

**Buckeye Park
Community
Development District**

FINANCIAL STATEMENTS

September 30, 2014



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Buckeye Park Community Development District
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September 30, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Buckeye Park Community Development District
Manatee County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Buckeye Park Community Development District (hereinafter referred to as "District"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 opinions.

Basis for Qualified Opinions on Governmental Activities and Major Governmental Debt Service Fund

Because of the inadequacy of supporting documentation provided by the Bond Trustee, we were unable to obtain sufficient appropriate audit evidence regarding the amount of Special Purpose Entity expenses as shown on the accompanying Statement of Activities and Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds for the year ended September 30, 2014 (stated at \$1,053,106).

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the debt service fund of the District as of September 30, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund of the District as of September 30, 2014, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 7 to the financial statements, in August 2013, as a result of a continued lack of funding, the District formed a Special Purpose Entity (SPE) in order to acquire, administer, control, manage and sell the Developer's property within the District. For the fiscal year ended September 30, 2014, the District did not collect debt service assessments sufficient enough to provide payment of its semi-annual debt service.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or 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 about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we

obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2015, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida

June 18, 2015



Management's Discussion And Analysis

Buckeye Park Community Development District Management's Discussion and Analysis

Our discussion and analysis of the Buckeye Park Community Development District's financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2014. Please read it in conjunction with the District's financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

- At September 30, 2014, the liabilities of the District exceed its assets by approximately \$2.1 million (deficit).
- The required bond principal and interest payments of \$140,000 and \$855,619, respectively, on Series 2008A bonds were not made as of September 30, 2014 .

USING THE ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities on pages 9 – 10 provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements start on page 11. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.

Reporting the District as a Whole

Our analysis of the District as a whole begins on page 5. One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and related changes during the current year. You can think of the Districts' net position – the difference between assets and liabilities – as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors; however, such as changes in the District's assessment base and the condition of the District's infrastructure, to assess the overall health of the District.

Buckeye Park Community Development District Management's Discussion and Analysis

Reporting the District's Most Significant Funds

Our analysis of the District's major funds begins on page 6. The fund financial statements begin on page 11 and provide detailed information about the most significant funds – not the District as a whole. Some funds are required to be established by State law and by bond covenants. All of the District's funds are governmental fund-types.

- *Governmental funds* – All of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

THE DISTRICT AS A WHOLE

The following table reflects the condensed Statement of Net Position and is compared to the prior year.

<i>September 30,</i>	2014	2013	Change
Assets			
Current and other assets	\$ 1,318,423	\$ 1,919,412	\$ (600,989)
Capital assets, net	10,183,801	10,359,598	(175,797)
Total assets	\$ 11,502,224	\$ 12,279,010	\$ (776,786)
Liabilities			
Current liabilities	\$ 3,436,520	\$ 2,297,064	\$ 1,139,456
Other liabilities	10,205,000	10,495,000	(290,000)
Total liabilities	13,641,520	12,792,064	849,456
Net position			
Net investment in capital assets	(373,129)	30,750	(403,879)
Unrestricted	(1,766,167)	(543,804)	(1,222,363)
Total net position (deficit)	(2,139,296)	(513,054)	(1,626,242)
Total liabilities and net position	\$ 11,502,224	\$ 12,279,010	\$ (776,786)

For more detailed information, see the accompanying Statement of Net Position.

During the fiscal year ended September 30, 2014, total assets decreased by approximately \$780,000 and total liabilities increased by approximately \$850,000. The decrease in assets is due to the current year depreciation and SPE expenses. The increase in liabilities is due to the District's inability to make the semi-annual debt service payments.

Buckeye Park Community Development District Management's Discussion and Analysis

The following schedule compares the Statement of Activities for the current and previous fiscal year.

