

**Sampson Creek  
Community Development District**

**ANNUAL FINANCIAL REPORT**

**September 30, 2016**

**Sampson Creek Community Development District**

**ANNUAL FINANCIAL REPORT**

**September 30, 2016**

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## REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors  
Sampson Creek Community Development District  
St. Johns County, Florida

### Report on the Financial Statements

We have audited the accompanying basic financial statements of Sampson Creek Community Development District as of and for the year ended September 30, 2016, and the related notes to financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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  
- 1 -

To the Board of Supervisors  
Sampson Creek 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 Sampson Creek Community Development District as of September 30, 2016, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### Other Matters

#### *Required Supplementary Information*

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, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated March 23, 2017 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts.

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sampson Creek 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

March 23, 2017

**Sampson Creek Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2016**

Management's discussion and analysis of Sampson Creek 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 position and liabilities of the District, with the difference between position and liabilities reported as net position. Net position are reported in three categories; 1) net investment in capital assets, 2) restricted, and 3) unrestricted. Assets, liabilities, and net position are reported for all Governmental activities.

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

**Sampson Creek Community Development District**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended September 30, 2016**

**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, infrastructure and improvements 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, 2016.

- ◆ The District's total assets exceeded total liabilities by 4,685,622 (net position). Unrestricted net position for Governmental Activities were \$326,792. Net investment in capital assets was \$3,834,480. Restricted net position was \$524,350.
- ◆ Governmental activities revenues totaled \$1,598,255 while governmental activities expenses totaled \$2,158,443.

**Sampson Creek Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2016**

**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.

	<b>Governmental Activities</b>	
	<b>2016</b>	<b>2015</b>
Current assets	\$ 422,855	\$ 383,704
Restricted assets	1,906,883	731,218
Capital assets	9,639,810	10,147,915
Deferred outflows	<u>428,449</u>	<u>380,771</u>
 Total Assets and Deferred Outflows	 <u>12,397,997</u>	 <u>11,643,608</u>
 Current liabilities	 447,419	 453,333
Non-current liabilities	<u>7,264,956</u>	<u>5,944,465</u>
 Total Liabilities	 <u>7,712,375</u>	 <u>6,397,798</u>
 Net investment in capital assets	 3,834,480	 4,324,220
Net assets - restricted	524,350	616,533
Net assets - unrestricted	<u>326,792</u>	<u>305,057</u>
 Total Net Position	 <u>\$ 4,685,622</u>	 <u>\$ 5,245,810</u>

The increase in restricted assets is related to new bond proceeds deposited into a construction investment account.

The decrease in capital assets is mainly related to depreciation on those assets in the current year.

The increase in non-current liabilities is related to the issuance of new debt in the current year.

**Sampson Creek Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2016**

**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.

**Financial Activity**

	<b>Governmental Activities</b>	
	<b><u>2016</u></b>	<b><u>2015</u></b>
Program Revenues		
Charges for services	\$ 1,489,977	\$ 1,492,814
General Revenues		
Investment earnings	5,957	2,553
Miscellaneous	102,321	58,906
Total Revenues	<u>1,598,255</u>	<u>1,554,273</u>
Expenses		
General government	142,041	116,122
Physical environment	1,469,866	1,400,209
Interest on long-term debt	546,536	317,919
Total Expenses	<u>2,158,443</u>	<u>1,834,250</u>
Change in Net Position	(560,188)	(279,977)
Net Position - Beginning of Year	<u>5,245,810</u>	<u>5,525,787</u>
Net Position - End of Year	<u><u>\$ 4,685,622</u></u>	<u><u>\$ 5,245,810</u></u>

The increase in physical environment expenses was primarily the result of an increase in repair and maintenance and guard services.



