

**FLORA RIDGE  
EDUCATIONAL FACILITIES  
BENEFIT DISTRICT**

**Financial Statements  
and  
Supplemental Information**

**September 30, 2016**

## TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-8
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements:	
Balance Sheet - Governmental Funds	11
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	12
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14
Notes to Financial Statements	15-21
REQUIRED SUPPLEMENTAL INFORMATION	
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Budget and Actual) – General Fund	22
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	23-24
MANAGEMENT LETTER	25-26
INDEPENDENT ACCOUNTANTS' REPORT	27
CURRENT YEAR COMMENTS AND RECOMMENDATIONS	28



**INDEPENDENT AUDITORS' REPORT**

*Partners*

W. Ed Moss, Jr.  
Joe M. Krusick  
Cori G. Cameron  
Bob P. Marchewka  
Ric Perez  
James R. Dexter  
Thomas F. Regan  
Ernie R. Janvrin

To the Board of Supervisors  
Flora Ridge Educational Facilities Benefit District  
Kissimmee, Florida

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of Flora Ridge Educational Facilities Benefit District (the "District"), a component unit of the School District of Osceola County, Florida, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Flora Ridge Educational Facilities Benefit 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.

**Auditors' 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 auditors' 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 Flora Ridge Educational Facilities Benefit District, as of September 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

501 S. New York Ave.  
Suite 100  
Winter Park, FL 32789  
Phone: 407-644-5811  
Fax: 407-644-6022  
[www.mosskrusick.com](http://www.mosskrusick.com)

American Institute of  
Certified Public  
Accountants

Florida Institute of  
Certified Public  
Accountants

## **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 on pages 3 through 8 and 22 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 January 25, 2017, on our consideration of the Flora Ridge Educational Facilities Benefit 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 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 Flora Ridge Educational Facilities Benefit District's internal control over financial reporting and compliance.

*Moss, Krusick & Associates, LLC*

Winter Park, Florida  
January 25, 2017

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of Flora Ridge Educational Facilities Benefit District (the "District"), a component of the School District of Osceola County, Florida, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended September 30, 2016, to (a) assist the reader in focusing on significant financial issues, (b) provide an overview and analysis of the District's financial activities, (c) identify changes in the District's financial position, (d) identify material deviations from the approved budget, and (e) highlight significant issues in individual funds.

Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events and conditions, it should be considered in conjunction with the basic financial statements found on pages 9 – 14.

### **Financial Highlights**

- The liabilities of the District exceeded its assets at the close of the most recent fiscal year by \$6,164,529 (net deficit).
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$928,086.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$432,437.
- During the current fiscal year, total long-term debt obligations decreased by \$85,000.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District's financial statements. The District's 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.

#### **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 of the District's assets and liabilities, with the difference between the two 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 on the change in the District's net position 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 (e.g., uncollected funding).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by assessment collections, impact fee income, and interest earnings. The governmental activities of the District include, but are not limited to, principal and interest payments on outstanding debt issues and operating expenses of the Board.

The government-wide financial statements include only the District itself.

The government-wide financial statements can be found on pages 9 and 10 of this report.

### **Fund financial statements**

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

### **Government funds**

Government 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 governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains 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 fund and debt service fund, both of which are considered to be major funds.

The District adopts an annual appropriated budget. A budgetary comparison statement has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 11 – 14 of this report.

### **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. The notes to the financial statements can be found starting on page 15 of this report.

## **Educational Facilities Act**

The District is the first educational facilities benefit district to be created under Section 1013.355 *et seq.*, Florida Statutes, as amended (the "Educational Facilities Act"), which was enacted in 2002 to assist in financing the construction and maintenance of educational facilities through public/private cooperation and to provide alternative mechanisms and incentives to allow for sharing costs of educational facilities necessary to accommodate new growth and development among public agencies and benefited private development interests. The Educational Facilities Act, among other things, permits the exercise of the following powers (i) the formation of an educational facilities benefit district to finance and construct educational facilities within the district's boundaries; (ii) the leasing as lessor or lessee to or from any person, firm, corporation, association, or body, public or private, any projects of the type that the district is authorized to undertake and facilities or property of any nature for use of the district to carry out the purposes of the Educational Facilities Act; (iii) the levy of non-ad valorem assessments to finance such educational facilities; and (iv) the borrowing of money and issuance of bonds or other evidence of indebtedness for periods not longer than 30 years guaranteed by such non-ad valorem assessments and other legally available sources of funds. Creation of an educational facilities benefit district is conditioned upon the consent of the district school board, all local general purpose governments within whose jurisdiction any portion of the educational facilities benefit district is located, and all landowners within the district.

