

**CARROLLWOOD RECREATION DISTRICT  
FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT  
SEPTEMBER 30, 2009**

## TABLE OF CONTENTS

	<u>PAGE</u>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	i-xiii
List of Board of Trustees	xiv
<b>FINANCIAL SECTION</b>	
Independent Auditors' Report	1-2
Management's Discussion and Analysis	3-8
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Assets	9
Statement of Activities	10
Fund Financial Statements	
Balance Sheet-Governmental Funds	11
Statement of Revenues, Expenditures and Changes in Fund Balances-Governmental Funds	12
Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balances of Governmental Funds to the Statement of Activities	13
Notes to Financial Statements	14-25
Required Supplementary Information:	
Budgetary Comparison Schedule – Governmental Funds	26
Notes to Budgetary Comparison Schedule	27
<b>COMPLIANCE SECTION</b>	
Report on Internal Control over Financial Reporting And on Compliance And Other Matters Based On an Audit of Financial Statements Performed In Accordance With Governmental Auditing Standards	28-29
Management Letter in Accordance with the Rules of the Auditor General of the State of Florida	30-32
Management Response to noted audit deficiencies	33

**CARROLLWOOD RECREATION DISTRICT**  
**Board of Trustees**  
3515 McFarland Road  
Tampa, Florida 33618

**PROFILE OF CARROLLWOOD RECREATION DISTRICT**

**HISTORY**

With a vision and foresight, Matt Jetton achieved local and national fame in the early 1960's when he developed Original Carrollwood, a deed restricted community. His company, Sunstate Builders, purchased 325+ acres of citrus grove and nursery land, just seven miles north of the City of Tampa. His vision was to create housing to relieve crowding in South Tampa; however, the residents of South Tampa did not care for the rural surroundings of Carrollwood. Located just 10 miles due west of the newly constructed University of South Florida, the Original Carrollwood community was discovered and embraced by the university academia, including University of South Florida's first president, John Allen.

By 1959, Carrollwood had become one of the foremost award-winning "subdivisions" in the area and boasted amenities unheard of at the time, including: air conditioned housing, a planned school, neighborhood parks, lake access for all residents, and an on call handy man and repair services. The winding roads, many cul-de-sacs and lake views added even more charm to this young community.

**THE BOARDS**

As housing was completed, sold and families moved in, the Carrollwood Civic Association (CCA), comprised of 13 resident board members, was founded. The purpose of this organization was: property value protection (deed restrictions enforcement and response to zoning changes, or anything which would impact the community); lake water quality control; publishing a monthly, community newsletter (*The Caroler*); and support and organize community social functions.

For a number of years, Carrollwood Civic Association and Sunstate Builders jointly maintained the quality and character of the subdivision. However, understanding that Sunstate Builders was completing this development and would be moving on to new projects, a method of maintaining and improving the pristine common grounds, in the builder's absence, was sought. Taxes would need to be collected from each residence (as opposed to volunteer donations) and applied toward these purposes. The Carrollwood Recreation District (CRD), a board of nine residents, was conceived. In an effort to realize tax collection, the Hillsborough County Tax Collector was approached; having never been approached for this purpose, the County declined involvement. Determined and undaunted, the community approached the State of Florida and the Carrollwood Recreation District, comprised of nine resident trustees, was enacted by legislature. Finalizing the outline of the new board, a contract between the Carrollwood Civic Association and the Carrollwood Recreation District, was drafted outlining the responsibilities of the newly formed CRD Board of Trustees. Since the common grounds property had been conveyed from Sunstate Builders to the CCA, the recreation district became lessees charged with determining, collecting and expending non ad valorem tax monies for the improvement and maintenance of the community, additionally charged with enforcing the common grounds rules. The CRD, in turn, paid lease monies to the CCA for the use of the properties. Lease monies paid to the CCA enable them to fulfill their own responsibilities.

## **THE CARROLLWOOD RECREATION DISTRICT BOARD OF TRUSTEES**

The CRD Board of Trustees is comprised of nine uncompensated, resident, registered voters. Each trustee carries fiduciary responsibility to the 925 residences within the community. Seven committees have been formed to address all aspects of the community's needs:

- Executive committee (president, vice president, treasurer and secretary);
- Grounds Committee - maintenance and improvement of landscaping, irrigation, contract and supervise the lawn care contractor;
- three park committees (Scotty Cooper Park, White Sands Beach and Original Carrollwood Park) - rules enforcement, ascertain and respond to the needs of the park (through communication with resident users and monitoring the parks' conditions);

- Recreation Center Committee - assist in the hiring of a recreation center manager; supervise the manager; oversee the rental of the rooms and grounds; guide the Tennis Subcommittee; ascertain and implement the needs of the facility;
- Community Development Committee - respond to the need for development (structures) of the community; overall property planning.

Committee chairs are entrusted to expend up to \$499.99 in expenses without board approval. Three competitive bids and board approval must be secured for expenses of \$500.00 or more. Each board member incurring debt on behalf of the CRD is required to inspect the invoice and indicate its legitimacy by initialing and dating the invoice prior to payment. Each committee chair is charged with submitting requests for appropriations to the treasurer for the annual budget preparation. The preparation process for the budget encompasses a three-month period wherein the treasurer compiles a statement of assets, liabilities and cash requests for the upcoming fiscal year, and the board reviews and modifies the requests as needed. Adoption of the budget occurs annually on the second Monday of June for the following fiscal year, October through September.

## OVERVIEW OF CARROLLWOOD RECREATION DISTRICT FACILITIES

The common grounds consist of a recreation center (4,000 sq ft), 4 tennis courts, a formal walled entry to the community, 10 medians, 19 islands and 3 parks which are landscaped and irrigated.

