

**Anthem Park Community
Development District**

ANNUAL FINANCIAL REPORT

September 30, 2013

Anthem Park Community Development District

ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2013

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REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors
Anthem Park Community Development District
Osceola County, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of Anthem Park Community Development District as of and for the year ended September 30, 2013, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Fort Pierce / Stuart

To the Board of Supervisors
Anthem Park 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 Anthem Park Community Development District as of September 30, 2013, 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.

Emphasis of Matter

As described in Notes I to the financial statements, in fiscal year 2013, the District adopted new accounting guidance, Governmental Accounting Standards Board ("GASB") Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*. As a result, net assets were renamed to net position, bond issuance costs were expensed as of October 1, 2012 and net position was restated in accordance with Anthem Park Community Development District's implementation of Governmental Accounting Standards Board Statement No. 65. Our opinion is not modified with respect to this matter.

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 April 29, 2014 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.



To the Board of Supervisors
Anthem Park Community Development District

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 Anthem Park Community Development District's internal control over financial reporting and compliance.

*Berger, Toombs, Elam,
Gaines & Frank*

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

April 29, 2014

**Anthem Park Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2013**

Management's discussion and analysis of Anthem Park 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 are reported in three categories; 1) invested in capital assets, net of related debt, 2) restricted, and 3) unrestricted. Assets, liabilities, and net position are reported for all Governmental activities.

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

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

**Anthem Park Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2013**

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, buildings and improvements, and infrastructure are reported in the **statement of net position**. All liabilities, including principal outstanding on bonds are included. The **statement of activities** includes depreciation on all long lived assets of the District, but transactions between the different functions of the District have been eliminated in order to avoid "doubling up" the revenues and expenses. The *fund financial statements* provide a picture of the major funds of the District. In the case of governmental activities, outlays for long lived assets are reported as expenditures and long-term liabilities, such as general obligation bonds, are not included in the fund financial statements. To provide a link from the *fund financial statements* to the *government-wide financial statements*, 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, 2013.

- ◆ The District's total assets were exceeded by total liabilities by \$(5,342,471) (net position). Unrestricted net position for Governmental Activities were \$(4,064,138). Net Position Invested in Capital Assets, net were \$(1,278,333).
- ◆ Governmental activities revenues totaled \$1,283,448 while governmental activities expenses totaled \$1,670,313.

**Anthem Park Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2013**

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	
	2013	2012
Current assets	\$ 453,735	\$ 525,628
Restricted assets	347,742	799,885
Other assets	-	- *
Capital assets	6,696,089	6,854,091
Total Assets	7,497,566	8,179,604
Current liabilities	595,155	590,505
Non-current liabilities	12,244,882	12,544,705
Total Liabilities	12,840,037	13,135,210
Invested in capital assets, net of related debt	(1,278,333)	(1,067,056) *
Net position - unrestricted	(4,064,138)	(3,888,550)
Total Net Position	\$ (5,342,471)	\$ (4,955,606) *

* Restated

The decrease in restricted assets and total liabilities was primarily due to a decrease in investments in restricted assets from the payment of principal and interest.

The decrease in capital assets was primarily due to current year depreciation.

**Anthem Park Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2013**

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	
	2013	2012
Program Revenues		
Charges for services	\$ 1,281,202	\$ 1,321,252
General Revenues		
Investment earnings	2,246	4,706
Total Revenues	1,283,448	1,325,958
Expenses		
General government	225,405	179,217
Physical environment	705,304	666,285
Interest on long-term debt	739,604	746,060 *
Total Expenses	1,670,313	1,591,562
Change in Net Position	(386,865)	(265,604)
Net Position - Beginning of Year	(4,955,606)	(4,690,002) *
Net Position - End of Year	\$ (5,342,471)	\$ (4,955,606) *

*Restated

The increase in general government expenses was primarily due to an increase in legal and trustee fees in the current year.

**Anthem Park Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2013**

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, 2013 and 2012.

<u>Description</u>	Governmental Activities	
	2013	2012
Land	\$ 1,991,917	\$ 1,991,917
Construction in progress	3,496	-
Infrastructure	5,979,009	5,929,230
Accumulated depreciation	<u>(1,278,333)</u>	<u>(1,067,056)</u>
Total Capital Assets (Net)	<u><u>\$ 6,696,089</u></u>	<u><u>\$ 6,854,091</u></u>

The activity for the year consisted of additions to infrastructure, \$49,779, and construction in progress, \$3,496, and \$211,277 in depreciation.

