

**Forest Brooke Community
Development District**

ANNUAL FINANCIAL REPORT

September 30, 2015

**Forest Brooke Community Development District
ANNUAL FINANCIAL REPORT**

Fiscal Year Ended September 30, 2015

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REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors
Forest Brooke Community Development District
Hillsborough County, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of Forest Brooke Community Development District as of and for the year ended September 30, 2015, and the related notes to 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 an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Fort Pierce / Stuart

To the Board of Supervisors
Forest Brooke Community Development District

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, and each major fund of Forest Brooke Community Development District as of September 30, 2015, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

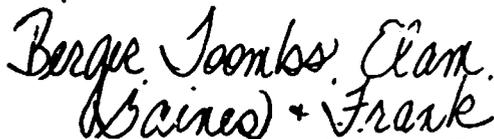
Required Supplementary Information

Governmental Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the *Governmental Accounting Standards Board* who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. 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 a report dated May 18, 2016 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts.

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 Forest Brooke Community Development District's internal control over financial reporting and compliance.



Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

May 18, 2016

**Forest Brooke Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2015**

Management's discussion and analysis of Forest Brooke Community Development District (the "District") financial performance provides an objective and easily readable analysis of the District's financial activities. The analysis provides summary financial information for the District and should be read in conjunction with the District's financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District's basic financial statements comprise three components; 1) *Government-wide financial statements*, 2) *Fund financial statements*, and 3) *Notes to financial statements*. The *Government-wide financial statements* present an overall picture of the District's financial position and results of operations. The *Fund financial statements* present financial information for the District's major funds. The *Notes to financial statements* provide additional information concerning the District's finances.

The *Government-wide financial statements* are the **statement of net position** and the **statement of activities**. These statements use accounting methods similar to those used by private-sector companies. Emphasis is placed on the net position of governmental activities and the change in net position. Governmental activities are primarily supported by special assessments.

The **statement of net position** presents information on all assets and liabilities of the District, with the difference between assets and liabilities reported as net position. Net position is reported in three categories; 1) net investment in capital assets, 2) restricted, and 3) unrestricted. Assets, liabilities, and net position are reported for all Governmental activities.

The statement of activities presents information on all revenues and expenses of the District and the change in net position. Expenses are reported by major function and program revenues relating to those functions are reported, providing the net cost of all functions provided by the District. To assist in understanding the District's operations, expenses have been reported as governmental activities. Governmental activities financed by the District include general government and debt service.

Fund financial statements present financial information for governmental funds. These statements provide financial information for the major funds of the District. Governmental fund financial statements provide information on the current assets and liabilities of the funds, changes in current financial resources (revenues and expenditures), and current available resources.

**Forest Brooke Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2015**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Fund financial statements include a **balance sheet** and a **statement of revenues, expenditures and changes in fund balances** for all governmental funds. A **statement of revenues, expenditures, and changes in fund balances – budget and actual** is provided for the District's General Fund. *Fund financial statements* provide more detailed information about the District's activities. Individual funds are established by the District to track revenues that are restricted to certain uses or to comply with legal requirements.

The *government-wide financial statements* and the *fund financial statements* provide different pictures of the District. The *government-wide financial statements* provide an overall picture of the District's financial standing. These statements are comparable to private-sector companies and give a good understanding of the District's overall financial health and how the District paid for the various activities, or functions, provided by the District. All assets of the District, including buildings and improvements, and infrastructure are reported in the **statement of net position**. All liabilities, including principal outstanding on bonds are included. The **statement of activities** includes depreciation on all long lived assets of the District, but transactions between the different functions of the District have been eliminated in order to avoid "doubling up" the revenues and expenses. The *fund financial statements* provide a picture of the major funds of the District. In the case of governmental activities, outlays for long lived assets are reported as expenditures and long-term liabilities, such as general obligation bonds, are not included in the fund financial statements. To provide a link from the *fund financial statements* to the *government-wide financial statements*, reconciliations are provided from the *fund financial statements* to the *government-wide financial statements*.

Notes to financial statements provide additional detail concerning the financial activities and financial balances of the District. Additional information about the accounting practices of the District, investments of the District, capital assets and long-term debt are some of the items included in the *notes to financial statements*.

