

**Tison's Landing  
Community Development District**

**ANNUAL FINANCIAL REPORT**

**September 30, 2010**

**Tison's Landing Community Development District**

**ANNUAL FINANCIAL REPORT**

September 30, 2010

**TABLE OF CONTENTS**

	<u>Page Number</u>
<b>FINANCIAL SECTION</b>	
REPORT OF INDEPENDENT AUDITORS	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-8
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Assets	9
Statement of Activities	10
Fund Financial Statements	
Balance Sheet – Governmental Funds	11
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities	12
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	15
Notes to Financial Statements	16-28
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 <i>Government Auditing Standards</i>	29-30
Management Letter	31-32



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## Report of Independent Auditors

To the Board of Supervisors  
Tison's Landing Community Development District  
Duval County, Florida

We have audited the accompanying basic financial statements of Tison's Landing Community Development District (the "District") as of and for the year ended September 30, 2010, as listed in the table of contents. These basic financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these basic 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 the District as of September 30, 2010, 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 8, 2011 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



Berger, Toombs, Elam,  
Gaines & Frank

Certified Public Accountants PL

To the Board of Supervisors  
Tison's Landing Community Development District

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

*Berger, Toombs, Elam,  
Gaines & Frank*

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

September 8, 2011

**Tison's Landing Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2010**

Management's discussion and analysis of Tison's Landing 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 assets** and the **statement of activities**. These statements use accounting methods similar to those used by private-sector companies. Emphasis is placed on the net assets of governmental activities and the change in net assets. Governmental activities are primarily supported by special assessments.

The **statement of net assets** presents information on all assets and liabilities of the District, with the difference between assets and liabilities reported as net assets. Net assets are reported in three categories; 1) invested in capital assets, net of related debt, 2) restricted, and 3) unrestricted. Assets, liabilities, and net assets 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 assets. Expenses are reported by major function and program revenues relating to those functions are also 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 interest on long-term debt.

*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.

**Tison's Landing Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2010**

**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 statement* is designed to provide the reader with a broad overview of the District's finances, in a manner similar to a private sector business. In the government-wide statement of net assets, the governmental activities column is presented on a consolidated basis and is reported on a full-accrual economic resource basis, which recognizes all noncurrent assets and receivables as well as all noncurrent debt and obligations. The effect of interfund activity has been eliminated from the government-wide financial statements. In contrast, the governmental fund financial statements are grouped into funds to account for and to maintain control over resources that have been segregated for specific activities or objectives. The fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis where as revenues are recorded when collected in the current period or within 60 days of year-end and expenditures are recorded when a liability is incurred. The difference between the two statements arises primarily from the long-term economic focus of the government-wide statements versus the current financial resources focus of the fund financial statements. A reconciliation of the government-wide and the fund financial statement is proved to illustrate these differences.

*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, 2010.

- ◆ The District's total assets were exceeded by total liabilities by \$(12,127,355) (net assets). Unrestricted net assets for governmental activities were \$(11,680,365). Invested in capital assets, net of related debt for the district were \$(446,990).
- ◆ Governmental activities revenues totaled \$6,690,082 while governmental activities expenses totaled \$1,632,585.

**Tison's Landing Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2010**

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

**Financial Analysis of the District**

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

<b>Net Assets</b>		
<b><u>Governmental Activities</u></b>		
	<b><u>2010</u></b>	<b><u>2009</u></b>
Current assets	\$ 137,803	\$ 20,490
Non-current assets	2,797,453	1,375,032
Capital assets	<u>14,475,457</u>	<u>14,564,989</u>
Total Assets	<u>17,410,713</u>	<u>15,960,511</u>
Current liabilities	2,313,340	1,740,085
Non-current liabilities	<u>27,972,869</u>	<u>31,406,078</u>
Total Liabilities	<u>30,286,209</u>	<u>33,146,163</u>
Invested in capital assets, net of related debt	(446,990)	(842,723)
Net assets - unrestricted	<u>(12,428,506)</u>	<u>(16,342,129)</u>
Total Net Assets	<u><u>\$ (12,875,496)</u></u>	<u><u>\$ (17,184,852)</u></u>

The increase in current assets is related to assessments receivable.