General Fund Budgetary Highlights

Actual governmental expenditures were less than final budgeted amounts primarily due to the increase of capital reserves.

Debt Management

Governmental Activities debt includes the following:

- ◆ In December 2004, the District issued \$14,700,000 Series 2004 Capital Improvement Revenue Bonds. These bonds were issued to finance the acquisition and construction of certain improvements for the District. The balance outstanding at September 30, 2013 was \$12,595,000.

Economic Factors and Next Year's Budget

Anthem Park Community Development District has significant delinquent assessments that have not been collected due to a major landowners' failure to pay its assessments. A special purpose entity (SPE) took title to the property; however, no assessments were paid during the current year. The District is uncertain of the collection of this portion of assessments in fiscal year 2014.

**Anthem Park Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2013**

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Request for Information

The financial report is designed to provide a general overview of Anthem Park Community Development District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Anthem Park Community Development District, Development Planning & Finance Group, 1060 Maitland Center Commons Blvd., Suite 340, Maitland, FL 32751.

Anthem Park Community Development District
STATEMENT OF NET POSITION
September 30, 2013

	Governmental Activities
ASSETS	
Current Assets	
Cash	\$ 393,482
Investments	37,902
Accounts receivable	31
Due from other governments	8,018
Assessments receivable	1,786
Prepaid items	12,276
Deposits	240
Total Current Assets	453,735
Non-current Assets	
Restricted assets	
Investments	347,742
Capital assets, not being depreciated	
Land	1,991,917
Construction in progress	3,496
Capital assets, being depreciated	
Infrastructure	5,979,009
Less: accumulated depreciation	(1,278,333)
Total Non-current Assets	7,043,831
Total Assets	7,497,566
LIABILITIES	
Current Liabilities	
Accounts payable and accrued expenses	15,776
Accrued interest	304,379
Bonds payable - current portion	275,000
Total Current Liabilities	595,155
Non-current liabilities	
Bonds payable	12,244,882
Total Liabilities	12,840,037
NET POSITION	
Invested in capital assets, net of related debt	(1,278,333)
Unrestricted	(4,064,138)
Total Net Position	\$ (5,342,471)

See accompanying notes.

**Anthem Park Community Development District
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2013**

<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	\$ (225,405)	\$ 166,556	\$ (58,849)
Physical environment	(705,304)	538,104	(167,200)
Interest on long-term debt	(739,604)	576,542	(163,062)
Total Governmental Activities	<u>\$ (1,670,313)</u>	<u>\$ 1,281,202</u>	<u>(389,111)</u>
General revenues:			
Investment earnings			<u>2,246</u>
		Change in Net Position	(386,865)
		Net Position - October 1, 2012	(4,955,606)
		Net Position - September 30, 2013	<u>\$ (5,342,471)</u>

See accompanying notes.

Anthem Park Community Development District
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2013

ASSETS	<u>General</u>	<u>2004 Debt Service</u>	<u>2004 Capital Projects</u>	<u>Total Governmental Funds</u>
Cash	\$ 393,482	\$ -	\$ -	\$ 393,482
Investments, at fair value	37,902	-	-	37,902
Accounts receivable	31	-	-	31
Due from other governments	8,018	-	-	8,018
Assessments receivable	1,786	-	-	1,786
Due from other funds	-	6,026	-	6,026
Prepaid items	12,276	-	-	12,276
Deposits	240	-	-	240
Restricted assets				
Investments, at fair value	-	218,796	128,946	347,742
Total Assets	<u>\$ 453,735</u>	<u>\$224,822</u>	<u>\$ 128,946</u>	<u>\$ 807,503</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued expenses	\$ 5,784	\$ -	\$ 9,992	\$ 15,776
Due to other funds	<u>6,026</u>	<u>-</u>	<u>-</u>	<u>6,026</u>
 Total Liabilities	 <u>11,810</u>	 <u>-</u>	 <u>9,992</u>	 <u>21,802</u>
FUND BALANCES				
Nonspendable				
Prepays	12,276	-	-	12,276
Deposits	240	-	-	240
Restricted				
Debt service	-	224,822	-	224,822
Capital projects	-	-	118,954	118,954
Assigned - capital reserve	79,000	-	-	79,000
Unassigned	<u>350,409</u>	<u>-</u>	<u>-</u>	<u>350,409</u>
 Total Fund Balances	 <u>441,925</u>	 <u>224,822</u>	 <u>118,954</u>	 <u>785,701</u>
 Total Liabilities and Fund Balances	 <u>\$ 453,735</u>	 <u>\$224,822</u>	 <u>\$ 128,946</u>	 <u>\$ 807,503</u>

See accompanying notes.

