

**Forest Brooke Community  
Development District**

**ANNUAL FINANCIAL REPORT**

**September 30, 2016**

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

**Fiscal Year Ended September 30, 2016**

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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, 2016, and the related notes to 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 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 and the standards applicable to financial audits contained in *Government Accounting 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 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  
- 1 -

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, 2016, 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

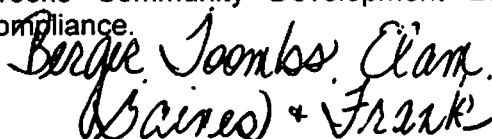
### *Required Supplementary Information*

Governmental Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the *Governmental Accounting Standards Board* who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's response 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 a report dated June 29, 2017 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

June 29, 2017

**Forest Brooke Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2016**

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, physical environment 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, 2016**

**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, 2016.

- ◆ The District's total assets exceeded total liabilities by \$693,009 (net position). Net investment in capital assets for the District was \$453,209. Restricted net position was \$147,482. Unrestricted net position was \$92,318.
- ◆ Governmental activities revenues totaled \$651,245 while governmental activities expenses totaled \$471,775.

**Forest Brooke Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2016**

**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**

	<b>Governmental Activities</b>	
	<b>2016</b>	<b>2015</b>
Current assets	\$ 97,270	\$ 110,549
Restricted assets	466,120	919,263
Capital assets	6,010,862	6,010,862
Total Assets	<u>6,574,252</u>	<u>7,040,674</u>
Current liabilities	227,869	777,390
Non-current liabilities	5,653,374	5,749,745
Total Liabilities	<u>5,881,243</u>	<u>6,527,135</u>
<b>Net Position</b>		
Net investment in capital assets	453,209	371,636
Restricted for debt service	147,480	132,308
Restricted for capital projects	2	-
Unrestricted	92,318	9,595
Total Net Position	<u>\$ 693,009</u>	<u>\$ 513,539</u>

The decrease in restricted assets and current liabilities is related to a reduction in accrued expenses in the current year.

The decrease in non-current liabilities is primarily due to bond principal payments in the current year.

**Forest Brooke Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2016**

**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**

	<b>Governmental Activities</b>	
	<b>2016</b>	<b>2015</b>
Program Revenues		
Charges for services	\$ 650,588	\$ 391,039
Developer contributions	-	810,792
General Revenues		
Investment earnings	657	186
Total Revenues	<u>651,245</u>	<u>1,202,017</u>
Expenses		
General government	73,544	377,141
Physical environment	103,285	31,887
Interest on long-term debt	294,946	279,450
Total Expenses	<u>471,775</u>	<u>688,478</u>
Change in Net Position	179,470	513,539
Net Position - Beginning of Year	<u>513,539</u>	<u>-</u>
Net Position - End of Year	<u>\$ 693,009</u>	<u>\$ 513,539</u>

The increase in charges for services and decrease in developer contributions is related to special assessments levied and collected in the current year.

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

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



**Forest Brooke Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2016**

**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, 2016 and 2015:

	<b>Governmental Activities</b>	
	<b>2016</b>	<b>2015</b>
Construction in progress	<u>\$6,010,862</u>	<u>\$6,010,862</u>

No capital asset activity in the current year.

**General Fund Budgetary Highlights**

The final budget exceeded actual expenditures in the current year because engineering fees and landscaping services were less than anticipated.

There were no amendments to the General Fund budget 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, 2016 was \$5,855,000.

**Forest Brooke Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2016**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Economic Factors and Next Year's Budget**

On March 1, 2017, Forest Brooke Community Development District issued \$6,000,000 in Special Assessment Bonds to fund the construction and acquisition of a portion of the 2017 project.

**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 12750 Citrus Park Lane, Suite 115, Tampa, FL 33625.

**Forest Brooke Community Development District**  
**STATEMENT OF NET POSITION**  
**September 30, 2016**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Current Assets	
Cash	\$ 86,736
Prepaid expenses	5,544
Deposits	4,990
Total Current Assets	97,270
Non-Current Assets	
Restricted Assets	
Investments	466,120
Capital Assets, Not Being Depreciated	
Construction in progress	6,010,862
Total Non-Current Assets	6,476,982
Total Assets	6,574,252
<b>LIABILITIES</b>	
Current Liabilities	
Accounts payable and accrued expenses	4,276
Bonds payable	100,000
Due to developer	676
Accrued interest	122,917
Total Current Liabilities	227,869
Non-Current Liabilities	
Bonds payable, net	5,653,374
Total Liabilities	5,881,243
<b>NET POSITION</b>	
Net investment in capital assets	453,209
Restricted for debt service	147,480
Restricted for capital projects	2
Unrestricted	92,318
Total Net Position	\$ 693,009