The increase in non-current assets is due to the investment of prepayments during the year.

The increase in current liabilities is related to matured interest payable.

The decrease in non-current liabilities is related to principal payments made during the year.

The increase in net assets is related to revenues in excess of expenses during the year.

**Tison's Landing Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2010**

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

**Financial Analysis of the District (Continued)**

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

	<b>Change in Net Assets</b>	
	<b><u>Governmental Activities</u></b>	
	<b><u>2010</u></b>	<b><u>2009</u></b>
Program Revenues		
Charges for services	\$ 6,688,254	\$ -
General Revenues		
Investment earnings	1,628	28,483
Miscellaneous income	200	218
Total Revenues	<u>6,690,082</u>	<u>28,701</u>
Expenses		
General government	110,570	613,732
Physical environment	586,828	528,035
Interest on long-term debt	<u>1,683,328</u>	<u>1,869,029</u>
Total Expenses	<u>2,380,726</u>	<u>3,010,796</u>
Change in Net Assets	4,309,356	(2,982,095)
Net Assets - Beginning of Year	<u>(17,184,852)</u>	<u>(14,202,757)</u>
Net Assets - End of Year	<u><u>\$ (12,875,496)</u></u>	<u><u>\$ (17,184,852)</u></u>

Charges for services increased because this is the first year special assessments were collected.

The decrease in general government expenses is due to a decrease in administrative cost from foreclosure related expenses.

**Tison's Landing Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2010**

**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, 2010 and 2009.

<u>Description</u>	<u>Governmental Activities</u>	
	<u>2010</u>	<u>2009</u>
Land & improvements	\$ 5,607,329	\$ 5,607,329
Infrastructure	9,679,308	9,441,601
Equipment	19,763	
Accumulated depreciation	<u>(830,943)</u>	<u>(483,941)</u>
Total Capital Assets (Net)	<u>\$ 14,475,457</u>	<u>\$ 14,564,989</u>

During the year, \$237,707 was added in infrastructure, \$19,763 was added in equipment and depreciation expense of \$347,002 was charged to physical environment for the year.

**General Fund Budgetary Highlights**

The September 30, 2010 budget was amended to reflect higher than anticipated general government operating costs.

**Debt Management**

Governmental Activities debt includes the following:

- ◆ On December 1, 2005 the District issued \$10,300,000 of Special Assessment Bonds, Series 2005A and \$26,550,000 of Special Assessment Bonds, Series 2005B to finance the acquisition and construction of certain improvements for the benefit of the District. The Series 2005A bonds are subject to redemption at the District's option before maturity. The non-payment of interest, \$820,234 during the fiscal year was in accordance with the Settlement Agreement between the District, Landowner and Majority Bondholder. The balance outstanding on the Series 2005 bonds at September 30, 2010 was \$28,175,000.

**Tison's Landing Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2010**

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

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

Tison's Landing Community Development District does not expect any economic factors to have a significant effect on the financial position or results of operations of the District in fiscal year 2011.

**Request for Information**

The financial report is designed to provide a general overview of Tison's Landing 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 Tison's Landing Community Development District's Finance Department at 475 West Town Place, Suite 114, St. Augustine, Florida 32092