<i>Year ended September 30,</i>	2014	2013	Change
Revenues:			
Program revenues:			
Charges for services	\$ 1,148,901	\$ 1,223,041	\$ (74,140)
General revenues:			
Interest and other revenues	208	338	(130)
Total revenues	1,149,109	1,223,379	(74,270)
Expenses:			
General government	660,214	79,699	580,515
Maintenance and operations	198,209	198,239	(30)
Special purpose entity	1,053,106	-	1,053,106
Interest	863,822	832,453	31,369
Total expenses	2,775,351	1,110,391	1,664,960
Change in net position	(1,626,242)	112,988	(1,739,230)
Net position (deficit), beginning	(513,054)	(626,042)	112,988
Net position (deficit), ending	\$ (2,139,296)	\$ (513,054)	\$ (1,626,242)

For more detailed information, see the accompanying Statement of Activities. Revenues decreased from the prior year by approximately \$74,000, while expenses increased by approximately \$1.7 million. The decrease in revenues is due to less developer contributions received by the District. Expenses increased due to SPE expenses. The overall result was a \$1.6 million reduction in net position for fiscal year 2014.

THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds (as presented in the balance sheet on page 11) reported a combined fund balance of approximately \$2.5 million (deficit). Significant transactions are discussed below.

- The required bond principal and interest payments of \$140,000 and \$855,619, respectively, on Series 2008A bond were not made as of September 30, 2014. These amounts were recorded as current year expenditures and added to the debt service obligation as of September 30, 2014.
- The District paid approximately \$1 million in expenses on behalf of the SPE during the year ending September 30, 2014.

The overall decrease in fund balance for the year ended September 30, 2014 totaled approximately \$1.4 million.

Buckeye Park Community Development District Management's Discussion and Analysis

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2014, the District had approximately \$10.2 million invested in capital assets (net of accumulated depreciation). A listing of capital assets by major category for the current and prior year follows:

<i>September 30,</i>	2014	2013	Change
Capital assets not being depreciated	\$ 6,317,127	\$ 6,317,127	\$ -
Capital assets being depreciated	4,862,861	4,862,861	-
Total, prior to depreciation	11,179,988	11,179,988	-
Accumulated depreciation	(996,187)	(820,390)	(175,797)
Net capital assets	\$ 10,183,801	\$ 10,359,598	\$ (175,797)

More information about the District's capital assets is presented in Note 5 to the financial statements.

Debt

At September 30, 2014, the District had approximately \$10.7 million of bonds outstanding. A listing of debt amounts outstanding for the current and prior year is as follows:

<i>September 30,</i>	2014	2013	Change
Capital Improvement Revenue Bonds:			
Series 2008A	\$ 10,745,000	\$ 10,745,000	\$ -
	\$ 10,745,000	\$ 10,745,000	\$ -

More information about the District's long-term debt is presented in Note 6 to the financial statements.

GOVERNMENTAL FUNDS BUDGETARY HIGHLIGHTS

An Operating budget was established by the governing board for the District pursuant to the requirements of Florida Statutes. The budget to actual comparison for the general fund, including the original budget and final adopted budget, is shown at page 24.

The District experienced a favorable variance in revenues of \$53,638 and an unfavorable variance in expenditures of \$37,078 as compared to the budget. The variances in revenues and expenditures are largely a result of unanticipated funding due to the unforeseen expenditures incurred by the District during the year.



Buckeye Park Community Development District Management's Discussion and Analysis

FUTURE FINANCIAL FACTORS

Buckeye Park Community Development District is an independent special district that operates under the provisions of Chapter 190, Florida Statutes. The District operates under an elected Board of Supervisors, which establishes policy and sets assessment rates. Assessment rates for fiscal year 2015 were established to provide for the operations of the District as well as the necessary debt service requirements.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances. If you have questions about this report or need additional financial information, contact the Buckeye Park Community Development District's management company at 5680 W. Cypress Street, Tampa, Florida 33607.



