

TRAILER ESTATES PARK &
RECREATION DISTRICT
BRADENTON, FLORIDA

FINANCIAL STATEMENTS

Year Ended September 30, 2009

TRAILER ESTATES PARK & RECREATION DISTRICT

2008-2009 FISCAL YEAR

BOARD OF TRUSTEES

Ms. Martha Brauer, Chairperson
Mr. John Vander Molen, First Vice-Chairpers
Ms. Pamela Cole, Treasurer
Ms. Gail Opper, Secretary
Mr. Fred Hoch
Ms. Janet Jones
Ms. Margo Cushman
Mr. Joe Salerno
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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Trailer Estates Park & Recreation District
Bradenton, Florida

We have audited the accompanying financial statements of the governmental activities and each major fund (the General Fund) of the Trailer Estates Park & Recreation District (the District), of Bradenton, Florida, as of and for the year ended September 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Trailer Estates Park & Recreation District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit. The prior year comparative fund statement information has been derived from the District's 2008 financial statements and, in our report dated March 10, 2010; we expressed an unqualified opinion on the General Fund statements.

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 basic financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund (the General Fund) of Trailer Estates Park & Recreation District as of September 30, 2009, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2010, on our consideration of Trailer Estates Park & Recreation District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis beginning on page 3 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

CPA Associates

Bradenton, Florida
March 10, 2010

TRAILER ESTATES PARK & RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2009
(Unaudited)

The following pages represent Management's Discussion and Analysis (MD&A) for the financial statements of Trailer Estates Park & Recreation District. It depicts and reviews the financial picture and activities as of and for the year ending September 30, 2009.

The intent of this MD&A is to present a picture and assessment of the District's financial performance in an effort to more clearly demonstrate to readers the results of this year's financial operations. Readers should review this MD&A along with the basic financial statements and notes enclosed.

Using the Financial Statements

The financial report includes a series of financial statements and notes to those financial statements. These statements are organized so the reader can understand the District as a financial whole, or as an entire operating entity.

The Statement of Net Assets and the Statement of Activities provide information about the activities of the Trailer Estates Park & Recreation District as a whole, presenting both an aggregate view of the District's finances and a longer-term view of those finances. The General Fund statements provide more detail. These statements show how services were financed in the short-term as well as what financial resources remain for future spending.

Financial highlights

- **Net Assets** decreased \$509,492 from \$1,235,836 to \$726,344 for the year ended September 30, 2009. This net change relates to the excess of expenses over revenues, including depreciation expense.
- **Total Assets** decreased \$326,284 from \$1,323,486 to \$997,202.
- **Current Assets** decreased \$256,565 from \$621,313 to \$364,748 and is attributed to the following elements:

	<u>Increase/(Decrease)</u>
Cash and cash equivalents	\$ 65,065
Investments	(300,098)
Accounts receivable	6,948
Prepaid expenses	(2,515)
Other receivables	(25,965)

TRAILER ESTATES PARK & RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2009
(Unaudited)

Cash increased, in part, and investments decreased due to the transfer of the certificate of deposit balances in September. These certificates were cashed in order to pay legal expenses.

- **Liabilities** increased \$183,208 from \$87,650 to \$270,858, due to the following items:

	<u>Increase/(Decrease)</u>
Accounts payable and accruals	\$ 178,073
Deferred rental revenue	3,762
Due to clubs	1,717
Refundable deposits	(344)

Accounts payable increased due to more committed funds for legal expenses that were received in September but deferred for payment until December 2009. Deferred rental revenue increased slightly due to more rented boat slips. We have changed the lease agreement to allow the outside renters to pay semi-annually. This has helped keep some of the boat slips rented that would have been removed. The economy continues to keep more slips available than in the past.

- **Total Revenues** decreased by \$45,782 from \$1,137,839 to \$1,092,057. The decrease is attributed to the following:

	<u>Increase/(Decrease)</u>
Assessments	\$ 18,374
Rent and charges for services	(43,063)
Investment income	(13,686)
Social activities	(1,039)
Miscellaneous	(6,368)

The assessment increased due to a slight increase in the tax base for the District's respective target area and some assessments were paid later so the discount was not paid. Rent decrease was due to the open marina slips. Investment income decreased due to the drop in interest rates on the Money Market account. Miscellaneous income includes lawn mowing by Park employees, petty cash and application fees. The decrease in social activities income is a result, in part, of less monetary donations at the door of the show time amenity.