### RECREATION CENTER

3515 McFarland Road



New Recreation Center (South Elevation)—officially opened June 16, 2007





Recreation Center south elevation fm the tennis courts



Covered patio outside multi-media room on north side



Entrance to lobby from McFarland Road



Entrance to lobby from tennis courts

- Address:** **Carrollwood Recreation Center**  
3515 McFarland Road,  
Tampa, Florida 33618  
*Serves as the mailing address for the CCA and CRD*
- Phone:** 813-932-1257
- Open:** Office hours: Monday - Friday, from 9 AM - 1 PM
- History:** The original recreation center was built in 1975. The new center opened June 16, 2007.
- Features:**
- Multipurpose room (2,340 sq ft) with an adjoining serving room (165 sq ft)
  - Includes: Carpeted space and dance floor
  - Activity/meeting room (500 sq.' tile flooring)
  - Water fountains (interior and exterior)
  - Two ADA compliant tiled lavatories
  - Recreation District office (140 sq.', tiled flooring)
  - Fire sprinkler system
  - Burglar alarm system
  - 500 sq ft lobby (tiled flooring)
  - Organized activities and classes are posted on a bulletin board
  - Covered, concrete patio outside multi-media rooms
  - Walled patio, southwest corner (?)
  - Covered walkways
  - Four hard surface tennis courts
- Parking:** Paved parking lots accommodate 50+ vehicles
- Guests:** Must be escorted by a resident
- Security:** Keys required for entry to all rooms  
Monitored burglar alarms
- Rules:** Rules are posted on the bulletin board and printed on all rental forms.

## TENNIS COURTS

**Open:** Daily 8 a.m. - 10 p.m.

**Features:**

- Four gated courts, lighted
- Lessons available from an approved instructor by calling Recreation Center

**Security:** Gates require a key

**Rules:**

- Reservations made through the rec. center office: Singles 1  $\frac{1}{2}$  hours; Doubles 2 hours; reservations valid up to 10 minutes after reserved time.
- No food or alcohol on courts.
- No bicycles, skateboards or roller blades on courts.
- Adults have priority on courts weekends and after 6 p.m. daily
- Juniors under 18 have priority weekdays from 3 - 6 p.m. Appropriate tennis attire and conduct required
- Absolutely no pets allowed at the tennis courts

**WHITE SANDS BEACH**  
11613 Carrollwood Drive



New pavilion, docks, and landscaping—May 2007 & April 2008



**History:**

An original neighborhood amenity built in the late 1960's.

**Open:**

Daily. Gates unlocked at 7 a.m.; Locked at sunset.

**Features:**

**Resident use only:**

- Access to swimming, boating, fishing, picnicking, and sightseeing at Lake Carroll.
- Concrete boat ramp—key & decal required.
- Beach volleyball

**Special Events:**

- Community party held here after July 4<sup>th</sup> Parade
- December boat parade

**Parking:**

Paved parking lot for 35 cars

**Parties:** 25 people maximum. Reservations secured through the Recreation Center

**Guests:** Must be escorted by a resident

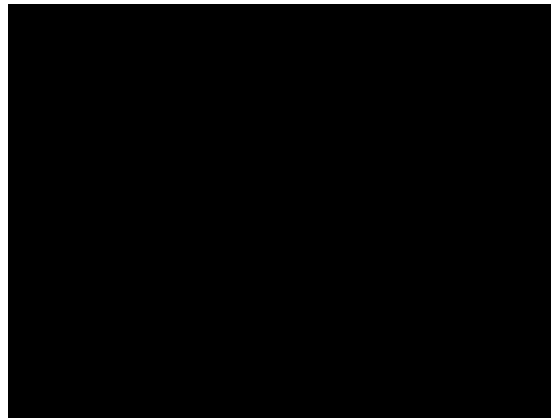
- Security:**
- Gates locked at sunset. Unlocked at sunrise.
  - Guard on duty during spring break and summer vacation (swim seasons)
  - Cars left overnight are towed
  - Decals required for boat and trailer
  - Lavatories—key required

**Beach Rules:** A complete set of rules is available at the Rec. Center

- No horseplay, pushing, playing tag, throwing sand, stones, shells, etc.
- No glass containers
- No alcohol
- Appropriate bathing attire and conduct required
- Protect your feet. Warning: sharp shells in sand
- Parties to remove their trash and trash bags from beach
- Beach privileges subject to suspension for inappropriate behavior

**Pets:** Absolutely no pets allowed at White Sands Beach

**SCOTTY COOPER PARK**  
10717 Carrollwood Drive



*Renovated pavilion and Playground—October, 2008*

**History:** Built in 1964, the original site of Carrollwood beach and boat ramp. Renovations completed in October, 2008.

**Open:** Daily. Sunrise to sunset

- Features:**
- The 2008 renovation included a new park entrance with iron gates, new bathroom facilities, sweeping design to the structure and roofline, new sprinkler system, and new landscaping.
  - Also included in the renovation were new playground equipment, giant rocks, slides, swings, and various rides for younger children. Benches and picnic equipment were added along with mulch inside the playground area.
  - Open air picnic and grilling area
  - Recently renovated fishing pier
- Special Events:** Annual Spring Egg Hunt held here
- Parking:** Paved parking for 13 vehicles
- Parties:** Reservations made by calling the Recreation Center
- Guests:** Must be escorted by a resident
- Security:**
- Gates locked at sunset; unlocked at sunrise
  - Child safety gate latches
  - Key required for lavatories
- Rules:** Rules are posted on the gate
- Pets:** No pets allowed

## ORIGINAL CARROLLWOOD PARK

11430 Orange Grove Drive



Original Carrollwood Park - May 2007

- History:** Originally the site of a defunct waste water treatment plant which previously served Original Carrollwood. The land was acquired by the Carrollwood Recreation District pursuant to a majority vote of the residents in 1992. The final annual mortgage payment of \$92,000.00 was made during the spring of 2004.
- Open:** Daily. Sunrise to sunset
- Features:**
- Fenced, treed 10 acre park with park benches
  - Covered shade pavilion; water fountain
  - Playground equipment for children
  - Official sized baseball diamond
  - Paved walking/jogging paths
  - Fenced dog run
  - Lavatories to be constructed this year (currently, residents must cross the street to use the Rec. Center's lavatories).
- Parking:** Across the street at the recreation center
- Parties:** 25 people maximum. Reservations made by calling the recreation center.

**Guests:**

Must be escorted by a resident

**Rules:**

- Rules are posted on the gate
- No organized team sports or practices without a written lease and insurance, approved by CRD Board.
- No scouts or group activities without prior CRD Board Approval.
- No motorized vehicles permitted inside the park
- No alcohol
- Parties should remove their trash and trash bags from the park.

**Pets:**

This is the only facility in Original Carrollwood permitting dogs. However, all dogs must remain on a leash, except when inside the dog run. Of course owners are required to clean up after their pets. The "on leash" rule is a Hillsborough County ordinance and must be observed. The CRD Board enforces all dog rules for the health and safety of our residents. Warnings will be given in writing to those residents not in compliance; repeat offenders lose their park privileges.