Anthem Park Community Development District
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2013

Total Governmental Fund Balances	\$	785,701
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets consisting of land, \$1,991,917, construction in progress, \$3,496, and infrastructure, \$5,979,009, net of accumulated depreciation, \$(1,278,333), used in governmental activities are not financial resources and therefore, are not reported in the funds.		6,696,089
Long-term liabilities, including bonds payable, \$(12,595,000), net of bond discount, \$75,118, are not due and payable in the current period and therefore, are not reported in the funds.		(12,519,882)
Accrued interest expense for long-term debt is not a financial use, and therefore, is not reported in the funds.		<u>(304,379)</u>
Net Position of Governmental Activities	\$	<u><u>(5,342,471)</u></u>

See accompanying notes.

Anthem Park Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2013

	General	2005 Debt Service	2005 Capital Projects	Totals Governmental Funds
Revenues				
Special assessments	\$ 499,460	\$ 781,742	\$ -	\$ 1,281,202
Investment earnings	2,161	77	8	2,246
Total Revenues	<u>501,621</u>	<u>781,819</u>	<u>8</u>	<u>1,283,448</u>
Expenditures				
Current				
General government	114,582	110,823	-	225,405
Physical environment	468,167	-	25,860	494,027
Capital outlay	-	-	53,275	53,275
Debt service				
Principal	-	285,000	-	285,000
Interest	-	746,315	-	746,315
Total Expenditures	<u>582,749</u>	<u>1,142,138</u>	<u>79,135</u>	<u>1,804,022</u>
Net change in fund balances	(81,128)	(360,319)	(79,127)	(520,574)
Fund Balances - October 1, 2012	<u>523,053</u>	<u>585,141</u>	<u>198,081</u>	<u>1,306,275</u>
Fund Balances - September 30, 2013	<u>\$ 441,925</u>	<u>\$ 224,822</u>	<u>\$ 118,954</u>	<u>\$ 785,701</u>

See accompanying notes.

Anthem Park 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, 2013

Net Change in Fund Balances - Total Governmental Funds \$ (520,574)

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 and amortization expense. This is the amount that depreciation \$(211,277), exceeded capital outlay expenditures, \$53,275, in the current period. (158,002)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets 285,000

Governmental funds report bond discounts as expenditures. However, in the Statement of Activities, the cost is allocated based on an effective interest rate as amortization expense. This is the amount of amortization expense in the current year. (177)

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. 6,888

Change in Net Position of Governmental Activities \$ (386,865)

**Anthem Park Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended September 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues				
Special assessments	\$ 491,533	\$ 491,533	\$ 499,460	\$ 7,927
Investment earnings	-	-	2,161	2,161
Total Revenues	<u>491,533</u>	<u>491,533</u>	<u>501,621</u>	<u>10,088</u>
Expenditures				
Current				
General government	124,491	124,491	114,582	9,909
Physical environment	476,340	476,340	468,167	8,173
Capital Outlay	39,000	39,000	-	39,000
Total Expenditures	<u>639,831</u>	<u>639,831</u>	<u>582,749</u>	<u>57,082</u>
Net change in fund balances	(148,298)	(148,298)	(81,128)	67,170
Fund Balances - October 1, 2012	<u>451,660</u>	<u>451,660</u>	<u>523,053</u>	<u>71,393</u>
Fund Balances - September 30, 2013	<u>\$ 303,362</u>	<u>\$ 303,362</u>	<u>\$441,925</u>	<u>\$ 138,563</u>

See accompanying notes.

Anthem Park Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Anthem Park 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 June 24, 2004 by an ordinance of the City Council of St. Cloud, Florida, 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, who are elected for terms of four years. The District operates within the criteria established by Chapter 190. 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 Anthem Park 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

Anthem Park Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

a. Government-wide Financial Statements

Government-wide financial statements report all non-fiduciary information about the reporting government as a whole. These statements include 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, developer assessments 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.

Anthem Park Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

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.

Anthem Park Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

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.

Anthem Park Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Basis of Presentation (Continued)

a. Governmental Major Funds (Continued)

2004 Debt Service Fund - Accounts for debt service requirements to retire certain capital improvement revenue 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.