The Educational Facilities Act provides for the following funds to be provided to an educational facilities benefit district annually: (i) educational facilities impact fee revenue collected for new development within the educational facilities benefit district; and (ii) for construction and capital maintenance costs not covered by the funds provided pursuant to clause (i), an annual amount contributed by the district school board equal to one-half of the remaining costs of construction and capital maintenance of the educational facility; provided that construction costs in excess of the cost-per-student criteria established for the School Infrastructure Thrift ("SIT") Program in Section 1013.72(2), Florida Statutes, shall be funded exclusively by the district.

## **The District**

In accordance with the Act, the District was created as a dependent special district by Ordinance No. 2447 enacted by the City Commission of the City of Kissimmee on January 27, 2003, as amended by Ordinance No. 2478, enacted by the City Commission of the City of Kissimmee on July 29, 2003, and by an Amended and Restated Interlocal Agreement dated as of July 29, 2003, between the City and The School Board of Osceola County, Florida, the governing body of the School District of Osceola County, Florida.

The District initially included approximately 400 acres of land located in the City of Kissimmee. During fiscal year ended September 30, 2014, the District annexed an additional 568.2 acres of a certain adjacent parcels ("Bronson Parcel"). There are currently three major landowners within the District: ICI Orlando Residential Holdings, Flora Ridge Property Holdings and Beazer Homes Corporation (collectively, the "Landowners"). The District lies within the boundaries of a 1,134 acre planned community being developed by Flora Ridge Development, (the "Developer"). The Developer, Landowners, and individual landowners have consented, for themselves, their successors and assigns, to the formation of the District and to the imposition of assessments on the District lands. As currently planned, the District will include approximately 3,605 single-family units and 350 multi-family units. The Series 2007 Special Assessments securing the District's Series 2007 Bonds will only be levied on the land currently within the boundaries of the District and will not include the Bronson Parcel.

## Board of Supervisors

The Educational Facilities Act provides that the governing board of an educational facilities benefit district shall include representation of the district school board, each cooperating local general purpose government, and the landowners within the district. The governing body of the District is its Board of Supervisors (the "Board"), which is composed of five Supervisors (the "Supervisors"). Pursuant to the Educational Facilities Act, the Ordinance, and the Interlocal Agreement, the County has appointed one member of the Board of Supervisors, the School Board has appointed one member and the Developer has appointed the remaining three members. Pursuant to the Ordinance, following the initial appointments, landowner representatives shall be elected on a one-acre/one-vote basis with each acre or fraction thereof subject to Special Assessments representing one vote.

### Government-wide financial analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities exceeded assets by \$6,146,529 and \$6,334,038 at September 30, 2016 and 2015, respectively.

Changes in the District's net position for the years ended September 30, 2016 and 2015 were as follows:

	<b>2016</b>	<b>2015</b>	<b>Change</b>
Current assets	\$ 1,088,878	\$ 1,007,062	\$ 81,816
Total assets	1,088,878	1,007,062	81,816
Current liabilities	160,792	182,731	(21,939)
Long-term liabilities outstanding	7,074,615	7,158,369	(83,754)
Total liabilities	7,235,407	7,341,100	(105,693)
Net position	\$ (6,146,529)	\$ (6,334,038)	\$ 187,509
Net position (deficit) consisted of:			
Invested in capital assets, net of related debt	\$ (6,422,174)	\$ (6,499,144)	\$ 76,970
Unrestricted	275,645	165,106	110,539
Total net position (deficit)	\$ (6,146,529)	\$ (6,334,038)	\$ 187,509

Net deficit decreased as revenues exceeded expenses by \$187,509 during the year. The school funding agreement provided that ownership of the property would be transferred to The School District of Osceola County upon completion. It was completed during the year ended September 30, 2008, and the school building and land, which had a combined value of \$18,101,123, was transferred to the School District of Osceola County. The underlying debt incurred to develop and construct the property remained with the District and is reported in these financial statements.