Basic Financial Statements

**Buckeye Park Community Development District
Statement of Net Position**

<i>September 30,</i>	2014
	Governmental Activities
Assets	
Cash and cash equivalents	\$ 464,321
Accounts receivable, net	846,886
Other receivables	5,355
Prepaid expenses	1,861
Capital assets:	
Not being depreciated	6,317,127
Depreciable, net	3,866,674
Total assets	11,502,224
Liabilities	
Accounts payable	5,443
Accrued interest payable	2,891,077
Non-current liabilities:	
Due within one year	540,000
Due in more than one year	10,205,000
Total liabilities	13,641,520
Net position	
Net investment in capital assets	(373,129)
Unrestricted	(1,766,167)
Total net position (deficit)	\$ (2,139,296)

The accompanying notes are an integral part of these financial statements.

**Buckeye Park Community Development District
Statement of Activities**

Year ended September 30,

2014

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Net (Expense) Revenue and Changes in Net Position
Primary government:					
Governmental activities:					
General government	\$ (660,214)	\$ 1,111,180	\$ -	\$ 450,966	
Maintenance and operations	(198,209)	37,721	-	(160,488)	
Special purpose entity	(1,053,106)	-	-	(1,053,106)	
Interest	(863,822)	-	-	(863,822)	
Total governmental activities	\$ (2,775,351)	\$ 1,148,901	\$ -	(1,626,450)	

General revenues

Interest and other revenues	208
Change in net position	(1,626,242)
Net position (deficit) - beginning of year	(513,054)
Net position (deficit) - end of year	\$ (2,139,296)

The accompanying notes are an integral part of these financial statements.

**Buckeye Park Community Development District
Balance Sheet – Governmental Funds**

<i>September 30,</i>	2014		
	General	Debt Service	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 111,197	\$ 353,124	\$ 464,321
Accounts receivable, net	42,934	803,952	846,886
Other receivables	5,355	-	5,355
Prepaid expenditures	1,861	-	1,861
Total assets	\$ 161,347	\$ 1,157,076	\$ 1,318,423
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Accounts payable	\$ 5,443	\$ -	\$ 5,443
Debt service obligation	-	2,928,507	2,928,507
Total liabilities	5,443	2,928,507	2,933,950
Deferred Inflows of Resources			
Deferred revenue	42,934	803,952	846,886
Total deferred inflows of resources	42,934	803,952	846,886
Fund balances			
Nonspendable	1,861	-	1,861
Unassigned	111,109	(2,575,383)	(2,464,274)
Total fund balances (deficit)	112,970	(2,575,383)	(2,462,413)
Total liabilities, deferred inflows of resources, and fund balances (deficit)	\$ 161,347	\$ 1,157,076	\$ 1,318,423

The accompanying notes are an integral part of these financial statements.

Buckeye Park Community Development District
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of
Net Position

<i>September 30,</i>	2014
Total fund balances (deficit), governmental funds	\$ (2,462,413)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund financial statements.	10,183,801
Liabilities not due and payable from current resources, including accrued interest, are not reported in the fund financial statements.	(10,707,570)
Revenues in the Statement of Activities that do not represent current resources are reported as deferred inflows in the governmental funds.	846,886
Total net position (deficit) - governmental activities	\$ (2,139,296)

The accompanying notes are an integral part of these financial statements.

Buckeye Park Community Development District
Statement of Revenues, Expenditures and Changes in Fund Balances –
Governmental Funds

<i>Year ended September 30,</i>	2014		
	General	Debt Service	Total Governmental Funds
Revenues			
Special assessments	\$ 137,673	\$ 654,367	\$ 792,040
Interest and other revenues	-	208	208
Total revenues	137,673	654,575	792,248
Expenditures			
Current:			
General government	35,022	63,679	98,701
Maintenance and operations	22,412	-	22,412
Special purpose entity	-	1,053,106	1,053,106
Debt service:			
Principal	-	140,000	140,000
Interest	-	855,619	855,619
Total expenditures	57,434	2,112,404	2,169,838
Excess (deficit) of revenues over expenditures	80,239	(1,457,829)	(1,377,590)
Other Financing Sources (Uses)			
Transfers in	112,798	-	112,798
Transfers out	-	(112,798)	(112,798)
Total other financing sources (uses)	112,798	(112,798)	-
Net change in fund balances	193,037	(1,570,627)	(1,377,590)
Fund balances (deficit), beginning of year	(80,067)	(1,004,756)	(1,084,823)
Fund balances (deficit), end of year	\$ 112,970	\$ (2,575,383)	\$ (2,462,413)

The accompanying notes are an integral part of these financial statements.

