

**TWELVE OAKS SPECIAL DISTRICT  
FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT  
SEPTEMBER 30, 2021**

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INDEPENDENT AUDITORS' REPORT



# Brimmer, Burek & Keelan, LLP

## Certified Public Accountants

5601 Mariner Street, Suite 200 • Tampa, Florida 33609  
bbkm.com • (813) 282-3400 • Fax (813) 287-8369

Donald T. Keyes, CPA

Kara K. Keyes, CPA

Frank D. Lagor, CPA

Heather R. Kovalsky, CPA

Susan W. Evans, CPA

Cong C. Nguyen, CPA



Members of:  
Center for Audit Quality

American Institute of  
Certified Public Accountants

Florida Institute of Certified  
Public Accountants

## INDEPENDENT AUDITORS' REPORT

The Board of Trustees  
Twelve Oaks Special District  
Tampa, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, and each major fund of Twelve Oaks Special District, as of and for the year ended September 30, 2021, 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.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of Twelve Oaks Special District, as of September 30, 2021, 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.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4–8, and the budgetary comparison information on pages 23-24 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 April 14, 2022 on our consideration of the Twelve Oaks Special District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Twelve Oaks Special District’s internal control over financial reporting and compliance.

In accordance with the *Rules of the Florida Auditor General*, we have also issued our management letter dated April 14, 2022.

BRIMMER, BUREK & KEELAN LLP



Certified Public Accountants

April 14, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS  
(MD&A)

**Twelve Oaks Special District**  
For Year Ended September 30, 2021  
Management's Discussion and Analysis

As management of Twelve Oaks Special Tax District (TOSD), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended September 30, 2021.

**FINANCIAL HIGHLIGHTS**

- The government-wide total net position increased by \$16,892 from \$187,818 in 2020 to \$204,710 in 2021.
- The government-wide total assets of the TOSD exceeded its liabilities at the close of the most recent fiscal year by \$204,710 (net position). Of this amount, \$181,614 (unrestricted net position) may be used to meet ongoing obligations in accordance with the District's fiscal policies. The remainder is invested in fixed assets.
- As of the close of the current fiscal year, TOSD's governmental funds reported ending fund balances of \$181,614, an increase of \$14,213 in comparison with the prior year. Of this amount, \$3,094 has been assigned and the remainder is available for spending at the government's discretion (unassigned fund balance).

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**Government-wide financial statements** - The government-wide financial statements are designed to provide readers with a broad overview of TOSD in a manner similar to a private-sector business.

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

The government-wide financial statements of the TOSD are principally supported by non-ad-valorem assessments.



The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

**Governmental fund financial statements** - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

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

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

Twelve Oaks Special District maintains one individual governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund. The general fund is considered to be the only major fund.

**Notes to the financial statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## **GOVERNMENT – WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the TOSD, assets exceeded liabilities by \$204,710 at the close of the most recent fiscal year.

Approximately seven percent of TOSD's net position reflect its investment in capital assets (e.g. walls, entrances, traffic calming project and iron fence) net of depreciation; less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens and maintain property; consequently, these assets are not available for future spending.

Key components of the District’s net position are reflected in the following table:

Net Position  
September 30,2021

	Governmental Activities	
	2021	2020
Assets, excluding capital assets	\$ 191,064	\$ 176,251
Capital assets, net of depreciation	23,096	20,417
Total assets	214,160	196,668
Liabilities, excluding long-term liabilities	9,450	8,850
Long-term liabilities	-	-
Total liabilities	9,450	8,850
Net position		
Invested in capital assets, net of related debt	23,096	20,417
Unrestricted	181,614	167,401
Total net position	\$ 204,710	\$ 187,818

Governmental activities increased TOSD’s net position by \$16,892 compared to a \$19,527 increase in the prior year. Revenues increased by \$1,424 from the prior year and expenses decreased by \$34,995. Decrease in expenses is attributable to facility maintenance of \$32,101, security services of \$1,484 and administration of \$1,410. Approximately 98% of revenues in both years were derived from non-ad valorem tax assessments. Total expenses of \$129,534 consisted of \$14,527 administration, \$41,436 security and \$73,571 maintenance and repairs.