TRAILER ESTATES PARK & RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2009
(Unaudited)

- **Total General Fund Expenditures** increased by \$452,251 from \$1,079,579 to \$1,531,830 primarily due to the following:

	<u>Increase/(Decrease)</u>
Payroll and employee benefits	\$ 18,029
Sanitation	2,783
Utilities	737
Cable TV	9,969
Repair and maintenance	(26,643)
Administrative	479,317
Capital outlay	(34,317)
Social activities	27
Miscellaneous	2,349

Payroll and employee benefits increased due to an across the board increase of 2% in pay rates, and an increase in health insurance of 10%. There was also overtime that was created due to lawsuit deadlines that had to be met. Sanitation increased due to the agreement. Utility rates increased. Cable TV also had increases that were passed directly to its customers. Repair and maintenance had a decrease due to the frugal spending of that department. The Park had to adjust spending due to the fees charged by the law offices of five different attorneys, which increased the administrative expenditures. The decrease in Capital outlay is due to decreased spending in this area.

- **General Fund Budget Comparison:** Prior to the fiscal year end, the District's Board of Trustees developed its original budget. In July, there were several categories in which the original budget did not fall within the parameters set, especially legal fees and the income accounts. The Trustees felt an amended budget was necessary. A statement showing the District's original and final budget compared with actual operating results is presented in the financial statements.

Total income results were over the amended budget. This was due to assessments and miscellaneous income performing better than anticipated. Total expenditures were over budget \$186,830 due to the legal fees.

Capital Assets

At September 30, 2009, total capital assets of \$632,454 are presented net of accumulated depreciation of \$1,663,743.

TRAILER ESTATES PARK & RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2009
(Unaudited)

There was \$5,723 of equipment and improvements added during the fiscal year, and several fully depreciated items were retired. Current depreciation expense of \$75,442 was recognized in 2009.

Economic Factors and Next Year's Budget

The budget for fiscal year 2009-2010 will receive an increase in assessments from \$746 to \$915. The Board of Trustees made the choice last year to use the Reserve for Emergencies and Future Spending (also known to some as the Fund Balance) to help pay for some of the legal expenses and borrow money, if necessary, to pay the remainder of the legal bills. Those funds have been depleted and the Board is shopping for a loan. The Park office will continue to update equipment for keeping us in the 21st century. Future spending on capital items will be dictated by the outcome of the lawsuit.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with interest. Questions concerning any of the information in this report or requests for additional information should be addressed to the Treasurer and the Board of Trustees of Trailer Estates Park & Recreation District, 1903 69th Avenue West, Bradenton, Florida 34207.

TRAILER ESTATES PARK & RECREATION DISTRICT
STATEMENT OF NET ASSETS
September 30, 2009

ASSETS

Cash and cash equivalents	\$ 330,248
Accounts receivable	11,627
Prepaid expenses	22,873
Capital assets (net of accumulated depreciation)	
Land	100,000
Buildings	314,393
Equipment	78,739
Improvements	139,322
	<hr/>
Total assets	997,202
	<hr/>

LIABILITIES

Accounts payable and accruals	205,906
Deferred rental revenue	39,882
Due to clubs	6,292
Refundable deposits	18,778
	<hr/>
Total liabilities	270,858
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Net assets

Invested in capital assets, net of related debt	632,454
Unrestricted	93,890
	<hr/>
Total net assets	\$ 726,344
	<hr/> <hr/>

See accompanying notes.

TRAILER ESTATES PARK & RECREATION DISTRICT
STATEMENT OF ACTIVITIES
Year Ended September 30, 2009

	Program Revenues				
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Assets	
Governmental activities					
Culture and recreation	\$ 1,601,549	157,781	--	100	(1,443,668)
General revenues					
Current assessments					921,156
Investment income					13,020
Total general revenues					934,176
Change in net assets					(509,492)
Net assets - beginning					1,235,836
Net assets - ending					\$ 726,344

See accompanying notes.

TRAILER ESTATES PARK & RECREATION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS - GENERAL FUND
September 30, 2009
(with comparative totals for 2008)

	2009	2008
ASSETS		
Cash and cash equivalents	\$ 330,248	265,183
Accounts receivable	11,627	4,679
Other receivable	--	25,965
Prepaid expenses	22,873	25,388
Investments	--	300,098
TOTAL ASSETS	\$ 364,748	621,313
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable and accruals	\$ 205,906	27,833
Deferred rental revenue	39,882	36,120
Refundable deposits	18,778	19,122
Due to clubs	6,292	4,575
Total liabilities	270,858	87,650
Fund Equity		
Fund balance		
Unreserved - undesignated	93,890	533,663
Total fund equity	93,890	533,663
TOTAL LIABILITIES AND FUND BALANCE	\$ 364,748	621,313
Fund balance - above	\$ 93,890	
Capital assets used in governmental activities are not financial resources, therefore, are not reported in the funds.	632,454	
Net assets of governmental activities - page 7	\$ 726,344	

See accompanying notes.