Buckeye Park Community Development District
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to the Statement of Activities

<i>Year ended September 30,</i>	2014
Net change in fund balances - governmental fund	\$ (1,377,590)
Depreciation on capital assets is not recognized in the fund financial statements but is reported as an expense in the Statement of Activities.	(175,797)
The change in accrued interest between the current and prior year is recorded on the Statement of Activities but not on the fund financial statements.	(8,203)
Revenues reported in the Statement of Activities that do not provide current financial resources are deferred in the governmental funds, presented net of bad debt and prior year amounts.	(204,652)
Accrual of the unpaid bond principal is a reduction in fund balance in the governmental funds but has no effect on the Statement of Activities.	140,000
Change in net position of governmental activities	\$ (1,626,242)

The accompanying notes are an integral part of these financial statements.

Buckeye Park Community Development District Notes to Financial Statements

NOTE 1 – NATURE OF ORGANIZATION

Buckeye Park Community Development District (the “District”) was established June 19, 2007 pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes, by the Manatee County Ordinance 07-52. The Act provides, among other things, the power to manage basic services for community development, power to borrow money and issue bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of certain infrastructure necessary for community development within the District.

The District is governed by a Board of Supervisors (“Board”), which is comprised of five members. The current Supervisors have been elected by qualified electors residing within the District. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes.

The Board has the final responsibility for:

1. Assessing and levying assessments.
2. Approving budgets.
3. Exercising control over facilities and properties.
4. Controlling the use of funds generated by the District.
5. Approving the hiring and firing of key personnel.
6. Financing improvements.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include or exclude a potential component unit in the reporting entity was made by applying the criteria set forth by Generally Accepted Accounting Principles (GAAP) as defined by the Governmental Accounting Standards Board (GASB) in statements No. 14 and No. 61. Based on the foregoing criteria, no potential component units were found.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the District conform to GAAP as applicable to governments in accordance with those promulgated by GASB. The following is a summary of the more significant policies:

Government-wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements.

Buckeye Park Community Development District Notes to Financial Statements

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by assessments, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The business-type activities are reported separately in government-wide financial statements; however, at September 30, 2014, the District did not have any significant business-type activities. Therefore, no business-type activities are reported. Assessments and other items not properly included as program revenues (i.e., charges to customers or applicants who purchase, use, or directly benefit from goods or services) are reported as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Assessments are recognized as revenues in the year for which they are levied. Grants and other similar items are to be recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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. However, debt service expenditures are recorded only when payment is due.

Operating and maintenance assessments are non-ad valorem assessments on all platted lots within the District. Special assessments are levied in accordance with the bond indenture on all lands located within the District and benefited by the District's activities, operation and maintenance. All assessments are due and payable November 1. The Manatee County, Florida Tax Collector's Office bills and collects assessments on behalf of the District.

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

Buckeye Park Community Development District Notes to Financial Statements

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The District reports the following major governmental funds:

General Fund – The General Fund is the primary operating fund of the District. It is used to account for all financial resources except those required to be accounted for in other funds.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for the annual payment of principal and interest on long-term debt.

For the year ended September 30, 2014, the District does not report any proprietary funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, or unassigned resources are available for use in the governmental fund financial statements, it is the government's policy to use committed resources first, followed by assigned resources, then unassigned resources as needed.

Cash, Deposits and Investments

The District maintains deposits with "Qualified Public Depositories" as defined in Chapter 280, Florida Statutes. All Qualified Public Depositories must place with the Treasurer of the State of Florida securities in accordance with collateral requirements determined by the State's Chief Financial Officer. In the event of default by a Qualified Public Depository, the State Treasurer will pay public depositors all losses. Losses in excess of insurance and collateral will be paid through assessments between all Qualified Public Depositories.

