

TRAILER ESTATES PARK &
RECREATION DISTRICT
BRADENTON, FLORIDA

FINANCIAL STATEMENTS

Year Ended September 30, 2006

TRAILER ESTATES PARK & RECREATION DISTRICT

2005-2006 FISCAL YEAR

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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, of Bradenton, Florida, as of and for the year ended September 30, 2006, 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.

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 examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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, 2006, 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 October 19, 2006, 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 grants, agreements and other matters. 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 2 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
October 19, 2006

MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2006
(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, 2006.

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 operation. Readers should review this MD&A along with the basic financial statements and notes enclosed.

Using the Financial Statements

This 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** increased by \$65,267 from \$1,129,047 to \$1,194,314 for the year ended September 30, 2006. This net change relates to the excess of revenues over expenditures, including depreciation expense.
- **Total Assets** increased by about \$57,000 from \$1,193,652 to \$1,250,343 and is attributed to the following elements:

	Increase/(Decrease)
Cash and cash equivalents	\$ 62,673
Accounts receivable	(5,307)
Capital assets	(3,429)
Prepaid expenses	2,619

Cash increased due to the increase in revenues for the year. Accounts receivable decreased primarily due to collections. Investments were changed to certificates of deposit in July 2006. Capital assets increased due to increased capital improvements, offset by the current depreciation expense. Prepaid expenses increased due to rate increases, and as a result of combining all insurances, (except employee) with a new insurance carrier. The payment terms vary from the various policies we had before.

MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2006
(Unaudited)

- **Total Liabilities** decreased by about \$8,500 from \$64,605 to \$56,029 due to the following items:

	Increase/(Decrease)
Accounts payable	\$ (14,011)
Deferred rental revenue	2,917
Due to clubs	3,976
Refundable deposits	380
Accrued payroll liabilities	(1,838)

Accounts payable decreased primarily due to less committed funds for capital items in progress. Deferred rental revenue increased due to pre-payments on boat slips, the marina, and storage lot rentals. Refundable deposits are a reflection of those deposits made for activity keys, particularly by renters. Accrued payroll liabilities are taxes owed on payroll that were collected in September and paid in October. The due to clubs has been enhanced to include all donations from organizations that have been set aside for an improvement somewhere in the park. This money does not come out of the general fund.

- **Total Revenues** increased by about \$78,000 from \$958,388 to \$1,036,615. The increase is attributed to the following:

	Increase/(Decrease)
Assessments	\$ 77,472

The tax increment revenue (assessments) increased due to an increase in the tax base for the District's respective target areas.

- **Total General Fund Expenditures** increased by about \$50,000 from \$917,669 to \$967,919 primarily due to the following:

	Increase/(Decrease)
Payroll and employee benefits	\$ 16,029
Utilities	(7,361)
Cable TV	8,773
Repair and maintenance	25,908
Administrative	22,774
Capital outlay	(16,332)

Payroll and employee benefits increased due to an across the board increase in pay rates and an increase in employee health insurance. Utilities decreased largely due to the new system at the pool to heat the water. Cable TV is a contract increase. Repair and maintenance increased due to the replacement of equipment due to age and general improvements with cost increases due to economic conditions. Capital outlay decreased as a result of not finishing some projects (pool)

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2006

(Unaudited)

before the end of the fiscal year. Administrative expenses include the cost of election, county taxes, legal fees, accounting fees and insurance. The increase is due largely to the increase in insurance premiums that was done in April-May. This premium combined all types of coverage from prior insurance carriers and added liability coverage to some areas that were not covered in the past. It also includes errors and omissions coverage on the Board of Trustees.

- **General Fund Budget Comparison:** Prior to the fiscal year, the District's Board of Trustees developed its original budget. A statement showing the District's original and final budget compared with actual operating results is presented in the financial statements.

The district's year-end results were better than had been budgeted. Revenues were increased due to an increase in investment income and social activities. Total expenditures were under budget \$64,406, primarily due to capital outlay improvements not completed, payroll and employee benefits under budget.

Capital Assets

At September 30, 2006, total capital assets of \$758,831 are presented net of accumulated depreciation of \$1,502,118.

