

**PORT MALABAR HOLIDAY PARK  
MOBILE HOME  
PARK RECREATION DISTRICT**

**Basic Financial Statements and Supplementary Information**

**For the year ended September 30, 2019**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees  
Port Malabar Holiday Park  
Mobile Home Park Recreation District  
Palm Bay, Florida

### Report of the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Port Malabar Holiday Park Mobile Home Park Recreation District, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Port Malabar Holiday Park Mobile Home Park Recreation 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District'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 district's internal control. Accordingly, we express no such opinion. An audit also includes

evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the Port Malabar Holiday Park Mobile Home Park Recreation District, as of September 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, 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 Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Port Malabar Holiday Park Mobile Home Park Recreation District's basic financial statements. The Schedule of Expenditures - Budget and Actual - General Fund is presented for purposes of additional analysis and is not a required part of the basic financial statements and has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2020 on our consideration of the Port Malabar Holiday Park Mobile Home Park 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 effectiveness of Port Malabar Holiday Park Mobile Home Park Recreation District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Port Malabar Holiday Park Mobile Home Park Recreation District's internal control over financial reporting and compliance.

*Suplee Shea Cramer & Rocklein, P.A.*

Suplee, Shea, Cramer & Rocklein, P.A.

Sarasota, FL

June 16, 2020

## Management's Discussion and Analysis

As management of Port Malabar Holiday Park Mobile Home Park Recreation District (the "District"), 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, 2019 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 and notes as listed on the table of contents.

### Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$3,822,990.
- As of the close of the current fiscal year, the District reported an ending General Fund balance of \$1,204,364.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,189,087.

Comparative financial information as reflected in the following tables:

	Governmental Activities		
	2019	2018	Variance
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,210,972	\$ 1,182,377	\$ 28,595
Capital assets – Net	2,896,340	2,995,493	(99,153)
Other Assets	15,277	11,084	4,193
<b>Total assets</b>	<b>4,122,589</b>	<b>4,188,954</b>	<b>(66,365)</b>
<b>LIABILITIES</b>			
Current Liabilities	21,885	16,123	5,762
Noncurrent Liabilities	277,714	485,863	(208,149)
<b>Total liabilities</b>	<b>299,599</b>	<b>501,986</b>	<b>(202,387)</b>
<b>NET POSITION</b>			
Net Investment in capital assets	2,618,626	2,509,629	108,997
Unrestricted	1,204,364	1,177,339	27,025
<b>Total net position</b>	<b>\$ 3,822,990</b>	<b>\$ 3,686,968</b>	<b>\$ 136,022</b>

Cash and cash equivalents increased in the current year due to the timing of cash flows and outflows. Capital assets, net of depreciation, decreased in the current year due to the provision for depreciation. Noncurrent liabilities decreased due to principal payments on debt.

	CHANGES IN NET POSITION		
	Governmental Activities		
	2019	2018	Variance
Revenues			
Program revenues			
Charges for services	\$ 9,945	\$ 6,491	\$ 3,454
General revenues			
Non-ad valorem special assessments	1,382,866	1,410,747	(27,881)
Interest income	12,773	10,418	2,355
Other revenues	7,726	997	6,729
	<u>1,413,310</u>	<u>1,428,653</u>	<u>(15,343)</u>
Expenses			
General government	517,136	487,412	29,724
Public safety	86,843	122,153	(35,310)
Physical environment	138,525	119,765	18,760
Transportation	119,292	116,065	3,227
Recreation-grounds	403,534	329,946	73,588
Interest	11,958	12,125	(167)
	<u>1,277,288</u>	<u>1,187,466</u>	<u>89,822</u>
Change in net position	136,022	241,187	(105,165)
Net position – beginning	3,686,968	3,445,781	241,187
Net position – ending	<u>\$ 3,822,990</u>	<u>\$ 3,686,968</u>	<u>\$ 136,022</u>

Charges for services varies annually based on residents' needs. Non-ad valorem special assessments decreased due to less residents paying assessments when due. Recreation-grounds expenditures increased due to increase in personnel and upgrades.

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

**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, deferred outflows, liabilities, deferred inflows, and net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the District that are principally supported by the non-ad valorem special assessments received from the taxpayers. The governmental activities of the District include general government, public safety, physical environment, transportation and recreation activities.

The government-wide financial statements can be found as listed on the table of contents.

**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.

**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 financial 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 in the 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 - the General Fund and the Debt Service Fund.

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

The basic governmental fund financial statements can be found as listed on the table of contents.

**Notes to financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found listed on the table of contents.

### **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, assets exceeded liabilities by \$3,822,990 at the close of the most recent fiscal year.