TRAILER ESTATES PARK & RECREATION DISTRICT
GOVERNMENTAL FUNDS - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended September 30, 2009
(with comparative totals for 2008)

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)	2008 Actual
Revenues					
Assessments	\$ 901,093	919,433	921,156	1,723	902,782
Rent	145,000	115,000	113,668	(1,332)	133,402
Investment income	22,000	10,000	13,020	3,020	26,706
Social activities	20,000	26,900	22,603	(4,297)	23,642
Refund of prior year expenditure	--	--	--	--	25,965
Miscellaneous	11,000	17,000	21,610	4,610	18,225
Total revenues	<u>1,099,093</u>	<u>1,088,333</u>	<u>1,092,057</u>	<u>3,724</u>	<u>1,130,722</u>
Expenditures					
Current					
Culture and recreation					
Payroll and employee benefits	350,000	330,000	334,487	(4,487)	316,458
Sanitation	162,000	167,000	150,799	16,201	148,016
Utilities	105,000	105,000	99,747	5,253	99,010
Cable TV	208,000	209,000	208,912	88	198,943
Repair and maintenance	72,500	71,500	55,827	15,673	82,470
Administrative	209,000	428,000	641,295	(213,295)	161,978
Social activities	34,500	34,500	30,400	4,100	30,373
Miscellaneous	--	--	4,640	(4,640)	2,291
Capital outlay	--	--	5,723	(5,723)	40,040
Total expenditures	<u>1,141,000</u>	<u>1,345,000</u>	<u>1,531,830</u>	<u>(186,830)</u>	<u>1,079,579</u>
Excess (deficiency) of revenues over (under) expenditures	(41,907)	(256,667)	(439,773)	(183,106)	51,143
Fund balance - beginning	<u>533,663</u>	<u>533,663</u>	<u>533,663</u>	<u>--</u>	<u>482,520</u>
Fund balance - end	<u>\$ 491,756</u>	<u>276,996</u>	<u>93,890</u>	<u>(183,106)</u>	<u>533,663</u>

Deficiency of revenues under expenditures - above \$ (439,773)

Amounts reported for governmental activities in the statement of activities
(page 8) are different because

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense (\$75,442) exceeded capital outlays (\$5,723) in the current year. (69,719)

Change in net assets of governmental activities (page 8) \$ (509,492)

TRAILER ESTATES PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

NOTE A – BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Trailer Estates Park & Recreation District (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity: The District is a political subdivision of Manatee County, Florida, and was created in 1969, by special legislative act HR 2595 in accordance with the Florida Law Chapter 69-1287. The District is governed by a nine-member Board of Trustees and is independent of all local governing bodies.

Although the District is a special district located within Manatee County, the Manatee County Board of County Commissioners does not exercise any control over the District. Control is primarily determined based upon the financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. Because the District elects its own Board of Trustees, levies its own taxes, and is responsible for its own operations, the District is not included with Manatee County's financial statements and is presented independently of the County.

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

Government-Wide and Fund Financial Statements: The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the District. The District has only governmental activities, which are supported by taxes and intergovernmental revenues, and are reported in the General Fund.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment, are offset by program revenues. *Direct Expenses* are those that are clearly identifiable with a specific function or segment. *Program Revenues* include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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. Property tax 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.

TRAILER ESTATES PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

NOTE A – BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

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

Budgets and Budgetary Accounting: The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Treasurer and the Budget Committee will prepare a preliminary budget to be presented to the Board of Trustees and residents. Two or more meetings are held for residents' comments and suggestions. Public hearings are conducted by the District to obtain taxpayer comments.
2. The budget is approved at the March Board of Trustees meeting.
3. Tax bills are rendered, become a lien against the property, and are due on November 1, of each year. Payments of assessments due are allowed various discounts if paid in the months of November to February. Assessments become delinquent on April 1.
4. Tax certificates are sold by the County Tax Collector on June 1.
5. No expenditures in excess of total fund appropriations are allowable without Board of Trustee approval. The Board of Trustees may legally amend the budget.

