

**TSR Community
Development District**

ANNUAL FINANCIAL REPORT

September 30, 2021

TSR Community Development District

ANNUAL FINANCIAL REPORT

September 30, 2021

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REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors
TSR Community Development District
Pasco County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of TSR Community Development District as of and for the year ended September 30, 2021, 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

To the Board of Supervisors
TSR 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 TSR Community Development District as of September 30, 2021, 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

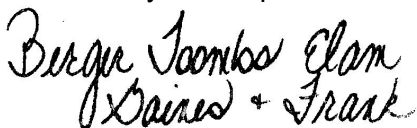
Management's Discussion and Analysis

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economical or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management 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 the 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 17, 2022 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 TSR Community Development District's internal control over financial reporting and compliance.



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

June 17, 2022

**TSR Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021**

Management's discussion and analysis of TSR 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, culture/recreation, 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.

**TSR Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021**

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 land, construction in progress, improvements, and equipment 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*, a reconciliation is 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, 2021.

- ◆ The District's total liabilities exceeded total assets by \$(5,377,164) (net position). The District's net investment in capital assets was \$(52,346). Unrestricted net position for Governmental Activities was \$(7,076,486). Restricted net position was \$1,751,668.
- ◆ Governmental activities revenues totaled \$7,195,923 while governmental activities expenses totaled \$5,820,387.

**TSR Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District

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

Net Position

	Governmental Activities	
	2021	2020
Current assets	\$ 1,444,334	\$ 767,756
Restricted assets	7,401,737	8,536,784
Capital assets	42,096,890	41,181,126
Total Assets	<u>50,942,961</u>	<u>50,485,666</u>
Current liabilities	2,491,743	2,316,661
Non-current liabilities	53,828,382	54,921,705
Total Liabilities	<u>56,320,125</u>	<u>57,238,366</u>
Net investment in capital assets	(52,346)	(43,028)
Restricted debt service	1,751,668	1,181,533
Net position - unrestricted	<u>(7,076,486)</u>	<u>(7,891,205)</u>
Total Net Position	<u>\$ (5,377,164)</u>	<u>\$ (6,752,700)</u>

The increase in current assets is the result of an increase in assessments receivable in the current year.

The decrease in restricted assets and the increase in capital assets was the result of the capital project activity in the current year.

The increase in current liabilities is related to the increase in the current portion of bonds payable in the current year.

The increase in net position is the result of revenues exceeding expenses in the current year.

**TSR Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District (Continued)

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

Change In Net Position

	Governmental Activities	
	2021	2020
Program Revenues		
Charges for services	\$ 7,154,506	\$ 6,214,580
Contributions	-	119,432
General Revenues		
Investment earnings	399	7,469
Miscellaneous revenues	41,018	27,632
Total Revenues	<u>7,195,923</u>	<u>6,369,113</u>
Expenses		
General government	333,085	193,574
Physical environment	2,423,570	2,265,535
Culture/recreation	424,974	346,682
Interest and other charges	<u>2,638,758</u>	<u>2,945,922</u>
Total Expenses	<u>5,820,387</u>	<u>5,751,713</u>
Change in Net Position	1,375,536	617,400
Net Position - Beginning of Year	<u>(6,752,700)</u>	<u>(7,370,100)</u>
Net Position - End of Year	<u>\$ (5,377,164)</u>	<u>\$ (6,752,700)</u>

The increase in charges for services is the result of the increase in special assessments in the current.

The increase in general government is related to increased engineering fees and tax collector fees in the current year.

The increase in physical environment expenses is mostly attributable to an increase in landscape maintenance and trash collection expenses in the current year.

The decrease in interest and other charges is mostly due to the cost of issuance for the bond issued in the prior year.

**TSR Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021**

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, 2021 and 2020.

<u>Description</u>	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Land	\$ 1,938,304	\$ 1,938,304
Construction in progress	40,086,168	39,161,086
Improvements	117,264	117,264
Equipment	7,500	7,500
Accumulated depreciation	<u>(52,346)</u>	<u>(43,028)</u>
Total Capital Assets (Net)	<u>\$ 42,096,890</u>	<u>\$ 41,181,126</u>

The activity for the year consisted of \$9,318 in depreciation and \$925,082 in addition to construction in progress.