CARROLLWOOD RECREATION DISTRICT

BOARD OF TRUSTEES

	<u>TERM</u>
NICK BOMPIGNANO, PRESIDENT	2008 – 2009
TOM SCALLON, VICE-PRESIDENT	2008 – 2009
CHARLOTTE GRANT, TREASURER	2008 - 2009
DEB GOTCHEYAN, SECRETARY	2008 - 2009
SHELLEY STEWART	2008 - 2009
PENNY GALLAGLY	2008 - 2009
MICKY WILLIAMS	2008 - 2009
RICH LARCOMB	2008 - 2009
GREG WEHLING	2008 - 2009

INDEPENDENT AUDITORS' REPORT



# Brimmer, Burek & Keelan LLP

## Certified Public Accountants

5601 Mariner Street, Suite 200 • Tampa, Florida 33609  
(813) 282-3400 • Fax (813) 287-8369

Terry R. Brimmer, CPA  
Brian B. Burek, CPA  
John F. Keelan, CPA  
Walter C. Copeland, CPA  
Donald T. Keyes, CPA  
Kara K. Keyes, CPA  
Gemma Thomas  
(License in Colorado)

### Independent Auditors' Report

■  
A Firm Registered  
with PCAOB

Members of:  
Center for  
Public Company  
Audit Firms

American Institute of  
Certified Public Accountants

Florida Institute of Certified  
Public Accountants

The Board of Trustees  
Carrollwood Recreation District  
Tampa, Florida.

We have audited the accompanying financial statements of the governmental activities, and each major fund of Carrollwood Recreation District, as of and for the year ended September 30, 2009, which, collectively, comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Carrollwood Recreation District, as of September 30, 2009, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our reports dated January 25, 2010 on our consideration of the Carrollwood Recreation District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit. In accordance with the *Rules of the Florida Auditor General*, we have also issued our management letter dated January 25, 2010.

The Management's Discussion and Analysis and the Required Supplementary Information on pages 3 to 8 and pages 26 to 27, respectively, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Carrollwood Recreation District's basic financial statements. The introductory section is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

BRIMMER, BUREK & KEELAN LLP

*Brimmer, Burek & Keelan LLP*

Certified Public Accountants

January 25, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(MD&A)

## Management Discussion and Analysis

The discussion and analysis of the Carrollwood Recreation District's (CRD) performance provide an overview of the CRD's financial activities for the fiscal year ended September 30, 2009. Consider the information presented in conjunction with the transmittal letter and financial statements.

### Financial Highlights

- The assets of the CRD exceeded its liabilities at the close of the most recent fiscal year by \$1,616,202 (net assets). Of this amount \$564,788 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$17,317.
- As of the close of the current fiscal year the CRD's governmental funds reported ending fund balance of \$551,745, a decrease of \$195,763 in comparison with the prior year. Approximately 100 percent of this total amount is available for spending at the government's discretion (unreserved fund balance).

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the CRD basic financial statements. The basic financial statements comprise 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 statement.** The government-wide financial statements are designed to provide readers with a broad overview of the CRD in a manner similar to a private-sector business.

The statement of net assets presents information on all of the CRD's assets and liabilities with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the CRD is improving or deteriorating.

The government-wide financial statements of the CRD are principally supported by taxes.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

**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 government'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 government's near term financing decisions. Both the government fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliation to facilitate this comparison between governmental funds and governmental activities.

The CRD maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general and facilities improvement fund. Only the general and facilities improvement fund are considered major funds.

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 assets may serve over time as a useful indicator of a government's financial position. In the case of the CRD, assets exceeded liabilities by \$1,616,202 at the close of the most recent fiscal year.

By far the largest portion of the CRD's net assets (65 percent) reflects its investment in capital assets (e.g. land, buildings, recreational facilities, parks, and equipment); less any related debt used to acquire those assets that is still outstanding. The CRD uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the CRD's investment in its capital assets is reported net of related debt, it should be noted that the resources need to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Carrollwood Recreation District Net Assets**

	Governmental Activities	
	2009	2008
Current and other assets	582,308	\$ 784,012
Capital assets	3,124,894	3,036,944
Total assets	\$ 3,707,202	\$ 3,820,956
Long-term liabilities outstanding	\$ 1,934,662	\$ 2,071,978
Other liabilities	156,338	150,094
Total liabilities	\$ 2,091,000	\$ 2,222,072
Net assets	\$ 1,616,202	\$ 1,598,884
Invested in capital assets, net of related debt	\$ 1,051,414	\$ 832,873
Restricted	-	-
Unrestricted	\$ 564,788	\$ 766,011
Total net assets	\$ 1,616,202	\$ 1,598,884

The balance of unrestricted net assets, \$564,788, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the CRD is reporting a positive balance in net assets.

**Governmental activities.** Governmental activities increased the CRD's net assets by \$17,317. Key elements in the Changes in Net Assets activity follow:

**Carrollwood Recreation District Changes in Net Assets**

	Governmental Activities	
Revenues:	2009	2008
Program Revenues		
Charges for services	\$ 26,971	\$ 23,797
Investment earnings (loss)	(3,465)	23,298
General revenues		
Special assessments	428,801	428,320
Other	17,591	13,897
Total revenues	469,898	489,312
 Expenses:		
Administration	112,498	115,117
Parks and recreation	153,825	158,709
Grounds maintenance	78,327	93,288
Interest on debt	107,931	103,500
Total expenses	452,581	470,614
Increase (decrease) in net assets	17,317	18,698
Net assets, October 1,	1,598,885	1,580,187
Net assets, September 30,	\$ 1,616,202	\$ 1,598,885

Taxes (\$428,801) comprised 91 percent of the total revenues (\$469,898) during the year with the second largest source of revenue being Charges for services (room rentals). Charges for the rental and use of District facilities continued to increase this year due to the popularity of the facilities which were completed in 2007. The increase in net assets for the year was the result of a reduction of operating expenses compared to the previous year even though expected revenues were also somewhat lower as the result of reduced investment earnings due to the current economic recession.

**General Fund Budget Highlights**

Other than changes within certain line-items, there was no difference between the original budget and the final amended budget in General Government.

**Governmental funds.** The focus of the CRD's governmental funds is to provide information on near term inflow, outflows, and balances of spendable resources. Such information is useful in assessing the CRD's financing requirements. In particular,

unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current year, the CRD's governmental fund reported combined ending fund balance of \$551,745 a decrease of \$195,763 in comparison with the prior year. All of this total amount, \$551,745 constitutes unreserved fund balance, which is available for spending at the government's discretion. The general fund is the chief operating fund of the CRD. At the end of the current fiscal year, unreserved fund balance of the general fund was \$551,745. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance and total fund balance represents 105 percent of total general fund expenditures.