**Sampson Creek Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2016**

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

**Capital Assets Activity**

The following schedule provides a summary of the District's capital assets activity as of September 30, 2016:

<u>Description</u>	<u>Governmental Activities</u>	
	<u>2016</u>	<u>2015</u>
Capital assets not being depreciated:		
Land improvements	\$ 1,648,125	\$ 1,648,125
Construction in progress	15,561	-
Total Capital Assets, not depreciated	<u>1,663,686</u>	<u>1,648,125</u>
Capital assets being depreciated:		
Improvements other than buildings	14,961,480	14,961,480
Equipment	755,366	660,644
Accumulated depreciation	<u>(7,740,722)</u>	<u>(7,122,334)</u>
Total Capital Assets, depreciated	<u>7,976,124</u>	<u>8,499,790</u>
Total Capital Assets	<u>\$ 9,639,810</u>	<u>\$ 10,147,915</u>

During the year, depreciation was \$618,388 and \$15,561 was added to construction in progress and \$94,722 to equipment.

**General Fund Budgetary Highlights**

The budget exceeded governmental expenditures primarily because of lower repairs and maintenance expenditures than were expected.

The budget was amended for increased printing and binding, youth program and supervisor fees expenditures.

**Debt Management**

Governmental Activities debt includes the following:

- ◆ In December 2006, the District issued \$8,055,000 Series 2006 Capital Improvement Revenue Refunding Bonds. These bonds were issued to advance refund the Series 2000A and 2002A Capital Improvement Revenue Bonds which were issued to fund certain infrastructure and facilities benefitting the lands of the District. These bonds were refunded and paid off in May 2016.

**Sampson Creek Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2016**

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

**Debt Management**

- ◆ In March 2016 the District issued \$7,595,000 Series 2016 Capital Improvement and Revenue Refunding Bonds. These bonds were issued to advance refund the Series 2006 Capital Improvement and Revenue Refunding Bonds and fund the Series 2016 Capital Improvement Project. The balance outstanding at September 30, 2016 was \$7,595,000.

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

Sampson Creek Community Development District does not expect any economic factors other than the Series 2016 Capital Improvement Project to have any significant effect on the financial position or results of operations of the District in fiscal year 2017.

**Request for Information**

The financial report is designed to provide a general overview of Sampson Creek 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 Sampson Creek Community Development District, Governmental Management Services, 475 West Town Place, Suite 114, St. Augustine, FL 32092.

**Sampson Creek Community Development District**  
**STATEMENT OF NET POSITION**  
**September 30, 2016**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Current Assets:	
Cash and cash equivalents	\$ 91,079
Investments	292,726
Due from other governments	12,739
Accounts receivable	195
Interest receivable	315
Deposits	820
Prepaid expenses	24,981
Total Current Assets	422,855
Non-current Assets:	
Restricted assets:	
Investments	1,906,883
Capital assets not being depreciated:	
Construction in progress	15,561
Land improvements	1,648,125
Capital assets being depreciated:	
Improvements other than buildings	14,961,480
Equipment	755,366
Less: accumulated depreciation	(7,740,722)
Total Non-current Assets	11,546,693
Total Assets	11,969,548
<b>DEFERRED OUTFLOW OF RESOURCES</b>	
Deferred amount on refunding	428,449
Total Assets and Deferred Outflow of Resources	12,397,997
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable	84,607
Accrued interest payable	97,812
Bonds payable	265,000
Total Current Liabilities	447,419
Non-current liabilities:	
Bonds payable	7,264,956
Total Liabilities	7,712,375
<b>NET POSITION</b>	
Net investment in capital assets	3,834,480
Restricted for debt service	25,199
Restricted for capital projects	499,151
Unrestricted	326,792
Total Net Position	\$ 4,685,622

See accompanying notes.

**Sampson Creek Community Development District**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2016**

<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	\$ (142,041)	\$ 128,206	\$ (13,835)
Physical environment	(1,469,866)	799,416	(670,450)
Interest on long-term debt	(546,536)	562,355	15,819
Total Governmental Activities	<u>\$ (2,158,443)</u>	<u>\$ 1,489,977</u>	<u>(668,466)</u>
<b>General revenues:</b>			
			5,957
			102,321
			<u>108,278</u>
			Change in Net Position (560,188)
			Net Position - October 1, 2015 5,245,810
			<u>\$ 4,685,622</u>

See accompanying notes.