General Fund Budgetary Highlights

Actual governmental expenditures were less than final budgeted amounts primarily due to less landscape maintenance expenditures than were anticipated.

The September 30, 2021 budget was not amended.

**TSR Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Debt Management

Governmental Activities debt includes the following:

- ◆ In February 2015, the District issued \$9,930,000 Series 2015 Special Assessment Revenue Bonds (Village 1 Project). These bonds were issued to finance the cost of acquisition, construction, installation and equipment of the 2015 project. The balance outstanding at September 30, 2021 was \$9,025,000.
- ◆ In October 2015, the District issued \$9,455,000 Series 2015A Special Assessment Revenue Bonds (Village 4 Project). These bonds were issued to finance the cost of acquisition, construction, installation and equipment of the 2015A Project. The balance outstanding at September 30, 2021 was \$8,675,000.
- ◆ In October 2016, the District issued \$10,235,000 Series 2016 Special Assessment Revenue Bonds (2016 Project). These bonds were issued to finance the cost of acquisition, construction, installation and equipment of the 2016 Project. The balance outstanding at September 30, 2021 was \$9,685,000.
- ◆ In December 2017, the District issued \$12,870,000 Series 2017 Special Assessment Revenue Bonds (2017 Project). These bonds were issued to finance the cost of acquisition, construction, installation and equipment of the 2017 Project. The balance outstanding at September 30, 2021 was \$12,345,000.
- ◆ In October 2018, the District issued \$9,785,000 Series 2018 Special Assessment Revenue Bonds. These bonds were issued to finance the cost of acquisition, construction, installation and equipment of the 2019 Project. The balance outstanding at September 30, 2021 was \$9,630,000.
- ◆ In October 2019, the District issued \$5,710,000 Series 2019 Special Assessment Revenue Bonds. These bonds were issued to finance the cost of acquisition, construction, installation and equipment of the 2019 Project. The balance outstanding at September 30, 2021 was \$5,710,000.

Economic Factors and Next Year's Budget

TSR Community Development District anticipates continuing to construct certain capital improvements in fiscal year 2022; however, the District does not expect any economic factors to have any significant effect on the financial position or results of operations of the District in fiscal year 2022.

**TSR Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2021**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Request for Information

The financial report is designed to provide a general overview of TSR Community Development District 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 TSR Community Development District's Finance Department at 2300 Glades Road, Suite 410W, Boca Raton, Florida 33431.

TSR Community Development District
STATEMENT OF NET POSITION
September 30, 2021

	Governmental Activities
ASSETS	
Current Assets	
Cash	\$ 403,032
Accounts receivable	4,833
Assessments receivable	929,611
Due from others	53,909
Prepaid expenses	51,449
Deposits	1,500
Total Current Assets	1,444,334
Non-current Assets	
Restricted assets	
Investments	7,401,737
Capital assets, not being depreciated	
Land	1,938,304
Construction in progress	40,086,168
Capital assets, being depreciated	
Improvements	117,264
Equipment	7,500
Less: accumulated depreciation	(52,346)
Total Non-current Assets	49,498,627
Total Assets	50,942,961
LIABILITIES	
Current Liabilities	
Accounts payable and accrued expenses	219,650
Due to developer	101,119
Unearned revenues	524
Accrued interest	1,095,450
Bonds payable - current portion	1,075,000
Total Current Liabilities	2,491,743
Non-current liabilities	
Bonds payable	53,828,382
Total Liabilities	56,320,125
NET POSITION	
Net investment in capital assets	(52,346)
Restricted debt service	1,751,668
Unrestricted	(7,076,486)
Total Net Position	\$ (5,377,164)

See accompanying notes.

**TSR Community Development District
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2021**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues Charges for Services</u>	<u>Net (Expense) Revenues and Changes in Net Position Governmental Activities</u>
Governmental Activities			
General government	\$ (333,085)	\$ 302,488	\$ (30,597)
Physical environment	(2,423,570)	2,598,980	175,410
Culture and recreation	(424,974)	456,918	31,944
Interest and other charges	(2,638,758)	3,796,120	1,157,362
Total Governmental Activities	<u>\$ (5,820,387)</u>	<u>\$ 7,154,506</u>	<u>1,334,119</u>

General revenues:

Investment earnings	399
Miscellaneous revenues	41,018
Total General Revenues	<u>41,417</u>
Change in Net Position	1,375,536
Net Position - October 1, 2020	(6,752,700)
Net Position - September 30, 2021	<u>\$ (5,377,164)</u>

See accompanying notes.