Under this method, all the District's deposits are fully insured or collateralized at the highest level of security as defined by GASB, Statement Number 40, *Deposits and Investment Disclosures (An Amendment of GASB, Statement Number 3)*.

The District is authorized to invest in financial instruments as established by Section 218.415, Florida Statutes. The authorized investments include among others negotiable direct or indirect obligations which are secured by the United States Government; the Local Government Surplus Trust Funds as created by Section 218.415, Florida Statutes; SEC registered money market funds with the highest credit quality rating from a nationally recognized rating agency; and interest-bearing time deposits or savings accounts in authorized financial institutions.

Buckeye Park Community Development District Notes to Financial Statements

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables

Receivables are shown net of allowance for uncollectible amounts in the government-wide financial statements.

Capital Assets

Capital assets, which include primarily infrastructure assets (e.g., roads, sidewalks, water management systems and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial/individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost and estimated historical cost if purchased or constructed. Donated assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Asset	Years
Clearing and grading, signage, fencing	20
Water and irrigation distribution, sewage	25
Streets and drainage, other	40

In the governmental fund financial statements, amounts incurred for the acquisition of capital assets are reported as fund expenditures. Depreciation expense is not reported in the governmental fund financial statements.

Estimates

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

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line or effective interest method. Bonds payable are reported net of these premiums or discounts. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current period expenses.

Buckeye Park Community Development District Notes to Financial Statements

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any of this type of item at September 30, 2014.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. As of September 30, 2014, certain amounts totaling \$846,886 do not represent current financial resources, and are shown on the Balance Sheet – Governmental Funds as deferred inflows of resources.

Fund Equity

Net position in the government-wide financial statements represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources and is categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents assets related to infrastructure and property, plant and equipment, net of any related debt. Restricted net position represents the assets restricted by the District's bond covenants.

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the District board through approval of resolutions. Assigned fund balance is a limitation imposed by a designee of the District board. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

Buckeye Park Community Development District Notes to Financial Statements

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

The District is required to establish a budgetary system and an approved annual budget. Annual budgets are legally adopted on a basis consistent with GAAP for the General Fund. Any revision to the budget must be approved by the District Board. The budgets are compared to actual expenditures. In instances where budget appropriations and estimated revenues have been revised during the year, budget data presented in the financial statements represent final authorization amounts. For the year ended September 30, 2014, actual expenditures exceeded budget appropriations due to unanticipated expenses related to the District's funding of the management of the special purpose entity (as explained more fully in Note 7).

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- A. Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
- B. A public hearing is conducted to obtain comments.
- C. Prior to October 1, the budget is legally adopted by the District Board.
- D. All budget changes must be approved by the District Board.
- E. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

NOTE 3 – 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. The District maintains commercial insurance coverage to mitigate the risk of loss. Coverage may not extend to all situations. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in the previous three years.

NOTE 4 – MANAGEMENT COMPANY

The District has contracted with a management company to perform management advisory services, which include financial and accounting advisory services. Certain employees of the management company also serve as officers (Board appointed non-voting positions) of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, and other administrative costs.

Buckeye Park Community Development District Notes to Financial Statements

NOTE 5 – CAPITAL ASSETS

The following is a summary of changes in the capital assets for the year ended September 30, 2014:

	Beginning Balance	Additions	Transfers and Conveyances	Ending Balance
Governmental Activities:				
<i>Capital assets not being depreciated</i>				
Land and land improvements	\$ 6,317,127	\$ -	\$ -	\$ 6,317,127
Total capital assets, not being depreciated	6,317,127	-	-	6,317,127
<i>Capital assets being depreciated</i>				
Infrastructure				
Clearing and grading	1,306,512	-	-	1,306,512
Streets and drainage	1,698,531	-	-	1,698,531
Water distribution system	276,361	-	-	276,361
Irrigation distribution	256,912	-	-	256,912
Sewage collection system	642,425	-	-	642,425
Signage	102,979	-	-	102,979
Fencing	54,141	-	-	54,141
Other	525,000	-	-	525,000
Total capital assets, being depreciated	4,862,861	-	-	4,862,861
<i>Less accumulated depreciation</i>				
Infrastructure				
Clearing and grading	304,853	65,326	-	370,179
Streets and drainage	198,162	42,463	-	240,625
Water distribution system	51,587	11,054	-	62,641
Irrigation distribution	47,957	10,276	-	58,233
Sewage collection system	119,920	25,697	-	145,617
Signage	24,028	5,149	-	29,177
Fencing	12,633	2,707	-	15,340
Other	61,250	13,125	-	74,375
Total accumulated depreciation	820,390	175,797	-	996,187
Total capital assets, being depreciated, net	4,042,471	175,797	-	3,866,674
Governmental activities capital assets, net	\$ 10,359,598	\$ 175,797	\$ -	\$ 10,183,801

Depreciation expense of \$175,797 was allocated to maintenance and operations on the accompanying Statement of Activities.

Buckeye Park Community Development District Notes to Financial Statements

NOTE 6 – BONDS PAYABLE

On May 6, 2008 the District issued \$11,050,000 of Special Assessment Revenue Bonds, Series 2008A due on May 1, 2038 with a fixed interest rate of 7.875%. Interest is paid semiannually on each May 1 and November 1. Principal payments are made annually on each May 1.

The Bond Indenture has certain restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedure to be followed by the District on assessments to property owners. The District agreed to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements. As described below, the District is not in compliance with certain requirements of its Bond Indenture.

The Bond Indenture requires that the District maintain adequate funds in the reserve account to meet the debt service reserve requirement as defined in the Indenture. The requirement has not been met for the fiscal year ended September 30, 2014. In addition, the District has not collected debt service assessments sufficient enough to provide payment of its semi-annual debt service. As a result, these payments have not been made in a timely manner.

Long-term liability activity for the year ended September 30, 2014, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<i>Governmental Activities</i>					
Bonds Payable:					
Series 2008A	\$ 10,745,000	\$ -	\$ -	\$ 10,745,000	\$ 540,000
	\$ 10,745,000	\$ -	\$ -	\$ 10,745,000	\$ 540,000

At September 30, 2014, the scheduled debt service requirements on long-term debt were as follows:

<i>Year Ending September 30,</i>	Principal	Interest	Total Debt Service
2015	\$ 540,000	\$ 846,169	\$ 1,386,169
2016	165,000	803,644	968,644
2017	175,000	790,650	965,650
2018	190,000	776,869	966,869
2019	205,000	761,906	966,906
2020 - 2024	1,320,000	3,536,663	4,856,663
2025 - 2029	1,955,000	2,925,563	4,880,563
2030 - 2034	2,895,000	2,019,938	4,914,938
2035 - 2038	3,300,000	675,281	3,975,281
	\$ 10,745,000	\$ 13,136,683	\$ 23,881,683

Buckeye Park Community Development District Notes to Financial Statements

NOTE 7 – SPECIAL PURPOSE ENTITY

In August 2013, as a result of the non-payment of operating maintenance and debt service assessments, by Port Manatee Industrial Park, LLC, the Bond Trustee, on behalf of the Bondholders, formed a special purpose entity (“SPE”), Buckeye Park CDD Holdings, Inc., controlled by the Bond Trustee to act on behalf of the Bondholders. The SPE is wholly-owned and managed by the Bond Trustee. The District does not have control or ownership of the SPE. In connection with the SPE, however, the District paid \$1,053,106 in expenses on its behalf during the year ended September 30, 2014.

For the fiscal year ended September 30, 2014 and through the date of this report, the District did not collect debt service assessments sufficient enough to provide payment of its semi-annual debt service. As a result, the District did not make its debt service payments. The District has failed to make any debt service payments since May 2011. The unpaid principal and interest during the fiscal year 2014 was added to the District’s debt service obligation liability on its fund-level balance sheet. At September 30, 2014 this liability totaled \$2,928,507.

