

**THE COVE AT  
BAY PORT COLONY - SPECIAL  
DEPENDENT TAX DISTRICT  
Hillsborough County, Florida  
for the year ended SEPTEMBER 30, 2014  
FINANCIAL STATEMENTS**

*King & Walker, CPAS, PL*

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*CERTIFIED PUBLIC ACCOUNTANTS*

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**THE COVE AT BAY PORT COLONY -  
SPECIAL DEPENDENT TAX DISTRICT  
HILLSBOROUGH COUNTY, FLORIDA**

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## **Independent Auditor's Report**

To the Board of Trustees, The Cove at Bay Port Colony Special Dependent Tax District  
Hillsborough County, Florida  
Tampa, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of The Cove at Bay Port Colony Special Dependent Tax District ("District"), Hillsborough County, Florida, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the 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.

#### ***Auditor's 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 *Governmental 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 opinion.

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District, as of September 30, 2014, and the respective changes in financial position thereof for the year 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, the Budgetary Comparison Schedule, and the Note to Required Supplementary Information, as listed on 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 historic 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 methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2014 on our consideration of The Cove at Bay Port Colony Special Dependent Tax District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Cove at Bay Port Colony Special Dependent Tax District's internal control over financial reporting and compliance.

Respectfully submitted,

Handwritten signature in black ink that reads "King & Walker, CPAs". The signature is written in a cursive, flowing style.

November 5, 2014  
Tampa, Florida

**THE COVE AT BAY PORT COLONY -  
SPECIAL DEPENDENT TAX DISTRICT  
HILLSBOROUGH COUNTY, FLORIDA  
Management's Discussion and Analysis - Unaudited**

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As management of The Cove at Bay Port Colony Special Dependent Tax District (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, 2014.

***Background***

The Cove at Bay Port Colony Special Dependent District (District) was created by Hillsborough County Ordinance #88-45, pursuant to Section 189.4041(4), Florida Statutes, in December 1988, for the purpose of continued development, administration and maintenance of the common areas of The Cove at Bay Port Colony, a 357 parcel subdivision in eastern Hillsborough County, Florida.

The District is Special Dependent Tax District as defined in Section 189.403, Florida Statutes. The governing body of the District is the Board of Trustees, which is comprised of seven members. The general operating authority of the District is contained in Section 189.404, Florida Statutes.

***Financial Highlights***

- The assets of the District exceeded its liabilities (net position) at the close of the most recent fiscal year by \$85,136.
- The District's total net position increased \$10,785 from the prior fiscal year.
- Revenues from tax assessments were materially unchanged from the prior fiscal year.
- The District's general operating expenses increased by \$1,494 during the current fiscal year, primarily due to an increase in repairs and maintenance expenses.

***Overview of the Financial Statements***

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

***Government-Wide Financial Statements Reporting the District as a Whole.***

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

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

The statement of activities presents information 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.

The government-wide financial statements can be found on the pages that follow.

**THE COVE AT BAY PORT COLONY -  
SPECIAL DEPENDENT TAX DISTRICT  
HILLSBOROUGH COUNTY, FLORIDA  
Management's Discussion and Analysis - Unaudited**

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***Fund Financial Statements***

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

**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 funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District adopts an annual appropriated budget for its special revenue fund. A budgetary comparison statement has been provided for the special revenue fund to demonstrate compliance with this budget.

The basic government fund financial statements can be found on the pages that follow.

***Notes to the Financial Statements***

The notes provide additional information that is essential to full understanding of the data provide in the government-wide and fund financial statements. The notes to the financial statements can be found following the government-wide financial statements.

**THE COVE AT BAY PORT COLONY -  
SPECIAL DEPENDENT TAX DISTRICT  
HILLSBOROUGH COUNTY, FLORIDA  
Management's Discussion and Analysis - Unaudited**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government's financial position. The following is a summary of the District's net position as of September 30, 2013 and 2014:

	<b>Net Position, End of Year</b>		
	<u>Governmental Activities</u>		
	<u>9-30-13</u>	<u>9-30-14</u>	<u>Increase (Decrease)</u>
<b>ASSETS</b>			
Current Assets	\$ 32,807	\$ 46,450	\$ 13,643
Capital Assets, Net	41,706	38,764	(2,942)
<b>Total Assets</b>	<u>74,513</u>	<u>85,214</u>	<u>10,701</u>
<b>LIABILITIES</b>			
Current Liabilities	162	78	(84)
<b>Total Liabilities</b>	<u>162</u>	<u>78</u>	<u>(84)</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	41,706	38,764	(2,942)
Unrestricted	32,645	46,372	13,727
<b>Total Net Position</b>	<u>\$ 74,351</u>	<u>\$ 85,136</u>	<u>\$ 10,785</u>

**THE COVE AT BAY PORT COLONY -  
SPECIAL DEPENDENT TAX DISTRICT  
HILLSBOROUGH COUNTY, FLORIDA  
Management's Discussion and Analysis - Unaudited**

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The key elements of the changes in the District's net position for the fiscal years ended and September 30, 2013 and 2014 are as follows:

<b>Operating Results for the Year</b>			
<u>Governmental Activities</u>			
	<u>9-30-13</u>	<u>9-30-14</u>	<u>Increase (Decrease)</u>
<b>Revenues:</b>			
Non-ad valorem Taxes	\$ 51,940	\$ 51,897	\$ (43)
Insurance Proceeds	-	6,550	6,550
<b>Total Revenues</b>	<u>51,940</u>	<u>58,447</u>	<u>6,507</u>
<b>Expenses:</b>			
Current Operations - Environment:			
Accounting & Auditing	1,200	1,200	-
Utilities	2,867	1,956	(911)
Insurance	375	187	(188)
Repairs and Maintenance	36,805	39,439	2,634
Other Charges & Fees	345	397	52
Office Supplies	91	-	(91)
Tax Collector/Property Appraiser Fees	1,543	1,541	(2)
Depreciation	2,942	2,942	-
<b>Total Expenses</b>	<u>46,168</u>	<u>47,662</u>	<u>1,494</u>
<b>Increase/(Decrease) in Net Position</b>	<u>\$ 5,772</u>	<u>\$ 10,785</u>	<u>\$ 5,013</u>

***Other Information***

Required supplementary information is required by the Governmental Accounting Standards Board and includes reports on internal control, compliance with laws and regulations, and budgeting comparisons. These reports are also an integral part of the audited financial statements.

**THE COVE AT BAYPORT COLONY -  
SPECIAL DEPENDENT TAX DISTRICT  
HILLSBOROUGH COUNTY, FLORIDA  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2014**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash	\$ 46,325
Deposits	125
Net Capital Assets	<u>38,764</u>
Total Assets	<u>85,214</u>
<b>LIABILITIES</b>	
Accounts Payable	<u>78</u>
Total Liabilities	<u>78</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	38,764
Restricted	<u>46,372</u>
Total Net Position	<u><u>\$ 85,136</u></u>

The accompanying notes are an integral part of the basic financial statements.

**THE COVE AT BAYPORT COLONY -  
SPECIAL DEPENDENT TAX DISTRICT  
HILLSBOROUGH COUNTY, FLORIDA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Expenses	Program Revenues	Net Revenue/ (Expense) and Change in Net Position <u>Governmental</u> <u>Activities</u>
<b>Functions/Programs:</b>			
Governmental Activities:			
Environmental	\$ 47,662	\$ -	\$ (47,662)
 <b>General Revenues</b>			
Taxes:			
Property			51,897
Total General Revenues			58,447
Change in Net Position			10,785
Net Position - Beginning			74,351
Net Position - Ending			\$ 85,136

The accompany notes are an integral part of the basic financial statements.

**THE COVE AT BAYPORT COLONY -  
SPECIAL DEPENDENT TAX DISTRICT  
HILLSBOROUGH COUNTY, FLORIDA  
BALANCE SHEET - GOVERNMENTAL FUND  
SEPTEMBER 30, 2014**

	Special Revenue Fund
<b>ASSETS</b>	
Cash	\$ 46,325
Deposits	125
Total Assets	\$ 46,450
 <b>LIABILITIES</b>	
Accounts Payable	\$ 78
Total Liabilities	78
 <b>FUND BALANCE</b>	
Nonspendable	125
Restricted	46,247
Total Fund Balance	46,372
Total Liabilities and Fund Balance	\$ 46,450
 <b>RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET POSITION OF GOVERNMENTAL ACTIVITIES:</b>	
Total Fund Balance - Governmental Fund	\$ 46,372
 Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	38,764
Total Net Position - Governmental Activities	\$ 85,136

The accompanying notes are an integral part of the basic financial statements.