**TSR Community Development District
BALANCE SHEET –
GOVERNMENTAL FUNDS
September 30, 2021**

ASSETS	General	Debt Service	Capital Projects	Total Governmental Funds
Cash	\$ 403,032	\$ -	\$ -	\$ 403,032
Accounts receivable	4,833	-	-	4,833
Assessments receivable	359,160	570,451	-	929,611
Due from other funds	727	-	-	727
Due from other	53,909	-	-	53,909
Prepaid items	51,449	-	-	51,449
Deposits	1,500	-	-	1,500
Restricted assets				
Investments, at fair value	-	4,943,729	2,458,008	7,401,737
Total Assets	<u>\$ 874,610</u>	<u>\$ 5,514,180</u>	<u>\$ 2,458,008</u>	<u>\$ 8,846,798</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued expenses	\$ 219,650	\$ -	\$ -	\$ 219,650
Due to other funds	-	-	727	727
Unearned revenues	524	-	-	524
Due to developer	101,119	-	-	101,119
Total Liabilities	<u>321,293</u>	<u>-</u>	<u>727</u>	<u>322,020</u>
 DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	<u>53,909</u>	<u>-</u>	<u>-</u>	<u>53,909</u>
 FUND BALANCES				
Nonspendable - prepaid expenses/deposits	52,949	-	-	52,949
Restricted				
Debt service	-	5,514,180	-	5,514,180
Capital projects	-	-	2,457,281	2,457,281
Unassigned	<u>446,459</u>	<u>-</u>	<u>-</u>	<u>446,459</u>
Total Fund Balances	<u>499,408</u>	<u>5,514,180</u>	<u>2,457,281</u>	<u>8,470,869</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 874,610</u>	<u>\$ 5,514,180</u>	<u>\$ 2,458,008</u>	<u>\$ 8,846,798</u>

See accompanying notes.

TSR Community Development District
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2021

Total Governmental Fund Balances	\$ 8,470,869
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets consisting of land, \$1,938,304, construction in progress, \$40,086,168, improvements, \$117,264, and equipment, \$7,500, net of accumulated depreciation, \$(52,346), used in governmental activities are not current financial resources and therefore, are not reported at the fund level.	42,096,890
Long-term liabilities, including bonds payable, \$(55,070,000), plus bond premiums, net, \$(27,631), net of bond discount, net \$194,249, are not due and payable in the current period and, therefore, are not reported at the fund level.	(54,903,382)
Deferred inflows that are not available are not recognized at the fund level, however, revenue is recognized when earned at the government-wide level.	53,909
Accrued interest expense for long-term debt is not a current financial use, and therefore, is not reported at the fund level.	<u>(1,095,450)</u>
Net Position of Governmental Activities	<u><u>\$ (5,377,164)</u></u>

See accompanying notes.

TSR Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES –
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2021

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues				
Special assessments	\$ 3,358,386	\$ 3,796,120	\$ -	\$ 7,154,506
Investment earnings	-	227	172	399
Miscellaneous revenues	41,018	-	-	41,018
Total Revenues	<u>3,399,404</u>	<u>3,796,347</u>	<u>172</u>	<u>7,195,923</u>
Expenditures				
Current				
General government	281,341	51,744	-	333,085
Physical environment	2,417,282	-	-	2,417,282
Culture/recreation	424,974	-	-	424,974
Capital outlay	-	-	925,082	925,082
Debt service				
Principal	-	945,000	-	945,000
Interest	-	2,647,079	-	2,647,079
Total Expenditures	<u>3,123,597</u>	<u>3,643,823</u>	<u>925,082</u>	<u>7,692,502</u>
Excess of revenues over/(under) expenditures	<u>275,807</u>	<u>152,524</u>	<u>(924,910)</u>	<u>(496,579)</u>
Other Financing Sources/(Uses)				
Insurance proceeds	3,030	-	-	3,030
Transfers in	-	292,095	8	292,103
Transfers out	-	(8)	(292,095)	(292,103)
Total Other Financing Sources/(Uses)	<u>3,030</u>	<u>292,087</u>	<u>(292,087)</u>	<u>3,030</u>
Net change in fund balances	278,837	444,611	(1,216,997)	(493,549)
Fund Balances - October 1, 2020	<u>220,571</u>	<u>5,069,569</u>	<u>3,674,278</u>	<u>8,964,418</u>
Fund Balances - September 30, 2021	<u>\$ 499,408</u>	<u>\$ 5,514,180</u>	<u>\$ 2,457,281</u>	<u>\$ 8,470,869</u>