### Capital Asset and Debt Administration

**Capital assets.** The CRD's investment in capital assets for its governmental activities as of September 30, 2009, amounts to \$3,124,894 (net of accumulated depreciation).

This investment in capital assets includes land, building, recreational facilities, parks, and landscaping. The total increase in the CRD's investment in capital assets (before depreciation) for the current fiscal year was approximately one (5) percent. The major capital asset event during the current fiscal year included the construction and installation of playground equipment for the new Scotty Cooper Park and the construction of new walls and a boat ramp at White Sands Beach.

	<u>Governmental Activities</u>	
	<u>2009</u>	<u>2008</u>
Land	\$ 678,357	\$ 678,357
Building	2,154,988	2,155,857
Improvements	453,676	367,393
Equipment	236,235	131,923
Construction in progress	-	22,626
	<u>3,523,256</u>	<u>3,356,156</u>
Less: accumulated depreciation	(398,362)	(319,213)
Total	<u><u>\$ 3,124,894</u></u>	<u><u>\$ 3,036,943</u></u>

**Long-term debt.** In December 2003, the District obtained a \$1,600,000 non-revolving line of credit facility through issuance of the Carrollwood Recreation District Revenue Note Series 2003. This credit facility was obtained for the purpose of the planned construction and renovation of various building projects located within the District. In 2005, this credit facility was renewed as Note Series 2005 to provide an increase in the available line of \$450,000. In December 2006, the loan was renewed and extended through the issuance of Note Series 2006 which provided an additional \$300,000 in

available draws and extended the period for making draws by eighteen months, at which time the note converted to a term loan. At the end of the fiscal year, the CRD had total debt outstanding of \$2,073,480. The total debt is backed by the full faith and credit of the CRD for which the District is liable in the event of default.

### **Request for Information**

This financial report provides a general overview of the CRD's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to Carrollwood Recreation District, 3515 McFarland Road, Tampa, FL 33618.

## BASIC FINANCIAL STATEMENTS

**CARROLLWOOD RECREATION DISTRICT  
STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2009**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 565,011
Receivables (net)	4,254
Prepaid expenses	13,043
Capital assets	
Land	678,357
Other capital assets, net of depreciation	2,446,537
Total capital assets	<u>3,124,894</u>
Total assets	<u>3,707,202</u>
<b>LIABILITIES</b>	
Accounts payable and accrued expenses	9,770
Rental deposits	7,750
Long-term liabilities	
Due within one year	138,818
Due in more than one year	1,934,662
Total liabilities	<u>2,091,000</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	1,051,414
Restricted	-
Unrestricted	564,788
Total net assets	<u><u>\$ 1,616,202</u></u>

Please read accompanying notes.

**CARROLLWOOD RECREATION DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	Functions/Programs:				
	Total	Administration	Parks and Recreation	Grounds Maintenance	Debt Service
Expenses:					
Salaries, wages, and benefits	\$ 43,488	\$ -	43,488	\$ -	\$ -
Materials and supplies	9,005	4,910	4,095	-	-
Maintenance & repairs	103,049	-	27,814	75,235	-
Other program expenses	105,131	105,131	-	-	-
Depreciation	83,977	2,457	78,428	3,092	-
Interest on debt	107,931	-	-	-	107,931
Total expenses	<u>452,581</u>	<u>112,498</u>	<u>153,825</u>	<u>78,327</u>	<u>107,931</u>
Program revenues:					
Charges for services	26,971	-	26,971	-	-
Net program expense	<u>425,610</u>	<u>112,498</u>	<u>126,854</u>	<u>78,327</u>	<u>107,931</u>
General revenues:					
Taxes:					
Real estate	428,801				
Unrestricted investment earnings (loss)	(3,465)				
Miscellaneous	17,591				
Total general revenues	<u>442,927</u>				
Change in net assets	17,317				
Net assets - beginning of year	1,598,885				
Net assets - end of year	<u>\$ 1,616,202</u>				

Please read accompanying notes.

**CARROLLWOOD RECREATION DISTRICT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2009**

	General Fund	Facilities Improvement Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 565,011	\$ -	\$ 565,011
Due from other governments	4,254	-	4,254
Total Assets	\$ 569,265	\$ -	\$ 569,265
<b>LIABILITIES</b>			
Accounts payable	9,770	\$ -	\$ 9,770
Deposits payable	7,750	-	7,750
Total Liabilities	17,520	-	17,520
<b>FUND BALANCES</b>			
Unreserved			
Undesignated fund balance	551,745	-	551,745
Total fund balances	551,745	-	551,745
Total liabilities and fund balances	\$ 569,265	\$ -	

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Expenditures recognized when paid in governmental activities are deferred as prepaid or receivables under the matching concept accrual accounting	13,043
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$398,362	3,124,894
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	(2,073,480)
Net assets of governmental activities	\$ 1,616,202

Please read accompanying notes.

**CARROLLWOOD RECREATION DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

	General Fund	Facilities Improvement Fund	Total Governmental Funds
<b>REVENUES:</b>			
Charges for services	\$ 26,971	\$ -	\$ 26,971
Investment income (loss)	(3,465)	-	(3,465)
Special assessments	428,801	-	428,801
Other miscellaneous revenue	13,588	-	13,588
Refund of prior year expenditures	4,004	-	4,004
Total Revenues	<u>469,899</u>	<u>-</u>	<u>469,899</u>
<b>EXPENDITURES:</b>			
Current:			
Culture and recreation			
Personal services:			
Salaries	39,980	-	39,980
Worker's compensation	450	-	450
Payroll taxes	3,058	-	3,058
Total personal services	<u>43,488</u>	<u>-</u>	<u>43,488</u>
Other services and charges:			
Professional services	14,034	-	14,034
Contractual services	76,730	-	76,730
Telephone	2,951	-	2,951
Utilities	25,312	-	25,312
Rents and leases	23,725	-	23,725
Property taxes	96	-	96
Insurance	19,501	-	19,501
Repairs and maintenance	26,318	-	26,318
Other charges	4,625	-	4,625
Office supplies	4,910	-	4,910
Property appraiser commission	4,208	-	4,208
Tax collector commission	8,416	-	8,416
Total other services and charges	<u>210,826</u>	<u>-</u>	<u>210,826</u>
Total culture and recreation	<u>254,314</u>	<u>-</u>	<u>254,314</u>
Capital outlay	31,584	141,241	172,825
Debt Service			
Principal retirement	130,592	-	130,592
Interest	107,931	-	107,931
Total expenditures	<u>524,421</u>	<u>141,241</u>	<u>665,662</u>
Excess (Deficiency) of revenues over (under) expenditures	(54,522)	(141,241)	(195,763)
<b>OTHER FINANCING SOURCES (USES):</b>			
Capital related debt issued	-	-	-
Net change in fund balances	(54,522)	(141,241)	(195,763)
Fund balances - October 1	606,267	141,241	747,508
Fund balances - September 30	<u>\$ 551,745</u>	<u>\$ -</u>	<u>\$ 551,745</u>

Please read accompanying notes.