Changes in the District's revenues for the years ended September 30, 2016 and 2015 were as follows:

	<u>2016</u>	<u>2015</u>	<u>Change</u>
Revenues:			
Assessment income	\$ 639,252	\$ 586,210	\$ 53,042
Interest income	39	43	(4)
Total revenue	<u>\$ 639,291</u>	<u>\$ 586,253</u>	<u>\$ 53,038</u>

Changes in the District's expenses were as follows:

	<u>2016</u>	<u>2015</u>	<u>Change</u>
Expenses:			
Board expenses	\$ 44,782	\$ 42,192	\$ 2,590
Fiscal agent fee	26,826	25,491	1,335
Amortization of bond discount	1,246	1,243	3
Interest expense	378,928	383,124	(4,196)
Total expenses	<u>\$ 451,782</u>	<u>\$ 452,050</u>	<u>\$ (268)</u>

The increase in revenues in fiscal year 2016 resulted from an increase in assessment income.

### **Financial Analysis of the Government's Funds**

As noted earlier, Flora Ridge Educational Facilities Benefit District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. The unassigned 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 fiscal year, the District's governmental funds reported a combined ending fund surplus of \$928,086.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$436,437. During the current fiscal year, the fund balance of the District's general fund increased by \$108,665 as revenues consisting of assessment income were \$53,042 greater than the prior year and expenditures and transfers were comparable to the prior year. Transfers consist primarily of funds to pay interest and principal on the debt.

### **General Fund Budgetary Highlights**

Actual revenues equaled budgeted revenues, and actual expenditures meet budgeted expenditures.

## **Capital Asset and Debt Administration**

**Capital Assets.** Capital assets including buildings and fixed equipment, furniture, fixtures, and computer software totaling \$18,101,123 were transferred to The School District of Osceola County during the year ended September 30, 2008.

**Debt.** At the end of the current fiscal year, the District had bonds payable – net of bond discount and accumulated amortization – in the amount of \$7,074,615. The required debt service payment for fiscal 2017 is \$473,650 including principal of \$100,000 and interest of \$373,650.

### **Economic Factors**

Assessments are levied to homeowners within the boundaries of the District to support the debt obligations and operating expenses of the District. This assessment is fully disclosed to homeowners and is levied on the county's annual tax roll. For the fiscal year ended September 30, 2016, the District collected \$639,252 in 2015 assessments. The assessments levied on the 2016 tax roll are \$685,495.

### **Request for Information**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Finance Director, Flora Ridge Educational Facilities Benefit District c/o The School District of Osceola County, FL, 817 Bill Beck Blvd., Kissimmee, FL 34744.

**Flora Ridge Educational Facilities Benefit District**

**STATEMENT OF NET POSITION**

**September 30, 2016**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents - restricted	\$ 1,085,552
Assessments receivable	<u>3,326</u>
Total current assets	<u>1,088,878</u>
Total assets	<u><u>\$ 1,088,878</u></u>
<b>LIABILITIES AND NET POSITION (DEFICIT)</b>	
Current liabilities:	
Accounts payable	\$ 4,000
Accrued interest	<u>156,792</u>
Total current liabilities	<u>160,792</u>
Long-term liabilities:	
Bonds payable, due within one year	100,000
Bonds payable, due after one year	<u>6,974,615</u>
Total long-term liabilities	<u>7,074,615</u>
Total liabilities	<u>7,235,407</u>
Net position (deficit):	
Investment in capital assets, net of related debt	(6,422,174)
Unrestricted	<u>275,645</u>
Total net position (deficit)	<u>\$ (6,146,529)</u>
Total liabilities and net position (deficit)	<u><u>1,088,878</u></u>

The accompanying notes are an integral part of this financial statement.