See accompanying notes.

TSR 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, 2021

Net Change in Fund Balances - Total Governmental Funds \$ (493,549)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation. This is the amount that capital outlay, \$925,082, exceeded depreciation, \$(9,318), in the current period. 915,764

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 945,000

Governmental funds report bond discounts and bond premiums as other financing sources/(uses). However, in the Statement of Activities, the cost is amortized as interest. This is the amount of amortization in the current year. (6,677)

In the Statement of Activities, interest is accrued on outstanding bonds; whereas in governmental funds, interest expenditures are reported when due. This is the net amount between the prior year and the current year accruals. 14,998

Change in Net Position of Governmental Activities \$ 1,375,536

TSR Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL –
GENERAL FUND
For the Year Ended September 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
Revenues				
Special assessments	\$3,357,411	\$3,357,411	\$ 3,358,386	\$ 975
Investment income	2,500	2,500	-	(2,500)
Miscellaneous revenues	24,600	24,600	41,018	16,418
Total Revenues	<u>3,384,511</u>	<u>3,384,511</u>	<u>3,399,404</u>	<u>14,893</u>
Expenditures				
Current				
General government	209,203	209,203	281,341	(72,138)
Physical environment	2,590,071	2,590,071	2,417,282	172,789
Culture/recreation	479,187	479,187	424,974	54,213
Total Expenditures	<u>3,278,461</u>	<u>3,278,461</u>	<u>3,123,597</u>	<u>154,864</u>
Excess of revenues over/(under) expenditures	<u>106,050</u>	<u>106,050</u>	<u>275,807</u>	<u>169,757</u>
Other Financing Sources/(Uses)				
Insurance proceeds	<u>-</u>	<u>-</u>	<u>3,030</u>	<u>3,030</u>
Net change in fund balances	106,050	106,050	278,837	172,787
Fund Balances - October 1, 2020	<u>-</u>	<u>-</u>	<u>220,571</u>	<u>220,571</u>
Fund Balances - September 30, 2021	<u>\$ 106,050</u>	<u>\$ 106,050</u>	<u>\$ 499,408</u>	<u>\$ 393,358</u>

See accompanying notes.

**TSR Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of TSR Community Development District (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 July 8, 2014 by Pasco County, Florida, Ordinance 14-14 under the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), 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 governed by a five-member Board of Supervisors (1 seat is currently vacant), who are elected for terms of four years. The District operates within the criteria established by Chapter 190, Florida Statutes. The Board has the responsibility for assessing and levying assessments, approving budgets, exercising control over facilities and properties, controlling the use of funds generated by the District, approving the hiring and firing of key personnel, and financing improvements.

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

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

TSR Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

a. Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Government-wide financial statements report all non-fiduciary information about the reporting government as a whole. These statements include 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, miscellaneous revenues and interest. Program revenues include charges for services, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. 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.

TSR Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

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 has implemented the 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 the state 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 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.

**TSR Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021**

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 were 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.

TSR Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

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 refunding bonds which were used to finance the construction of District infrastructure improvements and finance certain additional improvements. The bond series is secured by a pledge of debt service special assessment revenues in any fiscal year related to the improvements. A lien is placed on all benefited land in relationship to the debt outstanding.

Capital Projects Fund – The Capital Project Fund accounts for the 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 buildings, and non-current governmental liabilities, such as special assessment bonds, 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.

TSR Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

a. Cash and Investments (Continued)

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.