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

**Governmental activities.** Governmental activities increased the District's net position by \$136,022, thereby accounting for the total increase in the net position of the District as of September 30, 2019.

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental fund.** The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Districts financial requirements. In particular, the unassigned fund balance may serve as a useful measure of a governments net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's General Fund reported an ending fund balance of \$1,204,364. The unassigned funds are amounts available for spending at the District's discretion. The General Fund balance of the District increased by \$27,025 during the current fiscal year.

## **General Fund Budgetary Highlights**

For the year ended September 30, 2019, actual revenues and expenditures were more than budgeted by \$35,715 and \$51,573, respectively. The schedule of revenues, expenditures and changes in fund balances - budget to actual can be found as listed on the table of contents.

## **Capital Asset and Debt and Administration**

**Capital Assets.** The District's investment in capital assets for its governmental activities as of September 30, 2019 amounted to \$2,896,340, or 70% percent of total assets. This investment in capital assets includes all capital assets, (land, buildings and improvements, furniture and fixtures, machinery and equipment, computer software, and infrastructure) net of accumulated depreciation.

**Debt.** As of September 30, 2019 there was an outstanding balance of \$277,714. During the year, principal payments were made on all three of the notes. The District does not plan on increasing debt in the near future for upcoming capital projects. Subsequent to the fiscal period end all notes were paid in full.

**Economic Factors.** A majority of the District's revenues are from tax assessments. The District is expecting assessments to remain approximately stable for the 2020-21 fiscal year.

## **Request for Information**

This financial report is designed to provide a general overview of Port Malabar Holiday Park Mobile Home Park Recreation District's finances for those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the office of District Manager at Port Malabar Mobile Home Park Recreation District, 215 Holiday Park Blvd. NE, Palm Bay, FL 32907.

**Port Malabar Holiday Park Mobile Home Park Recreation District**  
**STATEMENT OF NET POSITION**  
**September 30, 2019**

**ASSETS**

Cash and cash equivalents	\$	1,210,972
Prepaid expenses		15,277
Capital assets not being depreciated:		
Land		223,836
Capital assets, net of accumulated depreciation:		
Buildings and improvements		475,302
Furniture and fixtures		25,461
Machinery and equipment		37,467
Infrastructure		2,134,274
Total assets		<u>4,122,589</u>

**LIABILITIES**

Accounts payable		13,496
Accrued expenses		7,404
Customer deposits		985
Noncurrent liabilities		
Due within one year		277,714
Due in more than one year		-
Total liabilities		<u>299,599</u>

**NET POSITION**

Net investment in capital		2,618,626
Unrestricted		1,204,364
Total net position	\$	<u>3,822,990</u>

**Port Malabar Holiday Park Mobile Home Park Recreation District**  
**STATEMENT OF ACTIVITIES**  
**September 30, 2019**

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
<b>Governmental Activities:</b>					
General government	\$ 517,136	\$ 9,945	\$ -	\$ -	\$ (507,191)
Public safety	86,843	-	-	-	(86,843)
Physical environment	138,525	-	-	-	(138,525)
Transportation	119,292	-	-	-	(119,292)
Recreation-grounds	403,534	-	-	-	(403,534)
Interest	11,958	-	-	-	(11,958)
Total governmental activities	<u>\$ 1,277,288</u>	<u>\$ 9,945</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,267,343)</u>

General revenues:

Non-ad valorem special assessments	\$ 1,382,866
Interest Income	12,773
Other income	7,726
Total general revenues	<u>1,403,365</u>
Change in net position	136,022

Net position at October 1, 2018	<u>3,686,968</u>
Net position at September 30, 2019	<u>\$ 3,822,990</u>

**Port Malabar Holiday Park Mobile Home Park Recreation District  
BALANCE SHEET - GOVERNMENTAL FUNDS  
September 30, 2019**

	General Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,210,972	\$ -	\$ 1,210,972
Prepaid expenses	15,277	-	15,277
Total assets	<u>\$ 1,226,249</u>	<u>\$ -</u>	<u>\$ 1,226,249</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 13,496	\$ -	\$ 13,496
Accrued expenses	7,404	-	7,404
Customer deposits	985	-	985
Total liabilities	<u>\$ 21,885</u>	<u>\$ -</u>	<u>\$ 21,885</u>
<b>FUND BALANCES</b>			
Nonspendable			
Prepaid expenses	\$ 15,277	\$ -	\$ 15,277
Unrestricted	1,189,087	-	1,189,087
Total fund balances	<u>1,204,364</u>	<u>-</u>	<u>1,204,364</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 1,226,249</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,226,249</u></u>