Key elements of the Statement of Activities are reflected in the following table:

Statement of Activities  
For the Fiscal Year Ended September 30, 2021

	Governmental Activities	
	2021	2020
Revenues:		
General revenues		
Special assessments	\$ 145,256	\$ 143,905
Investment earnings	28	140
Other	1,142	957
Total revenues	<u>146,426</u>	<u>145,002</u>
Expenses:		
Administration	14,527	15,937
Security services	41,436	42,920
Facilities maintenance	73,571	105,672
Total expenses	<u>129,534</u>	<u>164,529</u>
Change in net position	16,892	(19,527)
Net position, beginning of year	187,818	207,345
Net position, end of year	<u>\$ 204,710</u>	<u>\$ 187,818</u>

**GENERAL FUND BUDGET HIGHLIGHTS**

The original budget was not amended during the year as the budget adequately provided for expenditures items.

**FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS**

Governmental funds - The focus of the Twelve Oaks Special District's governmental fund is to provide information on near term inflow, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the governmental fund reported combined ending fund balance of \$181,614, an increase of \$14,213 in comparison with the prior year. All of the fund balance amount is available for spending at the government's discretion. However, the District has tentatively assigned \$3,094 to be used for the purpose of offering rewards related to possible criminal activities in the geographic area. This amount does not represent a formal or legal obligation to pay such amounts. The General fund is the chief operating fund of TOSD.

## **CAPITAL ASSETS**

The Twelve Oaks Special District's investment in capital assets as of September 30, 2021, amounts to \$23,096 (net of accumulated depreciation). The investment in capital assets includes walls, and entrances. The increase of \$2,679 from the previous year was due to additions of capital assets offset by depreciation recognized on the capital assets.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

In the fiscal year 2020-21 budget, gross revenues are budgeted to remain the same as the 2019-20 budget, with special assessment taxes comprising 100% of budgeted revenues.

## **REQUEST FOR INFORMATION**

This financial report is designed to provide our citizens and creditors with a general overview of the District's finances. Requests for additional information should be directed to:

Julie Hirst, Treasurer  
Twelve Oaks Special District  
Post Office Box 260352  
Tampa, Florida 33635-0352

## BASIC FINANCIAL STATEMENTS

**TWELVE OAKS SPECIAL DISTRICT  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2021**

	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 191,064
Receivables (net)	-
Capital assets	
Land	-
Other capital assets, net of depreciation	23,096
Total capital assets	23,096
Total assets	214,160
<b>LIABILITIES</b>	
Accounts payable and accrued expenses	9,450
Total liabilities	9,450
<b>NET POSITION</b>	
Invested in capital assets, net of related debt	23,096
Restricted	-
Unrestricted	181,614
Total net position	\$ 204,710

**TWELVE OAKS SPECIAL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Total</u>	<u>Functions/Programs:</u>		
		<u>Administration</u>	<u>Security Services</u>	<u>Facilities Maintenance</u>
Expenses:				
Materials and supplies	\$ 2,996	\$ 2,996	\$ -	\$ -
Maintenance & repairs	59,513	-	-	59,513
Other program expenses	62,305	11,531	41,436	9,338
Depreciation	4,720	-	-	4,720
Total expenses	<u>129,534</u>	<u>14,527</u>	<u>41,436</u>	<u>73,571</u>
Program revenues:				
Net program expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>129,534</u>	<u>14,527</u>	<u>41,436</u>	<u>73,571</u>
General revenues:				
Taxes:				
Real estate	145,256			
Unrestricted investment earnings	28			
Miscellaneous	1,142			
Total general revenues	<u>146,426</u>			
Change in net position	16,892			
Net position - beginning of year	187,818			
Net position - end of year	<u>\$ 204,710</u>			

**TWELVE OAKS SPECIAL DISTRICT  
BALANCE SHEET - GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2021**

	General Fund	Total Governmental Funds
<b>ASSETS</b>		
Cash and cash equivalents	\$ 191,064	\$ 191,064
Total Assets	\$ 191,064	\$ 191,064
<b>LIABILITIES</b>		
Accounts payable	\$ 9,450	\$ 9,450
Total Liabilities	9,450	9,450
<b>FUND BALANCES</b>		
Assigned fund balance	3,094	3,094
Unassigned fund balance	178,520	178,520
Total fund balances	181,614	181,614
Total liabilities and fund balance	\$ 191,064	

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

Capital assets used in governmental activities \$457,771 are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$434,675