**Tison's Landing  
Community Development District  
STATEMENT OF NET ASSETS  
September 30, 2010**

	Governmental Activities
<b>Assets</b>	
Current assets	
Cash	\$ 24,495
Accrued interest receivable	164
Assessments receivable	53,668
Due from developer	56,164
Due from other sources	3,312
Total Current Assets	137,803
Non-Current Assets	
Bond issuance cost, net	360,756
Restricted assets	
Investments	2,413,500
Capital assets, not being depreciated	
Land and improvements	5,607,329
Capital assets, being depreciated	
Infrastructure	9,679,308
Equipment	19,763
Less: accumulated depreciation	(830,943)
Total Non-current Assets	17,249,713
Total Assets	17,387,516
<b>Liabilities</b>	
Current Liabilities	
Accounts payable and accrued expenses	54,709
Contract and retainage payable	5,218
Accrued interest	604,753
Matured interest payable	739,883
Bonds payable, short term	135,000
Total Current Liabilities	1,539,563
Long-term Liabilities	
Bonds payable, long term	27,975,308
Total Liabilities	29,514,871
<b>Net Assets</b>	
Invested in capital assets, net of related debt	(446,990)
Unrestricted	(11,680,365)
Total Net Assets	\$(12,127,355)

See accompanying notes.

**Tison's Landing  
Community Development District  
STATEMENT OF ACTIVITIES  
For the Year Ended September 30, 2010**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues Charges for Services</u>	<u>Net (Expense) Revenues and Changes in Net Assets Governmental Activities</u>
Governmental Activities			
General government	\$ (110,570)	\$ 105,702	\$ (4,868)
Physical environment	(586,828)	229,266	(357,562)
Interest on long-term debt	(935,187)	6,353,286	5,418,099
Total Governmental Activities	<u>\$ (1,632,585)</u>	<u>\$ 6,688,254</u>	<u>5,055,669</u>
	<b>General Revenues</b>		
			1,628
			200
		Total General Revenues	<u>1,828</u>
		Change in Net Assets	5,057,497
		Net Assets - September 30, 2009	<u>(17,184,852)</u>
		Net Assets - September 30, 2010	<u>\$ (12,127,355)</u>

See accompanying notes.

**Tison's Landing  
Community Development District  
BALANCE SHEET - GOVERNMENTAL FUNDS  
September 30, 2010**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Cash	\$ 24,495	\$ -	\$ -	\$ 24,495
Accrued interest receivable	-	115	49	164
Assessments receivable	-	53,668	-	53,668
Due from developer	56,164	-	-	56,164
Due from other sources	1,392	-	1,920	3,312
Restricted investments	-	1,819,524	593,976	2,413,500
Total Assets	<u>\$ 82,051</u>	<u>\$ 1,873,307</u>	<u>\$ 595,945</u>	<u>\$ 2,551,303</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable and accrued expenses	\$ 54,709	\$ -	\$ -	\$ 54,709
Contracts and retainage payable	-	-	5,218	5,218
Matured interest payable	-	739,883	-	739,883
Total Liabilities	<u>54,709</u>	<u>739,883</u>	<u>5,218</u>	<u>799,810</u>
<b>Fund Balances</b>				
<b>Reserved for:</b>				
Capital projects	-	-	590,727	590,727
Debt service	-	1,133,424	-	1,133,424
Unreserved	27,342	-	-	27,342
Total Fund Balances	<u>27,342</u>	<u>1,133,424</u>	<u>590,727</u>	<u>1,751,493</u>
Total Liabilities and Fund Balances	<u>\$ 82,051</u>	<u>\$ 1,873,307</u>	<u>\$ 595,945</u>	<u>\$ 2,551,303</u>

See accompanying notes.