**CARROLLWOOD RECREATION DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

Reconciliation of the change in fund balances - total governmental funds to the change in net assets of governmental activities:

Net change in fund balances - total governmental funds \$ (195,763)

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

Governmental funds report 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:

Capital asset purchases capitalized	\$ 172,825	
Depreciation expense	(83,977)	
Net adjustment		88,848

Governmental funds report payments as expenditure. However, in the Statement of Activities, those costs are recognized in the period that is benefited:

Change in prepaid expenses recognized		(5,461)
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Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets:

Principal payments made on long-term debt		130,592
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Proceeds of debt principal is revenue in the governmental funds, but the proceeds are a long-term liability in the Statement of Net Assets:

		-
--	--	---

The cost of fixed assets are recognized as expenditures in the governmental funds at the time of purchase but are capitalized in the statement of net assets. Therefore, when the assets are sold or abandoned, the net book value is recognized as expense in the statement of net assets.

		(899)
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Change in net assets of governmental activities	\$ 17,317
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Please read accompanying notes.

**CARROLLWOOD RECREATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2009**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Carrollwood Recreation District ("District") conform to generally accepted accounting principles (GAAP) as applicable to governments. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The District implemented the financial reporting requirements of GASB 34 for the year ended September 30, 2004.

**A. Reporting Entity**

The Carrollwood Recreation District is an independent special district of the State of Florida, created by Chapter 72-565, Laws of Florida, 1972, as amended and superseded by Chapter 99-418. The District was organized for the purpose of continued development, administration, and maintenance of properties for recreational and related activities for the unincorporated area of Hillsborough County known as Carrollwood Subdivision. The governing body of Carrollwood Recreation District is a Board comprised of nine trustees elected for two-year terms by the qualified voters residing in Carrollwood Subdivision.

For financial reporting purposes, the District is required to include all entities and organizations that are controlled by or dependent upon the District as determined on the basis of financial interdependency, selection of governing authority, designation of management, ability to influence operations, and accountability for fiscal matters. Under the provisions of GASB Statements No. 14 and 39, the District does not include any other component units.

**B. Basis of Presentation**

**Government-wide Financial Statements**

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as governmental activities. None of the District activities has been classified as business activities. The governmental activities include general administration, parks and recreation, grounds maintenance and debt service.

**CARROLLWOOD RECREATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2009**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In the government-wide Statement of Net Assets, governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets (if applicable); and unrestricted net assets. The District policy first utilizes restricted resources, if any, to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions. The functions are also supported by general government revenues (property assessments, charges and miscellaneous). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (recreational facility rentals). The District does not allocate indirect costs.

**Fund Financial Statements**

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories.

The funds maintained by Carrollwood Recreation District are described below:

**Governmental Funds**

**General Fund** - The General Fund is the general operating fund of the District, and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund. General operating expenditures, debt service and capital improvement costs that are not paid through other funds are paid from the General Fund.

**Capital Projects Fund** – The Facilities Improvement Fund is used to account for resources restricted for the acquisition or construction of major capital facilities such as land, parks and recreational buildings. The current Capital Projects Fund relates to District improvements and renovations to the general recreation parks.

**CARROLLWOOD RECREATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2009**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. 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 recorded when earned and expenses are recorded when a liability is incurred or economic asset is used, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor 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. Measurable means knowing or being able to reasonable estimate the amount. Available means collectible within the current period or within sixty days after year end. Expenditures, including capital outlay, are recorded when the related fund liability is incurred.

**D. Assets, Liabilities, and net assets or equity –**

**Deposits and Investments**

Cash and cash equivalents are considered to be cash and short-term investments with maturities of three months or less. They consist of cash and investments with the State Board of Administration Investment Pool. Investments are reported at fair value.

**Receivables**

Receivables consist of revenues earned at year-end and not yet received. The major component of receivables is property tax revenues collected by the County Tax Collector but not yet received by the District, and refunds receivable. No allowance for uncollectible accounts receivable has been recorded since management believes that the receivables will be fully collectible.

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value on the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred. The accounting treatment over capital assets, which include land, buildings, recreational facilities, parks and landscaping depends on whether the assets are reported in the government-wide or fund financial statements. None of the District assets is reported as infrastructure assets.

**CARROLLWOOD RECREATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2009**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Government-wide Statements**

In the government-wide financial statements, fixed assets, including capitalized interest cost are accounted for as capital assets, and substantially all of the assets are valued at historical cost. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	10 – 40 years
Land Improvements	10 – 25 years
Equipment	5 – 15 years

**Fund Financial Statements**

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures upon acquisition.

**Long-term debt**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities. The long-term debt consists of bonds payable.

Long-term debt of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principle and interest are reported as expenditures.

**Compensated Absences**

All District employees are considered hourly or part-time and are not eligible for vacation, sick pay, termination or postretirement benefits.

**CARROLLWOOD RECREATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2009**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Property Taxes**

Section 7 of Chapter 99-418, Laws of Florida, provides that the Board of Trustees shall, on or before August 1 of each year, by resolution fix the amount of assessment for the next ensuing year, and shall direct the property appraiser of Hillsborough County to assess and the tax collector of Hillsborough County to collect such tax as assessed upon each improved residential parcel of property within the District. By referendum dated September 10, 2002, the tax assessed shall not exceed \$600 per annum per residential parcel except upon approval by referendum of qualified voters of the District. The assessment is required to be collected in the manner and form as provided for collection of county taxes.