**Flora Ridge Educational Facilities Benefit District**

**STATEMENT OF ACTIVITIES**

**For the Year Ended September 30, 2016**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Interest expense	\$ 378,928	\$ -	\$ -	\$ -	\$ (378,928)
Board expenses	44,782	-	-	-	(44,782)
Fiscal agent fee	26,826	-	-	-	(26,826)
Amortization of bond discount	1,246	-	-	-	(1,246)
Total governmental activities	<u>\$ 451,782</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(451,782)</u>
		General revenues:			
		Assessment income			639,252
		Interest income			39
		Total general revenues			<u>639,291</u>
		Change in net position			187,509
		Net position (deficit) at September 30, 2015			<u>(6,334,038)</u>
		Net position (deficit) at September 30, 2016			<u>\$ (6,146,529)</u>

The accompanying notes are an integral part of this financial statement.

**Flora Ridge Educational Facilities Benefit District**

**BALANCE SHEET – GOVERNMENTAL FUNDS**

**September 30, 2016**

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents - restricted	\$ 433,111	\$ 652,441	\$ 1,085,552
Assessments receivable	3,326	-	3,326
Total assets	<u>\$ 436,437</u>	<u>\$ 652,441</u>	<u>\$ 1,088,878</u>
 <b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 4,000	\$ -	\$ 4,000
Accrued interest	-	156,792	156,792
Total liabilities	<u>4,000</u>	<u>156,792</u>	<u>160,792</u>
Fund balances:			
Restricted for:			
Debt service	-	495,649	495,649
Unassigned:	432,437	-	432,437
Total fund balances	<u>432,437</u>	<u>495,649</u>	<u>928,086</u>
Total liabilities and fund balances	<u>\$ 436,437</u>	<u>\$ 652,441</u>	<u>\$ 1,088,878</u>

The accompanying notes are an integral part of this financial statement.

**Flora Ridge Educational Facilities Benefit District**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION**

**September 30, 2016**

Fund balances - total governmental funds	\$ 928,086
The net position reported for governmental activities in the statement of net position is different because:	
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Bonds payable	(7,100,000)
Bond discount, net of accumulated amortization	<u>25,385</u>
Total net position of governmental activities	<u>\$ (6,146,529)</u>

The accompanying notes are an integral part of this financial statement.

**Flora Ridge Educational Facilities Benefit District**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES – GOVERNMENTAL FUNDS**

**For the Year Ended September 30, 2016**

	General	Debt Service	Total Governmental Funds
Revenues			
Assessment income	\$ 639,252	\$ -	\$ 639,252
Interest income	-	39	39
Total revenues	639,252	39	639,291
Expenditures			
Current:			
Board expenses	44,782	-	44,782
Fiscal agent fee	20,000	6,826	26,826
Debt service:			
Interest expense	-	378,928	378,928
Principal payment	-	85,000	85,000
Total expenditures	64,782	470,754	535,536
Excess (deficit) of revenues over (under) expenditures	574,470	(470,715)	103,755
Other financing sources (uses):			
Transfers in (out)	(465,805)	465,805	-
Total other financing sources (uses)	(465,805)	465,805	-
Net change in fund balances	108,665	(4,910)	103,755
Fund balances at September 30, 2015	323,772	500,559	824,331
Fund balances at September 30, 2016	\$ 432,437	\$ 495,649	\$ 928,086

The accompanying notes are an integral part of this financial statement.

**Flora Ridge Educational Facilities Benefit District**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

**For the Year Ended September 30, 2016**

Net change in fund balances - total government funds	\$	103,755
The change in net position reported for governmental activities in the statement of activities is different because:		
The issuance of long-term debt (e.g., bonds, notes payable) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Principal repayment on long term debt	\$	85,000
Current year amortization of bond discount	<u>(1,246)</u>	<u>83,754</u>
Change in net position of governmental activities	<u>\$</u>	<u>187,509</u>

The accompanying notes are an integral part of this financial statement.