There was \$65,786 of capital assets added during the fiscal year, and some fully depreciated items were retired. Current depreciation expense of \$68,286 was recognized in 2006.

Economic Factors and Next Year's Budget

The budget for fiscal year 2006-2007 will be impacted by \$24.00 per living unit increase in the tax rate. This increase has been necessitated by normal increases in cost of amenities. No other major changes are anticipated at this time.

TRAILER ESTATES PARK & RECREATION DISTRICT
STATEMENT OF NET ASSETS
September 30, 2006

Assets:	
Cash and cash equivalents	\$ 190,465
Investments	270,207
Accounts receivable	2,914
Prepaid expenses	27,926
Capital assets (net of accumulated depreciation)	
Land	100,000
Buildings	432,865
Equipment	77,667
Improvements	<u>148,299</u>
Total assets	<u>1,250,343</u>
Liabilities:	
Accounts payable and accruals	23,970
Deferred rental revenue	6,556
Due to clubs	4,029
Refundable deposits	<u>21,474</u>
Total liabilities	<u>56,029</u>
Excess of revenues	
Invested in capital assets, net of related debt	758,831
Unrestricted	<u>435,483</u>
Total net assets	<u><u>\$ 1,194,314</u></u>

TRAILER ESTATES PARK & RECREATION DISTRICT
 STATEMENT OF ACTIVITIES
 Year Ended September 30, 2006

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (expense) Revenue and Change in Net Assets of the Primary Government</u>
Function/programs of primary government:					
Governmental activities:					
Culture and recreation	\$ 970,418	168,775	--	4,009	(797,634)
General revenues:					
Assessments					846,302
Investment income					16,599
Total general revenues					<u>862,901</u>
Change in net assets					65,267
Net assets - beginning					<u>1,129,047</u>
Net assets - ending					<u>\$ 1,194,314</u>

TRAILER ESTATES PARK & RECREATION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS - GENERAL FUND
September 30, 2006
(with comparative totals for 2005)

	2006	2005
ASSETS		
Cash and cash equivalents	\$ 190,465	127,792
Accounts receivable	2,914	8,221
Prepaid expenses	27,926	25,307
Investments	270,207	270,072
TOTAL ASSETS	\$ 491,512	431,392
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable and accruals	\$ 23,970	39,819
Deferred rental revenue	6,556	3,639
Refundable deposits	21,474	21,094
Due to clubs	4,029	53
Total liabilities	56,029	64,605
Fund Equity:		
Fund balance		
Unreserved - undesignated	435,483	366,787
Total fund equity	435,483	366,787
Excess of revenues	\$ 491,512	431,392
Fund balance - above	\$ 435,483	
Capital assets used in governmental activities are not financial resources, therefore, are not reported in the funds.	758,831	
Net assets of governmental activities - page 5	\$ 1,194,314	

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, 2006
 (with comparative totals for 2005)

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)	2005 Actual
Revenues:					
Assessments	\$ 847,051	847,051	846,302	(749)	768,830
Rent	127,580	127,580	125,429	(2,151)	104,249
Investment income	12,000	12,000	16,599	4,599	9,781
Social activities	16,500	16,500	22,977	6,477	18,843
Miscellaneous	29,194	29,194	25,308	(3,886)	56,685
Total revenues	1,032,325	1,032,325	1,036,615	4,290	958,388
Expenditures:					
Current:					
Culture and recreation:					
Payroll and employee benefits	320,000	320,000	292,433	27,567	276,404
Sanitation	138,500	138,500	133,244	5,256	133,575
Utilities	96,400	96,400	85,526	10,874	92,887
Cable TV	179,000	179,000	180,585	(1,585)	171,812
Repair and maintenance	85,000	85,000	81,150	3,850	55,242
Administrative	102,425	102,425	99,311	3,114	76,537
Social activities	31,000	31,000	28,709	2,291	29,094
Miscellaneous	--	--	1,175	(1,175)	--
Capital outlay	80,000	80,000	65,786	14,214	82,118
Total expenditures	1,032,325	1,032,325	967,919	64,406	917,669
Excess of revenues over expenditures	--	--	68,696	68,696	40,719
Fund balance - October 1, 2005	366,787	366,787	366,787	--	326,068
Fund balance - September 30, 2006	<u>\$ 366,787</u>	<u>366,787</u>	<u>435,483</u>	<u>68,696</u>	<u>366,787</u>
Excess of revenues over expenditures - above			\$ 68,696		

Amounts reported for governmental activities in the statement of activities (page 6) 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 (\$68,285) exceeded capital outlays (\$65,786) and the loss on asset disposition (\$930) in the current period.