**Sampson Creek Community Development District  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
September 30, 2016**

<b>ASSETS</b>	General	Debt Service 02	Capital Projects 01	Capital Projects 02	Total Governmental Funds
Cash and cash equivalents	\$ 80,260	\$ -	\$ 10,819	\$ -	\$ 91,079
Investments	292,726	-	-	-	292,726
Accounts receivable	195	-	-	-	195
Due from other governments	7,953	4,786	-	-	12,739
Accrued interest receivable	27	63	-	225	315
Deposits	820	-	-	-	820
Prepaid expenses	24,981	-	-	-	24,981
Restricted investments	-	311,542	492,544	1,102,797	1,906,883
Total Assets	<u>\$ 406,962</u>	<u>\$316,391</u>	<u>\$503,363</u>	<u>\$ 1,103,022</u>	<u>\$ 2,329,738</u>
 <b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts/contracts payable	<u>\$ 80,170</u>	<u>\$ -</u>	<u>\$ 2,099</u>	<u>\$ 2,338</u>	<u>\$ 84,607</u>
 <b>FUND BALANCES</b>					
<b>Nonspendable</b>					
Deposits	820	-	-	-	820
Prepaid expenses	24,981	-	-	-	24,981
<b>Reserved for:</b>					
Debt service	-	316,391	-	-	316,391
Capital projects	-	-	501,264	1,100,684	1,601,948
Unreserved and undesignated	300,991	-	-	-	300,991
Total Fund Balances	<u>326,792</u>	<u>316,391</u>	<u>501,264</u>	<u>1,100,684</u>	<u>2,245,131</u>
Total Liabilities and Fund Balances	<u>\$ 406,962</u>	<u>\$316,391</u>	<u>\$503,363</u>	<u>\$ 1,103,022</u>	<u>\$ 2,329,738</u>

See accompanying notes.

**Sampson Creek Community Development District  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO NET POSITION OF GOVERNMENTAL ACTIVITIES  
September 30, 2016**

Total Governmental Fund Balances	\$ 2,245,131
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets not being depreciated (land improvements (\$1,648,125)) and construction in progress(\$15,561) used in governmental activities are not financial resources and are not reported at the fund statement level.	1,663,686
Capital assets being depreciated (improvements other than building (\$14,961,480) and equipment (\$755,366) net of accumulated depreciation (\$7,740,722)) used in governmental activities are not financial resources and therefore, are not reported at the fund statement level.	7,976,124
Deferred outflow of resources are not financial resources and therefore, are not reported at the fund statement level.	428,449
Long-term liabilities, including bonds payable (\$7,595,000), less net bond discount (\$65,044) are not due and payable in the current period and therefore, are not reported at the fund statement level.	(7,529,956)
Accrued interest expense for long-term debt is not a financial use and therefore, is not reported at the fund statement level.	<u>(97,812)</u>
Net Position of Governmental Activities	<u><u>\$ 4,685,622</u></u>

*See accompanying notes.*

**Sampson Creek Community Development District  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
For the Year Ended September 30, 2016**