**Port Malabar Holiday Park Mobile Home Park Recreation District  
RECONCILIATION OF THE BALANCE - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
September 30, 2019**

Fund balance - total governmental		\$ 1,204,364
<p>Capital assets used in governmental activities are not financial resources and therefore not reported in the governmental funds. Those assets consist of:</p>		
Capital assets	5,243,816	
Accumulated depreciation	<u>(2,347,476)</u>	2,896,340
<p>Long-term liabilities are not due and payable in the current period and therefore not reported in the funds. Those liabilities consist of:</p>		
Note payable		(277,714)
Total net position of governmental activities		<u><u>\$ 3,822,990</u></u>

**Port Malabar Holiday Park Mobile Home Park Recreation District**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**September 30, 2019**

	General Fund	Debt Service Fund	Total Governmental Funds
Revenues			
Assessments	\$ 1,162,759	\$ 220,107	\$ 1,382,866
Charges for services	9,945	-	9,945
Interest	12,773	-	12,773
Other Income	7,726	-	7,726
Total revenues	<u>1,193,203</u>	<u>220,107</u>	<u>1,413,310</u>
Expenditures			
Current:			
General government	486,119	-	486,119
Public safety	81,574	-	81,574
Physical environment	138,525	-	138,525
Transportation	10,013	-	10,013
Recreation-grounds	340,558	-	340,558
Debt service			
Principal	-	208,149	208,149
Interest	-	11,958	11,958
Capital outlay	109,389	-	109,389
Total expenditures	<u>1,166,178</u>	<u>220,107</u>	<u>1,386,285</u>
Excess (deficiency) of revenues over (under) expenditures	27,025	-	27,025
Fund Balances at October 1, 2018	1,177,339	-	1,177,339
Fund Balances at September 30, 2019	<u>\$ 1,204,364</u>	<u>\$ -</u>	<u>\$ 1,204,364</u>

**Port Malabar Holiday Park Mobile Home Park Recreation District**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**September 30, 2019**

Net change in fund balances - total governmental funds	\$	27,025
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The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This and the net effect of various other transactions involving capital assets increased net position.

Capital outlay	109,389	
Provision for depreciation	(208,541)	(99,152)

Governmental funds report the proceeds from the loss of capital assets as revenue whereas the statement of activities reports the gain on the sale of capital assets. This is the effect on the change in net position on the statement of activities.

The repayment of the principal of long-term debt consumes the current financial resources of the School without affecting the net position. The statement of activities does not reflect the payment of principal on long-term debt. The principal paid on long-term debt during the current year was:

Note Payable		208,149
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Change in net position of governmental activities	\$	136,022
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**Port Malabar Holiday Park Mobile Home Park Recreation District**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended September 30, 2019**

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

The basic financial statements present the respective changes in financial position of the applicable fund types governed by the Board of Trustees of the Port Malabar Holiday Park Mobile Home Park Recreation District (the "District") and have been prepared in accordance with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

1. Reporting entity

The District is a special independent taxing district authorized by the 1983 Florida Legislature and created by Ordinance Number 83-52 of the City of Palm Bay, Florida under the authority granted by Section 418.30, Florida Statutes. The District is governed by an elected nine-member Board of Trustees. The District provides the following services: community access, grounds maintenance, roads and drainage, sidewalk upkeep, recreational facilities, and general administrative services.

These financial statements present the primary government. No potential component units exist for consideration in defining the government's reporting entity in accordance with GASB Statement No. 61, as amended by *The Financial Reporting Entity*.

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 primary government as a whole. As part of the consolidation process, all interfund activities are eliminated from these statements.

Net position, the total of assets, deferred outflows, liabilities, and deferred inflows, as presented in the statement of net position, are subdivided into three categories: net investment in capital assets, 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, and regulations of other governments, or by law through constitutional provisions or enabling legislation.

**Port Malabar Holiday Park Mobile Home Park Recreation District**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended September 30, 2019**

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

2. Government-wide and fund financial statements (continued)

The statement of activities presents a comparison between the direct and indirect expenses of a given function or segment and its program revenues, and displays the extent to which each function or segment contributes to the change in net position for the fiscal year. Direct expenses are those that are clearly identifiable to a specific function or segment. Indirect expenses are costs the District has allocated to functions through various allocation methods. 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. 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 and non-major funds are aggregated and presented as a single column on each statement. 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 recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Non-ad valorem special assessments 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 provider have been met.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

**Port Malabar Holiday Park Mobile Home Park Recreation District**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended September 30, 2019**

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

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

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. One exception to this general rule includes principal and interest on general long-term debt, which is recognized when due.