23,096

Total net position of governmental activities

\$ 204,710



**TWELVE OAKS SPECIAL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	General Fund	Total Governmental Funds
<b>REVENUES:</b>		
Interest earnings	\$ 28	\$ 28
Special assessments	145,256	145,256
Other miscellaneous revenue	1,142	1,142
Total Revenues	146,426	146,426
<b>EXPENDITURES:</b>		
Current:		
Culture and recreation		
Other services and charges:		
Professional services	6,000	6,000
Contractual services	41,438	41,438
Utilities	9,338	9,338
Rents and leases	714	714
Insurance	1,912	1,912
Repairs and maintenance	59,513	59,513
Other charges	2,000	2,000
Office supplies	994	994
Property appraiser & tax collector commissions	2,905	2,905
Total other services and charges	124,814	124,814
Total culture and recreation	124,814	124,814
Capital outlay	7,399	7,399
Debt Service	-	-
Total expenditures	132,213	132,213
Excess (Deficiency) of revenues over (under) expenditures	14,213	14,213
<b>OTHER FINANCING SOURCES (USES):</b>		
Net change in fund balances	14,213	14,213
Fund balances - October 1	167,401	167,401
Fund balances - September 30	\$ 181,614	\$ 181,614

**TWELVE OAKS SPECIAL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

Reconciliation of the change in fund balances - total governmental funds to the change in net assets of governmental activities:

Net change in fund balances - total governmental funds		\$ 14,213
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 and reported as depreciation expense:

Capital asset purchases capitalized	\$ 7,399		
Depreciation expense	(4,720)		
Net adjustment			2,679

Change in net position of governmental activities		<u>\$ 16,892</u>
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**TWELVE OAKS SPECIAL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2021**

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

The accounting policies of the Twelve Oaks Special District (“District”) conform to generally accepted accounting principles (GAAP) as applicable to governments. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements.

**A. Reporting Entity**

The Twelve Oaks Special District is an independent special district of the State of Florida, created by Chapter 82-305, Laws of Florida, 1982, as amended and superseded. The District was organized for the purpose of continued development, administration, and maintenance of properties for the unincorporated areas of Hillsborough County known as 1) Town n’ Country Park and 2) Twelve Oaks Village. The governing body of Twelve Oaks Special District is a Board comprised of nine trustees elected for two-year terms by the qualified voters residing in Twelve Oaks Subdivision.

For financial reporting purposes, the District is required to include all entities and organizations that are controlled by or dependent upon the District as determined on the basis of financial interdependency, selection of governing authority, designation of management, ability to influence operations, and accountability for fiscal matters. Under the provisions of GASB Statement No. 14, 39, and 61, the District does not include any other component units.

**B. Basis of Presentation**

**Government-Wide Financial Statements**

The District’s basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District’s major funds). Both the government-wide and fund financial statements categorize primary activities as governmental activities. None of the District activities has been classified as business activities. The governmental activities include general administration, security services and maintenance of common areas.

**TWELVE OAKS SPECIAL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In the government-wide Statement of Net Position, governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts: invested in capital assets, net of related debt; restricted net assets (if applicable); and unrestricted net assets. The District policy first utilizes restricted resources, if any, to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions. The functions are also supported by general government revenues (property assessments, charges and miscellaneous). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues, if any, must be directly associated with the function. The District does not allocate indirect costs.

**Fund Financial Statements**

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories.

The funds maintained by Twelve Oaks Special District are described below:

**Governmental Funds**

**General Fund** - The General Fund is the operating fund of the District, and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund. General operating expenditures, debt service and capital improvement costs that are not paid through other funds are paid from the General Fund.

**Capital Projects Fund** - This fund is used when applicable to account for resources restricted for the acquisition or construction of major capital facilities such as land, parks and buildings. The District is not presently using a Capital Projects Fund.

**TWELVE OAKS SPECIAL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Measurement Focus and Basis of Accounting**

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 or economic asset is used, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor 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. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Expenditures, including capital outlay, are recorded when the related fund liability is incurred.

**D. Assets, Liabilities, and Net Position or Equity**

**Cash and Cash Equivalents**

Cash and cash equivalents are considered to be cash and short-term investments with maturities of three months or less. They consist of petty cash, checking and money market accounts held at a qualifying public depository bank.