**Tison's Landing  
Community Development District  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES  
September 30, 2010**

Total Governmental Fund Balances	\$ 1,751,493
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets not being depreciated (land and improvements (\$5,607,329)) used in governmental activities are not financial resources and; therefore, are not reported in the funds.	5,607,329
Capital assets being depreciated, infrastructure, \$9,679,308 and equipment \$19,763, net of accumulated depreciation \$(830,943) used in governmental activities are not financial resources and; therefore, are not reported in the funds.	8,868,128
Intangible assets being amortized, bond issuance costs, \$794,692 net of accumulated amortization, \$(433,936) used in governmental activities are not financial resources and; therefore, are not reported in the funds.	360,756
Long-term liabilities, including bonds payable, \$(28,175,000) net of discount on bonds, net (\$64,692) are not due and payable in the current period and, therefore, are not reported in the funds.	(28,110,308)
Accrued interest expense for long-term debt is not a financial use and; therefore, is not reported in the funds.	<u>(604,753)</u>
Net Assets of Governmental Activities	<u><u>\$ (12,127,355)</u></u>

See accompanying notes.

**Tison's Landing**  
**Community Development District**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCES - GOVERNMENTAL FUNDS**  
**For the Year Ended September 30, 2010**

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues				
Special assessments	\$328,388	\$6,353,286	\$ 6,580	\$6,688,254
Investment earnings	-	911	717	1,628
Miscellaneous	200	-	-	200
Total Revenues	<u>328,588</u>	<u>6,354,197</u>	<u>7,297</u>	<u>6,690,082</u>
Expenditures				
Current				
General government	110,570	-	-	110,570
Maintenance and operations	239,826	-	-	239,826
Capital outlay	-	-	257,470	257,470
Debt service				
Principal	-	3,435,000	-	3,435,000
Interest	-	926,767	-	926,767
Total Expenditures	<u>350,396</u>	<u>4,361,767</u>	<u>257,470</u>	<u>4,969,633</u>
Excess of revenue over(under) expenditures	(21,808)	1,992,430	(250,173)	1,720,449
Other Financing Sources (Uses)				
Transfers- in	20,995	-	-	20,995
Transfers-out	-	-	(20,995)	(20,995)
Total Other Financing Sources (Uses)	<u>20,995</u>	<u>-</u>	<u>(20,995)</u>	<u>-</u>
Net change in fund balances	(813)	1,992,430	(271,168)	1,720,449
Fund Balances - September 30, 2009	<u>28,155</u>	<u>(859,006)</u>	<u>861,895</u>	<u>31,044</u>
Fund Balances - September 30, 2010	<u>\$ 27,342</u>	<u>\$ 1,133,424</u>	<u>\$ 590,727</u>	<u>\$ 1,751,493</u>

See accompanying notes.

**Tison's Landing  
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, 2010**

Net Change in Fund Balances - Total Governmental Funds	\$ 1,720,449
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 expense. This is the amount by which depreciation, \$347,002 exceeded capital outlay (\$257,470) in the current period.	(89,532)
Governmental funds report bond issuance costs as expenditures. However, in the Statement of Activities, the cost of those assets are allocated based on an effective interest rate as amortization expense. This is the amount of bond amortization expense in the current period.	(75,154)
Repayment of bond principal, \$3,435,000 are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	3,435,000
Governmental funds report bond discounts as an other financing use. However, in the Statement of Activities, the cost of those assets are allocated based on an effective interest rate as amortization expense. This is the amount of bond amortization expense in the current period.	(9,230)
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 current year accruals.	<u>75,964</u>
Change in Net Assets of Governmental Activities	<u><u>\$ 5,057,497</u></u>

See accompanying notes.

**Tison's Landing  
Community Development District  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND  
For the Year Ended September 30, 2010**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Revenues				
Special assessments	\$ 349,430	\$ 340,000	\$ 328,388	\$ (11,612)
Miscellaneous revenues	-	-	200	200
Total Revenues	<u>349,430</u>	<u>340,000</u>	<u>328,588</u>	<u>(11,412)</u>
Expenditures				
Current				
General government	143,513	108,043	110,570	(2,527)
Physical environment	230,917	280,417	239,826	40,591
Total Expenditures	<u>374,430</u>	<u>388,460</u>	<u>350,396</u>	<u>38,064</u>
Net change in fund balances	(25,000)	(48,460)	(21,808)	26,652
Other Financing Sources (Uses)				
Transfers in	-	20,995	20,995	-
Fund Balances - September 30, 2009	<u>25,000</u>	<u>27,465</u>	<u>28,155</u>	<u>690</u>
Fund Balances - September 30, 2010	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 27,342</u></u>	<u><u>\$ 27,342</u></u>

See accompanying notes.