	General	Debt Service 01	Debt Service 02	Capital Projects 01	Capital Projects 02	Total Governmental Funds
<b>Revenues</b>						
Special assessments	\$ 927,622	\$ 562,355	\$ -	\$ -	\$ -	\$ 1,489,977
Investment earnings	1,210	469	303	2,805	1,170	5,957
Miscellaneous	67,535	-	4,786	30,000	-	102,321
<b>Total Revenues</b>	<u>996,367</u>	<u>562,824</u>	<u>5,089</u>	<u>32,805</u>	<u>1,170</u>	<u>1,598,255</u>
<b>Expenditures</b>						
Current						
General government	142,041	-	-	-	-	142,041
Physical environment	791,814	-	-	59,664	-	851,478
Debt service						
Principal	-	6,115,000	-	-	-	6,115,000
Interest	-	146,787	-	-	-	146,787
Other	-	165,383	-	-	392,406	557,789
Capital Outlay	-	-	-	94,722	15,561	110,283
<b>Total Expenditures</b>	<u>933,855</u>	<u>6,427,170</u>	<u>-</u>	<u>154,386</u>	<u>407,967</u>	<u>7,923,378</u>
Revenue over/under expenditures	<u>62,512</u>	<u>(5,864,346)</u>	<u>5,089</u>	<u>(121,581)</u>	<u>(406,797)</u>	<u>(6,325,123)</u>
<b>Other financing sources/(uses)</b>						
Bond proceeds	-	6,175,000	-	-	1,420,000	7,595,000
Bond discount	-	(33,215)	-	-	(35,443)	(68,658)
Transfers in	7,214	-	311,302	47,990	137,734	504,240
Transfers out	(47,990)	(441,440)	-	-	(14,810)	(504,240)
<b>Total Other Financing Sources/(Uses)</b>	<u>(40,776)</u>	<u>5,700,345</u>	<u>311,302</u>	<u>47,990</u>	<u>1,507,481</u>	<u>7,526,342</u>
<b>Net change in fund balances</b>	21,736	(164,001)	316,391	(73,591)	1,100,684	1,201,219
<b>Fund Balances - October 1, 2015</b>	<u>305,056</u>	<u>164,001</u>	<u>-</u>	<u>574,855</u>	<u>-</u>	<u>1,043,912</u>
<b>Fund Balances - September 30, 2016</b>	<u>\$ 326,792</u>	<u>\$ -</u>	<u>\$ 316,391</u>	<u>\$ 501,264</u>	<u>\$ 1,100,684</u>	<u>\$ 2,245,131</u>

See accompanying notes.

**Sampson Creek 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, 2016**

Net Change in Fund Balances - Total Governmental Funds \$ 1,201,219

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

Capital outlay, reported as expenditures in the governmental funds, is shown as an addition to capital assets on the Statement of Net Position. 110,283

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation. This is the amount of depreciation in the current period. (618,388)

Repayment of long-term liabilities are reported as expenditures in the governmental fund statement but such repayments reduce liabilities in the Statement of Net Position. 6,115,000

Debt proceeds provide current financial resources to governmental funds at the fund level, but increases long term liabilities at the government wide level. (7,595,000)

Bond discount is recognized as an other financing use at the fund level, at the government wide level is it recognized as a reduction in long term liabilities. This is the amount of bond discount recognized with the new debt issue. 68,658

Amortization expense of a bond premium/discount does not require the use of current resources and therefore is not reported in the governmental funds. This is the amount of amortization in the current period. (265)

The deferred amount on refunding in the current year is recognized as other debt service costs at the fund level but is a deferred outflow at the government wide level. 165,383

The deferred amount of refunding is amortized in the Statement of Activities, but not in the governmental funds. This is the amount of amortization in the current year. (31,589)

In the Statement of Activities, interest is accrued on outstanding bonds; whereas in governmental funds, interest expenditures are reported when due. This is the change in accrued interest from the prior year to the current year. 24,511

Change in Net Position of Governmental Activities \$ (560,188)

See accompanying notes.



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

**For the Year Ended September 30, 2016**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Revenues				
Special assessments	\$ 916,439	\$ 919,669	\$ 927,622	\$ 7,953
Investment earnings	75	1,183	1,210	27
Miscellaneous	42,750	67,566	67,535	(31)
Total Revenues	<u>959,264</u>	<u>988,418</u>	<u>996,367</u>	<u>7,949</u>
Expenditures				
Current				
General government	137,097	140,288	142,041	(1,753)
Physical environment	786,296	795,247	791,814	3,433
Total Expenditures	<u>923,393</u>	<u>935,535</u>	<u>933,855</u>	<u>1,680</u>
Revenue over/under expenditures	<u>35,871</u>	<u>52,883</u>	<u>62,512</u>	<u>9,629</u>
Other financing sources/(uses)				
Transfers in	5,713	7,214	7,214	-
Transfers out	(47,990)	(47,990)	(47,990)	-
Total Other Financing Sources/(Uses)	<u>(42,277)</u>	<u>(40,776)</u>	<u>(40,776)</u>	<u>-</u>
Net change in fund balances	(6,406)	12,107	21,736	9,629
Fund Balances - October 1, 2015	<u>6,406</u>	<u>6,406</u>	<u>305,056</u>	<u>298,650</u>
Fund Balances - September 30, 2016	<u>\$ -</u>	<u>\$ 18,513</u>	<u>\$ 326,792</u>	<u>\$ 308,279</u>

See accompanying notes.