(3,429)

Change in net assets of governmental activities (page 6)

\$ 65,267

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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, and 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 but 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 primary government. 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 is offset by program revenues. *Direct Expenses* are those that are clearly identifiable with a specific function or segment. *Program Revenues* include: (1) charges to customers 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

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 will prepare a preliminary budget to be presented to the Administrative Committee. The Administrative Committee approves the preliminary budget and presents it to the Board of Trustees at the March Board of Trustees meeting. 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

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 financial 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% of up to 100 hours after 20 years and the attainment of age 55, or with any number of years while reaching age 65. No current employees have 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.

NOTE B – CASH AND CASH EQUIVALENTS

At September 30, 2006, the carrying amount of the District's deposits was \$190,465 and the bank balance was \$216,434, with the primary difference resulting from outstanding checks and deposits recorded as income and expenses on the District's records. The deposits were insured by the Federal Deposit Insurance Corporation or were fully collateralized with securities by the District's financial institution in accordance with Chapter 280, Florida Statutes.

TRAILER ESTATES PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

NOTE C - ~~INVESTMENTS~~

The District closed its securities investment account held at NatCity Investments and invested the funds in certificates of deposits with RBC Centura Bank. The District holds three, thirteen month certificates of deposit, each earning 5.45 percent interest annually. The value of all investments at year-end totaled \$270,207. 6

Florida Statute Chapter 215 authorizes the District to invest in the following:

1. Negotiable direct obligations of the United States Government.
2. Interest bearing time deposits of banks organized under the laws of Florida, national banks organized under the laws of the United States, and savings and loan associations under state of Florida supervision provided that such depositories are secured by collateral as prescribed by Florida Statute.
3. Obligations of Federal Farm Credit Banks, Federal Home Loan Mortgage Corporation, Federal Home Loan Bank, or obligations guaranteed by the Governmental National Mortgage Association.
4. The Local Governmental Surplus Trust Fund.
5. No more than 25% of any fund in bonds, notes, or obligations of any municipality or political subdivision or any agency or authority of the state of Florida, rated by two nationally recognized rating services.

The District's investments made during the year were in compliance with those authorized by Florida Statutes.

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TRAILER ESTATES PARK & RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS

NOTE D – CAPITAL ASSETS

Changes in capital assets by major classes of assets during the year ended September 30, 2006 consist of:

	<u>Balance</u> 10/01/05	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> 09/30/06
Governmental activities: Capital assets not being depreciated:				
Land	\$ 100,000	--	--	100,000
Other capital assets:				
Buildings	1,352,375	--	--	1,352,375
Furniture and equipment	247,368	26,977	27,485	246,860
Improvements	522,905	38,809	--	561,714
Total capital assets at cost:	<u>2,222,648</u>	<u>65,786</u>	<u>27,485</u>	<u>2,260,949</u>
Less accumulated depreciation for:				
Buildings	881,027	38,483	--	919,510
Furniture and equipment	179,188	16,561	26,556	169,193
Improvements	400,173	13,242	--	413,415
Total accumulated depreciation	<u>1,460,388</u>	<u>68,286</u>	<u>26,556</u>	<u>1,502,118</u>
Governmental activities capital assets, net	<u>\$ 762,260</u>	<u>(2,500)</u>	<u>(929)</u>	<u>758,831</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.

OTHER REPORTS



Certified Public Accountants
and Consultants

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

We have audited the financial statements of the Trailer Estates Park & Recreation District as of and for the year ended September 30, 2006, and have issued our report thereon dated October 19, 2006. 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 in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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, 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
October 19, 2006



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, 2006, and have issued our report thereon dated October 19, 2006.