**THE COVE AT BAYPORT COLONY -  
SPECIAL DEPENDENT TAX DISTRICT  
HILLSBOROUGH COUNTY, FLORIDA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - GOVERNMENTAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Special Revenue Fund
<b>REVENUES</b>	
Non-ad valorem taxes	\$ 51,897
Insurance Proceeds	6,550
Total Revenues	58,447
<b>EXPENDITURES</b>	
Current Operations - Environment:	
Accounting & Auditing	1,200
Utilities	1,956
Insurance	187
Repairs and Maintenance	39,439
Other Charges & Fees	397
Tax Collector/Property Appraiser Fees	1,541
Total Expenditures	44,720
Net Change in Fund Balance	13,727
Fund Balance - Beginning	32,645
Fund Balance - Ending	\$ 46,372

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE OF GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES:**

Net Change in Fund Balance - Total Governmental Fund	\$	13,727
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported in the governmental fund as expenditures. However, in the statement of activities, the cost of assets is allocated over their estimated useful lives as depreciation expense.		
This is the amount by which depreciation expense (\$2,942) exceeds capital outlays (\$0) in the current period.		
		(2,942)
Change in Net Position - Governmental Activities	\$	10,785

The accompanying notes are an integral part of the basic financial statements.

**THE COVE AT BAY PORT COLONY -  
SPECIAL DEPENDENT TAX DISTRICT  
HILLSBOROUGH COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

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

**Reporting Entity**

The Cove at Bay Port Colony Special Dependent District (District) was created by Hillsborough County Ordinance #88-45, pursuant to Section 189.4041(4), Florida Statutes, in December 1988, for the purpose of continued development, administration and maintenance of the common areas of The Cove at Bay Port Colony, a 357 parcel subdivision in Hillsborough County, Florida.

The District is special dependent tax district as defined in Section 189.403, Florida Statutes. The governing body of the District is the Board of Trustees, which is comprised of seven elected members. The general operating authority of the District is contained in Section 189.404, Florida Statutes.

Criteria for defining the reporting entity are identified and described in the Governmental Accounting Standards Board's (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Sections 2800 and 2600. These criteria were used to evaluate potential component units for which the District is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's basic financial statements to be misleading or incomplete. Based on the application of these criteria, no component units are included within the reporting entity of the District.

**Basis of Presentation**

Government-wide Financial Statements – The government-wide financial statements, including the statement of net position and statement of activities, present information about the District as a whole.

The government-wide financial statements are prepared using the economic resources measurement focus. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented to better identify the relationship between the two types of statements.

The District operated one fund as follows:

GOVERNMENTAL FUND TYPE – Special Revenue Fund - to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

**THE COVE AT BAY PORT COLONY -  
SPECIAL DEPENDENT TAX DISTRICT  
HILLSBOROUGH COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

**Basis of Accounting**

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are prepared using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year which they are levied.

The governmental fund financial statements are prepared using the modified accrual basis of accounting. Revenues are recognized when they become 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. The District considers revenues to be available if they are collected within 30 days of the end of the current fiscal year.

**Cash Deposits**

The District's cash deposits are held by a commercial bank qualified as a public depository under Florida law. All deposits are insured by Federal depository insurance.

**Capital Assets**

Expenditures for capital assets acquired or constructed for general District purposes are reported in the governmental fund that financed the acquisition or construction. The capital assets so acquired are reported at cost in the government-wide statement of net position but are not reported in the governmental fund financial statements. Capital assets are defined by the District as those costing more than \$750. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

In accordance with GASB 34, depreciation of capital assets, acquired subsequent to October 1, 2000, is computed and recorded by the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Life</u>
Other Improvements	10 years

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any items that qualify for reporting in this category.

**THE COVE AT BAY PORT COLONY -  
SPECIAL DEPENDENT TAX DISTRICT  
HILLSBOROUGH COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until then. The District does not have any items that qualify for reporting in this category.