When restricted resources meet the criteria to be available for use and unrestricted resources are also available for use. It is the District's policy to use restricted resources first, and then unrestricted resources, as needed.

District reports the following major governmental funds:

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

**Debt Service Fund** - The Debt Service Fund is where the District accounts for all of the financial resources that are legally restricted for the payment of long-term debt principal and interest amounts maturing in future years.

4. Long-term obligations

In the government-wide financial statements and in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Debt premiums and discounts are deferred and amortized over the life of the debts. Debts payable are reported net of applicable debt premium or discount.

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

**Port Malabar Holiday Park Mobile Home Park Recreation District**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended September 30, 2019**

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

5. Capital assets

Capital assets, which include buildings and improvements, furniture and fixtures, machinery and equipment and infrastructure assets, are reported in the government-wide financial statements. Pursuant to GASB Statement No. 34, all infrastructure assets acquired prior to October 1, 2003 are not reported in the basic financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$1,000 and an estimated useful life of more than one year or greater.

All capital assets are valued at historical cost or estimated historical cost, if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. The cost of property sold or retired, together with the related accumulated depreciation, is removed from the appropriate accounts, and any resulting gain or loss is included in net income.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Asset Class	Estimated Useful Lives
Building and improvements	5 – 40 years
Furniture and fixtures	5 – 20 years
Machinery and equipment	5 – 10 years
Computer software	5 years
Infrastructure	10 – 30 years

6. Cash, cash equivalents, and investments

Cash and cash equivalents include amounts in demand deposits and investment pools as well as short-term investments with a maturity date within three months of the date acquired by the District. Investments are stated at market value, and income from investments are recorded in the respective funds when earned.

**Port Malabar Holiday Park Mobile Home Park Recreation District**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended September 30, 2019**

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

7. Interfund receivables and payables

Activity between the various funds that are representative of lending, borrowing arrangements outstanding at the end of the fiscal year are referred to as either due to or due from other funds.

8. Income tax

The District qualifies as a tax-exempt entity and is, therefore, exempt from income tax. Accordingly, no tax provision has been made in the accompanying financial statements.

9. Use of estimates

The process of preparing financial statements in accordance with accounting principles generally accepted in the United States 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.

10. Fund balance classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Fund Balance - The difference between assets and all current operational commitments and liabilities reported in a governmental fund.

Non-spendable Fund Balance - Amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. "Not in spendable form" includes items that are not expected to be converted to cash (inventory and prepaid expenditures) and items such as long-term amount of loans, property acquired for resale, as well as unrealized gains.

**Port Malabar Holiday Park Mobile Home Park Recreation District**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended September 30, 2019**

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

10. Fund balance classification (continued)

Restricted Fund Balance - Amounts that have externally enforceable limitations on use of resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance - Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board of Trustees, the District's highest level of decision-making authority. Commitments may only be removed or changed by the Board of Trustees taking the same formal action (resolution) that imposed the constraint originally.

Assigned fund balance - Amounts that are constrained by the government's intent to be used for specific purposes that are neither considered restricted or committed.

Unassigned fund balance - The residual classification for the General Fund resources. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

Restricted amounts shall be spent first unless there are legal documents or contracts prohibiting this, such as grant agreements. Further, the order of priority shall be Committed Fund Balance, followed by Assigned Fund Balance, and then Unassigned Fund Balance when expenditures are incurred for purposes for which amounts in any of classifications could be used.

Additionally, the District has designated a minimum level of unassigned fund balance.

Unassigned Fund Balance is the residual classification for the various funds and represents a fund balance that has not been restricted, committed or assigned to specific purposes. All Excess Funds shall be transferred to Unassigned Fund Balance until that account equals a minimum of 50% of the General Fund Operating Budget. In the event of a District emergency, the minimum Unassigned Fund Balance may be overridden by the Board of Trustees.

**Port Malabar Holiday Park Mobile Home Park Recreation District**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended September 30, 2019**

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

10. Fund balance classification (continued)

The District Manager or the Treasurer shall notify the Board of Trustees of any use of Unassigned Fund Balance for a recurring purpose as a precaution to avoid imprudent financial activity. As of September 30, 2019, the District met the minimum level of unassigned fund balance per their policy.

Therefore, any remaining excess funds may be identified by the District Manager as available to fund capital purchase, capital construction, non-recurring expenditures, or to establish an Assignment of Fund Balance. The District Manager has not assigned any of the excess funds in the current year.