**Tison's Landing Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2010**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's more significant accounting policies are described below.

**1. Reporting Entity**

The District was created in 2005 by the Duval County Commissioners, pursuant to the City Ordinance 2005-841 and Chapter 190, Florida Statutes. The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of the infrastructure necessary for community development within its jurisdiction. The District is authorized to issue bonds for the purpose, among others, of financing, funding, planning, establishing, acquiring, constructing or re-constructing, enlarging or extending, equipping, operating and maintaining water management, bridges or culverts, district roads, landscaping, street lights and other basic infrastructure projects within or without the boundaries of the Tison's Landing Community Development District. The District is governed by a five-member Board of Supervisors who are elected for four year terms. The District operates within the criteria established by Chapter 190.

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

Based upon the application of the above-mentioned criteria as set forth in Governmental Accounting Standards Board Statement Number 14, The Financial Reporting Entity, 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

**Tison's Landing Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2010**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2. Measurement Focus and Basis of Accounting (Continued)**

**a. Government-wide Financial Statements**

Government-wide financial statements report all non-fiduciary information about the reporting government as a whole. These statements include all the governmental activities of the primary government. The effect of interfund activity has been removed from these statements.

Governmental activities are supported by special assessments and interest. Program revenues 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 financial 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.

**Tison's Landing Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2010**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2. Measurement Focus and Basis of Accounting (Continued)**

**b. Fund Financial Statements (Continued)**

**Governmental Funds**

When both restricted and unrestricted resources are combined in a fund, qualified expenses are considered to be paid first from restricted resources, and then from unrestricted resources. 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 financial sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources are expended, rather than as fund assets. The proceeds of long-term debt are recorded as an other financing source rather than as a fund liability.

Debt service expenditures are recorded only when payment is due.

**Tison's Landing Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2010**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**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 general obligation bonds, be reported in the governmental activities column in the government-wide Statement of Net Assets.

**4. Assets, Liabilities, and Net Assets or Equity**

**a. Cash and Investments**

Florida Statutes require state and local governmental units to deposit monies with financial institutions classified as "Qualified Public Depositories," a multiple financial institution pool whereby groups of securities pledged by the various financial institutions provide common collateral from their deposits of public funds. This pool is provided as additional insurance to the federal depository insurance and allows for additional assessments against the member institutions, providing full insurance for public deposits.

The District is authorized to invest in those financial instruments as established by Section 218.415, Florida Statutes. The authorized investments consist of:

1. Direct obligations of the United States Treasury;
2. The Local Government Surplus Funds Trust or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperative Act of 1969;
3. Interest-bearing time deposits or savings accounts in authorized qualified public depositories;
4. Securities and Exchange Commission, registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less.

**Tison's Landing Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2010**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**b. Restricted Assets**

Certain net assets of the District are classified as restricted assets on the statement of net assets 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 assets and then from unrestricted net assets.

**c. Capital Assets**

Capital assets, which include land and improvements and construction in progress, are reported in governmental activities.

The District defines capital assets as assets with an initial, individual cost of \$1,000 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.

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:

Infrastructure	25-30 years
Equipment	5-10 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. Formal budgets are adopted for the general and debt service funds. The legal level of budgetary control is at the fund level. As a result, deficits in the budget variance columns of the accompanying financial statements may occur. All budgeted appropriations lapse at year end.