TRAILER ESTATES PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

NOTE A – BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. Budgets for governmental funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
7. Appropriations lapse at year-end.

Encumbrances: Encumbrance accounting, under which purchase orders and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is not employed in the General Fund.

Cash and Cash Equivalents: Cash and cash equivalents include amounts on deposit in checking and in money market accounts.

Capital Assets: The accounting and reporting treatment applied to capital assets associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. With this measurement focus only current assets and current liabilities are generally included on the balance sheet. The reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

All capital assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date of donation.

Compensated Absences: The District allows salaried employees vacation and sick leave based upon the number of years of service to the District. Unused vacation hours lapse at year-end. Sick leave vests at 50% for up to 100 days, after 20 years of service and the attainment of age 55, or with any number of years of service after reaching a retirement age of 65. No current employees have significant vested amounts. Therefore, no accrual for compensated absences has been made in the financial statements.

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

TRAILER ESTATES PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

NOTE B – CASH AND CASH EQUIVALENTS

At September 30, 2009, the carrying amount of the District's deposits was \$330,248 and the bank balance was \$350,317, with the primary difference resulting from outstanding checks and deposits recorded as income and expenses on the District's records. The Federal Deposit Insurance Corporation insures each depositor up to \$250,000 for non-interest bearing account balances. At September 30, 2009, the District had approximately \$100,300 of uninsured cash balances. However, all deposits are with institutions that are Qualified Public Depositories and, therefore, covered by amounts in excess of depository insurance pursuant to Florida Statutes Chapter 280 *Florida Security for Public Deposits Act*.

NOTE C – CAPITAL ASSETS

Changes in capital assets by major classes of assets during the year ended September 30, 2009, consist of:

	Balance 10/1/2008	Additions	Deletions	Balance 9/30/2009
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 100,000	--	--	100,000
Capital assets being depreciated:				
Buildings	1,344,835	--	--	1,344,835
Furniture and equipment	246,162	4,973	7,245	243,890
Improvements	606,722	750	--	607,472
Total capital assets being depreciated	<u>2,197,719</u>	<u>5,723</u>	<u>7,245</u>	<u>2,196,197</u>
Less accumulated depreciation for:				
Buildings	992,601	37,841	--	1,030,442
Furniture and equipment	153,487	18,909	7,245	165,151
Improvements	449,458	18,692	--	468,150
Total accumulated depreciation	<u>1,595,546</u>	<u>75,442</u>	<u>7,245</u>	<u>1,663,743</u>
Total capital assets being depreciated, net	<u>602,173</u>	<u>(69,719)</u>	<u>--</u>	<u>532,454</u>
Governmental activities capital assets, net	<u>\$ 702,173</u>	<u>(69,719)</u>	<u>--</u>	<u>632,454</u>

Buildings, furniture and equipment and improvements are being depreciated using the straight-line method over the estimated useful lives, currently ranging from 3 to 39 years.

TRAILER ESTATES PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

NOTE D – SUBSEQUENT EVENTS

The District has evaluated all subsequent events through March 10, 2010, the date the financial statements were available to be issued. Subsequent to year-end, the District obtained about \$600,000 of loans from residents. These notes will mature over the next three years, and bear interest at 3-5%.

No other material subsequent events occurred which would have a material impact on the District's financial statements, except as disclosed below.

NOTE E – LAWSUIT

The District, including current and former Trustees, is involved in a lawsuit with two residents, who seek declaratory relief and reasonable legal fees, in regard to alleged violations of Florida's Sunshine Laws and/or Public Records Laws. No monetary damages have been claimed by the Plaintiffs in this case, although the cost of defense is likely to be in excess of \$500,000. Legal fees of \$180,122 are included in accounts payable at September 30, 2009.

In the event of the violations of the Florida Government in the Sunshine Law or Public Records Act are found to exist, the District could be responsible for any reasonable attorneys fees and costs incurred by the Plaintiffs related to the pursuit of those claims, in addition to those of the counsel of Trailer Estates and counsel of individual Trustees which have been named in the litigation. It is likely that the Plaintiffs will claim entitlement to attorney's fees in the hundreds of thousands of dollars in the event that they prevail on their claims.

The outcome of this case is uncertain at this time.

OTHER REPORTS



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

Board of Trustees
Trailer Estates Park & Recreation District
Bradenton, Florida

We have audited the financial statements of the Trailer Estates Park & Recreation District as of and for the year ended September 30, 2009, and have issued our report thereon dated March 10, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Trailer Estates Park & Recreation District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Trailer Estates Park & Recreation District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Trailer Estates Park & Recreation District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal controls.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Trailer Estates 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*.