**NOTE B - CASH, CASH EQUIVALENTS AND INVESTMENTS**

The District's deposits and investments are insured by the Federal Depository Insurance Corporation (“FDIC”) for up to \$250,000. Monies invested in amounts greater than the insurance coverage are secured by the qualified public depositories pledging securities with the State Treasurer in such amounts required by the Florida Security for Public Deposits Act. In the event of a default or insolvency of a qualified public depositor, the State Treasurer will implement procedures for payment of losses according to the validated claims of the District pursuant to Section 280.08, Florida Statutes. Financial institutions must meet the criteria of being a Qualified Public Depository as described in the Florida Security for Public Deposits Act, under Chapter 280, Florida Statutes, before any investments are made with those institutions.

The deposits with the State Board of Administration (the “SBA”) are composed of local government surplus funds deposited therein by units of local government and are insured by the multiple financial institution collateral pool established by Florida Statutes. Section 218.407, Florida Statutes governs the investing of public funds with the SBA.

The Florida PRIME is operated as a “2a7-like” money market fund. As of September 30, 2019, the District had \$86,521 in the Florida PRIME.

**Port Malabar Holiday Park Mobile Home Park Recreation District**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended September 30, 2019**

**NOTE B - CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)**

The following deposit and investment accounts were included in the various funds at September 30, 2019:

Deposits and insured investments	Duration	Fair Value
Deposits	N/A	\$1,124,451
Deposits with the State Board of Administration:		
Florida Prime	35 days	86,521
		<u>\$1,210,972</u>

Investment Policy, Interest Rate Risk & Credit Risk - The District's adopted investment guidelines require that the investments of the District be limited to those investments contained in Florida Statutes 218.415(17) subparagraphs (a) through (d), which allow investments in the local government pooled investment account, securities and exchange commission money market funds which are required to have the highest credit quality rating from a nationally recognized rating agency, interest-bearing time deposits or savings accounts in qualified public depositories, and direct obligations of the United States Treasury. The District's investment policy does not further limit its investment maturities as a means of managing its exposure to fair value losses arising from increasing interest nor does it further limit its investment choices to mitigate its exposure to credit risk. Standard and Poor's (S&P) Ratings Services assigned its "AAAm" principal stability fund rating to the Florida PRIME for the current fiscal year.



**Port Malabar Holiday Park Mobile Home Park Recreation District**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended September 30, 2019**

**NOTE C – CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2019 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets not depreciated:				
Land	\$ 223,836	\$ -	\$ -	\$ 223,836
Total capital assets not depreciated	223,836	-	-	223,836
Capital assets depreciated:				
Building and improvements	1,352,590	78,685	-	1,431,275
Furniture and fixtures	98,292	20,583	-	118,875
Machinery and equipment	118,228	1,630	-	119,858
Infrastructure	3,339,293	8,491	-	3,347,784
Computer software	2,188	-	-	2,188
Total capital assets depreciated	4,910,591	109,389	-	5,019,980
Less accumulated depreciation:				
Building and improvements	882,451	73,522	-	955,973
Furniture and fixtures	90,220	3,195	-	93,415
Machinery and equipment	69,158	13,233	-	82,391
Infrastructure	1,094,917	118,592	-	1,213,509
Computer software	2,188	-	-	2,188
Total accumulated depreciation	2,138,934	208,542	-	2,347,476
Total capital assets, depreciated, net	2,771,657	(99,153)	-	2,672,504
Total capital assets, net	\$ 2,995,493	\$ (99,153)	\$ -	\$ 2,896,340

Depreciation expense was charged to the functions of the District as follows:

General government	\$ 31,018
Public safety	5,269
Transportation	109,279
Recreation – grounds	62,976
	<u>\$ 208,542</u>

**Port Malabar Holiday Park Mobile Home Park Recreation District**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended September 30, 2019**

**NOTE D - NON-AD VALOREM SPECIAL ASSESSMENTS**

Non-ad valorem special assessments are levied annually on all improved residential properties as of January 1, the lien date. The non-ad valorem special assessments are due and payable November 1 through March 31 and are delinquent beginning April 1. A tax certificate sale is held at the end of May on all delinquent property taxes and non-ad valorem special assessments. Therefore, assessments which would be susceptible to accrual, are fully collected prior to the end of the District's fiscal year.

The non-ad valorem special assessments are billed and collected by the Brevard County Tax Collector pursuant to an agreement with the Brevard County Property Appraiser. At September 30, 2019, there was \$16,776 of non-ad valorem special assessments tax certificates prior to 2019 that have not been sold. Due to the uncertainty of these amounts they have not been recognized either on the government wide or fund basis.