# Flora Ridge Educational Facilities Benefit District

## NOTES TO FINANCIAL STATEMENTS

September 30, 2016

### NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting entity

Flora Ridge Educational Facilities Benefit District (the “District”), a component unit of the School District of Osceola County, Florida, is organized pursuant to Chapter 189 and 1013 of the Florida Statutes and was established under Ordinance No. 2447 on July 29, 2003. The purpose of the District is to provide for the timely construction and maintenance of school facilities. The District is an alternative mechanism that allows for the sharing of educational facilities costs that is necessary to accommodate new growth and development. The governing body of the District is the Board of Supervisors.

The District is considered a component unit of The School District of Osceola County, Florida. Criteria for determining if other entities are potential component units which should be reported within the District’s basic financial statements are identified and described in the Governmental Accounting Standards Board’s (GASB) *Statement 14 as amended by Statement 39* and further amended by *Statement 61, The Financial Reporting Entity: Omnibus*.

The application of these criteria provide for identification of any entities for which the District’s elected officials are financially accountable with a financial benefits and burden relationship present, and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District’s basic financial statements to be misleading or incomplete. Based on these criteria, no component units are included within the reporting entity of the District.

2. Government-wide and fund financial statements

The government-wide financial statements consist of a statement of net position and a statement of activities. These statements report information on all of the nonfiduciary activities of the District. As part of the consolidation process, all interfund activities are eliminated from these statements. Both statements report only governmental activities as the District does not engage in any business type activities.

Net position, the difference between assets and liabilities, as presented in the statement of net position, are generally subdivided into three categories: amounts invested in capital assets, net of related debt; restricted net position; and unrestricted net position. Net position is reported as restricted when constraints are imposed on the use of the amounts either externally by creditors, grantors, contributors, laws or regulations of other governments, or enabling legislation.

The statement of activities presents a comparison between the direct and indirect expenses of a given function and its program revenues, and displays the extent to which each function contributes to the change in net position for the fiscal year. Direct expenses are those that are clearly identifiable to a specific function. Indirect expenses are costs the District has allocated to various functions. Program revenues consist of charges for services, operating grants and contributions, and capital grants and contributions. Charges for services refer to amounts received from those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.

**Flora Ridge Educational Facilities Benefit District**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2016**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

2. Government-wide and fund financial statements – continued

Grants and contributions consist of revenues that are restricted to meeting the operational or capital requirements of a particular function. Revenues not classified as program revenues are reported as general revenues.

Separate fund financial statements report detailed information about the District's governmental funds. The focus of the governmental fund financial statements is on major funds. Therefore, major funds are reported in separate columns on the fund financial statements. The general and debt service funds were deemed major funds. A reconciliation is provided that converts the results of governmental fund accounting to the government-wide presentation.

3. 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 recognized in the period earned and expenses are recognized when a liability is incurred.

All governmental fund financial statements are reported using a current financial resources measurement focus on a modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues, except for certain grant revenues, are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, considered to be sixty days. When grant terms provide that the expenditure of resources is the prime factor for determining eligibility for federal, state, and other grant resources, revenue is recognized at the time the expenditure is made. Under the modified accrual basis of accounting, expenditures are generally recorded when the related fund liability is incurred. However, principal and interest on general long-term debt is recorded as expenditures only when payment is due.

The District's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. Accordingly, the financial statements are organized on the basis of funds. A fund is an accounting entity having a self-balancing set of accounts for recording assets, liabilities, fund equity, revenues, expenditures, and other financing sources and uses.

Resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The District reports the following major governmental funds:

General Fund - the general operating fund of the District. It is used to account for all financial resources traditionally associated with the activities of the District which are not required to be accounted for in another fund.

Debt Service Fund - to account for the resources accumulated and payments made for principal and interest on the revenue bonds issued by the District.

**Flora Ridge Educational Facilities Benefit District**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2016**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

3. Measurement focus, basis of accounting, and financial statement presentation – continued

The governmental fund financial statements present fund balances based on the provisions of GASB Statement No. 54, Fund Balance and Governmental Fund Type Definitions. This Statement provides more clearly defined fund balance classifications and also sets a hierarchy which details how the District may spend funds based on certain constraints. The following are the fund balance classifications used in the governmental fund financial statements:

**Nonspendable:** This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

**Restricted:** This classification includes amounts that are restricted for specific purposes by external parties such as grantors and creditors or are imposed by law through constitutional or enabling legislation.