Cash equivalents include time deposits and certificates of deposit with original maturities of three months or less and held in a qualified public depository as defined by Florida Statute 280.02.

b. Restricted Net Position

Certain net position of the District are 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 land, construction in progress, improvements and equipment, are reported in the governmental activities column.

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

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

**TSR Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

c. Capital Assets (Continued)

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

Depreciation of capital assets is computed and recorded by utilizing the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows:

Improvements:	10-30 years
Equipment	5 years

d. Unamortized Bond Discount

Bond discounts are presented on the government-wide financial statements. The costs are amortized over the life of the bonds using the straight-line method of accounting. For financial reporting, the unamortized bond discount is netted against the applicable long-term debt.

e. 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 variance columns of the accompanying financial statements may occur.

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

“Total fund balances” of the District’s governmental funds, \$8,470,869, differs from “net position” of governmental activities, \$(5,377,164), reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheet. The effect of the differences is illustrated below.

**TSR Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021**

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

1. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position (Continued)

Capital related items

When capital assets (property, plant and equipment that are to be used in governmental activities) are purchased or constructed, the cost of those assets is reported as expenditures in governmental funds. However, the Statement of Net Position included those capital assets among the assets of the District as a whole.

Land	\$ 1,938,304
Construction in progress	40,086,168
Improvements	117,264
Equipment	7,500
Accumulated depreciation	<u>(52,346)</u>
Total	<u>\$ 42,096,890</u>

Deferred inflows of resources

Unavailable revenues are not a current financial resource and, therefore, the revenue is not reported at the fund level.

Unavailable revenues	<u>\$ 53,909</u>
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Long-term debt transactions

Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the Statement of Net Position. Balances at September 30, 2021 were:

Bonds payable	\$ (55,070,000)
Bond premium, net	(27,631)
Bond discount, net	<u>194,249</u>
Total	<u>\$ (54,903,382)</u>

Accrued interest

Accrued liabilities in the Statement of Net Position differ from the amount reported in governmental funds due to accrued interest on bonds.

Accrued interest on bonds payable	<u>\$ (1,095,450)</u>
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**TSR Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021**

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

2. Explanation of Differences Between the Governmental Fund Operating Statements and the Statement of Activities

The “net change in fund balances” for government funds, \$493,549, differs from the “change in net position” for governmental activities, \$1,375,536, reported in the Statement of Activities. The differences arise primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Capital related items

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation. As a result, fund balances decrease by the amount of financial resources expended, whereas net position decrease by the amount of depreciation charged for the year.

Capital outlay	\$	925,082
Depreciation		(9,318)
Total		<u>915,764</u>

Long-term debt transactions

Repayments of bond principal are reported as an expenditure in the governmental funds and, thus, have the effect of reducing fund balance because current financial resources have been used.

Debt principal payments	\$	945,000
Bond premium		950
Bond discount amortization		(7,627)
Total		<u>938,323</u>

Some expenses reported in the Statement of Activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.

Net change in accrued interest payable	\$	<u>14,998</u>
Bond premium		<u>950</u>
Bond discount amortization		<u>(7,627)</u>

**TSR Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021**

NOTE C – 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, 2021, the District's bank balance was \$505,310 and the carrying value was \$403,032. 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, 2021, the District had the following investments and maturities:

Investment	Maturities	Fair Value
U S Bank Money Market	N/A	\$ 7,401,737

The District categorizes its fair value measurement within the fair value hierarchy 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 uses the best information available under the circumstances, which includes the District's own data in measuring unobservable inputs.

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.

TSR Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

NOTE C – 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, 2021, the District's investment in U.S. Bank Money Market was not rated.

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one investment. The investment in the U S Bank Money Market is 100% of the District's total investments.

The types of deposits and investments and their level of risk exposure as of September 30, 2021 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 D – SPECIAL ASSESSMENT REVENUES

Assessments are non-ad valorem assessments on benefitted property within the District. Operating and Maintenance Assessments are based upon adopted budget and levied annually. Debt Service Assessments are levied when bonds are issued and collected annually. The District may collect assessments directly or utilize the uniform method of collection (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 mailed by County Tax Collector on November 1 and due on or before March 31 of each year. Property owners may prepay a portion or all of the Debt Service Assessments on their property subject to various provisions in the bond documents.