**NOTE E - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors, and omissions, and natural disasters. In order to limit its exposure to these risks, the District is a participant in the Florida League of Cities (a not-for-profit corporation) insurance program for workers compensation, general and auto liability. The insurance program purchases excess and specific coverages from third party carriers.

Participants in the program are billed annually for their portion of the cost of the program adjusted for actual experience during the period of coverage. Participants are not assessed for unanticipated losses incurred by the program. Additionally, the District has purchased commercial property insurance and various other insurance coverages from third parties to cover other risks that the District may be exposed to. There have been no significant reductions in insurance coverages during fiscal year 2018. Settled claims resulting from the risks described above have not exceeded the insurance coverage in any of the previous three years.

**NOTE F - NONCURRENT LIABILITIES**

The following is a summary of noncurrent liabilities as of and for the year ended September 30, 2019:

	Balance at 10/01/18	Additions	Reductions	Balance at 09/30/19	Due Within one year
Note Payable	\$ 485,863	\$ -	\$ (208,149)	\$ 277,714	\$ 277,714

**Port Malabar Holiday Park Mobile Home Park Recreation District**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended September 30, 2019**

**NOTE F - NONCURRENT LIABILITIES (continued)**

On March 4, 2005, the District became party to a \$1,000,000 line of credit agreement with Riverside National Bank (now TD Bank) to finance the cost of capital improvements, including repairs to road and drainage systems. Pursuant to the note agreement, the District was obligated to make monthly interest-only payments on the outstanding balance during the initial 24-month period (the financing period) at 4.84%. Principal and interest obligations are based upon a twelve-year amortization schedule. Any unpaid principal and interest become due on March 4, 2020. The note is secured by pledged revenues of gross assessments; Interest rates will be adjusted every five years to equal .5% above the Federal Home Loan Bank 60-month index rate.

The current interest rate is 2.42%. Current year principal and interest payments on this note were \$54,475 and \$339, respectively. The balance was paid in full during the fiscal year ended September 30, 2019.

On November 9, 2007, the District entered into an agreement with Riverside National Bank (now TD Bank) for a non-revolving line of credit of \$1,000,000. The initial 24 months were an interest only line of credit and on the 24-month anniversary the line of credit automatically converted into a term loan. The loan was based on a 156-month amortization schedule with an interest rate that will change every five years.

The initial interest rate was 5.63%. The interest only payments commenced on December 9, 2007 and continued through November 9, 2009. Level principal and interest payments on the outstanding balance as of November 9, 2009 commenced on December 9, 2009 and will continue until November 9, 2022 at which time the outstanding balance will become due and payable. The note is secured by pledged revenues of gross assessments. Interest rates will be adjusted every five years to equal .5% above the Federal Home Loan Bank 60-month index rate. As of September 30, 2019 the interest rate was 1.43%. Current year principal and interest payments on this note were \$83,889 and \$6,194, respectively, and the balance at September 30, 2018 was \$174,897. Subsequent to fiscal year end the balance was paid in full.

On May 12, 2008, the District entered in an agreement with Riverside National Bank (now TD Bank) for a non-revolving line of credit for \$600,000. The initial 12 months were an interest only line of credit and on the 12-month anniversary the line of credit automatically converted into a term loan. The loan was based on a 168-month amortization schedule with an interest rate that will change every five years. The initial interest rate is 5.23%. The interest only payment commenced on June 12, 2008 and continued until May 12, 2009. Level principal and interest payments on the outstanding balance as of May 12, 2009 commenced on June 12, 2009 and will continue until May 12, 2023 at which time the outstanding balance will become due and payable.

**Port Malabar Holiday Park Mobile Home Park Recreation District**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended September 30, 2019**

**NOTE F - NONCURRENT LIABILITIES (continued)**

The note is secured by pledged revenues of gross assessments. Interest rates will be adjusted every five years to equal .5% above the Federal Home Loan Bank 60-month index rate. As of September 30, 2019 the interest rate was 1.60%. Current year principal and interest payments on this note were \$69,785 and \$5,425, respectively, and the balance at September 30, 2018 was \$102,817. Subsequent to fiscal year end the balance was paid in full.

The following represents the annual requirements for the years ending September 30:

	Principal	Interest
2020	\$ 277,714	\$ 345
	\$ 277,714	\$ 345

**NOTE G - OPERATING LEASE**

The District leases a copier under an operating lease. For the year ended September 30, 2019, the total cost of the copier lease was \$2,580. The District entered into the lease in January 2017 for a term of 60 months.

The District leases laundry equipment under an operating lease. For the year ended September 30, 2019, the total cost of laundry equipment leases was \$1,927. The District entered into the lease in August 2016 for a term of 84 months.