Financial Highlights

The following are the highlights of financial activity for the year ended September 30, 2015.

- ◆ The District's total assets exceeded total liabilities by \$513,539 (net position). Net investment in capital assets for the District was \$371,636. Restricted net position was \$132,308. Unrestricted Net Position was \$9,595.
- ◆ Governmental activities revenues totaled \$1,202,017 while governmental activities expenses totaled \$688,478.

**Forest Brooke Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2015**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District

The following schedule provides a summary of the assets, liabilities and net position of the District and is presented by category for comparison purposes.

Net Position

	Governmental Activities	
	2015	2014
Current assets	\$ 110,549	\$ 16,416
Restricted assets	919,263	-
Capital assets	6,010,862	-
Total Assets	7,040,674	16,416
Current liabilities	777,390	16,416
Non-current liabilities	5,749,745	-
Total Liabilities	6,527,135	16,416
Net Position		
Net investment in capital assets	371,636	-
Restricted	132,308	-
Unrestricted	9,595	-
Total Net Position	\$ 513,539	\$ -

The increase in total assets relates to the acquisition and construction of infrastructure and the purchase of investments as a result of the issuance of the Series 2014 Special Assessment Bonds.

The increase in total liabilities relates to the issuance of the Series 2014 Special Assessment Bonds.

The increase in net position is the result of developer contributions for the purchase of capital assets.

**Forest Brooke Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2015**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District (Continued)

The following schedule provides a summary of the changes in net position of the District and is presented by category for comparison purposes.

Change In Net Position

	Governmental Activities	
	2015	2014
Program Revenues		
Charges for services	\$ 391,039	\$ -
Developer contributions	810,792	14,332
General Revenues		
Investment earnings	186	1
Total Revenues	<u>1,202,017</u>	<u>14,333</u>
Expenses		
General government	377,141	31,631
Physical environment	31,887	-
Interest on long-term debt	279,450	-
Total Expenses	<u>688,478</u>	<u>31,631</u>
Change in Net Position	513,539	(17,298)
Net Position - Beginning of Year	<u>-</u>	<u>17,298</u>
Net Position - End of Year	<u>\$ 513,539</u>	<u>\$ -</u>

The increase in charges for services was related to debt service special assessments collected in the current year after the bonds were issued.

The increase in developer contributions primarily relates to the infrastructure conveyed to the District during the current year and the increase in operation and maintenance expenses funded by the developer.

The increase in general government expenses is a result of the cost of issuance expenses relating to the new issuance of the Series 2014 Special Assessment Bonds.

The increase in physical environment expenses relates to costs incurred following the acquisition of infrastructure.

The increase in interest on long term debt relates to the interest payment made in the current period.

**Forest Brooke Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2015**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Capital Assets Activity

The following schedule provides a summary of the District's capital assets as of September 30, 2015:

	<u>Governmental Activities</u>	
	<u>2015</u>	<u>2014</u>
Construction in progress	<u>\$6,010,862</u>	<u>\$ -</u>

The construction in progress represent the capital additions during the fiscal year.

General Fund Budgetary Highlights

The final budget exceeded actual expenditures in the current year because physical environment expenditures were less than anticipated. There were no budget amendments in the current year.

Debt Management

Governmental Activities debt includes the following:

- ◆ In October 2014, the District issued \$5,940,000 of Special Assessment Bonds Series 2014 maturing in November 2044, with an interest rate ranging between 4% to 5.125%. The Bonds were issued to finance the acquisition and construction of infrastructure located within the boundaries of the District. Interest is to be paid semiannually on each May 1 and November 1. Principal on the bonds is payable annually on each November 1 commencing in 2015. The balance outstanding at September 30, 2015 was \$5,940,000.

**Forest Brooke Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2015**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Economic Factors and Next Year's Budget

Forest Brooke Community Development District does not expect any economic factors to have any significant effect on the financial position or results of operations of the District in fiscal year 2016.

Request for Information

The financial report is designed to provide a general overview of Forest Brooke Community Development District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Forest Brooke Community Development District's Finance Department at 3434 Colwell Avenue, Suite 200, Tampa, FL 33614.