**Tison's Landing Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2010**

**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 Assets**

“Total fund balances” of the District’s governmental funds (\$977,716) differs from “net assets” of governmental activities (\$(12,127,355)) reported in the Statement of Net Assets. This difference primarily results from the long-term economic focus of the Statement of Net Assets versus the current financial resources focus of the Governmental Fund Balance Sheet. The effect of the differences is illustrated below.

**Capital related items**

When capital assets (improvements and infrastructure 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 Assets included those capital assets among the assets of the District as a whole.

Land & improvements		\$ 5,607,329
Infrastructure		9,679,308
Equipment		19,763
Accumulated depreciation		<u>(830,943)</u>
Total (net)		<u>\$ 14,475,457</u>

**Bond issuance costs**

When intangible assets (bond issuance costs to be used in governmental activities) are expended, the cost of those assets is reported as expenditures in governmental funds. However, the Statement of Net Assets includes those intangible assets of the District as a whole.

Bond issuance costs		\$ 794,692
Accumulated amortization		<u>(433,936)</u>
Total		<u>\$ 360,756</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 Assets.

Balances at September 30, 2010 were:

Bonds payable		\$ (28,175,000)
Less: Discount		64,692
Bonds Payable		<u>\$ (28,110,308)</u>

**Tison's Landing Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2010**

**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 Assets (Continued)**

**Accrued interest**

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

Accrued interest	\$ <u>(604,753)</u>
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**2. Explanation of Differences Between the Governmental Fund Operating Statements and the Statement of Activities**

The “net change in fund balances” for government funds (\$946,672) differs from the “change in net assets” for governmental activities (\$5,057,497) 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.

**Depreciation Expense**

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 costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balances decrease by the amount of financial resources expended, whereas net assets decrease by the amount depreciation expense exceeded capital outlay in the current period.

Capital outlay	\$ 257,470
Depreciation	<u>(347,002)</u>
Total	<u>\$ (89,532)</u>

**Bond issuance costs**

Amortization expense of the bond issuance costs does not require the use of current resources and therefore are not reported in the governmental funds.

Amortization of bond issuance cost	\$ <u>(75,154)</u>
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**Tison's Landing Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2010**

**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 (Continued)**

**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. At the government wide level, these payments are reflected as a reduction of bonds payable.

Bond principal payments	<u>\$ 3,435,000</u>
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Amortization expense of the bond discount does not require the use of current resources and therefore is not reported in the governmental funds.

Amortization of bond discount	<u>\$ (9,230)</u>
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**Accrued Interest**

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 decrease in accrued interest payable	<u>\$ 75,964</u>
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**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. The District does, however, follow the provisions of Chapter 280, Florida Statutes regarding deposits and investments. As of September 30, 2010, the District's bank balance was \$29,213 and the carrying value was \$24,495. 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.

**Tison's Landing Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2010**

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

As of September 30, 2010, the District had the following investments and maturities:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>	<u>Cost</u>
US Bank Money Market	N/A	<u>\$2,413,500</u>	<u>\$2,413,500</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 Trust Funds.

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, commercial paper, 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. The Securities and Exchange Commission registered money market is an authorized investment under Section 218.415, Florida Statutes. The District's investments in registered money markets are limited by state statutory requirements and bond compliance. The District has monies invested with the US Bank Managed Money Market, at September 30, 2010.

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one fund. The investment in Managed Money Market represents 100% of the District's investments.

The types of deposits and investments and their level of risk exposure as of September 30, 2010 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.

**Tison's Landing Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2010**

**NOTE D – SPECIAL ASSESSMENT REVENUES**

Assessments are non-ad valorem assessments on benefitted property within the District. Operating and Maintenance Assessments are based upon adopted budget and levied annually at a public hearing of the District. Debt Service Assessments are levied when bonds are issued and collected annually. The District may collect assessments directly or utilize the uniform method of collection (Chapter 197.3632, Florida Statutes). Direct collected assessments are due as determined by annual assessment resolution adopted by the Board of Supervisors. Assessments collected under the uniform method are 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. Property owners may prepay a portion or all of the Debt Service Assessments on their property subject to various provisions in the bond documents.