**Committed:** This classification includes amounts that can be used for specific purposes voted through formal action of the Board of Directors. The committed amount cannot be used for any other purpose unless the Board of Directors removes or changes the commitment through formal action.

**Assigned:** This classification includes amounts that the Board of Directors intends to use for a specific purpose but they are neither restricted nor committed.

**Unassigned:** This classification includes amounts that have not been restricted, committed or assigned for a specific purpose within the general fund.

The District would typically use restricted fund balances first, followed by committed funds, and then assigned funds, and finally unassigned funds, as they become available. The District reserves the right to selectively spend unassigned funds first to defer the use of other classified funds. The details of the fund balances are included in the Government Funds Balance Sheet on page 11.

4. Budgetary basis of accounting

Budgets are adopted on a basis consistent with the State of Florida budget laws which are consistent with generally accepted accounting principles (GAAP). An annual appropriated budget is adopted for the general fund.

5. Cash and cash equivalents

Cash and cash equivalents include amounts in demand deposits and in liquid, short-term government bond fund investments. Income from investments is recorded in the respective funds when earned.

**Flora Ridge Educational Facilities Benefit District**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2016**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

6. Capital assets

Capital assets, which include property, construction in progress, and equipment, are reported in the applicable governmental columns on the government-wide financial statements. Capital assets are defined by the District as assets with an estimated useful life of more than one year. Such assets are recorded at historical cost. Donated capital assets are recorded at their estimated fair market values at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized, but rather are expensed in the period incurred.

Interest expense incurred is capitalized during the construction period of the asset.

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

<u>Asset Class</u>	<u>Lives</u>
Buildings	50
Furniture, fixtures, and equipment	5 – 10
Land Improvements	20

During fiscal year ended September 30, 2008, the District transferred the school building and land, which had a combined value of \$18,101,123, to The School District of Osceola County.

7. Restricted net position

Certain proceeds of the District’s revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted net position on the statement of net position because their use is limited by applicable bond covenants.

8. Revenue source

Revenues for operations will be received primarily from non-ad valorem assessments.

9. 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 over the life of the bonds using the straight line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond discount. Bond issuance costs are expensed as incurred.

Flora Ridge Educational Facilities Benefit District

NOTES TO FINANCIAL STATEMENTS

September 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

9. Long-term obligations – continued

In the fund financial statements, governmental fund types recognize bond discounts during the current period. The face amount of debt issued is 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.

10. Interfund transfers

During the year ended September 30, 2016, the general fund transferred \$465,805 to the debt service fund for payment of principal and interest expenses related to the 2007 revenue bonds.

11. Use of estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

12. New accounting pronouncements

The District implemented GASB *Statement 72, Fair Value Measurement and Application*, effective with the fiscal year ended September 30, 2016. The objective of this Statement is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurements. These improvements are based in part on the concepts and definitions established in Concepts Statement No. 6, Measurement of Elements of Financial Statements, and other relevant literature.

The District also implemented GASB *Statement 79, Certain External Investment Pools and Pool Participants*, effective with the fiscal year ended September 30, 2016. This Statement establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes.

13. Subsequent events

Management has evaluated the effect subsequent events would have on the financial statements through the time these statements were available to be issued on January 25, 2017.

**Flora Ridge Educational Facilities Benefit District**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2016**

**NOTE B – CASH, CASH EQUIVALENTS, INVESTMENTS**

As of September 30, 2016, the District's cash and cash equivalents include cash deposits and money market funds of \$1,085,552. In accordance with GASB No. 40, the District's exposure to risk is disclosed as follows:

*Custodial credit risk* - Custodial credit risk for deposits is the risk that, in the event of a depository financial institution's failure, the Districts' deposits may not be returned. The District does not have a formal custodial credit risk policy. The District's financial instruments that are exposed to concentrations of custodial credit risk consist of government bond fund investments contained in brokerage accounts which are not FDIC insured. At September 30, 2016, the District exceeded FDIC insured limits by \$1,085,552. The District has not experienced any losses in such accounts.