**Sampson Creek Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2016**

**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 on August 1, 2000, pursuant to the Uniform Community Development District Act of 1980, 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 Sampson Creek Community Development District. The District is governed by a five-member Board of Supervisors who are elected on an at-large basis in a general election by qualified electors within the District. The District operates within the criteria established by Chapter 190.

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 Sampson Creek 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

**Sampson Creek Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2016**

**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. 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.

**Sampson Creek Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2016**

**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 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 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.

**Sampson Creek Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2016**

**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.

Debt Service Funds - Account for debt service requirements to retire the capital improvement revenue and refunding bonds which were used to refund the capital improvement bonds issued to finance the construction of District infrastructure improvements and fund the cost to acquire, construct and equip the Series 2016 Project.

Capital Projects Funds - The Capital Projects Funds account for the construction of improvements within the District

**b. Non-current Governmental Assets/Liabilities**

GASB Statement 34 requires that non-current governmental assets, such as land and buildings, and non-current governmental liabilities, such as general obligation 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.

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, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less.

**Sampson Creek Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2016**

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

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

**b. Restricted Net Position**

Certain net position of the District will be classified as restricted on the statement of net position because their use is limited either by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors. In a fund with both restricted and unrestricted net position, qualified expenses are considered to be paid first from restricted net position and then from unrestricted net position.

**c. Capital Assets**

Capital assets, which include land improvements, improvements other than buildings, and equipment are reported in governmental activities.

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.

Depreciation of capital assets is computed and recorded by utilizing the straight-line method over the assets' estimated useful lives ranging from 5 to 30 years.

**d. Deferred Outflows of Resources**

Deferred outflow of resources is the consumption of net position by the government that is applicable to a future reporting period. Deferred amount on refunding is amortized and recognized as a component of interest expense over the life of the bond.

**e. Bond Discounts**

Bond discounts associated with the issuance of bonds are amortized over the life of the bonds using the straight line method of accounting.

**f. 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 fund. The legal level of budgetary control is at the fund level. As a result, deficits in the budget columns of the accompanying financial statements may occur. All budgeted appropriations lapse at year end.

**Sampson Creek Community Development District  
 NOTES TO FINANCIAL STATEMENTS  
 September 30, 2016**

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

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

**g. Net Position**

Net position represents the difference between assets and liabilities and are reported in three categories. Net investment in capital assets represents capital assets, net of accumulated depreciation and any outstanding debt related to those assets. Net position is reported as restricted when there are legal limitations imposed on their use by legislation, or external restrictions imposed by other governments, creditors, or grantors. Unrestricted net position are assets that do not meet definitions of the classifications previously described.

**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 (\$2,245,131) differs from “net position” of governmental activities (\$4,685,622) 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.

**Capital related items**

When capital assets (improvements 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 includes those capital assets among the assets of the District as a whole.

Land improvements	\$ 1,648,125
Construction in progress	15,561
Improvements other than buildings	14,961,480
Equipment	755,366
Accumulated depreciation	<u>(7,740,722)</u>
Total	<u><u>\$ 9,639,810</u></u>

**Sampson Creek Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2016**

**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)**

**Deferred Amount on Refunding**

The difference between the outstanding balance of the old debt and the cost of the new debt is a deferred outflow of resources. This balance is amortized over the life of the new debt. The unamortized balance is reflected as deferred amount on refunding.

Deferred amount of refunding	\$ <u>428,449</u>
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**Long-term debt transactions**

Long-term liabilities applicable to the District’s governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the Statement of Net Position. Balances at September 30, 2016 were:

Bonds payable	\$ (7,595,000)
Bond discount, net	<u>65,044</u>
Total	<u>\$ (7,529,956)</u>

**Accrued interest**

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

Accrued interest	\$ <u>(97,812)</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 (\$1,201,219) differs from the “change in net position” for governmental activities (\$560,188) 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.