All property taxes become due and payable on November 1 of each year with an enforceable lien date of January 1, and are delinquent on April 1 of the following year. Discounts are allowed for early payment of 4, 3, 2, and 1% in November through February, respectively. Delinquent taxes on real property may be paid after the date of delinquency but prior to the sale of a tax certificate by paying all taxes, costs, advertising charges, and interest. For all real property with delinquent taxes, the tax collector advertises as required by statute and sells tax certificates. All unsold certificates are issued to the County. Any persons owning real property upon which a tax certificate has been sold may redeem the property by paying the tax collector the face amount of the tax certificate plus interest and costs associated with the sale of the certificate.

After taxes have been delinquent (April 1) for two years, the owner of a tax certificate may file an application for tax deed sale. The County is able to do the same two years after taxes were due (November 1). All taxes imposed on any property become a first lien; superior to all other liens, as of January 1 of the year the taxes are levied.

Pursuant to Section 197.3632, Florida Statutes, a fee is to be paid to the county tax collector and the county property appraiser for their services regarding the special assessments.

Total assessments on the 2009 Tax Roll are accounted for as follows:

Total assessments (925 units @ \$480)	\$ 444,000
Less: discounts	<u>(15,583)</u>
	428,417
Plus late payment interest	<u>384</u>
	<u><u>\$ 428,801</u></u>

**CARROLLWOOD RECREATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2009**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Equity Classifications**

**Government-wide Statements**

Equity is required to be classified as net assets and displayed in one or more of three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or by law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

**Fund Statements**

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

**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 amounts reported in the financial statements and accompanying notes. Although these estimates are based on management’s knowledge of current events and actions, the actual results may ultimately differ from those estimates, and the differences may be material.

**CARROLLWOOD RECREATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2009**

**NOTE 2 – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS**

The following notes present detail information to support the amounts reported in the basic financial statements:

**A. Deposits and Investments**

The District's bank account is entirely covered by federal depository insurance or by collateral held by the State Treasurer under the provision of Chapter 280, Florida Statutes.

Section 218.345, Florida Statutes, restricts and provides various alternatives for the investment of District funds. Investments at September 30, 2009, are held in two separate pooled Funds (Florida PRIME fund, formerly LGIP and Fund B) of the Local Government Surplus Funds Trust Fund created by Section 218.405, Florida Statutes, which is administered by the State Board of Administration (SBA).

The SBA PRIME Fund is a "2a-7 like" pool in which the fair value of investments are determined by amortized cost, and securities lending cash collateral investments are recorded at fair value. The District is a voluntary participant in the pool and shares in the pool earnings based on its dollar days participation. The fair value of the position in the pool is the same as the value of the pool shares. The Florida Prime is rated by Standard and Poors with a current rating of AAAM. Investment policies of the Prime Fund include limiting exposure of investments within a single industry, using reasonable care to assure liquidity of 5% of the fund within one business day and at least 20% within seven business days. At least 50% of the investments must be invested in securities rated A-1+ or comparable and no more than 5% exposure to any single non-governmental issuer or 10% to any single money market mutual fund. The weighted average days to maturity of the Florida PRIME at September 30, 2009 is 33 days.

The PRIME Fund security composition on September 30, 2009 was as follows:

Bank instruments - fixed	26.30%
Corporate CP - fixed	18.70
Corporate notes – floating	1.20
Asset backed Com. Paper – fixed	16.70
Mutual funds – money market	5.50
Repurchase agreements	<u>31.60</u>
	<u>100.00%</u>

Fund B is accounted for as a fluctuating NAV pool. The fair value for balances at September 30, 2009 was approximately 54.915% of carrying value. Fund B is not rated by any nationally recognized statistical rating agency as to credit quality risk as of the current year end and has not participated in a securities lending program. The weighted average life (based on expected future cash flows) of Fund B at September 30, 2009 was 6.69 years. However, because Fund B consists of restructured or defaulted

**CARROLLWOOD RECREATION DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2009**

**NOTE 2 – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)**

securities there is considerable uncertainty regarding the weighted life. Investment policies of Fund B include engaging BNY Mellon (Custodian) to provide asset safekeeping, custody, fund accounting and performance measures of the fund on a monthly basis. Participants will receive periodic distributions to the extent that Fund B receives proceeds from natural maturities, liquidation, or other restructuring and workout activities. Additional deposits cannot be made to Fund B.

At September 30, 2009, the District has recognized an impairment in the value of Fund B based on the estimated carrying value provided by the SBA. The carrying book value of \$20,608 has been written down to \$11,317. The loss of \$9,291 has been included as a part of investment earnings for the year.

The District's temporary cash investments at year-end are shown below:

	<u>Carrying Amount</u>	<u>Market Value</u>
Local Government Surplus		
Funds Trust Fund	<u>\$ 462,921</u>	<u>\$ 462,921</u>

The District's adjusted investment value in the Florida PRIME fund and Pool B respectively amounted to \$451,604 and \$11,317 respectively at September 30, 2009.

Interest rates on the PRIME fund varied from .37% to 2.43% during the year. Total interest earned on the SBA investment amounted to \$4,848. No interest earnings accrued on Fund B.

**B. Receivables**

Receivables at year end consisted primarily of amounts due from the County tax collector. The District determined that no allowance for uncollectible amounts was necessary.

**CARROLLWOOD RECREATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2009**

**NOTE 2 – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)**

**C. Capital Assets**

Capital asset activity for the year ended September 30, 2009, was as follows:

Description	Balance October 1, 2008	Increases	Decreases	Balance September 30, 2009
<b>Governmental Activities:</b>				
Land	\$ 678,357	\$ -	\$ -	\$ 678,357
Construction-in-progress	22,626	(22,626)	-	-
Buildings	2,155,857	-	(869)	2,154,988
Improvements	367,394	86,282	-	453,676
Equipment	131,924	109,168	(4,857)	236,235
Total	<u>3,356,158</u>	<u>172,824</u>	<u>(5,726)</u>	<u>3,523,256</u>
Less accumulated depreciation				
Buildings	(70,891)	(53,875)	869	(123,897)
Improvements	(212,674)	(14,843)	-	(227,517)
Equipment	(35,648)	(15,259)	3,959	(46,948)
Total	<u>(319,213)</u>	<u>(83,977)</u>	<u>4,828</u>	<u>(398,362)</u>
Capital assets, net	<u><u>\$ 3,036,945</u></u>	<u><u>\$ 88,847</u></u>	<u><u>\$ (898)</u></u>	<u><u>\$ 3,124,894</u></u>

Depreciation expense was charged to function/programs of the governmental activities as follows:

Governmental activities:

General government	\$ 2,457
Parks and recreation	78,428
Grounds maintenance	3,092
Total depreciation, governmental activities	<u><u>\$ 83,977</u></u>

As part of a multi-year project, the District demolished and replaced substantially all of its buildings during 2006 and 2007. In 2008, the District built or replaced various playground structures and began renovation of Scotty Cooper Park.