*Credit Risk* - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Board of Supervisors for the District has approved the following types of investments:

- The Local Government Surplus Trust Fund, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided in Section 163.01, Florida Statutes.
- Direct obligations of the U.S. Treasury.
- Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- Interest-bearing time deposits or savings accounts in qualified public depositories, as defined in Section 280.02, Florida Statutes.

*Interest Rate Risk* - Interest rate risk is the risk that changes in the interest rates will adversely affect the fair value of an investment. The District's policy to limit exposure to declines in fair values of its investment portfolio is to only invest in certain instruments approved by the Board of Supervisors.

*Fair Value Measurements* - The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 of the fair value hierarchy are inputs valued using quoted prices in active markets for identical assets; Level 2 inputs are valued using other significant observable inputs; Level 3 inputs are valued using significant unobservable inputs. As of September 30, 2016, the District has recurring fair value measurements in money market funds of \$1,085,552, valued using a matrix pricing model (Level 2 inputs).

**Flora Ridge Educational Facilities Benefit District**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2016**

**NOTE C – LONG-TERM DEBT**

The following is a summary of changes in long-term debt obligations of the District at September 30, 2016:

Governmental Activities	September 30, 2015	Additions	Deletions	September 30, 2016
Revenue Bonds:				
2007	\$ 7,185,000	\$ -	\$ 85,000	\$ 7,100,000
Less: unamortized bond discount	<u>(26,631)</u>	<u>-</u>	<u>(1,246)</u>	<u>(25,385)</u>
	<u>\$ 7,158,369</u>	<u>\$ -</u>	<u>\$ 83,754</u>	<u>\$ 7,074,615</u>

During the year ended September 30, 2007, Series 2007 Revenue Bonds were issued in the amount of \$7,460,000. Beginning May 2010, annual installments of principal, and beginning May 2007, semi-annual interest payments at 5.3%, are due through 2037. The bonds are payable solely from and secured by revenues of the District, which include special assessments and other available sources of funds.

The annual requirements to amortize all debt outstanding as of September 30, 2016 are as follows:

Year ending September 30	Principal	Interest	Total
2017	\$ 100,000	\$ 373,650	\$ 473,650
2018	115,000	367,953	482,953
2019	130,000	361,460	491,460
2020	150,000	354,040	504,040
2021	170,000	345,560	515,560
2022-2026	1,160,000	1,564,030	2,724,030
2027-2031	1,835,000	1,171,433	3,006,433
2032-2036	2,755,000	569,088	3,324,088
2037	<u>685,000</u>	<u>18,153</u>	<u>703,153</u>
	7,100,000	5,125,367	12,225,367
Less: unamortized discount	<u>25,385</u>	<u>-</u>	<u>25,385</u>
	<u>\$ 7,074,615</u>	<u>\$ 5,125,367</u>	<u>\$ 12,199,982</u>

**NOTE D – COMMITMENTS AND CONTINGENCIES**

Legal issues

In the normal course of conducting its operations, the District may become party to various legal actions and proceedings. As of September 30, 2016, no legal actions or proceedings existed.

**REQUIRED SUPPLEMENTAL INFORMATION**



**Flora Ridge Educational Facilities Benefit District**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE (BUDGET AND ACTUAL) – GENERAL FUND**

**For the Year Ended September 30, 2016**

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
Revenues				
Assessment income	\$ 634,194	\$ 635,925	\$ 639,252	\$ 3,327
Total revenues	634,194	635,925	639,252	3,327
Expenditures				
Current:				
Board expenses	38,275	33,196	44,782	(11,586)
Fiscal agent fee	20,000	20,000	20,000	-
Administrative expenses	9,870	11,586	-	11,586
Total expenditures	68,145	64,782	64,782	-
Excess of revenues over expenditures	566,049	571,143	574,470	3,327
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(463,928)	(465,805)	(465,805)	-
Total other financing sources (uses)	(463,928)	(465,805)	(465,805)	-
Net change in fund balance	102,121	105,338	108,665	3,327
Fund balance at September 30, 2015	323,772	323,772	323,772	-
Fund balance at September 30, 2016	\$ 425,893	\$ 429,110	\$ 432,437	\$ 3,327