Forest Brooke Community Development District
STATEMENT OF NET POSITION
September 30, 2015

	Governmental Activities
ASSETS	
Current Assets	
Cash	\$ 100,954
Prepaid expenses	5,405
Deposits	4,190
Total Current Assets	110,549
Non-Current Assets	
Restricted Assets	
Investments	919,263
Capital Assets, Not Being Depreciated	
Construction in progress	6,010,862
Total Non-Current Assets	6,930,125
Total Assets	7,040,674
LIABILITIES	
Current Liabilities	
Accounts payable and accrued expenses	391,179
Bonds payable	85,000
Due to developer	676
Accrued interest	121,500
Unearned revenues	179,035
Total Current Liabilities	777,390
Non-Current Liabilities	
Bonds payable	5,749,745
Total Liabilities	6,527,135
NET POSITION	
Net investment in capital assets	371,636
Restricted for debt service	132,308
Unrestricted	9,595
Total Net Position	\$ 513,539

See accompanying notes to financial statements.

Forest Brooke Community Development District
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2015

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Capital Grants and Contributions</u>	<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Governmental Activities</u>
Governmental Activities					
General government	\$ (377,141)	\$ 214,207	\$ 93,305	\$ -	\$ (69,629)
Physical environment	(31,887)	18,111	7,889	709,598	703,711
Interest on long-term debt	(279,450)	158,721	-	-	(120,729)
Total Governmental Activities	<u>\$ (688,478)</u>	<u>\$ 391,039</u>	<u>\$ 101,194</u>	<u>\$ 709,598</u>	<u>513,353</u>
General Revenues					
Investment income					186
Total General Revenues					<u>186</u>
Changes in Net Position					513,539
Net Position - Beginning of Year					<u>-</u>
Net Position - End of Year					<u>\$ 513,539</u>

See accompanying notes to financial statements.

Forest Brooke Community Development District
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2015

	General	Debt Service	Capital Projects	Total Governmental Funds
ASSETS				
Cash	\$ 100,954	\$ -	\$ -	\$ 100,954
Prepaid expenses	5,405	-	-	5,405
Deposits	4,190	-	-	4,190
Restricted assets				
Investments, at fair value	-	536,827	382,436	919,263
Total Assets	\$ 110,549	\$ 536,827	\$ 382,436	\$ 1,029,812
 LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued expenses	\$ 8,743	\$ -	\$ 382,436	\$ 391,179
Due to developer	676	-	-	676
Unearned revenues	91,535	87,500	-	179,035
Total Liabilities	100,954	87,500	382,436	570,890
 FUND BALANCES				
Nonspendable:				
Prepaid expenses	5,405	-	-	5,405
Deposits	4,190	-	-	4,190
Restricted:				
Debt service	-	449,327	-	449,327
Total Fund Balances	9,595	449,327	-	458,922
Total Liabilities and Fund Balances	\$ 110,549	\$ 536,827	\$ 382,436	\$ 1,029,812

See accompanying notes to financial statements.

Forest Brooke Community Development District
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2015

Total Governmental Fund Balances	\$	458,922
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets, construction in progress, used in governmental activities are not financial resources, and therefore, are not reported at the fund level.		6,010,862
Long-term liabilities, bonds payable, are not due and payable in the current period, and therefore, are not reported at the fund level.		(5,940,000)
Bond discount being amortized, \$108,884, net of accumulated amortization, \$(3,629), used in governmental activities are not financial resources and, therefore, are not reported at the fund level.		105,255
Accrued interest expense for long-term debt is not a financial use, and therefore, is not reported at the fund level.		<u>(121,500)</u>
Net Position of Governmental Activities	\$	<u><u>513,539</u></u>

See accompanying notes to financial statements.

Forest Brooke Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended September 30, 2015

	General	Debt Service	Capital Projects	Totals Governmental Funds
Revenues				
Special assessments	\$ -	\$ 391,039	\$ -	\$ 391,039
Developer contributions	101,194	-	-	101,194
Investment income	-	17	169	186
Total Revenues	101,194	391,056	169	492,419
Expenditures				
Current				
General government	63,341	-	313,800	377,141
Physical environment	28,258	-	-	28,258
Capital outlay	-	-	5,301,264	5,301,264
Debt service				
Interest	-	157,950	-	157,950
Total Expenditures	91,599	157,950	5,615,064	5,864,613
Excess (deficiency) of revenues over (under) expenditures	9,595	233,106	(5,614,895)	(5,372,194)
Other financing sources (uses)				
Bond proceeds	-	195,519	5,744,481	5,940,000
Bond discount	-	-	(108,884)	(108,884)
Transfers in/(out)	-	20,702	(20,702)	-
Total Other Financing Sources/(Uses)	-	216,221	5,614,895	5,831,116
Net Change in Fund Balance	9,595	449,327	-	458,922
Fund Balances - Beginning of Year	-	-	-	-
Fund Balances - End of Year	\$ 9,595	\$ 449,327	\$ -	\$ 458,922