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 Compliance and Internal Control over financial reporting. Disclosures in that report, which is dated October 19, 2006, should be considered in conjunction with this management letter.

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

The Rules of the Auditor General (Section 10.554(1)(h)1.) require that we address in the management letter, if not already addressed in the auditor's reports on compliance and internal controls whether or not recommendations made in the preceding annual financial audit report have been followed. The recommendations made in the preceding annual financial audit report have been followed.

As required by the Rules of the Auditor General (Section 10.554(1)(h)2.), the scope of our audit included a review of the provisions of Section 218.415., Florida Statutes, regarding 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)(h)3.) require that we address in the management letter any findings and recommendations to improve financial management, accounting procedures, and internal controls. In connection with our audit, we believe the District should invoice all boat slip rental payments thru the "Quickbooks" invoicing system, never taking cash for these services without an invoice. This would provide an adequate accounting trail for this type of miscellaneous revenues.

The Rules of the Auditor General (Section 10.554(1)(h)4.) require disclosure in the management letter of the following matters if not already addressed in the auditor's reports on compliance and internal controls or schedule of findings and questioned costs and are not clearly inconsequential: (1) violations of laws, rules, regulations, and contractual provisions that have occurred, or are likely to have occurred; (2) improper or illegal expenditures; (3) improper or inadequate accounting procedures (e. g., the omission of required disclosures from the financial statements); (4) failures to properly record financial transactions; and (5) other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. There are no matters of this type that require disclosure.

The Rules of the Auditor General (Section 10.554(1)(h)5.) also require that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The Trailer Estates Park & Recreation District disclosed the required information in the footnotes to the financial statements.

As required by the Rules of the Auditor General (Section 10.554(1)(h)6.a.), a statement must be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes. In connection with our audit, we determined that the 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)(h)6.b.), we determined that the annual financial report for the Trailer Estates Park & Recreation District for the fiscal year ended September 30, 2006, 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, 2006.

As required by the Rules of the Auditor General (Sections 10.554(h)6.c. and 10.556(7)), we applied financial assessment procedures as of and for the year ended September 30, 2006. 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. No findings were noted in this regard.

This management letter is intended solely for the information of the Trailer Estates Park & Recreation District and 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