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value on the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred. The District has capitalized all major infrastructure assets such as privacy walls, lighting, signs and roadway speed control improvements.

**TWELVE OAKS SPECIAL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Government-Wide Statements**

In the government-wide financial statements, fixed assets, including capitalized interest cost are accounted for as capital assets, and substantially all of the assets are valued at historical cost. Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Privacy walls	25 years
Entrance signs & traffic calming	20 years
Equipment	5 years

**Fund Financial Statements**

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures upon acquisition and no depreciation is recognized.

**Long-term debt**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities. The District presently has no long-term debt.

Long-term debt of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principle and interest are reported as expenditures.

**Compensated Absences**

The District presently has no employees who would be eligible for vacation, sick pay or post employment other benefits.

**TWELVE OAKS SPECIAL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Property Taxes**

Chapter 418, Laws of Florida, provides that the Board of Trustees shall, on or before August 1 of each year, by resolution fix the amount of assessment for the next ensuing year, and shall direct the property appraiser of Hillsborough County to assess and the tax collector of Hillsborough County to collect such tax as assessed upon each improved residential parcel of property within the District. By referendum, the tax assessed shall not exceed \$300 per annum per residential parcel except upon approval by referendum of qualified voters of the District. The assessment is required to be collected in the manner and form as provided for collection of county taxes.

All property taxes become due and payable on November 1 of each year with an enforceable lien date of January 1, and are delinquent on April 1 of the following year. Discounts are allowed for early payment of 4, 3, 2, and 1% in November through February, respectively. Delinquent taxes on real property may be paid after the date of delinquency but prior to the sale of a tax certificate by paying all taxes, costs, advertising charges, and interest. For all real property with delinquent taxes, the tax collector advertises as required by statute and sells tax certificates. All unsold certificates are issued to the County. Any persons owning real property upon which a tax certificate has been sold may redeem the property by paying the tax collector the face amount of the tax certificate plus interest and costs associated with the sale of the certificate.

After taxes have been delinquent (April 1) for 2 years, the owner of a tax certificate may file an application for tax deed sale. The County is able to do the same two years after taxes were due (November 1). All taxes imposed on any property become a first lien; superior to all other liens, as of January 1 of the year the taxes are levied.

Pursuant to Section 197.3632, Florida Statutes, a fee is to be paid to the county tax collector and the county property appraiser for their services regarding the special assessments.

Total assessments on the 2021 Tax Roll are accounted for as follows:

Total assessments (996 units @ \$150)	\$ 149,400
Less: tax sale certificates	(300)
Less: discounts	<u>(3,972)</u>
	145,128
Plus late payment interest	128
	<u><u>\$ 145,256</u></u>

**TWELVE OAKS SPECIAL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Equity Classifications**

**Government-Wide Statements**

Equity is required to be classified as net position and displayed in one or more of three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net assets with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or by law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

**Fund Statements**

Governmental fund equity is classified as fund balance. The District has reported fund equity under GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Non-spendable – Amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of the District enabling legislation, state or federal laws, or externally imposed conditions by grantors or creditors.

Committed – Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority, amounts that cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.



**TWELVE OAKS SPECIAL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Assigned – Amounts a government intends to use for a specific purpose expressed by the governing body or by an official or body to which the governing body delegates authority.

Unassigned – Amounts that are available for any purpose; positive amounts are reported only in the general fund.

The District policy considers the most highly restricted resources to be spent first, if any, to finance qualifying expenditures.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions, the actual results may ultimately differ from those estimates, and the differences may be material.

**NOTE 2 - DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS**

The following notes present detail information to support the amounts reported in the basic financial statements:

**A. Cash and Cash Equivalents**

The District's bank accounts are entirely covered by federal depository insurance or by collateral held by the State Treasurer under the provision of Chapter 280, Florida Statutes. The District policy is to follow Section 218.345, Florida Statutes, which restricts and provides various alternatives for the investment of District Funds.