**Sampson Creek Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2016**

**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)**

**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 costs of those assets is allocated over their estimated useful lives and reported as depreciation. As a result, fund balances decrease by the amount of financial resources expended, whereas net position decrease by the amount of depreciation charged for the year.

Depreciation	\$ (618,388)
Capital outlay	110,283
Total	\$ (508,105)

**Deferred amount on refunding**

Amortization expense of the deferred amount on refunding does not require the use of current resources and therefore is not reported in the governmental funds.

Amortization of deferred amount on refunding	\$ (31,589)
--	-------------

The deferred amount on refunding for refunding debt issued in the current year is recognized as other debt service costs at the fund level but is a deferred outflow at the government wide level.

Deferred amount on refunding	\$ 165,383
------------------------------	------------

**Long-term debt transactions**

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	\$ 24,511
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**Sampson Creek Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2016**

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

**Long-term debt transactions (Continued)**

New debt proceeds are recognized as an other financing source and the repayment of long-term liabilities are reported as expenditures in the governmental fund statement but bond proceeds increase liabilities and repayments reduce liabilities in the statement of net position and are eliminated in the statement of activities.

Bond proceeds	\$ ( 7,595,000)
Bond discount	68,658
Debt principal payments	<u>6,115,000</u>
Total	<u>\$ (1,411,342)</u>

Amortization expense of the bond premium/discount does not require the use of current resources and therefore is not reported in the governmental funds.

Amortization of bond premium/discount	<u>\$ (265)</u>
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**NOTE C – CASH AND DEPOSITS**

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 follows the provisions of Chapter 280, Florida Statutes regarding deposits and investments to manage custodial credit risk. The District maintains all deposits in a qualified public depository, so that all deposits are fully insured by Federal Depositors Insurance or collateralized under Chapter 280, Florida Statutes. As of September 30, 2016, the District's bank balance was \$91,079 and the carrying value was \$92,712.

As of September 30, 2016, the District had the following investments and maturities:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Local Government Surplus Trust Fund		
Investment Pool - Prime Fund	N/A	\$ 492,544
First American Government		
Obligation Fund, Class Z	25 days	<u>1,707,065</u>
		<u>\$ 2,199,609</u>

Maturity is a weighted average maturity.

**Sampson Creek Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2016**

**NOTE C – CASH AND DEPOSITS (CONTINUED)**

The District categorizes its fair value measurements within the fair value hierarchy recently established by generally accepted accounting principles. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The District uses a market approach in measuring fair value that uses prices and other relevant information generated by market transactions involving identical or similar assets, liabilities, or groups of assets and liabilities.

Assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted price for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtaining quoted prices for identical or similar assets, or liabilities, in markets that are not active. Level 3 is the least reliable and uses significant unobservable inputs that uses the best information available under the circumstances, which includes the District's own data in measuring unobservable inputs.

Based on the criteria in the preceding paragraph, the investment in First American Government Obligation Fund Class Z is a Level 1 asset.

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.

Cash placed with the State Board of Administration represents the District's participation in the Local Government Surplus Trust Funds 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.

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.

**Sampson Creek Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2016**

**NOTE C – CASH AND DEPOSITS (CONTINUED)**

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 Local Government Surplus Funds Trust is an authorized investment under Section 218.415, Florida Statutes. The District's investments in the state investment pool and government loans are limited by state statutory requirements and bond compliance. The District had monies invested with the Local Government Surplus Funds Trust Fund (Fund), at September 30, 2016. This fund met the requirements of a "2-7a 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. The investment in First American Government Obligation Funds represents 78% of the District's total investments. The investment in Local Government Surplus Funds Trust represents 22% of the District's total investments.

The types of deposits and investments and their level of risk exposure as of September 30, 2016 were typical of these items during the fiscal year then ended. As of September 30, 2016, the District's investment in the First American Government Obligation Fund was rated AAAM by Standard & Poor's. The District considers any decline in fair value for certain investments to be temporary.