CPA Associates

Bradenton, Florida
October 19, 2006



AUDITOR'S REPORT
ON CHARTS AND GRAPHS

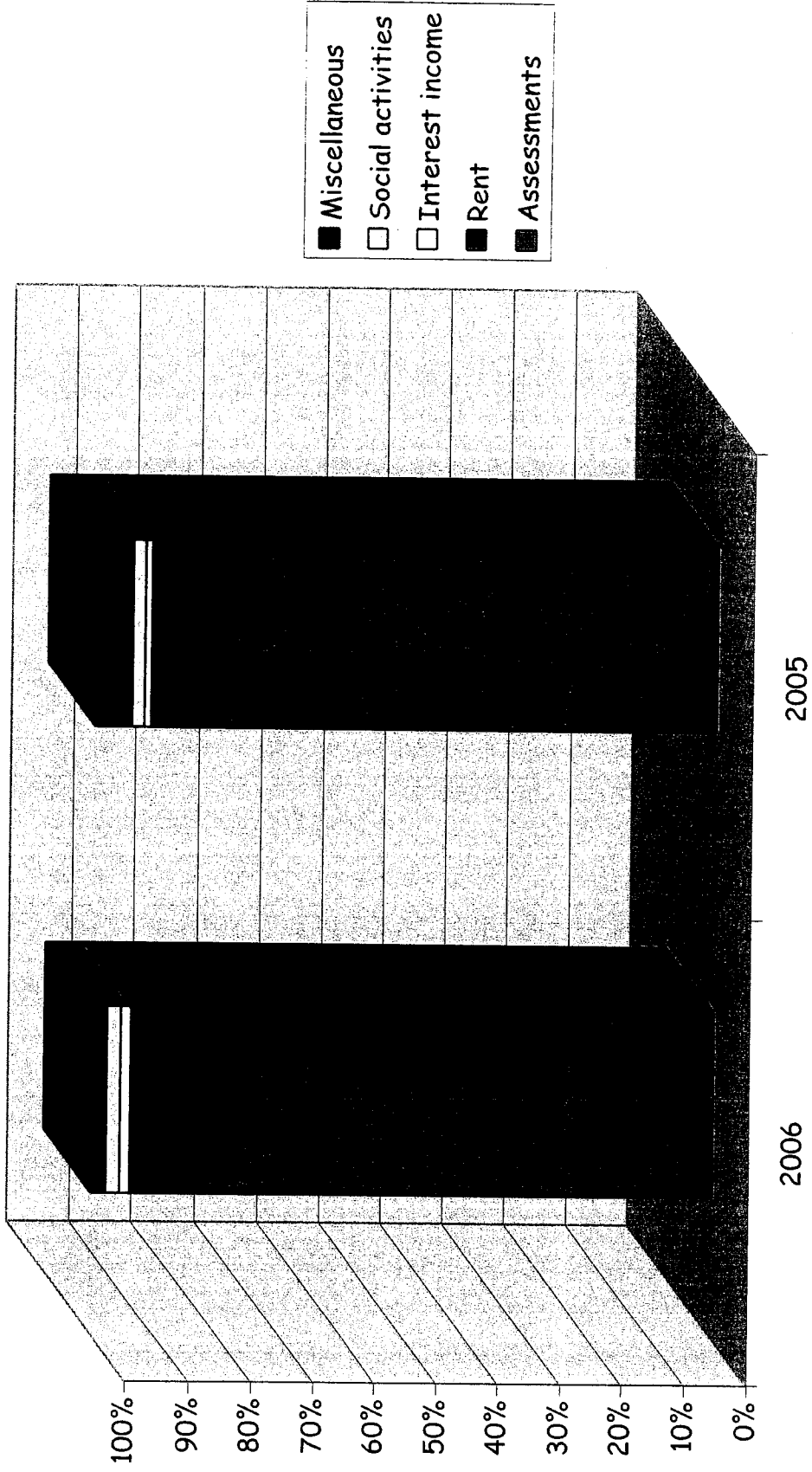
Board of Trustees
Trailer Estates Park & Recreation District
Bradenton, Florida

Our report on our audit of the basic financial statements of Trailer Estates Park & Recreation District for September 30, 2006, 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 18-22 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.