**Net Position and Fund Balance Classification**

*Government-wide Financial Statements*

Net position is classified and reported in three components:

- Net Investment in Capital Assets – consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any borrowings that are attributed to the acquisition or improvement of those assets.
- Restricted Net Position – consists of net position with constraints placed on their use either by external groups such as creditors, contributors, or laws or regulations of other governments.
- Unrestricted Net Position – all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

*Fund Financial Statements*

GASB Codification Section 1800.142, *Fund Balance Reporting and Governmental Fund Type Definitions*, defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB requires the fund balance amounts to be reported within one of the following fund balance categories:

- Nonspendable – fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned). All nonspendable fund balances at year end relate to assets that are in nonspendable form.
- Restricted – fund balance that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.
- Committed – fund balance that can be used only for the specific purposes determined by a formal action of the District’s Board of Governance.
- Assigned – fund balance that is intended to be used by the District’s management for specific purposes but does not meet the criteria to be classified as restricted or committed.
- Unassigned – fund balance that is the residual amount for the District’s general fund and includes all spendable amounts not contained in the other classifications.

**THE COVE AT BAY PORT COLONY -  
SPECIAL DEPENDENT TAX DISTRICT  
HILLSBOROUGH COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

**Recently Issued Accounting Principles**

In March 2012, the Government Accounting Standards Board (GASB) issued GASB Statement 65, *Items Previously Reported as Assets and Liabilities*. GASB 65 clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. GASB Concepts Statement (CON) 4, *Elements of Financial Statements*, specifies that recognition of deferred outflows and deferred inflows should be limited to those instances specifically identified in authoritative GASB pronouncements. Consequently, guidance was needed to determine which balances being reported as assets and liabilities should actually be reported as deferred outflows of resources and deferred inflows of resources, according to the definitions in CON 4. Based on those definitions, GASB 65 reclassifies and recognizes certain items currently being reported as assets and liabilities as deferred outflows of resources and deferred inflows of resources. The requirements of GASB 65 were effective for the fiscal year 2014. The District does not have any items that qualify for reporting in this category.

**Revenue Sources**

The District's primary source of revenue is a tax assessed in The Cove at Bay Port Colony Subdivision on all improved residential parcels. The District is authorized to levy a non-ad valorem tax up to \$200 on each improved residential parcel of property located within the District. Property taxes are recognized in the fiscal year when they become measurable and available. The taxes are collected by Hillsborough County and remitted to the District net of an early payment discount (4% starting in November and gradually decreasing by 1% per month until March) and net of a 4% fee retained by the Property Appraiser and Tax Collector. The District approved an assessment of \$150 per improved parcel for the fiscal year.

**Estimates**

In preparing the financial statements, management is required to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

**Subsequent Events**

Management has evaluated all events subsequent to the balance sheet date and through the report date, which is the date these financial statements were available to be issued. Management determined there are no subsequent events which require disclosure.

**THE COVE AT BAY PORT COLONY -  
SPECIAL DEPENDENT TAX DISTRICT  
HILLSBOROUGH COUNTY, FLORIDA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

**NOTE 2: CHANGES IN CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2014 was as follows:

<u>GOVERNMENTAL ACTIVITIES</u>	Beginning Balance	Additions	Reductions	Ending Balance
Non-Depreciable Capital Assets:				
Wall	\$ 1,364	\$ -	\$ -	\$ 1,364
Sign	11,179	-	-	11,179
Irrigation System	7,330	-	-	7,330
Total Non-Depreciable Capital Assets	<u>19,873</u>	<u>-</u>	<u>-</u>	<u>19,873</u>
Depreciable Capital Assets:				
Wall	20,889	-	-	20,889
Signs	8,534	-	-	8,534
Lighting	240	-	-	240
Total Depreciable Assets	<u>29,663</u>	<u>-</u>	<u>-</u>	<u>29,663</u>
Less Accumulated Depreciation:				
Wall	(4,178)	(2,089)	-	(6,267)
Signs	(3,412)	(853)	-	(4,265)
Lighting	(240)	-	-	(240)
Total Accumulated Depreciation	<u>(7,830)</u>	<u>(2,942)</u>	<u>-</u>	<u>(10,772)</u>
Total Depreciable Capital Assets, Net	<u>21,833</u>	<u>(2,942)</u>	<u>-</u>	<u>18,891</u>
Governmental Activities Capital Assets, Net	<u>\$ 41,706</u>	<u>\$ (2,942)</u>	<u>\$ -</u>	<u>\$ 38,764</u>

**NOTE 3: REVENUE**

The 2013 tax roll assessments for the District were as follows:

	Amount
Non-ad Valorem Taxes Assessed	\$ 53,550
Excess Fees & Interest	297
<i>Less: Discounts &amp; Unpaid Assessments</i>	<u>(1,950)</u>
Total Non-ad Valorem Tax Revenue	<u>51,897</u>
<i>Less: Tax Collector Fees</i>	(1,027)
<i>Less: Property Appraiser Fees</i>	<u>(514)</u>
Total Remittances to the District	<u>\$ 50,356</u>

***REQUIRED SUPPLEMENTARY INFORMATION***

**THE COVE AT BAYPORT COLONY -  
SPECIAL DEPENDENT TAX DISTRICT  
HILLSBOROUGH COUNTY, FLORIDA  
BUDGETARY COMPARISON STATEMENT - GOVERNMENTAL FUND - (Unaudited)  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Original/ Final Budget	Actual	Variance with Final Budget Positive/ (Negative)
<b>REVENUES</b>			
Non-ad valorem Taxes	\$ 50,152	\$ 51,897	\$ 1,745
Total Revenues	<u>50,152</u>	<u>58,447</u>	<u>8,295</u>
<b>EXPENDITURES</b>			
Accounting & Auditing	1,500	1,200	300
Utilities	4,620	1,956	2,664
Insurance	1,000	187	813
Repairs and Maintenance	73,052	39,439	33,613
Other Charges & Fees	3,000	397	2,603
Office Supplies	200	-	200
Tax Collector/Property Appraiser Fees	2,006	1,541	465
Total Expenditures	<u>85,378</u>	<u>44,720</u>	<u>40,658</u>
Net Change in Fund Balance	(35,226)	13,727	48,953
Fund Balance - Beginning	<u>37,733</u>	<u>32,645</u>	<u>(5,088)</u>
Fund Balance - Ending	<u>\$ 2,507</u>	<u>\$ 46,372</u>	<u>\$ 43,865</u>

See Independent Auditor's Report.

**THE COVE AT BAY PORT COLONY -  
SPECIAL DEPENDENT TAX DISTRICT  
HILLSBOROUGH COUNTY, FLORIDA  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2014**

**NOTE 1: BUDGETARY BASIS OF ACCOUNTING**

The District prepares and adopts a budget for the Special Revenue Fund for the fiscal year commencing October 1 in accordance with Section 189.418(3), Florida Statutes. The operating budget is prepared on the accrual basis of accounting and presented as required supplementary information.

**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***

To the Board of Trustees, The Cove at Bay Port Colony Special Dependent Tax District  
Hillsborough County, Florida  
Tampa, 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 Cove at Bay Port Colony Special Dependent Tax District ("District"), Hillsborough County, Florida, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 5, 2014.

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of 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.

Respectfully submitted,

A handwritten signature in black ink that reads "King & Walker, CPAs". The signature is written in a cursive, flowing style.

November 5, 2014  
Tampa, Florida

## **Independent Auditor's Management Letter**

To the Board of Trustees, The Cove at Bay Port Colony Special Dependent Tax District,  
Hillsborough County, Florida  
Tampa, Florida

### **Report on the Financial Statements**

We have audited the financial statements of The Cove at Bay Port Colony Special Dependent Tax District ("District"), Hillsborough County, Florida, as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated November 5, 2014.

### **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.

### **Other Reports and Schedules**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedule, which are dated November 5, 2014, 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. The District did not have findings and recommendations made in the preceding annual financial audit report.

### **Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Cove at Bay Port Colony Special Dependent Tax District was established by Hillsborough County Ordinance #88-45, pursuant to Section 189.4041(4), Florida Statutes, in December 1988, for the purpose of continued development, administration and maintenance of the common areas of The Cove at Bay Port Colony. The District does not have any component units.

## **Financial Condition**

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that we report the results of our determination as to whether or not the 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 District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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

## **Annual Financial Report**

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the District for the fiscal year ended September 30, 2014, 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, 2014. In connection with our audit, we determined that these two reports were in agreement.

## **Special District Component Units**

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

## **Other Matters**

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

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

## **Purpose of this Letter**

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

Respectfully submitted,

A handwritten signature in black ink that reads "King & Walker, CPAs". The signature is written in a cursive, flowing style.

November 5, 2014  
Tampa, Florida