**TWELVE OAKS SPECIAL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2021**

**NOTE 2 - DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)**

**B. Capital Assets**

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

<u>Description</u>	<u>Balance October 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance September 30, 2021</u>
<b>Governmental Activities:</b>				
Infrastructure assets	\$ 450,372	\$ 7,399	\$ -	\$ 457,771
Less accumulated depreciation				
Infrastructure assets	<u>(429,955)</u>	<u>(4,720)</u>	<u>-</u>	<u>(434,675)</u>
Capital assets, net	<u>\$ 20,417</u>	<u>\$ 2,679</u>	<u>\$ -</u>	<u>\$ 23,096</u>

Depreciation expense was charged to function/programs of the governmental activities as follows:

Governmental activities:

General government	\$ -
Security services	-
Property maintenance	4,720
Total depreciation, governmental activities	<u>\$ 4,720</u>

**C. Accounts Payable and Accrued Expenses**

Payables in the general fund are composed of the following:

Payables to vendors	\$ 3,450
Accrued professional fees	6,000
	<u>\$ 9,450</u>

**TWELVE OAKS SPECIAL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2021**

**NOTE 3 - OTHER NOTES**

**A. 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 obtains bonding coverage of acts performed by the trustees. All other risks are self-insured by the District, have historically not been significant, and have been funded through current operating activities.

**B. Commitments and Contingencies**

The District is committed under a cancelable one-year grounds maintenance contract that commenced on October 1, 2021 with monthly payments of approximately \$3,632. Maintenance expense incurred under this and the preceding contract for the year ended September 30, 2021 amounted to approximately \$44,000. In addition, the District is committed under a cancelable lake and pond management contract requiring monthly payments of \$500; and under an agreement for street sweeping with quarterly payments of \$1,250.

**C. Assignment of Fund Balance**

The District has classified \$3,094 of its fund balance as assigned to be set aside for the purpose of offering rewards related to any criminal activities that might occur within the District. The amount does not represent a formal or legal obligation to pay such amounts.

**D. New Accounting Pronouncements**

During fiscal year 2021, there are no new pronouncements that are expected to have a significant financial effect on the District.

**E. Subsequent Events**

Management has evaluated significant events or transactions subsequent to the end of the year for potential recognition or disclosure up to April 14, 2021 the date these financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**TWELVE OAKS SPECIAL DISTRICT  
REQUIRED SUPPLEMENTAL INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Interest earnings	\$ -	\$ -	\$ 28	\$ 28
Special assessments	145,100	145,100	145,256	156
Other miscellaneous revenue	-	-	1,142	1,142
Total Revenues	<u>145,100</u>	<u>145,100</u>	<u>146,426</u>	<u>1,326</u>
<b>EXPENDITURES:</b>				
Current:				
Culture and recreation				
Other services and charges:				
Professional services	24,000	24,000	6,000	18,000
Contractual services	39,900	39,900	41,438	(1,538)
Travel	-	-	-	-
Telephone	-	-	-	-
Utilities	8,500	8,500	9,338	(838)
Rents and leases	700	700	714	(14)
Insurance	2,500	2,500	1,912	588
Repairs and maintenance	120,932	120,932	59,513	61,419
Other charges	3,175	3,175	2,000	1,175
Office supplies	750	750	994	(244)
Property appraiser & tax collector commissions	-	-	2,905	(2,905)
Undesignated expenditures	-	-	-	-
Total other services and charges	<u>200,457</u>	<u>200,457</u>	<u>124,814</u>	<u>75,643</u>
Total culture and recreation	<u>200,457</u>	<u>200,457</u>	<u>124,814</u>	<u>75,643</u>
Capital outlay	-	-	7,399	(7,399)
Debt Service	-	-	-	-
Total expenditures	<u>200,457</u>	<u>200,457</u>	<u>132,213</u>	<u>68,244</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>(55,357)</u>	<u>(55,357)</u>	<u>14,213</u>	<u>69,570</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Excess (Deficiency) of revenues over (under) expenditures and Other Financing Sources	<u>(55,357)</u>	<u>(55,357)</u>	<u>14,213</u>	<u>69,570</u>
Fund balances - October 1	167,401	167,401	167,401	-
Fund balances - September 30	<u>\$ 112,044</u>	<u>\$ 112,044</u>	<u>\$ 181,614</u>	<u>\$ 69,570</u>

**TWELVE OAKS SPECIAL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
NOTES TO THE BUDGETARY COMPARISON SCHEDULE  
SEPTEMBER 30, 2021**

**NOTE 1 - BUDGETARY ACCOUNTING**

Section 7 of Chapter 99-418, Laws of Florida, the special act of the Florida Legislature which governs the District, provides for advertising, public hearing, and adoption of an itemized budget on or before July 1 of each year. The act also gives the trustees the power to transfer funds between line items of the budget, after adoption, up to a maximum of 20% by majority vote of the trustees to meet unforeseen contingencies.