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

CPA Associates

Bradenton, Florida
March 10, 2010



INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Board of Trustees
Trailer Estates Park & Recreation District
Bradenton, Florida

We have audited the financial statements of the Trailer Estates Park & Recreation District, as of and for the fiscal year ended September 30, 2009, and have issued our report thereon March 10, 2010.

We conducted our audit in accordance with United States Generally Accepted Auditing Standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which are dated March 10, 2010, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports.

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 findings or recommendations in the preceding audit report.

As required by the Rules of the Auditor General (Section 10.554(1)(i)2.), the scope of our audit included a review of the provisions of Section 218.415 Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the Trailer Estates Park & Recreation District complied with Section 218.415, Florida Statutes.

The Rules of the Auditor General (Section 10.554(1)(i)3.) require that we address in the management letter any findings and recommendations to improve financial management. In connection with our audit, we noted several items that are included in the Current year Findings and Recommendations.

The Rules of the Auditor General (Section 10.554 (1) (i) 4) require disclosure in the management letter of any violations of provisions of contracts and grant agreements or abuse which have an effect on the financial statements that is less than material but more than inconsequential. There were no such matters noted.

The Rules of the Auditor General (Section 10.554(1)(i)5.) provide that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on the financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse, and (2) control deficiencies that are not significant deficiencies. There are no matters of this type that require disclosure.

The Rules of the Auditor General (Section 10.554(1)(i)6.) also require that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The Trailer Estates Park & Recreation District disclosed the required information in the notes to the financial statements.

As required by the Rules of the Auditor General (Section 10.554(1)(i)7.a.), a statement must be included as to whether or not the local government entity 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 Trailer Estates Park & Recreation District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

As required by the Rules of the Auditor General (Section 10.554(1)(i)7.b.), we determined that the annual financial report for the Trailer Estates Park & Recreation District for the fiscal year ended September 30, 2009, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2009.

As required by the Rules of the Auditor General (Sections 10.554(i)7.c. and 10.556(7), we applied financial condition assessment procedures as of and for the year ended September 30, 2009. It is management's responsibility to monitor the entity's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management, and the State of Florida Office of the Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

CPA Associates

Bradenton, Florida
March 10, 2010

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

(09-1) **Back-up “Quickbooks” Information**

During the audit, we noted that the back-up computer containing the “Quickbooks” accounting information was kept in the Treasurer’s office, which is located in the same building as the computer utilized to process and record the activity, by the District’s Office Manager. This situation would allow for the possibility that the same disaster could destroy both the original and the back-up information at the same time.

We recommend that the back-up computer be stored at another site, away from the offices of the District, to prevent the same potential disaster from destroying both sets of information.

(09-2) **Marina Rentals**

As discussed with the Treasurer during the prior year audit, we believe that an additional control related to the marina slip rentals would provide management and the Board with assurance that all rental monies have been collected and recorded in the financial and accounting records of the District. Current procedures require the issuance of cash receipts for all monies collected, which provides assurance that the monies collected by District office staff are deposited into the District bank account. However, there is a possibility that not all rentals have been billed or collected.

We recommend that the District develop a worksheet based on occupancy, prepared by a person other than the Dock Master and the Office Manager, which will provide information to demonstrate the reasonableness of the rental revenues collected and recognized in the Quickbooks accounting records. This information should be reviewed by the Treasurer on a periodic basis.

(09-3) **Journal Entries**

During the audit, there were 12 adjusting journal entries required to convert the modified cash basis accounting records maintained by the District, and to properly present entity-wide and fund financial statements in accordance with accounting principles generally accepted in the United States of America as applicable to governmental entities. While the information for these entries was provided by District personnel, we believe these entries should be made prior to the commencement of the audit.

Therefore, we recommend that future year-end procedures include the adjustment of accounts that facilitate the preparation of the financial statements.

TRAILER ESTATES PARK & RECREATION DISTRICT

1903 WEST 69TH AVENUE W

BRADENTON, FLORIDA 34281

DISTRICT RESPONSES TO CURRENT YEAR FINDINGS AND RECOMMENDATIONS

(09-01) Back-up “Quick Books” Information

We recommend that the back-up computer be stored at another site, away from the offices of the District, to prevent the same potential disaster from destroying both sets of information.