See accompanying notes to financial statements.

Forest Brooke Community Development District
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2015

Net Change in Fund Balances -Total Governmental Funds	\$	458,922
Amounts reported for governmental activities in the Statement of Activities 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 as depreciation. This is the amount of capital outlay in the current period.		5,301,264
Developer contribution of infrastructure is not deemed to be a financial resource, and therefore, is not reported in the funds.		709,598
Bond proceeds are reported as an other financing source in the fund level statements, but is reported as a liability in the Statement of Net Position.		(5,940,000)
Bond discounts on long term debt are reported as an other financing use at the fund level, however, they are netted against long term debt and amortized over the life of the bonds at the government-wide level.		108,884
Amortization of bond discount, \$(3,629), is not recognized in the governmental fund statements, but is reported as interest in the Statement of Activities.		(3,629)
In the Statement of Activities, interest is accrued on outstanding bonds; whereas at the governmental funds level, interest expenditures are reported when due. This is the change in accrued interest in the current period.		<u>(121,500)</u>
Change in Net Position of Governmental Activities	\$	<u><u>513,539</u></u>

See accompanying notes to financial statements.

Forest Brooke Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended September 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Developer contribution	\$ 132,850	\$ 132,850	\$ 101,194	\$ (31,656)
Total Revenues	<u>132,850</u>	<u>132,850</u>	<u>101,194</u>	<u>(31,656)</u>
Expenditures				
Current				
General government	55,025	55,025	63,341	(8,316)
Physical environment	77,825	77,825	28,258	49,567
Total Expenditures	<u>132,850</u>	<u>132,850</u>	<u>91,599</u>	<u>41,251</u>
Net Change in Fund Balances	-	-	9,595	9,595
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,595</u>	<u>\$ 9,595</u>

See accompanying notes to financial statements.

Forest Brooke Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's more significant accounting policies are described below.

1. Reporting Entity

The District was created on November 17, 2006, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), by Hillsborough County Ordinance #06-36 as a Community Development District. The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of the infrastructure necessary for community development within its jurisdiction. The District is authorized to issue bonds for the purpose, among others, of financing, funding, planning, establishing, acquiring, constructing district roads, landscaping, and other basic infrastructure projects within or outside the boundaries of the Forest Brooke Community Development District. The District is governed by a five member Board of Supervisors who are elected on an at large basis by landowners of the District. The District operates within the criteria established by Chapter 190.

As required by GAAP, these financial statements present the Forest Brooke Community Development District (the primary government) as a stand-alone government. The reporting entity for the District includes all functions of government in which the District's Board exercises oversight responsibility including, but not limited to, financial interdependency, selection of governing authority, designation of management, significant ability to influence operations and accountability for fiscal matters.

Based upon the application of the above-mentioned criteria as set forth by the Governmental Accounting Standards Board, the District has identified no component units.

2. Measurement Focus and Basis of Accounting

The basic financial statements of the District are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to financial statements

Forest Brooke Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

a. Government-wide Financial Statements

Government-wide financial statements report all non-fiduciary information about the reporting government as a whole. These statements include all the governmental activities of the primary government. The effect of interfund activity has been removed from these statements.

Governmental activities are supported by special assessments and interest. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program

Amounts paid to acquire capital assets are capitalized as assets, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as an other financing source.

Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

b. Fund Financial Statements

The underlying accounting system of the District is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental funds are presented after the government-wide financial statements. These statements display information about major funds individually.

Forest Brooke Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds

The District classifies fund balance according to Governmental Accounting Standards Board Statement 54 – Fund Balance Reporting and Governmental Fund Type Definitions. The Statement requires the fund balance for governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The District has various policies governing the fund balance classifications.