**CARROLLWOOD RECREATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2009**

**NOTE 2 – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)**

**D. Accounts Payable and Accrued Expenses**

Payables in the general fund are composed of the following:

Payables to vendors	\$ 2,711
Accrued debt interest	5,957
Accrued salaries and benefits	<u>1,102</u>
	<u>\$ 9,770</u>

**E. Long-term Debt**

A summary of general long-term debt is as follows:

Series 2006, a 4.96% Recreation District Revenue Note. Originally entered into as a non-revolving line of credit permitting draws during a defined construction period, after which the note converted into a term loan. The note provides for level monthly payments of principal and interest based on a 168 month amortization schedule with final payment due on December 9, 2020. The note is secured by an irrevocable and exclusive lien on the tax revenues, including related deposits, investments and investment earnings.

Series 2006A, a 5.0933% Recreation District Revenue Note dated December 18, 2006. This note provided for a \$300,000 non-revolving line of credit that converted to a term loan with level monthly principal and interest payments based on a 162 month amortization schedule with final payment due on December 18, 2021. This note is cross-collateralized and cross-defaulted with Note Series 2006.

A summary of debt activity during this fiscal year is as follows:

<u>Description</u>	<u>Balance October 1, 2008</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance September 30, 2009</u>
Tax Revenue Note, Series 2006	\$ 1,914,621	\$ -	\$ (114,985)	\$ 1,799,636
Tax Revenue Note, Series 2006A	<u>289,451</u>	<u>-</u>	<u>(15,607)</u>	<u>273,844</u>
	<u>\$ 2,204,072</u>	<u>\$ -</u>	<u>\$ (130,592)</u>	<u>\$ 2,073,480</u>

**CARROLLWOOD RECREATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2009**

**NOTE 2 – DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)**

The remaining debt service requirements to maturity, including principal and interest are as follows:

Year Ending <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 138,818	\$ 99,985
2011	145,885	92,918
2012	153,310	85,493
2013	161,115	77,688
2014	169,316	69,487
2015-2019	984,984	209,032
2020-2022	320,052	12,338
	<u>\$ 2,073,480</u>	<u>\$ 646,941</u>

Loan covenants under the 2006 series notes require budgeted appropriation of debt service amounts due each year, continuation of the present tax assessment in an amount sufficient to cover operating expenses and the debt service under the note, and require an increase in household assessments to \$480 per household effective as of October 1, 2006. The above notes were authorized through Board Resolutions.

**NOTE 3 – OTHER NOTES**

**A. 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; injuries to employees; and natural disasters.

Significant losses are covered by commercial insurance for all major areas. There have been no significant reductions in insurance coverage, nor have settlement amounts exceeded insurance coverage for the current year or the three prior years.

**B. License Agreement with Carrollwood Civic Association**

Under the terms of an irrevocable license agreement with the Carrollwood Civic Association, the District has the right to possess, use and maintain certain land and beaches owned by the Association located within the District for an annual fee, payable on April 1 of each year. The agreement authorized a fee of \$23,725 for the current year.

**CARROLLWOOD RECREATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2009**

**NOTE 3 – OTHER NOTES (Continued)**

**C. Pension Plans**

All employees are considered hourly or part-time and do not participate in the State of Florida Retirement System.

**D. Commitments and Contingencies**

The District is committed under a one-year grounds maintenance contract dated March 1, 2008 and is automatically renewable annually unless cancelled by either party upon written notification. Maintenance expense incurred under this contract for the year ended September 30, 2009 amounted to approximately \$58,800.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CARROLLWOOD RECREATION DISTRICT  
REQUIRED SUPPLEMENTAL INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 30,000	\$ 30,000	26,971	\$ (3,029)
Investment earnings	25,000	25,000	(3,465)	(28,465)
Special assessments	427,800	427,800	428,801	1,001
Other miscellaneous revenue	8,727	8,727	13,588	4,861
Refund of prior year expenditures	-	-	4,004	4,004
Total Revenues	<u>491,527</u>	<u>491,527</u>	<u>469,899</u>	<u>(21,628)</u>
<b>EXPENDITURES:</b>				
Current:				
Culture and recreation				
Personal services:				
Salaries	38,500	41,000	39,980	1,020
Worker's compensation	7,000	2,850	450	2,400
Payroll taxes	2,000	3,100	3,058	42
Total personal services	<u>47,500</u>	<u>46,950</u>	<u>43,488</u>	<u>3,462</u>
Other services and charges:				
Professional services	25,400	14,100	14,034	66
Contractual services	96,550	90,650	76,730	13,920
Telephone	2,800	2,955	2,951	4
Utilities	23,200	26,000	25,312	688
Rents and leases	23,725	23,725	23,725	-
Property taxes	500	500	96	404
Insurance	25,500	21,000	19,501	1,499
Repairs and maintenance	47,500	43,000	26,318	16,682
Other charges	6,100	6,500	4,625	1,875
Office supplies	7,500	6,445	4,910	1,535
Property appraiser commission	4,200	4,200	4,208	(8)
Tax collector commission	8,500	8,500	8,416	84
Undesignated expenditures	10,000	-	-	-
Total other services and charges	<u>281,475</u>	<u>247,575</u>	<u>210,826</u>	<u>36,749</u>
Total culture and recreation	<u>328,975</u>	<u>294,525</u>	<u>254,314</u>	<u>40,211</u>
Capital outlay	266,900	281,000	172,825	108,175
Debt Service				
Principal retirement	116,354	130,704	130,592	112
Interest	102,263	108,263	107,931	332
Total expenditures	<u>814,492</u>	<u>814,492</u>	<u>665,662</u>	<u>148,830</u>
Excess (Deficiency) of revenues over (under) expenditures-	(322,965)	(322,965)	(195,763)	127,202
<b>OTHER FINANCING SOURCES (USES)</b>				
Capital related debt issued	239,900	239,900	-	(239,900)
Excess (Deficiency) of revenues over (under) expenditures and Other Financing Sources	(83,065)	(83,065)	(195,763)	(112,698)
Fund balances - October 1	747,508	747,508	747,508	-
Fund balances - September 30	<u>\$ 664,443</u>	<u>\$ 664,443</u>	<u>\$ 551,745</u>	<u>\$ (112,698)</u>

Please read accompanying notes to the Budgetary Comparison Schedule.