2004 Capital Projects Fund - The Capital Project Fund accounts for construction of infrastructure improvements within the boundaries of the district, which is funded by bond proceeds of the 2004 Series Bond. A lien is placed on all benefited land in relationship to the debt outstanding.

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.

Anthem Park Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

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 Assets

Certain net position of the District are classified as restricted assets 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 assets, 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 and infrastructure, are reported in the applicable 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.

**Anthem Park Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2013**

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:

Recreational Facilities	30 years
Stormwater	25 years

d. Budgets

Budgets are prepared and adopted after public hearings for the governmental funds, pursuant to Chapter 190 and Section 200.065, Florida Statutes. The District utilizes the same basis of accounting for budgets as it does for revenues and expenditures in its various funds. The legal level of budgetary control is at the fund level. All budgeted appropriations lapse at year end. Formal budgets are adopted for the general and debt service funds. As a result, deficits in the budget 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 (\$785,701) differs from “net position” of governmental activities (\$5,342,471) 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.

**Anthem Park Community Development District
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2013**

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	\$ 1,991,917
Construction in progress	3,496
Infrastructure	5,979,009
Accumulated depreciation	<u>(1,278,333)</u>
Total	<u>\$ 6,696,089</u>

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, 2013 were:

Bonds payable	\$ (12,595,000)
Bond discount, net	75,118
Total	<u>\$ (12,519,882)</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>\$ (304,379)</u>
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**Anthem Park Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2013**

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 (\$(520,574)) differs from the “change in net position” for governmental activities (\$(386,865)) 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 expense charged for the year.

Depreciation		\$ (211,277)
Capital outlay		53,275
Total		<u>\$ (158,002)</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		\$ 285,000
Bond discount amortization		<u>(177)</u>
Total		<u>\$ 284,823</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>\$ 6,888</u>
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**Anthem Park Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2013**

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, 2013, the District's bank balance was \$416,385 and the carrying value was \$393,482. Exposure to custodial credit risk was as follows. The District maintains all deposits in a qualified public depository in accordance with the provisions of Chapter 280, Florida Statutes, which means that all deposits are fully insured by Federal Depositors Insurance or collateralized under Chapter 280, Florida Statutes.

As of September 30, 2013, the District had the following investments and maturities:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
SBA Local Gov't Surplus Trust Fund		
Florida Prime	N/A	\$ 28,297
Fund B	N/A	9,605
Managed Money Market Accounts	N/A	347,742
Total		<u>\$ 385,644</u>

Investments

The District's investment policy allows management to invest funds in investments permitted under Section 218.415, Florida Statutes. Among other investments, the policy allows the District to invest in the State Board of Administration Local Government Surplus Funds Trust Fund. Cash placed with the State Board of Administration represents the District's participation in the Local Government Surplus Funds Trust Fund Investment Pool and is reported at fair value. As a pool participant the District invests in pools of investments in which shares are owned in the pool rather than the underlying investments. These funds are divided into the Florida Prime and Fund B. The District had investments reported at fair value of \$9,605 at September 30, 2013 in Fund B. Fund B is not rated by any nationally recognized rating agency. Fund B consists of assets transferred from the LGIP in December 2007 that represented securities that had defaulted or are in default, or have extended payout times or are subject to potentially elevated credit risk. These funds are not subject to withdrawal, but will be paid as they mature. Fair market value is determined and reported as disclosed by the State Board of administration. The calculation of the net change in the fair value of investments is independent of the calculation of realized gains and losses.

Anthem Park Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2013

NOTE C - CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk

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

Credit Risk

The District's investments in treasury funds and government loans are limited by state statutory requirements and bond compliance. The District has no investment policy that would further limit its investment choices. As of September 30, 2013, the District's investments in Managed Money Market Accounts was rated AAAM by Standard & Poor's. The District has monies invested with the Local Government Surplus Funds Trust Fund (Fund), at September 30, 2013. This fund met the requirements of a "2a7- like pool" as defined in Government Accounting Standards Board, Statement 31.

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one fund. The investments in Managed Money Markets are 90% of the District's total investments. The remaining investments in SBA Local Government Surplus funds are 10% of the District's total investments.

The types of deposits and investments and their level of risk exposure as of September 30, 2013 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

Special assessment revenues recognized for the 2012-2013 fiscal year were levied in October 2012. All taxes are due and payable on November 1 or as soon as the assessment roll is certified and delivered to the Tax Collector. Per Section 197.162, Florida Statutes discounts are allowed for early payment at the rate of 4% in November, 3% in December, 2% in January, and 1% in February. Taxes paid in March are without discount.