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.

**TSR Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021**

NOTE E – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2021 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Governmental Activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 1,938,304	\$ -	\$ -	\$ 1,938,304
Construction in progress	39,161,086	925,082	-	40,086,168
Total Capital Assets, not depreciated	<u>41,099,390</u>	<u>925,082</u>	<u>-</u>	<u>42,024,472</u>
Capital assets, being depreciated:				
Improvements	117,264	-	-	117,264
Equipment	7,500	-	-	7,500
Total Capital Assets, Being Depreciated	<u>124,764</u>	<u>-</u>	<u>-</u>	<u>124,764</u>
Less accumulated depreciation	<u>(43,028)</u>	<u>(9,318)</u>	<u>-</u>	<u>(52,346)</u>
Total Capital Assets Depreciated, Net	<u>81,736</u>	<u>(9,318)</u>	<u>-</u>	<u>72,418</u>
 Governmental Activities Capital Assets	 <u>\$ 41,181,126</u>	 <u>\$ 915,764</u>	 <u>\$ -</u>	 <u>\$ 42,096,890</u>

Depreciation of \$9,318 was charged to physical environment.

NOTE F – LONG-TERM DEBT

The following is a summary of activity for long-term debt of the District for the year ended September 30, 2021:

Long-term debt at October 1, 2020	\$ 56,015,000
Principal payments	<u>(945,000)</u>
Long-term debt at September 30, 2021	55,070,000
Less bond discount	(194,249)
Plus bond premium	27,631
Total long-term debt, net at September 30, 2021	<u>\$ 54,903,382</u>

**TSR Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021**

NOTE F – LONG-TERM DEBT (CONTINUED)

Long-term debt is comprised of the following:

Special Assessment Revenue Bonds

\$9,930,000 Series 2015 Special Assessment Revenue Bonds due in annual installments beginning November 2016 and maturing November 2045. Interest from 3.625% to 5.125% is due in May and November starting November 2015. \$ 9,025,000

\$9,455,000 Series 2015A Special Assessment Revenue Bonds due in annual installments beginning November 2016 and maturing November 2045. Interest from 4.25% to 5.625% is due in May and November starting May 2016. 8,675,000

\$10,235,000 Series 2016 Special Assessment Revenue Bonds due in annual installments beginning November 2018 and maturing November 2047. Interest from 3.5% to 4.75% is due in May and November starting May 2017. 9,685,000

\$12,870,000 Series 2017 Special Assessment Revenue Bonds due in annual installments beginning November 2019 and maturing November 2048. Interest from 3.625% to 4.75% is due in May and November starting May 2018. 12,345,000

\$9,785,000 Series 2018 Special Assessment Revenue Bonds due in annual installments beginning November 2020 and maturing November 2048. Interest from 4.0% to 5.125% is due in May and November starting May 2019. 9,630,000

\$5,710,000 Series 2019 Special Assessment Revenue Bonds due in annual installments beginning November 2021 and maturing November 2050. Interest from 3.0% to 4.0% is due in May and November starting May 2020. 5,710,000

Bond Discount, Net	(194,249)
Bond Premium, Net	<u>27,631</u>

Bonds Payable, Net	<u><u>\$ 54,903,382</u></u>
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**TSR Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021**

NOTE F – LONG-TERM DEBT (CONTINUED)

The annual requirements to amortize the principal and interest of bonded debt outstanding as of September 30, 2021 are as follows:

Year Ending September 30,	Principal	Interest	Total
2022	\$ 1,075,000	\$ 2,608,476	\$ 3,683,476
2023	1,110,000	2,565,057	3,675,057
2024	1,150,000	2,518,588	3,668,588
2025	1,205,000	2,469,483	3,674,483
2026	1,255,000	2,416,804	3,671,804
2027-2031	7,165,000	11,165,011	18,330,011
2032-2036	9,020,000	9,252,183	18,272,183
2037-2041	11,420,000	6,772,543	18,192,543
2042-2046	14,570,000	356	14,570,356
2047-2051	7,100,000	6,300	7,106,300
Totals	<u>\$ 55,070,000</u>	<u>\$ 39,774,801</u>	<u>\$ 94,844,801</u>

Summary of Significant Bonds Resolution Terms and Covenants

SPECIAL ASSESSMENTS REVENUE BONDS, SERIES 2015

Depository Funds – The bond resolution established 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:

1. Reserve Fund – The 2015 Reserve Account is funded from the proceeds of the Bonds in an amount equal to the maximum annual debt service requirement. Monies held in the reserve account will be used only for the purpose established in the Trust Indenture.