NOTE 8 – INTERFUND TRANSFERS

The transfers between the Debt Service fund and the General fund represents amount that were approved by the Trustee for use to pay current and prior year operating expenses.



**Required Supplemental Information
(Other Than MD&A)**

**Buckeye Park Community Development District
Budget to Actual Comparison Schedule – General Fund**

<i>Year ended September 30,</i>	2014		
	Original and Final Budget	Actual Amounts	Variance with Final Budget
Revenues			
Special assessments	\$ 84,035	\$ 137,673	\$ 53,638
Total revenues	84,035	137,673	53,638
Expenditures			
General government	55,535	98,701	(43,166)
Maintenance and operations	28,500	22,412	6,088
Total expenditures	84,035	121,113	(37,078)
Excess of revenues over expenditures	\$ -	\$ 16,560	\$ 16,560

**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
Buckeye Park Community Development District
Manatee 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 the governmental activities and each major fund of Buckeye Park Community Development District (hereinafter referred to as the “District”), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated June 18, 2015.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 a 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. We consider the deficiencies identified as IC2014-01 and IC2014-02 on the following page to be material weaknesses.

IC2014-01: Supporting Documentation

- Condition: The District has approximately \$1 million of expenditures recorded relating to the Special Purpose Entity that have no supporting documentation available to verify their existence, appropriateness and proper classification.
- Criteria: Internal controls should be in place to provide reasonable assurance that expenditures are appropriate and properly recorded.
- Cause: The expenditures were made from a trust account over which District management has no direct control or authority. The funds were removed from the account by the Bond Trustee and transferred to a different account. No supporting documentation was provided to District management regarding the use of these funds, and no indication is given on the investment trust statement as to the use of these funds.
- Effect: Because no supporting documentation is available to District management, expenditures may be made that are inappropriate for the District to pay, or they may be improperly classified on the District's financial statements.
- Recommendation: We understand that District management has attempted to obtain the supporting documentation for these types of expenditures but has met total resistance from the Bond Trustee. We recommend the District continue to pursue the supporting documentation and continue to explain to those involved the importance of transparency when using governmental-entity funds. Ultimately, the District should have sufficient documentation to support all expenditures.

The District's response to the finding identified in our audit is described below. The District's response was not subjected to auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

- *Management's response to the recommendation above is described on page 33.*

IC2014-02: Unrecorded Assessments Receivable

- Condition: The District levied operations and maintenance assessments totaling approximately \$84,000 for fiscal year 2014. Of that amount, approximately \$43,000 was uncollected at year-end, and the related receivable amounts were not recorded on the District's books at September 30, 2014.
- Criteria: According to generally accepted accounting principles, governments should recognize a receivable as soon as they have an enforceable legal claim to resources. The corresponding amount is classified as revenue or unavailable revenue (a deferred inflow of resources) depending on whether those resources are considered to be available. Internal controls should be in place to provide reasonable assurance that the District properly records a complete amount of revenues assessed.

- Cause: It appears that certain amounts assessed by the District were not identified as being related to events that occurred prior to September 30, 2014.
- Effect: Revenues/deferred revenues and amounts receivable would be understated on the fund level and government-wide financial statements.
- Recommendation: We recommend that the District establish a process at least on an annual basis for identifying assessed revenues that should be recorded as of period end. This could involve comparing collected assessments to budget as well as reviewing amounts received subsequent to year-end to determine if they applied to the previous fiscal-year's levy.

The District's response to the finding identified in our audit is described below. The District's response was not subjected to auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

- *Management's response to the recommendation above is described on page 33.*

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards*.

- IC2014-03: The District is not in compliance with certain provisions of its Bond Indenture including those relating to 1) levying and collecting assessments to provide payment of debt service, 2) maintaining adequate funds in debt service reserve accounts, and 3) making its semi-annual debt service principal and interest payments.