See Independent Auditors' Report



**INDEPENDENT AUDITORS' 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**

*Partners*

W. Ed Moss, Jr.  
Joe M. Krusick  
Cori G. Cameron  
Bob P. Marchewka  
Ric Perez  
James R. Dexter  
Thomas F. Regan  
Ernie R. Janvrin

To The Board of Supervisors  
Flora Ridge Educational Facilities Benefit District  
Kissimmee, 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 Flora Ridge Educational Facilities Benefit District (the "District"), a component unit of the School District of Osceola County, Florida, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 25, 2017.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an

501 S. New York Ave.  
Suite 100  
Winter Park, FL 32789  
Phone: 407-644-5811  
Fax: 407-644-6022  
www.mosskrusick.com

American Institute of  
Certified Public  
Accountants

Florida Institute of  
Certified Public  
Accountants

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.

*Moss, Krusick & Associates, LLC*

Winter Park, Florida  
January 25, 2017



## MANAGEMENT LETTER

### Partners

W. Ed Moss, Jr.  
Joe M. Krusick  
Cori G. Cameron  
Bob P. Marchewka  
Ric Perez  
James R. Dexter  
Thomas F. Regan  
Ernie R. Janvrin

501 S. New York Ave.  
Suite 100  
Winter Park, FL 32789  
Phone: 407-644-5811  
Fax: 407-644-6022  
www.mosskrusick.com

American Institute of  
Certified Public  
Accountants

Florida Institute of  
Certified Public  
Accountants

To the Board of Supervisors  
Flora Ridge Educational Facilities Benefit District  
Kissimmee, Florida

### Report on the Financial Statements

We have audited the basic financial statements of Flora Ridge Educational Facilities Benefit District (the "District"), which is a component unit of the School District of Osceola County, Florida as of and for the fiscal year ended September 30, 2016, and have issued our report thereon dated January 25, 2017.

### Auditors' Responsibility

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

### Other Reporting

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in this report, which is dated January 25, 2017, should be considered in conjunction with this management letter.

### Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor general, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding annual financial audit report.

### Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor general, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. Flora Ridge Educational Facilities Benefit District was organized pursuant to Chapter 189 and 1013 of the Florida Statutes and was established under Ordinance No. 2447.

### Financial Condition

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor general, require that we apply appropriate procedures and report the results of our determination as to whether or not Flora Ridge Educational Facilities Benefit District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor general, we applied financial condition assessment procedures. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

## **Annual Financial Report**

Sections 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the District for the fiscal year ended September 30, 2016, 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, 2016. In connection with our audit, we determined that these two reports were in agreement.

## **Special District Component Units**

Section 10.554(1)(i)5.d, Rules of the Auditor General, requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that all special district component units provided the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

## **Other Matters**

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

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

## **Purpose of This Letter**

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

*Moss, Krusick & Associates, LLC*

Winter Park, Florida  
January 25, 2017



**INDEPENDENT ACCOUNTANTS' REPORT**

*Partners*

W. Ed Moss, Jr.  
Joe M. Krusick  
Cori G. Cameron  
Bob P. Marchewka  
Ric Perez  
James R. Dexter  
Thomas F. Regan  
Ernie R. Janvrin

To the Board of Supervisors  
Flora Ridge Educational Facilities Benefit District  
Kissimmee, Florida

We have examined Flora Ridge Educational Facilities Benefit District's (the "District") compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2016. 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 supporting 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 year ended September 30, 2016.

This report is intended solely for the information and use of the District and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

*Moss, Krusick & Associates, LLC*

Winter Park, Florida  
January 25, 2017

501 S. New York Ave.  
Suite 100  
Winter Park, FL 32789  
Phone: 407-644-5811  
Fax: 407-644-6022  
www.mosskrusick.com

American Institute of  
Certified Public  
Accountants

Florida Institute of  
Certified Public  
Accountants

### **Current Year Comments and Recommendations**

There were no items required to be reported in the current year.