**NOTE D – SPECIAL ASSESSMENT REVENUES**

Assessments are non-ad valorem assessments on benefitted property within the District. Operating and Maintenance Assessments are based upon adopted budget and levied annually. Debt Service Assessments are levied when bonds are issued and collected annually for the term of the bond. The District may collect assessments directly or utilize the uniform method of collection (Chapter 197.3632, Florida Statutes). Direct collected assessments are due as determined by annual assessment resolution adopted by the Board of Supervisors. Assessments collected under the uniform method are mailed by County Tax Collector on November 1 and due on or before March 31 of each year. Property owners may prepay a portion or all of the Debt Service Assessments on their property subject to various provisions in the bond documents.

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

**Sampson Creek Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2016**

**NOTE E – CAPITAL ASSETS**

Capital Asset activity for the year ended September 30, 2016 was as follows:

	Balance 10/1/15	Additions	Deletions	Balance 09/30/16
<u>Governmental Activities:</u>				
Capital assets, not depreciated:				
Land and improvements	\$ 1,648,125	\$ -	\$ -	\$ 1,648,125
Construction in progress	-	15,561	-	\$ 15,561
<b>Total Capital Assets, Not Depreciated</b>	<b>1,648,125</b>	<b>15,561</b>	<b>-</b>	<b>1,663,686</b>
Capital assets, being depreciated:				
Improvements other than building	14,961,480	-	-	14,961,480
Equipment	660,644	94,722	-	755,366
<b>Total Capital Assets, Being Depreciated</b>	<b>15,622,124</b>	<b>94,722</b>	<b>-</b>	<b>15,716,846</b>
Less accumulated depreciation for:				
Improvements other than building	(6,971,346)	(573,703)	-	(7,545,049)
Equipment	(150,988)	(44,685)	-	(195,673)
<b>Total Accumulated Depreciation</b>	<b>(7,122,334)</b>	<b>(618,388)</b>	<b>-</b>	<b>(7,740,722)</b>
<b>Total Capital Assets Depreciated, Net</b>	<b>8,499,790</b>	<b>(523,666)</b>	<b>-</b>	<b>7,976,124</b>
<b>Governmental Activities Capital Assets</b>	<b>\$ 10,147,915</b>	<b>\$(508,105)</b>	<b>\$ -</b>	<b>\$ 9,639,810</b>

Depreciation of \$618,388 was allocated to physical environment.

**NOTE F – LONG-TERM DEBT**

The following is a summary of debt activity for the District for the year ended September 30, 2016:

	Balance 10/1/15	Additions	Deletions	Balance 9/30/16
<u>Governmental Funds:</u>				
Bonds payable:				
Series 2006	\$ 6,115,000	\$ -	\$ (6,115,000)	\$ -
Premium	89,465	-	(89,465)	-
Series 2016	-	7,595,000	-	7,595,000
Discount	-	(68,658)	3,614	(65,044)
<b>Governmental Funds Liabilities</b>	<b>\$ 6,204,465</b>	<b>\$ 7,526,342</b>	<b>\$ (6,200,851)</b>	<b>\$ 7,529,956</b>

**Sampson Creek Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2016**

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

In April 2016, the District issued the Series 2016 Capital Improvement Revenue and Refunding Bonds to retire the Series 2006 Capital Improvement and Revenue Refunding Bonds and provide additional funds for the 2016 Capital Project. The Series 2006 Bonds were retired in May 2016. The cash aggregate cash flow gain from the refunding is \$1,192,228 and the economic gain is \$1,052,466. The deferred amount on refunding is \$445,785.