In the previous year or so Trailer Estates Office personnel used the lap top in the Treasurer’s office to back up the information that had been added to the office computers. We later purchased a back up system which automatically backs up the information on the server daily. We had some problems because the back up system was only going to T. J.’s computer and not the server. After a memory crash, our computer expert worked with the back up company (Back up Solutions) and made sure that the back up is done to the server, with a back up copy maintained off site. It is no longer necessary to back up on the lap top computer.

(09-02) Marina Rentals

We recommend that the District develop a worksheet based on occupancy, prepared by a person other than the Dock master and the Office Manager, which will provide information to demonstrate the reasonability of the rental revenues collected and recognized in the Quick books accounting records. This information should be reviewed by the Treasurer on a periodic basis.

The Treasurer started receiving the Marina Boat Slip Availability Report at the end of each month starting October 31, 2009. Upon receiving the report the Treasurer goes to the Marina to make sure that the available boat slips do not have occupants. The report is also checked against the general ledger to make sure that all slips are making payments. The data base is being developed so that it will become easier when all information is added. It will take the whole fiscal year to gather the data.

(09-03) Journal Entries

Therefore, we recommend that future year-end procedures include the adjustment of accounts that facilitate the preparation of the financial statements.

We agree that the entries should be made before the audit. We will probably need guidance for the entries that are needed. After doing it once, we should be able to get it done in a timely manner, prior to the audit. The process will be documented for future use.

OTHER FINANCIAL INFORMATION



AUDITOR'S REPORT
ON CHARTS AND GRAPHS

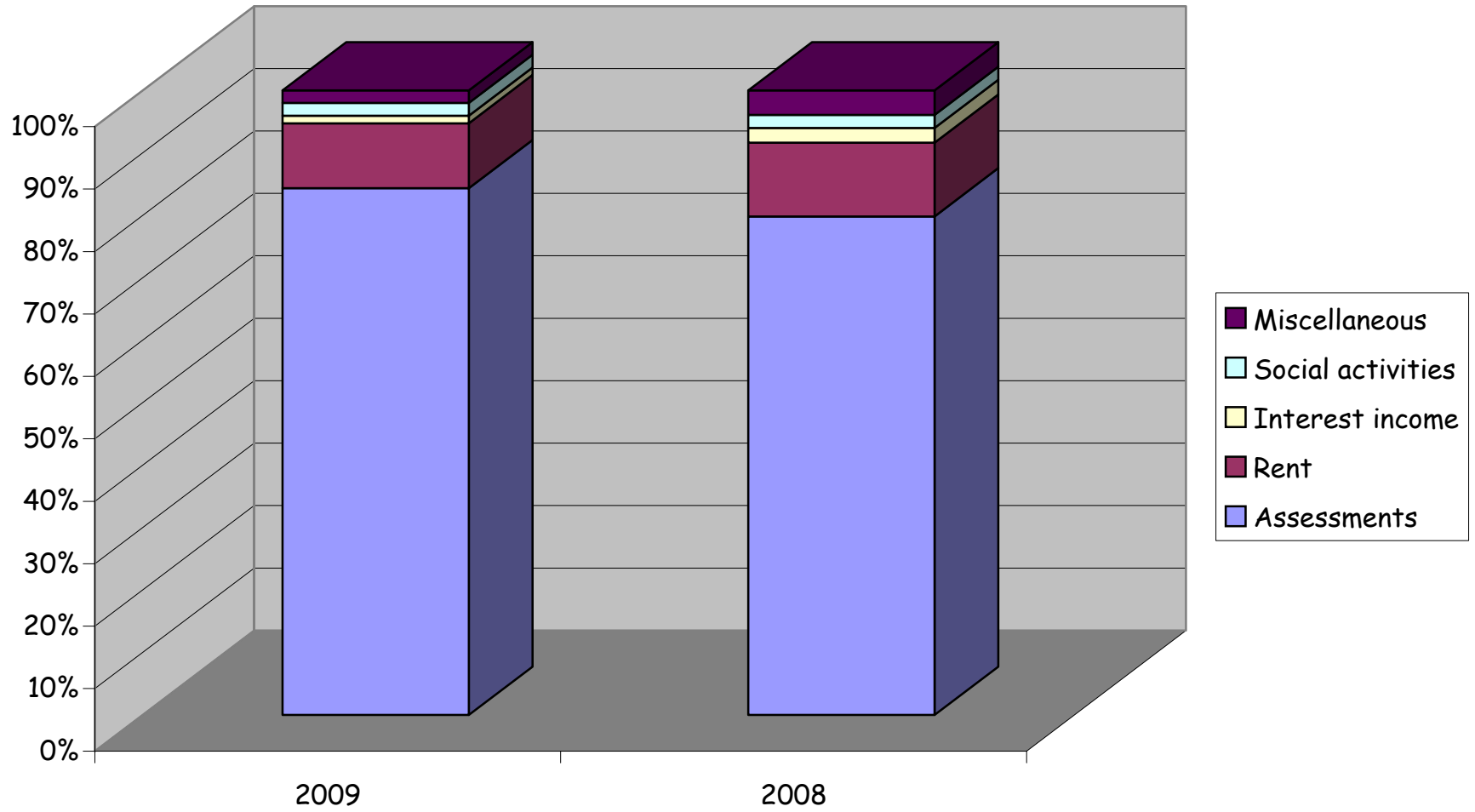
Board of Trustees
Trailer Estates Park & Recreation District
Bradenton, Florida