Assessments and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

**Tison's Landing Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2010**

**NOTE E – CAPITAL ASSETS**

Capital Asset activity for the year ended September 30, 2010 was as follows:

	Balance October 1, 2009	Additions	Deletions	Balance September 30, 2010
<u>Governmental Activities</u>				
Capital assets, not being depreciated				
Land and improvements	\$ 5,607,329	\$ -	\$ -	\$ 5,607,329
Capital assets, being depreciated				
Infrastructure - stormwater	5,688,380	-	-	5,688,380
Infrastructure - amenity center	3,753,221	237,707	-	3,990,928
Equipment - amenity center	-	19,763	-	19,763
Total Capital Assets, Being Depreciated	<u>9,441,601</u>	<u>257,470</u>	<u>-</u>	<u>9,699,071</u>
Less accumulated depreciation for:				
Infrastructure - stormwater	(221,215)	(189,613)	-	(410,828)
Infrastructure - amenity center	(262,725)	(155,554)	-	(418,279)
Equipment - amenity center	-	(1,835)	-	(1,835)
Total Accumulated Depreciation	<u>(483,940)</u>	<u>(347,002)</u>	<u>-</u>	<u>(830,942)</u>
Total Capital Assets, Being Depreciated, Net	<u>8,957,661</u>	<u>(89,532)</u>	<u>-</u>	<u>8,868,129</u>
Governmental Activities Capital Assets, Net	<u>\$ 14,564,990</u>	<u>\$ (89,532)</u>	<u>\$ -</u>	<u>\$ 14,475,458</u>

Depreciation expense of \$347,002 was charged to physical environment.

**NOTE F – LONG-TERM DEBT**

The following is a summary of activity in the long-term debt of the District for the year ended September 30, 2010:

Long-term debt at October 1, 2009	\$ 31,610,000
Principal payments	<u>(3,435,000)</u>
Long-term debt at September 30, 2010	28,175,000
Less: Discount on bonds	<u>(64,692)</u>
Bonds payable, net	<u>\$ 28,110,308</u>

**Tison's Landing Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2010**

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

Special Assessment Bonds

\$10,300,000 Series 2005A Special Assessment Bonds due in annual principal installments beginning November 1, 2008. Interest is paid at a fixed rate of 5.625% is due in annual installments, beginning on November 1, 2006. \$ 7,905,000

\$26,550,000 Series 2005B Special Assessment Bonds due in principal payments beginning on February 1, 2010 through August 1, 2011 and a balloon principal installment May 1, 2014. Interest is paid at a fixed rate of 5.000% is due in annual installments, beginning on November 1, 2006. \$ 20,270,000

Total long-term debt	28,175,000
Series 2005 Discount	<u>(64,692)</u>
Total long-term debt, net bond discount	<u>\$ 28,110,308</u>

The annual requirements to amortize the principal and interest of long term debt outstanding as of September 30, 2010 are as follows:

<u>Year Ending</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 1,675,000	\$ 1,424,258	\$ 3,099,258
2012	130,000	1,372,094	1,502,094
2013	140,000	1,364,781	1,504,781
2014	19,110,000	1,356,906	20,466,906
2015	155,000	400,500	555,500
2016-2020	925,000	1,860,469	2,785,469
2021-2025	1,230,000	1,568,250	2,798,250
2026-2030	1,620,000	1,180,406	2,800,406
2031-2035	2,150,000	669,375	2,819,375
2036-2037	<u>1,040,000</u>	<u>88,594</u>	<u>1,128,594</u>
Totals	<u>\$ 28,175,000</u>	<u>\$ 11,285,633</u>	<u>\$ 39,460,633</u>

Depository Funds - The bond resolution establishes certain funds and determines the order in which revenues are to be deposited into these funds. A description of the significant funds, including their purposes, is as follows:

**Tison's Landing Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2010**

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

1. Reserve Fund - The 2005A and 2005B Reserve Accounts are funded from the proceeds of the Series 2005A and 2005B. Monies held in the reserve accounts will be used only for the purposes established in the Trust Indenture. Reserve fund requirements as of September 30, 2010 are as follows:

	Special Assessment and Revenue Bonds	
	Reserve Balance	Reserve Requirement
Series 2005A	\$ 7	\$ 547,579
Series 2005B	503	506,750
Total	\$ 510	\$ 1,054,329

The subsequent landowner has agreed to pay \$3,066,841 in delinquent assessments per Settlement Agreement dated December 9, 2009. During the year, \$558,439 was received under the agreement. Matured interest payable totaling \$739,883 is outstanding at year end. During the year, the District made prepayments of \$3,305,000 that were applied to the debt outstanding for the Series 2005A Bonds, \$480,000, and Series 2005B Bonds, \$2,825,000.

**NOTE G – 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 H – SUBSEQUENT EVENT**

Subsequent to September 30, 2010, the District redeemed a portion of the Series 2005 Special Assessment Refunding Bonds. In total, \$1,540,000 of principal was redeemed at face value, plus accrued interest.



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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  
Tison's Landing Community Development District  
Duval County, Florida

We have audited the financial statements of Tison's Landing Community Development District (The District) as of and for the year ended September 30, 2010, and have issued our report thereon dated September 8, 2011. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the 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.

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 over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

To the Board of Supervisors  
Tison's Landing Community Development District

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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*.

This report is intended solely for the information and use of the Board, Management and others within the entity and is not intended to be and should not be used by anyone other than those specified parties.

*Berger, Toombs, Elam,  
Gaines & Frank*

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

September 8, 2011



# Berger, Toombs, Elam, Gaines & Frank

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## Management Letter

To the Board of Supervisors  
Tison's Landing Community Development District  
Duval County, Florida

We have audited the financial statements of Tison's Landing Community Development District, Florida as of and for the year ended September 30, 2010, and have issued our report thereon dated September 8, 2011.

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. We have issued our 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 September 8, 2011 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. Those rules (Section 10.554(1)(i)) require that we address in the Management Letter, if not already addressed in the auditors' report on compliance and internal control whether or not inaccuracies, shortages, defalcations, fraud, and/or violations of laws, rules, regulations, and contractual provisions reported in the preceding annual financial audit report have been corrected. The prior year finding, relating to a violation of Chapter 189, Florida Statutes, for actual expenditures in excess of budgeted amounts in the General Fund, was rectified. The prior year finding relating to reserve requirements was not corrected. The District remains non-compliant with Section 218.503(1), Florida Statutes due to the failure to satisfy all required debt service payments.

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. There were no recommendations made in the preceding audit report.

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 Tison's Landing Community Development District complied with Section 218.415, Florida Statutes.

To the Board of Supervisors  
Tison's Landing Community Development District

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: (1) violations of laws, rules, regulations, and contractual provisions have occurred, or are likely to have occurred; (2) improper or illegal expenditures; (3) improper or inadequate accounting procedures (e.g. the omission of required disclosures from the financial statements); (4) failures to properly record financial transactions; and (5) 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 the entity's financial condition; our financial condition assessment was based in part on the representations made by management and the review of the financial information provided by the same.

Tison's Landing 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, 2010, filed with the Department of Financial Services pursuant to Section 218.32, Florida Statutes, is in agreement with our annual financial audit report for the fiscal year ended September 30, 2010.

Pursuant to Chapter 119, Florida Statutes, this Management Letter is a public record and its' distribution is not limited. However, in accordance with auditing standards generally accepted in the United States of America, this Management Letter is intended solely for the information of Tison's Landing Community Development District and Management, and the State of Florida Office of the Auditor General, 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

September 8, 2011