At September 30, 2013, the District has delinquent assessments of \$189,697 and \$1,243,936 in the general and debt service funds respectively. Due to the uncertainty of collection, an allowance for uncollectible assessments has been recorded to offset the receivable.

**Anthem Park Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2013**

NOTE E – CAPITAL ASSETS

Capital Asset activity for the year ended September 30, 2013 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Governmental Activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 1,991,917	\$ -	\$ -	\$ 1,991,917
Construction in progress	-	3,496	-	3,496
Total Capital Assets, Not Being Depreciated	<u>1,991,917</u>	<u>3,496</u>	<u>-</u>	<u>1,995,413</u>
Capital assets, being depreciated:				
Stormwater	1,796,520	-	-	1,796,520
Recreational Facilities	4,132,710	49,779	-	4,182,489
	<u>5,929,230</u>	<u>49,779</u>	<u>-</u>	<u>5,979,009</u>
Less accumulated depreciation for:				
Infrastructure	(1,067,056)	(211,277)	-	(1,278,333)
Total Capital Assets Depreciated, Net	<u>4,862,174</u>	<u>(161,498)</u>	<u>-</u>	<u>4,700,676</u>
Governmental Activities Capital Assets	<u>\$ 6,854,091</u>	<u>\$ (158,002)</u>	<u>\$ -</u>	<u>\$ 6,696,089</u>

Depreciation in the amount of \$211,277 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, 2013:

Long-term debt at October 1, 2012	\$ 12,880,000
Principal payments	<u>(285,000)</u>
Long-term debt at September 30, 2013	
\$14,700,000 Series 2004 Capital Improvement Revenue Bonds due in annual principal installments beginning May 2007, maturing in May 2036. Interest at a rate of 5.80% is due May and November beginning May 2005.	12,595,000
Bond Discount, Net	<u>(75,118)</u>
Bonds Payable, Net	<u>\$ 12,519,882</u>

**Anthem Park Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2013**

NOTE F - LONG-TERM DEBT (CONTINUED)

The annual requirements to amortize the principal and interest of bonded debt outstanding as of September 30, 2013 are as follows:

Year Ending September 30,	Principal	Interest	Total
2014	\$ 275,000	\$ 730,510	\$ 1,005,510
2015	290,000	714,560	1,004,560
2016	310,000	697,740	1,007,740
2017	325,000	679,760	1,004,760
2018	345,000	660,910	1,005,910
2019-2023	2,055,000	2,980,040	5,035,040
2024-2028	2,715,000	2,311,300	5,026,300
2029-2033	3,605,000	1,426,800	5,031,800
2034-2036	2,675,000	315,230	2,990,230
Totals	<u>\$ 12,595,000</u>	<u>\$ 10,516,850</u>	<u>\$ 23,111,850</u>

Summary of Significant Bonds Resolution Terms and Covenants

The District levies special assessments pursuant to Section 190.022, Florida Statutes and the assessment rolls are approved by resolutions of the District Board. The collections are to be strictly accounted for and applied to the debt service of the bond series for which they were levied. The District covenants to levy special assessments in annual amounts adequate to provide for payment of principal and interest on the bonds. Payment of principal and interest is dependent on the money available in the debt service fund and the District's ability to collect special assessments levied.

The bonds are subject to extraordinary mandatory redemption prior to maturity, in whole on any date, or in part on an interest payment date, without premium, together with accrued interest to the redemption date if monies are available to retire the debt in accordance with the provisions of the indenture.

The bond resolution and the trust indenture provide for the establishment of certain accounts. The accounts include a construction, revenue, redemption, reserve, interest and prepayment account and are maintained by a trustee.

The bond indenture provides for Debt Service Reserve Funds, which shall be held by the Trustee separate and apart from all other funds. The following is a schedule of reserve requirements and balances in the reserve accounts at September 30, 2013:

	Reserve Balance	Reserve Requirement
Series 2004	<u>\$ 202,657</u>	<u>\$ 937,306</u>

**Anthem Park Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2013**

NOTE G – BOND AGREEMENT

During the year ended September 30, 2012, a settlement agreement was reached between the Developer, the Trustee to the bondholders and Anthem Park Holdings, Inc., a Special Purpose Entity (SPE). As part of the agreement, the undeveloped land held by the Developer, subject to foreclosure, was transferred to the SPE. At the time the transfer took place, the foreclosure action was dismissed and it was agreed that the SPE would act as the landowner to pay future operating and maintenance assessments. The SPE did not pay the assessments for the year ended September 30, 2013 due to the default. The District is currently involved in settlement negotiations. The Developer continues to pay assessments on the developed land that it owns, which were not part of the foreclosure.