Nonspendable Fund Balance – This classification consists of amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

Restricted Fund Balance – This classification includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Assigned Fund Balance – This classification consists of the Board of Supervisors' intent to be used for specific purposes, but are neither restricted nor committed. The assigned fund balances can also be assigned by the District's management company.

Unassigned Fund Balance – This classification is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. Unassigned fund balance is considered to be utilized first when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Fund Balance Spending Hierarchy - For all governmental funds except special revenue funds, when restricted, committed, assigned, and unassigned fund balances are combined in a fund, qualified expenditures are paid first from restricted or committed fund balance, as appropriate, then assigned and finally unassigned fund balances.

Forest Brooke Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collected within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the District 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. Interest associated with the current fiscal period is considered to be an accrual item and so has been recognized as revenue of the current fiscal period.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be 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.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources are expended, rather than as fund assets. The proceeds of long-term debt are recorded as an other financing source rather than as a fund liability.

Debt service expenditures are recorded only when payment is due.

3. Basis of Presentation

a. Governmental Major Funds

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

Forest Brooke Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Basis of Presentation (Continued)

a. Governmental Major Funds (Continued)

Debt Service Fund - Accounts for debt service requirements to retire the special assessment bonds which were used to finance the construction of District infrastructure improvements. The bonds are secured by a first lien on and pledge of the Special Assessment Revenues and pledged Funds.

Capital Projects Fund – The Capital Projects Fund accounts for construction of infrastructure improvements within the boundaries of the District.

b. Non-current Governmental Assets/Liabilities

GASB Statement 34 requires that non-current governmental assets, such as land and improvements, and non-current governmental liabilities, such as general obligation bonds and due to developer be reported in the governmental activities column in the government-wide Statement of Net Position.

4. Assets, Liabilities, and Net Position or Equity

a. Cash and Investments

Florida Statutes require state and local governmental units to deposit monies with financial institutions classified as "Qualified Public Depositories," a multiple financial institution pool whereby groups of securities pledged by the various financial institutions provide common collateral from their deposits of public funds. This pool is provided as additional insurance to the federal depository insurance and allows for additional assessments against the member institutions, providing full insurance for public deposits.

The District is authorized to invest in those financial instruments as established by Section 218.415, Florida Statutes. The authorized investments consist of:

1. Direct obligations of the United States Treasury;
2. The Local Government Surplus Funds Trust or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperative Act of 1969;
3. Interest-bearing time deposits or savings accounts in authorized qualified public depositories;
4. Securities and Exchange Commission, registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

Forest Brooke Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Liabilities, and Net Position or Equity (Continued)

b. Restricted Net Position

Certain net position of the District is classified as restricted on the Statement of Net Position because their use is limited either by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors. In a fund with both restricted and unrestricted net position, qualified expenses are considered to be paid first from restricted net position and then from unrestricted net position.

c. Capital Assets

Capital assets, which include buildings, infrastructure, and construction in progress, are reported in the governmental activities column.

The District defines capital assets as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. The valuation basis for all assets is historical cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation of capital assets is computed and recorded by utilizing the straight-line method. Estimated useful lives of the various classes of depreciable capital assets range from 10 to 30 years.

**Forest Brooke Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2015**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Liabilities, and Net Position or Equity (Continued)

d. Budgets

Budgets are prepared and adopted after public hearings for the governmental funds, pursuant to Chapter 190 and Section 200.065, Florida Statutes. The District utilizes the same basis of accounting for budgets as it does for revenues and expenditures in its various funds. The legal level of budgetary control is at the fund level. All budgeted appropriations lapse at year end. Formal budgets are adopted for the general and debt service funds. As a result, deficits in the budget columns of the accompanying financial statements may occur.

NOTE B - CASH AND INVESTMENTS

All deposits are held in qualified public depositories and are included on the accompanying balance sheet as cash and investments.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk; however, they follow the provisions of Chapter 280, Florida Statutes regarding deposits and investments. As of September 30, 2015, the District's bank balance and carrying value was \$100,954. Exposure to custodial credit risk was as follows. The District maintains all deposits in a qualified public depository in accordance with the provisions of Chapter 280, Florida Statutes, which means that all deposits are fully insured by Federal Depositors Insurance or collateralized under Chapter 280, Florida Statutes.