District debt is comprised of the following at September 30, 2016:

**Special Assessment Refunding Bond**

\$7,595,000 Series 2016 Capital Improvement Revenue and Refunding Bonds maturing through 2034, interest between 3.5% and 5.0%, payable May 1 and November 1. \$ 7,595,000

Less:

Bond discount, net	(65,044)
Total	<u>\$ 7,529,956</u>

The annual requirements to amortize the principal and interest of bonded debt outstanding as of September 30, 2016 are as follows:

Year Ending September 30,	Principal	Interest	Total
2017	\$ 265,000	\$ 198,884	\$ 463,884
2018	365,000	190,219	555,219
2019	370,000	182,919	552,919
2020	380,000	175,519	555,519
2021	385,000	167,919	552,919
2022-2026	2,055,000	714,544	2,769,544
2027-2031	2,355,000	462,756	2,817,756
2032-2034	1,420,000	88,749	1,508,749
Totals	\$ 7,595,000	\$ 2,181,509	\$ 9,776,509

Significant Bond Provisions

The Bond Indenture established certain amounts be maintained in a reserve account. The reserve requirements are met by the purchase of bond reserve insurance. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt in accordance with Bond Indenture. The reserve requirement was met through bond insurance and a cash reserve of \$193,380 which is equal to the bond requirement.

**Sampson Creek Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2016**

**NOTE G – RELATED PARTIES**

The District has contracted with a management company to perform management advisory services, which include financial and accounting advisory services. Certain employees of the management company also serve as officers of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, computer, and other administrative costs.

**NOTE H – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance.

**NOTE I –INTERLOCAL AGREEMENT**

In a prior year, the District entered into an interlocal agreement with St. Johns County to expand County Road 210. This will result in the need to expand the road adjacent to a storm water pond on the District's property. St. Johns County has requested that the District allow it to expand the storm water pond. The District has agreed to provide St. Johns County with the easement to facilitate the road and pond expansion and St. Johns County will be responsible for all costs associated with the pond expansion.



Berger, Toombs, Elam,  
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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  
Sampson Creek Community Development District  
St. Johns 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 Sampson Creek Community Development District Sampson Creek Community Development District, as of and for the year ended September 30, 2016, and the related notes to the financial statements, and have issued our report thereon dated March 23, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Sampson Creek 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 Sampson Creek Community Development District's internal control. Accordingly, we do not express an opinion on the effectiveness of Sampson Creek 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.



Board of Supervisors  
Sampson Creek Community Development District

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Sampson Creek 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

March 23, 2017



# Berger, Toombs, Elam, Gaines & Frank

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## MANAGEMENT LETTER

To the Board of Supervisors  
Sampson Creek Community Development District  
St. Johns County, Florida

### Report on the Financial Statements

We have audited the financial statements of the Sampson Creek Community Development District as of and for the year ended September 30, 2016, and have issued our report thereon dated March 23, 2017.

### Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the Florida Auditor General.

### Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and our Independent Auditor's Report on an examination conducted in accordance with AICPA Professionals Standards, Section 601 regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in that report, which is dated March 23, 2017, should be considered in conjunction with this Management Letter.

### Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we 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.

### Financial Condition

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that we report the results of our determination as to whether or not Sampson Creek Community Development District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions met. In connection with our audit, we determined that the Sampson Creek Community Development District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

To the Board of Supervisors  
Sampson Creek Community Development District

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial conditions assessment procedures. It is management's responsibility to monitor the Sampson Creek Community Development District's financial condition; our financial condition assessment was based in part on the representations made by management and the review of the financial information provided by the same.

### **Annual Financial Report**

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the Sampson Creek Community Development District for the fiscal year ended September 30, 2016, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2016. In connection with our audit, we determined that these two reports were in agreement.

### **Other Matters**

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

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

### **Purpose of this Letter**

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

*Berger, Toombs, Elam,  
Gaines & Frank*

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

March 23, 2017



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

To the Board of Supervisors  
Sampson Creek Community Development District  
St. Johns County, Florida

We have examined Sampson Creek Community Development District's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2016. Management is responsible for Sampson Creek Community Development District's compliance with those requirements. Our responsibility is to express an opinion on Sampson Creek Community Development District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Sampson Creek Community Development District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Sampson Creek Community Development District's compliance with the specified requirements.

In our opinion, Sampson Creek Community Development District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2016.

*Berger, Toombs, Elam,  
Gaines & Frank*

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

March 23, 2017