Our report on our audit of the basic financial statements of Trailer Estates Park & Recreation District for September 30, 2009, appears on page 1 of the audited financial statements. That audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The charts and graphs on pages 24-28 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

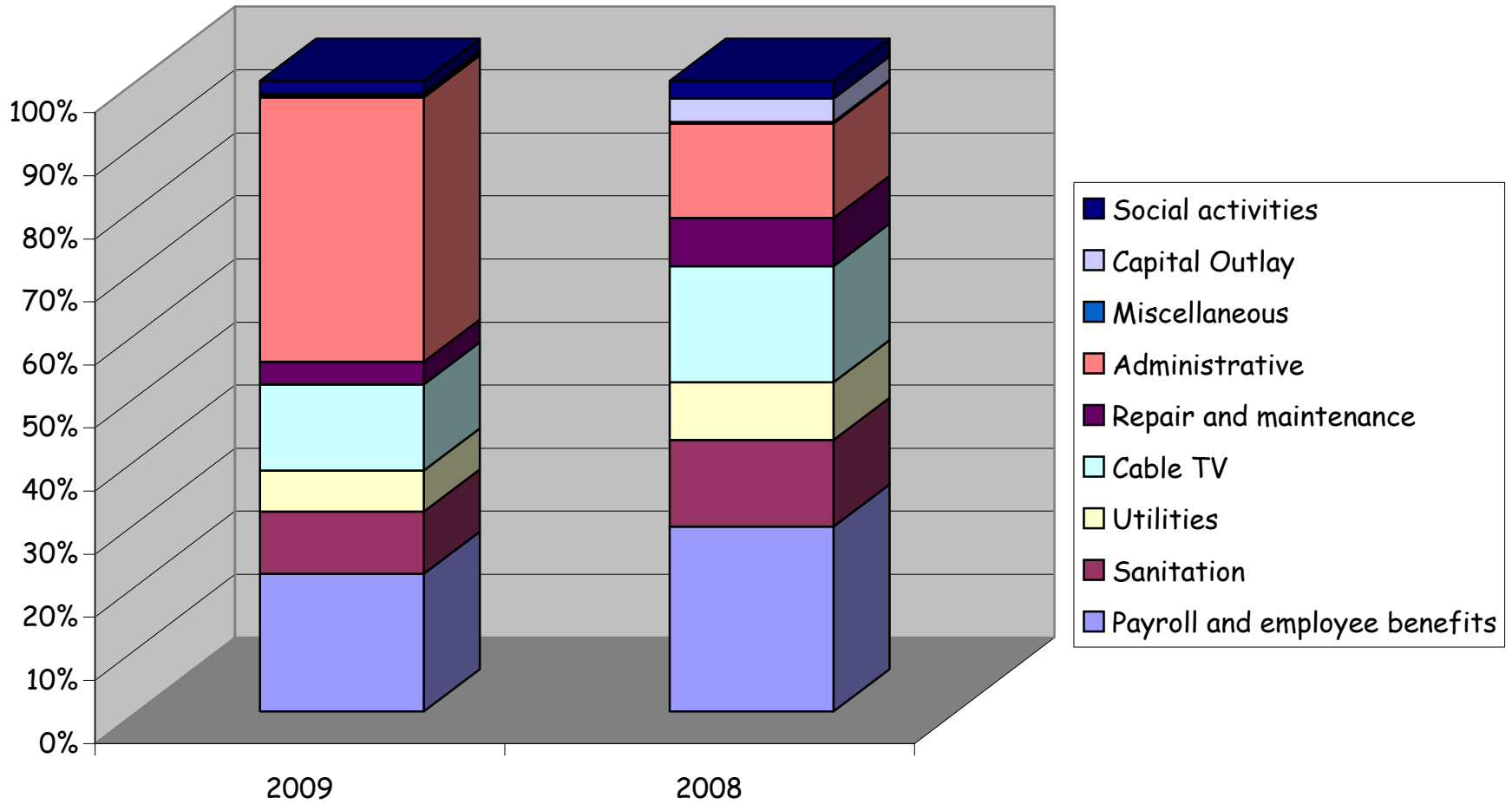
CPA Associates

Bradenton, Florida
March 10, 2010

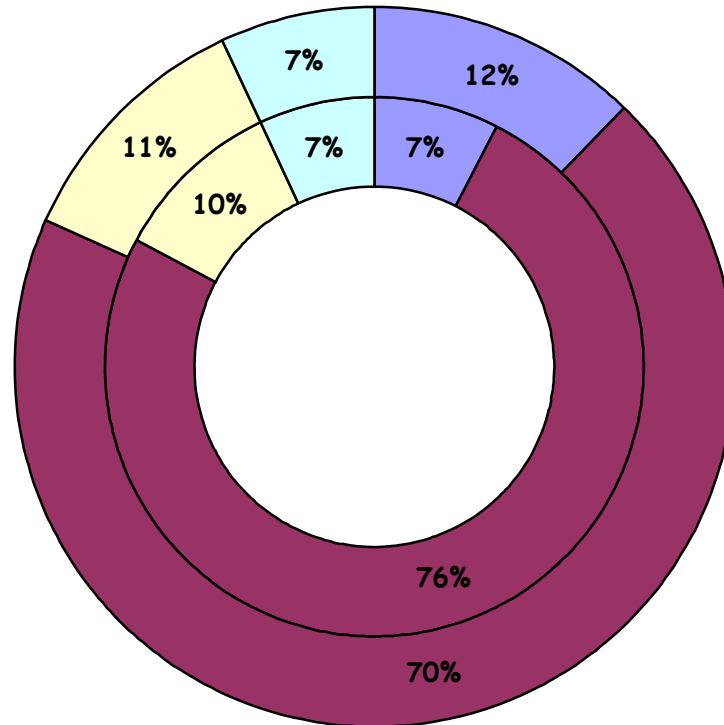
Trailer Estates Park & Recreation District Revenue Composition