As of September 30, 2015, the District had the following investments and maturities:

<u>Investment</u>	<u>Maturities</u>	<u>Cost Value</u>
Wells Fargo Advantage Government Money Market Fund	N/A	\$ 919,263

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The District's investments in treasury funds, money markets, and government loans are limited by state statutory requirements and bond compliance. The District has no investment policy that would further limit its investment choices.

Forest Brooke Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE B - CASH AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one fund. The investments in Wells Fargo Advantage Government Money Market Fund represent 100% of the District's total investments.

The types of deposits and investments and their level of risk exposure as of September 30, 2015 were typical of these items during the fiscal year then ended. The District considers any decline in fair value for certain investments to be temporary.

NOTE C – CAPITAL ASSETS

Capital Asset activity for the year ended September 30, 2015 was as follows:

	Balance October 1, 2014	Additions	Disposals	Balance September 30, 2015
<u>Governmental activities:</u>				
Capital assets, not being depreciated:				
Construction in progress	\$ -	\$ 6,010,862	\$ -	\$ 6,010,862
Total Capital Assets, Not Being Depreciated	<u>-</u>	<u>6,010,862</u>	<u>-</u>	<u>6,010,862</u>
 Governmental Activities Capital Assets	 <u>\$ -</u>	 <u>\$ 6,010,862</u>	 <u>\$ -</u>	 <u>\$ 6,010,862</u>

NOTE D – LONG-TERM DEBT

Special Assessment Bonds – Series 2014

In October 2014, the District issued \$5,940,000 Series 2014 Special Assessment Bonds to finance the acquisition, construction and installation of roads, water management and control facilities, recreational facilities and certain other related projects and improvements located within the boundaries of the District.

Long-term debt is comprised of the following:

Special Assessment Bonds

\$5,940,000 Series 2014 Special Assessment Bonds, interest ranging from 4.0% to 5.125%, maturing November 1, 2044, payable on May 1 and November 1; collateralized by the pledged revenues of special assessments levied against the benefited property owners.

	\$ 5,940,000
Less bond discount, net	<u>(105,255)</u>
Bonds Payable, net	<u>\$ 5,834,745</u>

**Forest Brooke Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2015**

NOTE D – LONG-TERM DEBT (CONTINUED)

The annual requirements to amortize the principal and interest of bonded debt outstanding as of September 30, 2015 are as follows:

Year Ending September 30,	Principal	Interest	Total
2016	\$ 85,000	\$ 289,900	\$ 374,900
2017	100,000	286,200	386,200
2018	105,000	282,100	387,100
2019	110,000	277,800	387,800
2020	115,000	273,300	388,300
2021-2025	625,000	1,294,500	1,919,500
2026-2030	790,000	1,132,625	1,922,625
2031-2035	1,025,000	901,359	1,926,359
2036-2040	1,310,000	603,981	1,913,981
2041-2044	1,675,000	223,323	1,898,323
Totals	<u>\$ 5,940,000</u>	<u>\$ 5,565,088</u>	<u>\$ 11,505,088</u>

Significant Bond Resolution Terms and Covenants

The Bond Indenture established certain amounts be maintained in a reserve account. In addition, the Bond Indenture has certain restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements.

Depository Funds

The bond resolution establishes certain funds and determines the order in which revenues are to be deposited into these funds. A description of the significant funds, including their purposes, is as follows:

SPECIAL ASSESSMENT BONDS, SERIES 2014

Reserve Fund - The 2014 Reserve Account is funded from the proceeds of the Series 2014 Bonds in an amount equal to a certain 50 percent of the maximum annual debt service requirement of the 2014 bonds. Monies held in the reserve accounts will be used only for the purposes established in the Trust Indenture.