*See accompanying notes to financial statements.*

**Forest Brooke Community Development District**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2016**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	<u>Net (Expenses) Revenues and Change in Net Position</u>
		<u>Charges for Services</u>	<u>Governmental Activities</u>
Governmental Activities			
General government	\$ (73,544)	\$ 101,419	\$ 27,875
Physical environment	(103,285)	142,432	39,147
Interest on long-term debt	(294,946)	406,737	111,791
Total Governmental Activities	<u>\$ (471,775)</u>	<u>\$ 650,588</u>	<u>178,813</u>
			<u>657</u>
			179,470
			<u>513,539</u>
			<u>\$ 693,009</u>

See accompanying notes to financial statements.

**Forest Brooke Community Development District**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**September 30, 2016**

	General	Debt Service	Capital Projects	Total Governmental Funds
<b>ASSETS</b>				
Cash	\$ 86,736	\$ -	\$ -	\$ 86,736
Prepaid expenses	5,544	-	-	5,544
Deposits	4,990	-	-	4,990
Restricted assets				
Investments, at fair value	-	466,118	2	466,120
Total Assets	\$ 97,270	\$ 466,118	\$ 2	\$ 563,390
 <b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 4,276	\$ -	\$ -	\$ 4,276
Due to developer	676	-	-	676
Total Liabilities	4,952	-	-	4,952
 <b>FUND BALANCES</b>				
Nonspendable:				
Prepaid expenses	5,544	-	-	5,544
Deposits	4,990	-	-	4,990
Restricted:				
Debt service	-	466,118	-	466,118
Assigned to:				
Capital reserves	-	-	2	2
Unassigned	81,784	-	-	81,784
Total Fund Balances	92,318	466,118	2	558,438
Total Liabilities and Fund Balances	\$ 97,270	\$ 466,118	\$ 2	\$ 563,390

*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, 2016**

Total Governmental Fund Balances	\$	558,438
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 current 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.		(5,855,000)
Bond discount being amortized, \$108,884, net of accumulated amortization, \$(7,258), used in governmental activities are not current financial resources and, therefore, are not reported at the fund level.		101,626
Accrued interest expense for long-term debt is not a current financial use, and therefore, is not reported at the fund level.		<u>(122,917)</u>
Net Position of Governmental Activities	\$	<u><u>693,009</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, 2016**

	General	Debt Service	Capital Projects	Totals Governmental Funds
<b>REVENUES</b>				
Special assessments	\$ 259,549	\$ 391,039	\$ -	\$ 650,588
Investment income	-	652	5	657
Total Revenues	<u>259,549</u>	<u>391,691</u>	<u>5</u>	<u>651,245</u>
<b>EXPENDITURES</b>				
Current				
General government	73,541	-	3	73,544
Physical environment	103,285	-	-	103,285
Debt service				
Principal	-	85,000	-	85,000
Interest	-	289,900	-	289,900
Total Expenditures	<u>176,826</u>	<u>374,900</u>	<u>3</u>	<u>551,729</u>
Net Change in Fund Balance	82,723	16,791	2	99,516
Fund Balances - Beginning of Year	<u>9,595</u>	<u>449,327</u>	<u>-</u>	<u>458,922</u>
Fund Balances - End of Year	<u><u>\$ 92,318</u></u>	<u><u>\$ 466,118</u></u>	<u><u>\$ 2</u></u>	<u><u>\$ 558,438</u></u>

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, 2016**

Net Change in Fund Balances -Total Governmental Funds	\$ 99,516
Amounts reported for governmental activities in the Statement of Activities are different because:	
Repayment of bond principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	85,000
Governmental funds report bond discounts as expenditures. However, in the Statement of Activities, the cost is allocated as amortization expense.	(3,629)
In the Statement of Activities, interest is accrued on outstanding bonds; whereas in the governmental funds, interest expenditures are reported when due. This is the change in accrued interest in the current period.	<u>(1,417)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 179,470</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, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Special assessments	\$ 252,725	\$ 252,725	\$ 259,549	\$ 6,824
Expenditures				
Current				
General government	92,725	92,725	73,541	19,184
Physical environment	160,000	160,000	103,285	56,715
Total Expenditures	<u>252,725</u>	<u>252,725</u>	<u>176,826</u>	<u>75,899</u>
Net Change in Fund Balances	-	-	82,723	82,723
Fund Balances - Beginning of Year	-	-	9,595	9,595
Fund Balances - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 92,318</u>	<u>\$ 92,318</u>

*See accompanying notes to financial statements.*

**Forest Brooke Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2016**

**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 established 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, Florida Statutes.