The budget is adopted on the modified accrual basis of accounting. All District activity is budgeted within the general fund.

Formal integration of budgetary accounts into the general ledger is not employed.

The primary differences between District budgeting and GAAP relates to the treatment of capital assets and depreciation. For the current year, the difference related to depreciation expense of \$4,720 not recognized for budget purposes.

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*



# Brimmer, Burek & Keelan, LLP

## Certified Public Accountants

5601 Mariner Street, Suite 200 • Tampa, Florida 33609  
bbkm.com • (813) 282-3400 • Fax (813) 287-8369

Donald T. Keyes, CPA  
Kara K. Keyes, CPA  
Frank D. Lagor, CPA  
Heather R. Kovalsky, CPA  
Susan W. Evans, CPA  
Cong C. Nguyen, CPA

## 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



Members of:  
Center for Audit Quality

American Institute of  
Certified Public Accountants

Florida Institute of Certified  
Public Accountants

Board of Trustees  
Twelve Oaks Special District  
Tampa, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund of Twelve Oaks Special District as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Twelve Oaks Special District's basic financial statements and have issued our report thereon dated April 14, 2022.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Twelve Oaks Special 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 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. 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, as defined above. However, material weaknesses may exist that have not been identified.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Twelve Oaks Special 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the District in a separate management letter dated April 14, 2022.

#### **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 result 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.

BRIMMER, BUREK & KEELAN LLP

*Brimmer, Burek & Keelan LLP*

Certified Public Accountants

April 14, 2022

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



## Brimmer, Burek & Keelan, LLP

### Certified Public Accountants

5601 Mariner Street, Suite 200 • Tampa, Florida 33609  
bbkm.com • (813) 282-3400 • Fax (813) 287-8369

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Cong C. Nguyen, CPA

### INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

Board of Trustees  
Twelve Oaks Special District  
Tampa, Florida

■  
Members of:  
Center for Audit Quality

American Institute of  
Certified Public Accountants

Florida Institute of Certified  
Public Accountants

We have examined the Twelve Oaks Special District's (the "District") compliance with the requirement of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2021. 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, 2021.

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.

BRIMMER, BUREK & KEELAN LLP

Certified Public Accountants

April 14, 2022

## MANAGEMENT LETTER



# Brimmer, Burek & Keelan, LLP

## Certified Public Accountants

5601 Mariner Street, Suite 200 • Tampa, Florida 33609  
bbkm.com • (813) 282-3400 • Fax (813) 287-8369

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## MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Board of Trustees  
Twelve Oaks Special District  
Tampa, Florida

### Report on the Financial Statements

We have audited the financial statements of the Twelve Oaks Special District, whose headquarters is located in Tampa, Florida, as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated April 14, 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 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 Financial Statements performed in accordance with *Government Auditing Standards*, and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Florida Auditor General. Disclosures in those reports should be considered in conjunction with this management letter.

### Prior Audit Findings

The Rules of the Auditor General require that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. In connection with our audit, we did not have any such findings.

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## Official Title and Legal Authority

Section 10.554(1)(i)4., the Rules of the Auditor General require 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. Such information has been disclosed in the notes to the financial statements.

## Financial Condition

Section 10.554(1)(i)5.a. and 10.556(7), the Rules of the Auditor General require that we apply appropriate procedures and report the results of our determination as to whether Twelve Oaks Special 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 Twelve Oaks Special District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the Twelve Oaks Special 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.

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

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

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as zero.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as six.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as zero.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$97,977.
- e. 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 of the fiscal year being reported, together with the total expenditures for such project as zero.
- f. 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, see page 23 in the September 30, 2021 audited financials.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the Twelve Oaks Special District reported:

- a. The rate or rates of non-ad valorem special assessments imposed by the District as

- \$150 per residential parcel per annum.
- b. The total amount of special assessments collected by or on behalf of the district as \$145,256.
- c. The total amount of outstanding bonds issued by the district and the terms of such bonds as \$-0-.

### **Additional Matters**

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

### **Purpose of this Letter**

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

BRIMMER, BUREK & KEELAN LLP

*Brimmer, Burek & Keelan LLP*

Certified Public Accountants

May 19, 2022