	Bonds	
	Reserve Balance	Reserve Requirement
Series 2015 Special Assessment Bonds	<u>\$ 647,106</u>	<u>\$ 647,106</u>

**TSR Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021**

NOTE F – LONG-TERM DEBT (CONTINUED)

SPECIAL ASSESSMENTS REVENUE BONDS, SERIES 2015A

Depository Funds – The bond resolution established 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:

1. Reserve Fund – The 2015A Reserve Account is funded from the proceeds of the Bonds in an amount equal to the maximum annual debt service requirement. Monies held in the reserve account will be used only for the purpose established in the Trust Indenture.

	Bonds	
	Reserve Balance	Reserve Requirement
Series 2015A Special Assessment Bonds	\$ 652,500	\$ 652,500

SPECIAL ASSESSMENTS REVENUE BONDS, SERIES 2016

Depository Funds – The bond resolution established 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:

1. Reserve Fund – The 2016 Reserve Account is funded from the proceeds of the Bonds in an amount equal to 75% of the maximum annual debt service requirement. Monies held in the reserve account will be used only for the purpose established in the Trust Indenture.

	Bonds	
	Reserve Balance	Reserve Requirement
Series 2016 Special Assessment Bonds	\$ 481,322	\$ 481,322

**TSR Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021**

NOTE F – LONG-TERM DEBT (CONTINUED)

SPECIAL ASSESSMENTS REVENUE BONDS, SERIES 2017

Depository Funds – The bond resolution established 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:

1. Reserve Fund – The 2017 Reserve Account is funded from the proceeds of the Bonds in an amount equal to 50% of the maximum annual debt service requirement. Monies held in the reserve account will be used only for the purpose established in the Trust Indenture.

	Bonds	
	Reserve Balance	Reserve Requirement
Series 2017 Special Assessment Bonds	\$ 403,163	\$ 400,669

SPECIAL ASSESSMENTS REVENUE BONDS, SERIES 2018

Depository Funds – The bond resolution established 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:

1. Reserve Fund – The 2018 Reserve Account is funded from the proceeds of the Bonds in an amount equal to 50% of the maximum annual debt service requirement. Monies held in the reserve account will be used only for the purpose established in the Trust Indenture.

	Bonds	
	Reserve Balance	Reserve Requirement
Series 2018 Special Assessment Bonds	\$ 320,366	\$ 320,366

**TSR Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021**

NOTE F – LONG-TERM DEBT (CONTINUED)

SPECIAL ASSESSMENTS REVENUE BONDS, SERIES 2019

Depository Funds – The bond resolution established 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:

Reserve Fund – The 2019 Reserve Account is funded from the proceeds of the Bonds in an amount equal to 50% of the maximum annual debt service requirement. Monies held in the reserve account will be used only for the purpose established in the Trust Indenture.

	Reserve Balance	Reserve Requirement
Series 2019 Special Assessment Bonds	\$ 165,100	\$ 165,100

NOTE G – ECONOMIC DEPENDENCY

The Developer owns a significant portion of land within the District. 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. At September 30, 2021, three board members are affiliated with the Developer.

NOTE H – RISK MANAGEMENT

The government 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 under this commercial coverage.

**TSR Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2021**

NOTE I – DEVELOPER TRANSACTIONS

Governmental Funds

The Developer has agreed to fund the general operations of the District. In connection with that agreement, Developer contributions in the general fund were \$0. The amount reflected in the general fund includes a receivable of \$53,909.