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, 2016**

**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, 2016**

**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, 2016**

**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, 2016**

**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 certain special assessment revenue 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, 2016**

**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 two years. 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.

**d. Budgets**

Budgets are prepared and adopted after public hearings for the governmental funds, pursuant to Chapter 190, 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.

**Forest Brooke Community Development District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2016**

**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, 2016, the District's bank balance was \$97,047 and the carrying value was \$86,736. 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, 2016, 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	41 days*	<u>\$ 466,120</u>

\*Weighted Average Maturity

The District categorizes its fair value measurements within the fair value hierarchy recently established by generally accepted accounting principles. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The District uses a market approach in measuring fair value that uses prices and other relevant information generated by market transactions involving identical or similar assets, liabilities, or groups of assets and liabilities.

Assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted price for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtaining quoted prices for identical or similar assets, or liabilities, in markets that are not active. Level 3 is the least reliable and uses significant unobservable inputs that use the best information available under the circumstances, which includes the District's own data in measuring unobservable inputs.

Based on the criteria in the preceding paragraph, the investment listed above is a Level 1 asset.

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.



**Forest Brooke Community Development District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2016**

**NOTE B - CASH AND INVESTMENTS (CONTINUED)**

Credit Risk

The District's investments are limited by state statutory requirements and bond compliance. The District has no investment policy that would further limit its investment choices. As of September 30, 2016, the District's investment in Wells Fargo Advantage Government Money Market Fund was rated AAAM by Standard and Poor's.

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, 2016 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, 2016 was as follows:

	Balance October 1, 2015	Additions	Disposals	Balance September 30, 2016
<b><u>Governmental activities:</u></b>				
Capital assets, not being depreciated:				
Construction in progress	\$ 6,010,862	\$ -	\$ -	\$ 6,010,862
Total Capital Assets, Not Being Depreciated	<u>6,010,862</u>	<u>-</u>	<u>-</u>	<u>6,010,862</u>
Governmental Activities Capital Assets	<u>\$ 6,010,862</u>	<u>\$ -</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.

**Forest Brooke Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2016**

**NOTE D – LONG-TERM DEBT (CONTINUED)**

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.

Long-term debt at October 1, 2015	\$ 5,940,000
Principal payments	(85,000)
Long-term debt at September 30, 2016	5,855,000
Less bond discount, net	(101,626)
Total long-term debt, net September 30, 2016	\$ 5,753,374

The annual requirements to amortize the principal and interest of bonded debt outstanding as of September 30, 2016 are as follows:

Year Ending September 30,	Principal	Interest	Total
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	115,000	268,700	383,700
2022-2026	655,000	1,268,084	1,923,084
2027-2031	830,000	1,091,113	1,921,113
2032-2036	1,075,000	847,547	1,922,547
2037-2041	1,375,000	535,178	1,910,178
2041-2044	1,375,000	145,166	1,520,166
Totals	\$ 5,855,000	\$ 5,275,188	\$ 11,130,188

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.

**Forest Brooke Community Development District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2016**

**NOTE D – LONG-TERM DEBT (CONTINUED)**

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.

	Special Assessment Bonds	
	Reserve Balance	Reserve Requirement
Series 2014 Special Assessment Bonds	\$ 195,721	\$ 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.

**Forest Brooke Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2016**

**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.

**NOTE G – MANAGEMENT AGREEMENTS**

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

**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.

**NOTE K - SUBSEQUENT EVENT**

On March 1, 2017, the District issued \$6,000,000 in Special Assessment Bonds to fund the construction and acquisition of a portion of the 2017 project.



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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, 2016, and the related notes to the financial statements, and have issued our report thereon dated June 29, 2017.

**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

June 29, 2017



# Berger, Toombs, Elam, Gaines & Frank

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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, 2016, and have issued our report thereon dated June 29, 2017.

### **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 *AICPA 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 June 29, 2017 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, 2016, 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, 2016. 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

June 29, 2017





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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, 2016. 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, 2016.

*Berger, Toombs, Elam,  
Gaines & Frank*

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

June 29, 2017