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.

NOTE I – NET POSITION AND PRIOR PERIOD ADJUSTMENT

The District adopted Governmental Accounting Standards Board Statement (GASB) No. 63, which amends net asset reporting by establishing deferred outflows and deferred inflows of resources and renamed the residual measure net position. The District also adopted GASB Statement No. 65, which altered accounting for bond issuance costs by requiring such cost be expensed in the period incurred. Bond issuance costs were previously capitalized and amortized over the life of the bond. Net position was restated to reflect this change in accounting principles. The effect on net position is illustrated below.

Net position, October 1, 2012 as previously reported	\$ (4,703,279)
Prior period adjustment - removal of bond issuance costs	<u>(252,327)</u>
Net position, October 1, 2012 restated	<u><u>\$ (4,955,606)</u></u>



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Supervisors
Anthem Park Community Development District
Osceola 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 Anthem Park Community Development District, as of and for the year ended September 30, 2013, and the related notes to the financial statements, and have issued our report thereon dated April 29, 2014.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Fort Pierce / Stuart
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Board of Supervisors
Anthem Park Community Development District

Compliance and Other Matters

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

Purpose of this Report

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

*Berger Toombs Elam
Gaines & Frank*

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

April 29, 2014



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MANAGEMENT LETTER

To the Board of Supervisors
Anthem Park Community Development District
Osceola County, Florida

We have audited the financial statements of the Anthem Park Community Development District, Florida as of and for the year ended September 30, 2013, and have issued our report thereon dated April 29, 2014.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States Chapter 10.550, Rules of the Auditor General. 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*. Disclosures in that report which is dated April 29, 2014 should be considered in conjunction with this Management Letter.

Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General which governs the conduct of local governmental entity audits performed in the State of Florida.

The Rules of the Auditor General (Section 10.554(1)(i)1.) require that we address in the Management Letter, if not already addressed in the auditor's report on compliance and internal controls, whether or not recommendations made in the preceding annual financial report have been followed. The following recommendations were made in a preceding audit report:

- **2010-01 – Financial Condition Assessment**
 - As of September 30, 2010, the District's financial conditions were deteriorating. A landowner failed to pay its share of assessments in a prior fiscal year. As a result, the District had to use amounts held on deposit in the reserve account to make part of its required debt service payments.
- **Management response**
 - During fiscal year 2011/2012, the District restructured the debt and the Bond Trustee has created a special purpose entity (SPE) to address the unpaid assessments on the undeveloped land.
- **Current Status**
 - The SPE has taken title to the land subject to foreclosure. However, the District has not received sufficient funds to replenish the reserve account as of September 30, 2013. The reserve account balance of \$202,657 is substantially below the \$937,306 reserve account requirement on September 30, 2013.

Fort Pierce / Stuart

To the Board of Supervisors
Anthem Park Community Development District

As required by the Rules of the Auditor General (Section 10.554(1)(i)2.) the scope of our audit included a review of the provisions of Section 218.415, Florida Statutes regarding the investment of public funds. In connection with our audit, we determined that Anthem Park Community Development District complied with Section 218.415, Florida Statutes.

The Rules of the Auditor General (Section 10.554(1)(i)3, 4 and 5.) require that we address in the Management Letter, if not already addressed in the auditor's report on compliance and internal controls: improvements in financial management and violations of contracts or grant agreements, fraud, illegal acts or abuse and deficiencies in internal control that are not significant deficiencies, other inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of the auditor. Our audit did not discover any of the above items that require to be disclosed.

As required by the Rules of the Auditor General (Section 10.554(1)(i)7.c and Section 10.556(7)), we applied financial conditions assessment procedures. It is Management's responsibility to monitor Anthem Park Community Development District's financial condition and our financial condition assessment was based in part on representations made by management and the review of the financial information provided by the same.

Anthem Park Community Development District has not met one or more of the conditions described in Section 218.503(1), Florida Statutes.

As required by the Rules of the Auditor General (Section 10.554(1)(i)7.b.), we determined that the annual financial report for the District for the fiscal year ended September 30, 2013, filed with the Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with our annual financial audit report for the fiscal year ended September 30, 2013.

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 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

April 29, 2014