Series 2019 (2019 Project) Acquisition Agreement

The District has entered into an Acquisition Agreement with the Developer whereby the Developer agreed to advance, fund, commence, and complete the Work Product and the District improvements (the “2018 Improvement”) that will ultimately be paid for with the proceeds from the issuance of the Series 2019 Bonds. The Improvements were estimated to cost \$5,528,877 and the District has a total of \$5,068,222 available from the proceeds of the Series 2019 Bonds to acquire them; the Developer will contribute the remainder of the improvements to the District. In accordance with the agreement, the Series 2019 (2019 Project) bonds were issued and the District used \$925,082 of the proceeds to acquire a portion of the 2019 Improvements from the Developer in the current fiscal year.

NOTE J – INTERFUND TRANSFERS

Interfund transfers at September 30, 2021, consisted of the following:

Transfers Out	Transfers In		
	Debt Service Fund	Capital Projects Fund	Total
Debt Service Fund	\$ -	\$ 8	\$ 8
Capital Projects Fund	292,095	-	292,095
Total	<u>\$ 292,095</u>	<u>\$ 8</u>	<u>\$ 292,103</u>

The interfund transfer are in accordance with the bond indenture.



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Certified Public Accountants PL

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INDEPENDENT AUDITORS' 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
TSR Community Development District
Pasco 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 TSR Community Development District, as of and for the year ended September 30, 2021, and the related notes to the financial statements, and have issued our report thereon dated June 17, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered TSR Community Development District's internal control over financial reporting (internal control) as a basis for designing 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 TSR Community Development District's internal control. Accordingly, we do not express an opinion on the effectiveness of TSR Community Development District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 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
TSR Community Development District

Compliance and Other Matters

As part of obtaining reasonable assurance about whether TSR 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
Certified Public Accountants PL
Fort Pierce, Florida

June 17, 2022



Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

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MANAGEMENT LETTER

To the Board of Supervisors
TSR Community Development District
Pasco County, Florida

Report on the Financial Statements

We have audited the financial statements of the TSR Community Development District as of and for the year ended September 30, 2021, and have issued our report thereon dated June 17, 2022.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States; 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 Reporting Requirements

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 our Independent Auditor's Report on an examination conducted in accordance with *AICPA Professionals Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 17, 2022, 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 financial audit report. There were no findings or recommendations in the preceding audit.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not TSR Community Development District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that TSR Community Development District did not meet any of the conditions described in Section 218.503(1) Florida Statutes.

To the Board of Supervisors
TSR Community Development District

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for TSR Community Development District. It is management's responsibility to monitor the TSR 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 as of September 30, 2021.

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

Specific Information

The information provided below was provided by management and has not been audited; therefore, we do not express an opinion or provide any assurance on the information.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the TSR Community Development District reported:

- 1) The total number of district employees compensated in the last pay period of the District's fiscal year: 0
- 2) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year: 4
- 3) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: N/A
- 4) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: \$1,645,106
- 5) Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1, 2020, together with the total expenditures for such project: The District major capital project total expenditures for the year were \$925,082.
- 6) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the District amends a final adopted budget under Section 189.016(6), Florida Statutes: The budget was not amended.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)8, Rules of the Auditor General, the TSR Community Development District reported:

- 7) The rate or rates of non-ad valorem special assessments imposed by the District. The General Fund, \$921.45 - \$1,307.02 and Debt Service, \$901 - \$2,062, and trash collection, \$111.06.
- 8) The amount of special assessments collected by or on behalf of the District: Total special assessments collected was \$7,154,506.
- 9) The total amount of outstanding bonds issued by the District and the terms of such bonds. The District had \$55,070,000, see note F for details.

To the Board of Supervisors
TSR Community Development District

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate 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 warrants the attention of those charged with governance. In connection with our audit, we did not note 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 17, 2022



**Berger, Toombs, Elam,
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**INDEPENDENT ACCOUNTANTS' REPORT/COMPLIANCE
WITH SECTION 218.415, FLORIDA STATUTES**

To the Board of Supervisors
TSR Community Development District
Pasco County, Florida

We have examined TSR Community Development District's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2021. Management is responsible for TSR Community Development District's compliance with those requirements. Our responsibility is to express an opinion on TSR 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 TSR 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 TSR Community Development District's compliance with the specified requirements.

In our opinion, TSR Community Development District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2021.

*Berger Toombs Elam
Gaines & Frank*

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

June 17, 2022