Trailer Estates Park & Recreation District Expense Composition

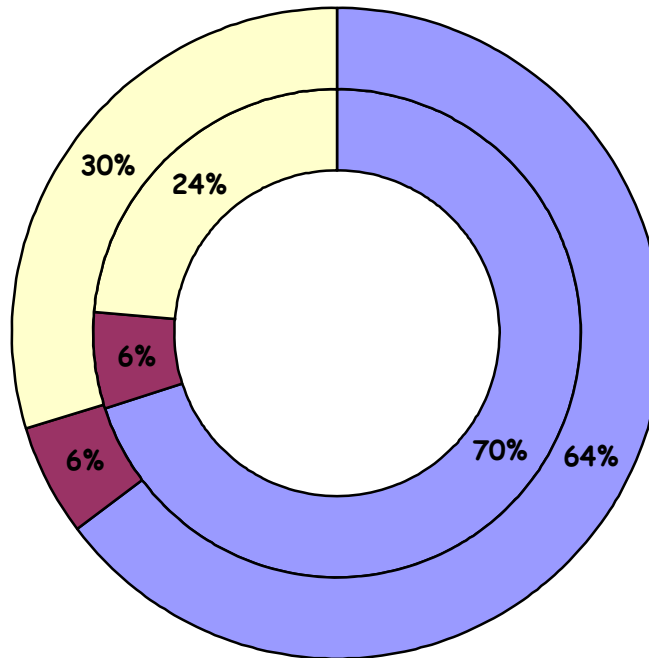


**Trailer Estates Park & Recreation District
Utilities Expense Detail
2009 (outer) vs. 2008 (inner)**



■ Telephone ■ Electric ■ Water ■ Natural Gas

**Trailer Estates Park & Recreation District
Payroll and Related Benefits Expense Detail
2009 (outer) vs. 2008 (inner)**



■ Wages ■ Employment Taxes ■ Other Benefits

**Trailer Estates Park & Recreation District
Administration Expense Detail
2009 (outer) vs. 2008 (inner)**