The future minimum lease payments for the leases are as follows:

2020	\$ 3,852
2021	3,852
2022	2,468
2023	2,368
	\$ 12,540

**Port Malabar Holiday Park Mobile Home Park Recreation District**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended September 30, 2019**

**NOTE H - COMMITMENTS AND CONTINGENCIES**

The District entered into a contract with a cable provider to purchase bulk standard cable service to provide to the residents of the District. The contract term is ten years beginning December 2013, after which the contract will automatically renew for successive three-year terms unless cancelled by the District or the provider. The initial monthly cost was set at \$19.10 per unit for 703 units with a provision to increase annually not more than five percent.

**NOTE I - SUBSEQUENT EVENTS**

The District has evaluated subsequent events through June 16, 2020, the date which the financial statements were available for issuance, and has determined that no material events occurred that would require additional disclosure in the financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Port Malabar Holiday Park Mobile Home Park Recreation District**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - GOVERNMENTAL FUNDS - BUDGET AND ACTUAL - GENERAL FUND**  
**September 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Assessments	\$ 1,143,988	\$ 1,143,988	\$ 1,162,759	\$ 18,771
Charges for services	5,000	5,000	9,945	4,945
Interest	7,000	7,000	12,773	5,773
Other Income	1,500	1,500	7,726	6,226
Total revenues	<u>1,157,488</u>	<u>1,157,488</u>	<u>1,193,203</u>	<u>35,715</u>
<b>Expenditures</b>				
<b>Current:</b>				
General government	547,421	547,421	486,119	61,302
Public safety	116,195	116,195	81,574	34,621
Physical environment	136,591	136,591	138,525	(1,934)
Transportation	8,500	8,500	10,013	(1,513)
Recreation-grounds	319,778	319,778	340,558	(20,780)
Capital outlay	29,003	29,003	109,389	(80,386)
Total expenditures	<u>1,157,488</u>	<u>1,157,488</u>	<u>1,166,178</u>	<u>(8,690)</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 27,025	\$ 27,025
Fund Balances at October 1, 2018			<u>1,177,339</u>	
Fund Balances at September 30, 2019			<u>\$ 1,204,364</u>	

**Port Malabar Holiday Park Mobile Home Park Recreation District**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES - GOVERNMENTAL FUNDS - BUDGET AND ACTUAL - DEBT SERVICE FUND**  
**September 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Assessments	\$ 240,000	\$ 240,000	\$ 220,107	\$ (19,893)
Total revenues	<u>240,000</u>	<u>240,000</u>	<u>220,107</u>	<u>(19,893)</u>
Expenditures				
Debt Service				
Principal	230,000	230,000	208,149	21,851
Interest	10,000	10,000	11,958	(1,958)
Total expenditures	<u>240,000</u>	<u>240,000</u>	<u>220,107</u>	<u>19,893</u>
Net change in fund balance	-	-	-	-
Fund Balances at October 1, 2018	-	-	-	-
Fund Balances at September 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**Port Malabar Holiday Park Mobile Home Park Recreation District**  
**NOTES TO REQUIRED SUPPLEMENTAL INFORMATION**  
**September 30, 2019**

**NOTE A – BUDGETARY INFORMATION**

1. Budget policy

The Board of Trustees adopts an annual budget pursuant to public hearings held in June of the previous fiscal year. The District maintains budget control at the department level; however, the legal level of control is at the District level. Budget amendments must be approved by the Board of Trustees. During the current year, there were various budget amendments approved by the Board of Trustees.

2. Budgetary accounting

The District's budget is adopted on the modified accrual basis of accounting which is consistent with U.S. generally accepted accounting principles.

## **COMPLIANCE INFORMATION**

**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**

To the Board of Trustees  
Port Malabar Holiday Park  
Mobile Home Park Recreation District  
Palm Bay, 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 Port Malabar Holiday Park Mobile Home Park Recreation District, as of and for the year ended September 30, 2019 and the related notes to the financial statements, which collectively comprise the Port Malabar Holiday Park Mobile Home Park Recreation District's basic financial statements, and have issued our report thereon dated June 16, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Port Malabar Holiday Park Mobile Home Park Recreation 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 Port Malabar Holiday Park Mobile Home Park Recreation District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Port Malabar Holiday Park Mobile Home Park Recreation 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 charges with governance.

Our consideration of internal control over financial reporting 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 over financial reporting 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 Port Malabar Holiday Park Mobile Home Park 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*.

## **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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Suplee Shea Cramer & Rocklein, P.A.*

Suplee, Shea, Cramer & Rocklein, P.A.