The District's response to the finding identified in our audit is described below. The District's response was not subjected to auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

- *Management's response to the recommendation above is described on page 33.*

Purpose of this Report

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

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida
June 18, 2015

MANAGEMENT LETTER

To the Board of Supervisors
Buckeye Park Community Development District
Manatee County, Florida

Report on the Financial Statements

We have audited the financial statements of the Buckeye Park Community Development District ("District") as of and for the fiscal year ended September 30, 2014, and have issued our report thereon dated June 18, 2015.

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 Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in this report, which is dated June 18, 2015, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report except for the item noted as IC2014-03 on page 27, which was included in the preceding annual audit report. This comment was also included in the second preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The information required is disclosed in the notes to the financial statements.

Financial Condition

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that we report the results of our determination as to whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the District met the conditions described in Section 218.503(1)(a), Florida Statutes. The District failed to make a bond debt service payment as a result of lack of funds. The financial emergency conditions were a result of a deteriorating financial condition for the reason described below. The District's response is presented on page 27.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. It was determined that a deteriorating financial condition exists with respect to the District. As a result of a continued lack of funding from the former developer and major landowner, in August 2013, the District formed Special Purpose Entity (SPE) for the purpose of taking ownership of the District's property for the benefit of the bondholders. The SPE is wholly-owned and managed by the Bond Trustee. For the fiscal year ended September 30, 2014 and through the date of this report, the District did not collect debt service assessments sufficient enough to provide payment of its semi-annual debt service. As a result, the District did not make its debt service payments. The District has failed to make any debt service payments since May 2011.

Annual Financial Report

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the District for the fiscal year ended September 30, 2014, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2014. In connection with our audit, we determined that these two reports were in agreement.

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 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.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida

June 18, 2015



Carr, Riggs & Ingram, LLC
Certified Public Accountants
500 Grand Boulevard
Suite 210
Miramar Beach, Florida 32550

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(850) 654-4619 (fax)
CRlcpa.com

INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Supervisors
Buckeye Park Community Development District
Manatee County, Florida

We have examined Buckeye Park Community Development District's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2014. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the 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 the 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 the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2014.

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

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida
June 18, 2015



5680 W. Cypress Street ♦ Suite A ♦ Tampa, Florida 33607 ♦ (813) 873-7300 ♦ Fax (813) 873-7070

06/18/2015

RE: BUCKEYE PARK CDD FY14 AUDIT FINDINGS

IC2014-01 Supporting Documentation

The District entered into an agreement with the Trustee and Bondholders allowing the Special Purpose Entity to acquire, administer, control, manage, sell, and distribute the proceeds of the lots in the District formerly owned by the non-paying Developer. It is customary for the attorney and financial advisor to withhold supporting documentation to their fees in order to keep their dealings confidential. All parties have been advised that back up should be provided whenever possible to support the use of public funds. Any available support that is acquired by the management company will be presented to the auditor in order to provide as much transparency as possible.

IC2014-02 Unrecorded Assessments Receivable

The management company will review and post entries to reflect accurate accounts receivable balances at the end of the year. All efforts will be made to ensure financial statements are accurate.

IC2014-03 Failure to Make Debt Service Payments When Due / Not making semi-annual payment.

The District has taken all available action to comply with the requirements of the bond indentures. The District entered into an agreement with the Trustee and Bondholders allowing the Special Purpose Entity to acquire, administer, control, manage, sell, and distribute the proceeds of the lots in the District formerly owned by the non-paying Developer. If successfully sold, the District should be able to bring debt service current and enable scheduled debt service payments to be paid when due.

IC2014-03 Failure to Meet Debt Service Reserve Account Requirements

The District has taken all available action to comply with the requirements of the bond indentures. The District entered into an agreement with the Trustee and Bondholders allowing the Special Purpose Entity to acquire, administer, control, manage, sell, and distribute the proceeds of the lots in the District formerly owned by the non-paying Developer. If successfully sold, the District should be able to replenish the Debt Service Reserve Accounts.

Sincerely,

Robert Rios, CPA
VP, Accounting Services
Meritus Corp