**Forest Brooke Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2015**

NOTE D – LONG-TERM DEBT (CONTINUED)

	Capital Improvement Bonds	
	Reserve Balance	Reserve Requirement
Series 2014 Special Assessment Bonds	\$ 195,527	\$ 195,519

NOTE E – SPECIAL ASSESSMENT REVENUES

Assessments are non-ad valorem assessments on benefitted property within the District. Operation and Maintenance Assessments are based upon adopted budget and levied annually at a public hearing by the District. Debt Service Assessments are levied when bonds are issued and collected annually. The District may collect assessments directly or utilize the uniform method of collections (Chapter 197.3632, Florida Statutes). Direct collected assessments are due as determined by annual assessment resolution adopted by the Board of Supervisors. Assessments collected under the uniform method are due and payable on November 1 or as soon as the assessment roll is certified and delivered to the Tax Collector. Per Section 197.162, Florida Statutes discounts are allowed for early payment at the rate of 4% in November, 3% in December, 2% in January, and 1% in February. Taxes paid in March are without discount.

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. Only the portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

NOTE F – DEVELOPER FUNDING

The Developer owns a portion of the land within the District; therefore, assessments include those levied on the Developer owned property.

In addition, pursuant to a funding agreement dated August 21, 2014, the Developer has agreed to provide funding in fiscal year 2015 necessary to allow the District to proceed with its operations, in lieu of having non-ad valorem assessments levied. In connection with this agreement, Developer contributions to the general fund were \$101,194.

NOTE G – MANAGEMENT AGREEMENTS

The District has contracted with a management company to perform management advisory services, which include financial and accounting services. Certain employees of the management company also serve as officers of the District.

Forest Brooke Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE H – CONCENTRATIONS

A significant portion of the District's activity is dependent upon the continued involvement of the Developer, the loss of which could have a material adverse effect on the District's operations.

NOTE I – RELATED PARTIES

All members of the Board of Supervisors were employed by the developer.

NOTE J – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The District has not filed any claims since its inception.



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**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 Supervisors
Forest Brooke Community Development District
Hillsborough County, 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 Forest Brooke Community Development District, as of and for the year ended September 30, 2015, and the related notes to the financial statements, and have issued our report thereon dated May 18, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Forest Brooke Community Development District's internal control over financial reporting 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 Forest Brooke Community Development District's internal control. Accordingly, we do not express an opinion on the effectiveness of Forest Brooke Community Development District's internal control over financial reporting.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Board of Supervisors
Forest Brooke Community Development District
Hillsborough County, Florida

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Forest Brooke Community Development District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Berger, Toombs, Elam,
Gaines & Frank*

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants
Fort Pierce, Florida

May 18, 2016



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MANAGEMENT LETTER

To the Board of Supervisors
Forest Brooke Community Development District
Hillsborough County, Florida

We have audited the financial statements of the Forest Brooke Community Development District, Florida as of and for the year ended September 30, 2015, and have issued our report thereon dated May 18, 2016.

Auditor's Responsibility

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

Other Reports and Schedules

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* and Independent Accountant's Report on examination conducted in accordance with *ACIPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports which are dated May 18, 2016 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 address in the Management Letter, if not already addressed in the auditor's report on compliance and internal controls, whether or not recommendations made in the preceding annual financial report have been followed. **There were no recommendations made in the preceding audit.**

Financial Condition

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we report the results of our determination as to whether or not Forest Brooke Community Development District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions met. In connection with our audit, we determined that Forest Brooke Community Development 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 conditions assessment procedures. It is management's responsibility to monitor Forest Brooke Community Development District's financial condition; our financial condition assessment was based in part on the representations made by management and the review of the financial information provided by the same.

Fort Pierce / Stuart

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Forest Brooke Community Development District
Hillsborough County, Florida

Annual Financial Report

Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for Forest Brooke Community Development District for the fiscal year ended September 30, 2015, 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, 2015. In connection with our audit, we determined that these two reports were in agreement.

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, Federal and other granting agencies, the Board of Supervisors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Berger Toombs Elam
Gaines & Frank*

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

May 18, 2016



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**INDEPENDENT ACCOUNTANT'S REPORT/COMPLIANCE WITH
SECTION 218.415, FLORIDA STATUTES**

To the Board of Supervisors
Forest Brooke Community Development District
Hillsborough County, Florida

We have examined Forest Brooke Community Development District's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2015. Management is responsible for Forest Brooke Community Development District's compliance with those requirements. Our responsibility is to express an opinion on Forest Brooke Community Development District's compliance based on our examination.

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

In our opinion, Forest Brooke Community Development District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2015.

*Berger, Toombs, Elam,
Gaines & Frank*

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

May 18, 2016