Sarasota, Florida

June 16, 2020

## MANAGEMENT LETTER

To the Board of Trustees  
Port Malabar Holiday Park  
Mobile Home Park Recreation District  
Palm Bay, Florida

### Report on the Financial Statements

We have audited the financial statements of Port Malabar Holiday Park Mobile Home Park Recreation District, Florida, as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated June 16, 2020.

### Auditor's Responsibility

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

### Other Reporting Requirements

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*; and Independent Accountants' Report on an examination conducted in accordance with the *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 16, 2020, 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. Prior year findings 2017-001 regarding Basis of Accounting was adequately addressed and not repeated, and 2017-002 regarding Timecard Approval was addressed through enhanced review procedures and was not repeated.



## **Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires 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, of the entity. The Port Malabar Holiday Park Mobile Home Park Recreation District was established by and is governed per the special law 54-1407 Laws of Florida. Additional legal entity disclosures are included in Note A-I of the financial statements. The Port Malabar Holiday Park Mobile Home Park Recreation District does not have any component units.

## **Financial Condition and Management**

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires that we report the results of our determination as to whether or not the Port Malabar Holiday Park Mobile Home Park Recreation District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Port Malabar Holiday Park Mobile Home Park Recreation District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Port Malabar Holiday Park Mobile Home Park Recreation District. It is management's responsibility to monitor the Port Malabar Holiday Park Mobile Home Park Recreation 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.

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 had the following recommendation:

### 2019-001 – Fund Balance Reconciliation to Prior Year

We noted that the fund balance account (G/L account # 8007) did not reconcile to the amount reported in the prior year. Generally, this account should not change during the year. A reconciliation entry to agree the account with the prior year was necessary. The issue was caused by accounting postings that affected the prior year which is a limitation in the QuickBooks software program. The amount of the entry was not material to the financial statements, but we recommend that this account be monitored monthly to confirm that no postings are made in the accounting program that change the balance of the fund balance account during the year.

The District's response to the finding identified in our audit is described in the attached management's response as indicated in the table of contents. We did not audit the District's response and, accordingly, we express no opinion.

### **Special District Component Units**

Sections 10.554(1)(i)5.c., Rules of the Auditor General, requires that we determine whether or not a special district is a component unit of the 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 component units provided the necessary information for the proper reporting in accordance with Section 219.39(3)(b), Florida Statutes. The Port Malabar Holiday Park Mobile Home Park Recreation District does not have any component units and is not a component unit of another entity.

### **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate 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 warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

### **Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, other governmental agencies, the Board of Trustees, and applicable Port Malabar Holiday Park Mobile Home Park Recreation District's management, and is not intended to be and should not be used by anyone other than these specified parties.

*Suplee Shea Cramer & Rocklein, P.A.*

Suplee, Shea, Cramer & Rocklein, P.A.  
Sarasota, Florida  
June 16, 2020

**INDEPENDENT ACCOUNTANTS' REPORT ON INVESTMENT COMPLIANCE**

To the Board of Trustees  
Port Malabar Holiday Park  
Mobile Home Park Recreation District  
Palm Bay, Florida

We have examined Port Malabar Holiday Park Mobile Home Park Recreation District's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2019. Management is responsible for the Port Malabar Holiday Park Mobile Home Park Recreation District's compliance with those requirements. Our responsibility is to express an opinion on the Port Malabar Holiday Park Mobile Home Park Recreation District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Port Malabar Holiday Park Mobile Home Park Recreation District's compliance with specified requirements.

In our opinion, the Port Malabar Holiday Park Mobile Home Park Recreation District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

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

*Suplee Shea Cramer & Rocklein, P.A.*

Suplee, Shea, Cramer & Rocklein, P.A.  
Sarasota, Florida  
June 16, 2020





**PORT MALABAR HOLIDAY PARK  
MOBILE HOME PARK RECREATION DISTRICT**

215 Holiday Park Blvd. NE  
Palm Bay, Florida 32907-2196  
Office: 321-724-2240

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**Management's Response**

June 16,2020

Ms. Sherrill F. Norman  
Auditor General  
Claude Denson Pepper Building, Suite G74  
111 West Madison Street  
Tallahassee, FL 32399-1450

Dear Ms. Norman,

Port Malabar Holiday Park Mobile Home Park Recreation District has received a list of findings and recommendations dated June 16, 2020. The District appreciates the efforts made to provide meaningful and constructive feedback.

We agree with the auditors' findings and will put procedures and policies in place to remedy the findings.

If you need any further information, please do not hesitate to contact me.

Sincerely,

Keith Rittscher  
Treasurer