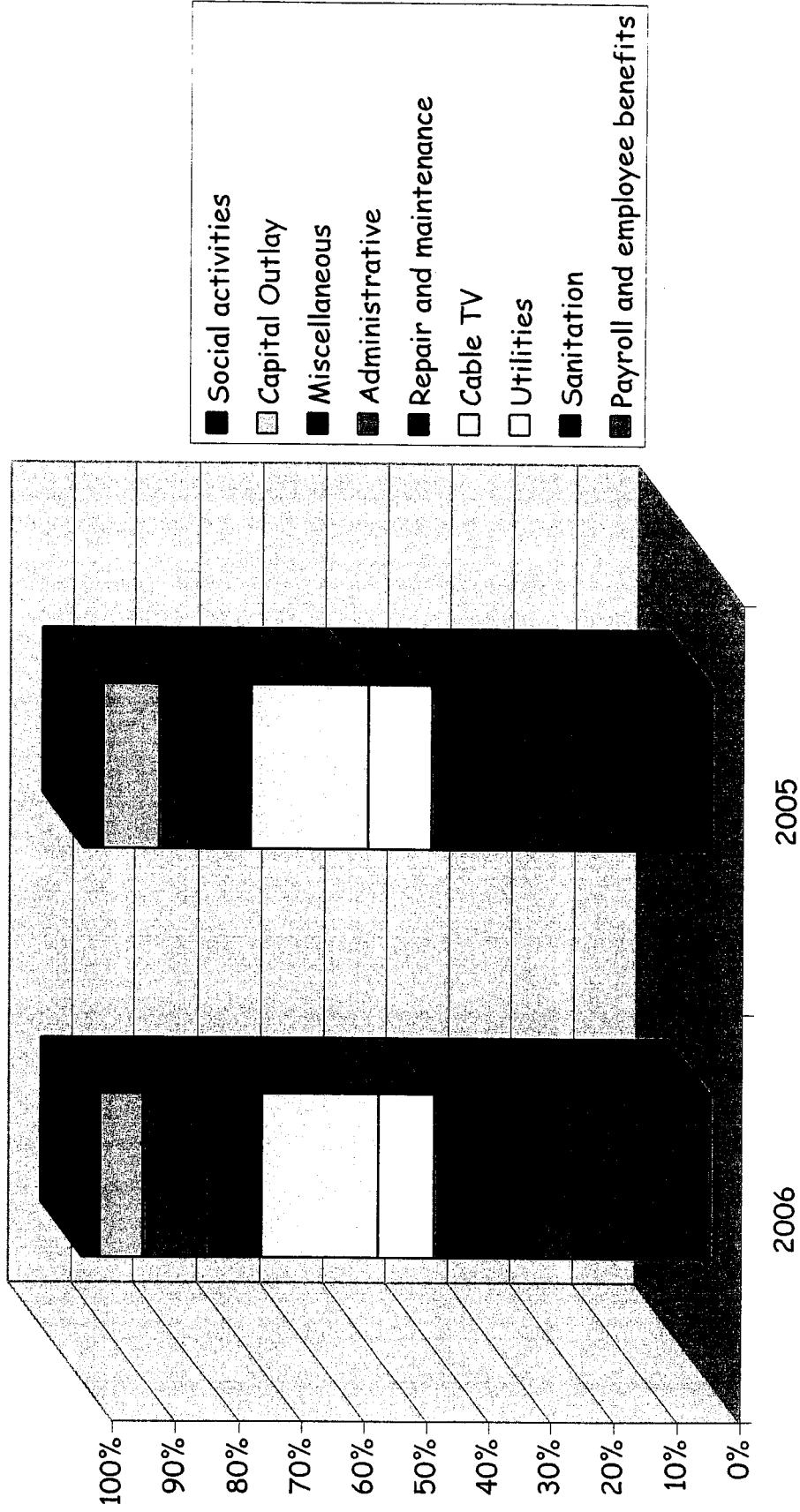
CPA Associates

Bradenton, Florida
October 19, 2006

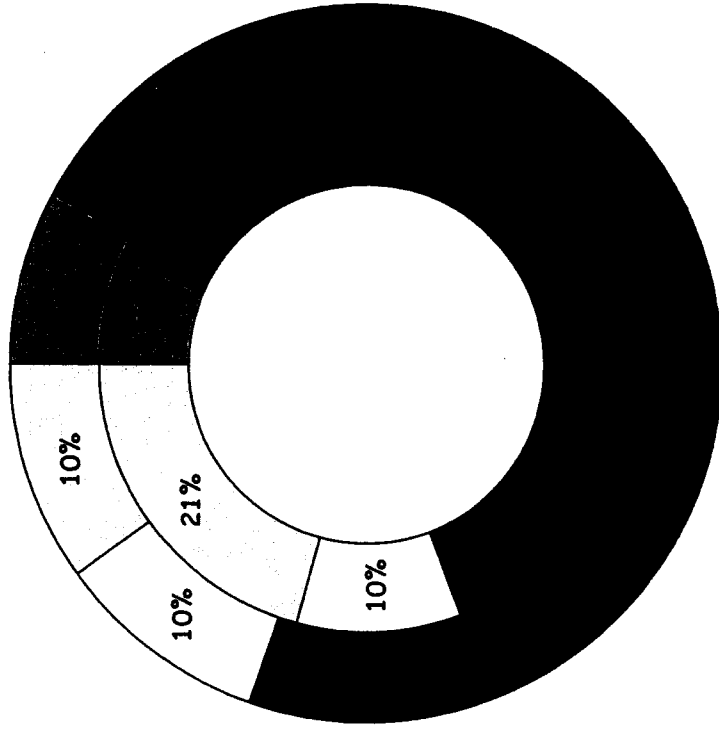
Trailer Estates Park & Recreation District Revenue Composition



