industrial Community Development District, Hillsborough County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

June 28, 2016



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

To the Board of Supervisors  
South Shore Corporate Park Industrial Community Development District  
Hillsborough County, Florida

**Report on the Financial Statements**

We have audited the accompanying basic financial statements of South Shore Corporate Park Industrial Community Development District, Hillsborough County, Florida ("District") as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated June 28, 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 Florida Auditor General.

**Other Reports and Schedule**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and 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*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 28, 2016, should be considered in conjunction with this management letter.

**Purpose of this Letter**

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

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

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, as applicable, management, and the Board of Supervisors of South Shore Corporate Park Industrial Community Development District, Hillsborough County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank South Shore Corporate Park Industrial Community Development District, Hillsborough County, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements, and the courtesies extended to us.

June 28, 2016

## REPORT TO MANAGEMENT

### I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

### II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None

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

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

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

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2014.

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, 2015.

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, 2015.

4. The name or official title and legal authority of the District are disclosed in the notes to the financial statements.
5. The financial report filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes agrees with the September 30, 2015 financial audit report.
6. The District has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.
7. We applied financial condition assessment procedures and no deteriorating financial conditions were noted as of September 30, 2015. 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.