**CARROLLWOOD RECREATION DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO THE BUDGETARY COMPARISON SCHEDULE  
SEPTEMBER 30, 2009**

**NOTE 1 - BUDGETARY ACCOUNTING**

Section 7 of Chapter 99-418, Laws of Florida, the special act of the Florida Legislature which governs the District, provides for advertising, public hearing, and adoption of an itemized budget on or before July 1 of each year. The act also gives the trustees the power to transfer funds between line items of the budget, after adoption, up to a maximum of twenty percent by majority vote of the trustees to meet unforeseen contingencies.

The budget is adopted on the modified accrual basis of accounting. All District activity is budgeted within the general fund, including activity for the capital projects fund. Consequently, the actual column includes both funds for ease of comparison with the budget.

Formal integration of budgetary accounts into the general ledger is not employed; however, monthly financial reports are presented to the Board reflecting actual revenues and expenditures for the year-to-date, budgeted amounts, and the variance between the budgeted and actual amounts for each line item.

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



## Brimmer, Burek & Keelan LLP

### Certified Public Accountants

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American Institute of  
Certified Public Accountants

Florida Institute of Certified  
Public Accountants

### 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

Board of Trustees  
Carrollwood Recreation District  
Tampa, Florida

We have audited the financial statements of the governmental activities, and each major fund of Carrollwood Recreation District as of and for the year ended September 30, 2009, which collectively comprise the Carrollwood Recreation District's basic financial statements and have issued our report thereon dated January 25, 2010. 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.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures 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 Entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Carrollwood Recreation District's financial statements are free of 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*.

We noted certain matters that we reported to management of the District in a separate management letter dated January 25, 2010.

This report is intended for the information and use of the Carrollwood Recreation District Board of Trustees and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

BRIMMER, BUREK & KEELAN LLP

*Brimmer, Burek & Keelan LLP*

Certified Public Accountants

January 25, 2010

## MANAGEMENT LETTER



## Brimmer, Burek & Keelan LLP

### Certified Public Accountants

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Board of Trustees  
Carrollwood Recreation District  
Tampa, Florida

We have audited the financial statements of the Carrollwood Recreation District, whose headquarters is located in Tampa, Florida, as of and for the fiscal year ended September 30, 2009, and have issued our report thereon dated January 25, 2010.

We conducted our audit in accordance with United States generally accepted auditing standards, and *Government Auditing Standards* issued by the Comptroller General of the United States. 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, if any, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

The Rules of the Auditor General (Section 10.554(1)(h)1.) require that we address in the management letter, if not already addressed in the auditor's reports on compliance and internal control, whether or not recommendations made in the preceding annual financial audit report have been followed. The recommendations made in the preceding annual financial audit report have been corrected except as noted below under the heading Prior Year Findings and Recommendations.

As required by the Rules of the Auditor General (Section 10.554(1)(h)2.), the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes, regarding investment of public funds. In connection with our audit, we determined that the District appeared to be in compliance with Section 218.415, Florida Statutes.

The Rules of Auditor General (Sections 10.554(1)(h)3.) require that we address in the management letter any findings and recommendations to improve financial management, accounting procedures, and internal controls. In connection with our audit, we did not have any such findings.

The rules of the Auditor General (Section 10.554(1)(h)4.) require disclosure in the management letter of the following matters if not already addressed in the auditor's reports on compliance and internal control: (1) violations of laws, rules, regulations, and contractual provisions that have occurred, or are likely to have occurred; (2) improper or illegal expenditures; (3) improper or inadequate accounting procedures; (4) failures to properly record financial transactions; (5) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. Our audit disclosed the following matters required to be disclosed by Rules of Auditor General (Section 10.554(1)(h)4.):

**Prior Year Recommendations:**

1. Tangible Personal Property – In the prior year, we noted that District was not maintaining an inventory of property and equipment although an inventory was conducted.

Current year status – The District is maintaining a list of property but the assets still have not been marked with unique identification numbers.

**Current Year Findings and Recommendations:**

1. Petty Cash/Imprest Fund – We found from review of monthly ending balances that the general ledger petty cash amount per general ledger fluctuated in many months as varying amounts were posted to the general ledger.

We recommend that the control account be fixed and that petty cash be replenished based only upon physical receipts on hand in order to assure responsibility and control.

The Rules of the Auditor General (Section 10.554(1)(h)5.) also require that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The Carrollwood Recreation District was established by Section 12 of Chapter 72-565, Laws of Florida as amended and superseded by Chapter 99-418. The Carrollwood Recreation District does not include any component units.

As required by the Rules of the Auditor General (Section 10.554(1)(h)(6.a.)), a statement must be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes. 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.

As required by the Rules of the Auditor General (Section 10.554(1)(h)6.b.), we determined that the annual financial report for the Carrollwood Recreation District for the fiscal year ended September 30, 2008, 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, 2009.

As required by the Rules of the Auditor General (Sections 10.554(1)(h)6.c. and 10.556(7)), we applied financial condition assessment procedures. It is management's responsibility to monitor the entity'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.

This management letter is intended solely for the information of the Carrollwood Recreation District and management, and the State of Florida Office of the Auditor General. However, this report is a matter of public record and its distribution is not limited.

BRIMMER, BUREK & KEELAN LLP

*Brimmer, Burek & Keelan LLP*

Certified Public Accountants

January 25, 2010

MANAGEMENT RESPONSE  
TO DEFICIENCIES

**CARROLLWOOD RECREATION DISTRICT**

3515 McFarland Road  
Tampa, Florida 33618  
(813) 932-1257

January 29, 2010

Brimmer, Burek & Keelan LLP  
5601 Mariner Street, Ste 200  
Tampa, Florida 33609

Gentlemen:

This letter responds to the Management Letter recommendations issued to the Carrollwood Recreation District in conjunction with the Financial Statements and Independent Auditors Report for the Fiscal Year Ended September 30, 2009.

**Prior Year Recommendations:**

Number 1—Tangible Personal Property

The District will assign numbers to identify assets.

**Current Year Recommendations:**

Number 1—Petty Cash/Imprest Fund

The control account will be fixed and appropriately reimbursed and controlled.

If the district can be of further assistance in addressing issues arising from the Management Letter or other matters, please contact me at the above address or by telephone at (813) 961-3200.

Sincerely,



Charlotte H. Grant  
Treasurer