Trailer Estates Park & Recreation District Expense Composition

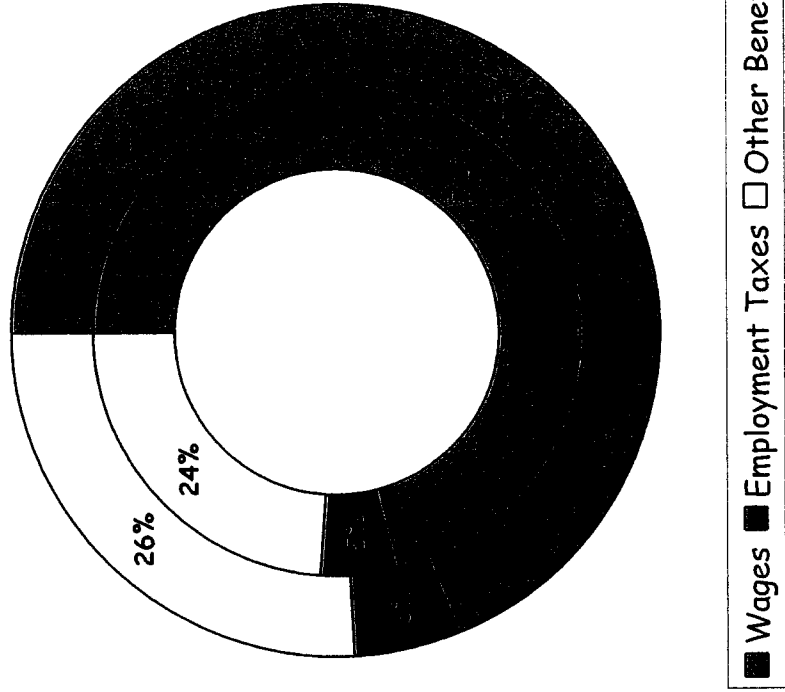


Trailer Estates Park & Recreation District
Utilities Expense Detail
2006 (outer) vs. 2005 (inner)

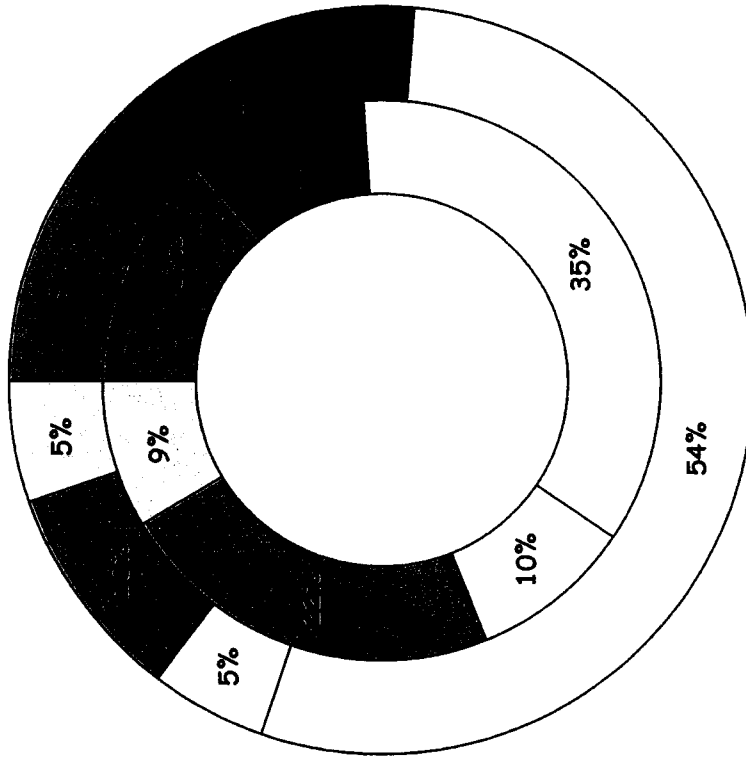


■ Telephone ■ Electric □ Water □ Natural Gas

**Trailer Estates Park & Recreation District
Payroll and Related Benefits Expense Detail
2006 (outer) vs. 2005 (inner)**



**Trailer Estates Park & Recreation District
Administration Expense Detail
2006 (outer) vs. 2005 (inner)**



Accounting
 Legal
 Insurance
 Office
 County and Sales Tax
 Other