

**Ridgewood Trails
Community Development District**

ANNUAL FINANCIAL REPORT

September 30, 2016

Ridgewood Trails Community Development District

ANNUAL FINANCIAL REPORT

September 30, 2016

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REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors
Ridgewood Trails Community Development District
Clay County, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of the Ridgewood Trails Community Development District as of and for the year ended September 30, 2016, 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
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To the Board of Supervisors
Ridgewood Trails 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, General Fund, and Debt Service Fund of Ridgewood Trails 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

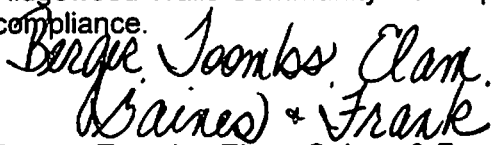
Required Supplementary Information

Governmental accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by *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 in accordance with governmental auditing standards generally accepted in the United States of America, which consisted principally of inquires of management regarding 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 April 30, 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 the Ridgewood Trails Community Development District's internal control over financial reporting and compliance.


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

April 30, 2017

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

Management's discussion and analysis of Ridgewood Trails Community Development District's (the "District") financial performance provides an objective and easily readable analysis of the District's financial activities. The analysis provides summary financial information for the District and should be read in conjunction with the District's financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District's basic financial statements comprise three components; 1) *Government-wide financial statements*, 2) *Fund financial statements*, and 3) *Notes to financial statements*. The *Government-wide financial statements* present an overall picture of the District's financial position and results of operations. The *Fund financial statements* present financial information for the District's major funds. The *Notes to financial statements* provide additional information concerning the District's finances.

The *Government-wide financial statements* are the **statement of net position** and the **statement of activities**. These statements use accounting methods similar to those used by private-sector companies. Emphasis is placed on the net position of governmental activities and the change in net position. Governmental activities are primarily supported by special assessments.

The **statement of net position** presents information on all assets and liabilities of the District, with the difference between assets and liabilities reported as net position. Net position is reported in three categories; 1) net investment in capital assets, 2) restricted, and 3) unrestricted. Assets, liabilities, and net position are reported for all Governmental activities.

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

**Ridgewood Trails 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 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 the financial activity for the year ended September 30, 2016.

- ◆ The District's total assets exceeded total liabilities by \$3,154,306 (net position). Unrestricted net position for Governmental Activities were \$346,757. Net investment in capital assets was \$2,807,549.
- ◆ Governmental activities revenues totaled \$418,270 while governmental activities expenses totaled \$334,773.

**Ridgewood Trails 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.

Net Position

	Governmental Activities	
	2016	2015
Current assets	\$ 364,092	\$ 253,404
Restricted assets	15,199	16,409
Capital assets	<u>2,957,161</u>	<u>2,983,847</u>
 Total Assets	 <u>3,336,452</u>	 <u>3,253,660</u>
 Current liabilities	 22,534	 18,257
Non-current liabilities	<u>159,612</u>	<u>164,594</u>
 Total Liabilities	 <u>182,146</u>	 <u>182,851</u>
 Net position - net investment in capital assets	 2,807,549	 2,829,253
Net position - unrestricted	<u>346,757</u>	<u>241,556</u>
 Total Net Position	 <u><u>\$ 3,154,306</u></u>	 <u><u>\$ 3,070,809</u></u>

The increase in current assets is primarily related to the change in fund balances at the fund level.

**Ridgewood Trails 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.

	Governmental Activities	
	2016	2015
Program Revenues		
Charges for services	\$ 336,331	\$ 334,702
Grants and contributions	81,026	2,967,129
General Revenues		
Investment earnings	913	112
Miscellaneous revenues	-	1,276
Gain on bond extinguishment	-	2,623,445
Total Revenues	<u>418,270</u>	<u>5,926,664</u>
Expenses		
General government	82,926	81,892
Physical environment	183,015	82,223
Recreation	59,327	141,696
Interest on long-term debt	9,505	68,726
Total Expenses	<u>334,773</u>	<u>374,537</u>
Change in Net Position	83,497	5,552,127
Net Position - Beginning of Year	<u>3,070,809</u>	<u>(2,481,318)</u>
Net Position - End of Year	<u>\$ 3,154,306</u>	<u>\$ 3,070,809</u>

The change in operating grants and contributions is due to proceeds received from Ridgewood Trails CDD Holdings, LLC (a component unit of the District) in prior year for sale of land.

The gain on bond extinguishment is due to an arrangement with the bondholders to cancel outstanding bond balances in the prior year.

The decrease in interest on long-term debt is due to the payments and extinguishments of the bond balances in the prior year.

**Ridgewood Trails 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 and 2015:

<u>Description</u>	<u>Governmental Activities</u>	
	<u>2016</u>	<u>2015</u>
Capital assets being depreciated		
Buildings	\$ 571,641	\$ 571,641
Infrastructure	2,656,355	2,575,329
Equipment	33,250	33,250
Accumulated depreciation	(304,085)	(196,373)
Capital assets being depreciated	<u>\$ 2,957,161</u>	<u>\$ 2,983,847</u>

There was \$107,712 in depreciation and \$81,026 in addition to infrastructure in the current year.

General Fund Budgetary Highlights

Budgeted expenditures exceeded actual expenditures primarily due to lower landscape maintenance and amenity center expenditures than were anticipated.

There were no amendments to the September 30, 2016 budget.

Debt Management

Governmental Activities debt includes the following:

- ◆ In June 2007, the District issued \$8,305,000 Series 2007A Improvement Revenue Bonds. These bonds were issued to fund certain infrastructure and facilities benefitting the lands of the District. As of September 30, 2016, the outstanding balance was \$165,000 for the 2007A bond.

Economic Factors and Next Year's Budget

Ridgewood Trails Community Development District does not expect any economic factors to have any significant effect on the financial position or results of operations of the District in fiscal year 2017.

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

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Request for Information

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

**RIDGEWOOD TRAILS COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF NET POSITION
SEPTEMBER 30, 2016**

	Governmental Activities
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 15,845
Investment	330,914
Assessment receivable	1,528
Prepaid expenses	14,305
Deposits	1,500
Total Current Assets	364,092
Non-current Assets:	
Restricted assets:	
Investments	15,199
Capital assets being depreciated	
Buildings	571,641
Infrastructure	2,656,355
Equipment	33,250
Accumulated depreciation	(304,085)
Total Non-current Assets	2,972,360
Total Assets	3,336,452
LIABILITIES	
Current Liabilities:	
Accounts payable	13,650
Accrued interest payable	3,884
Bonds payable	5,000
Total Current Liabilities	22,534
Non-current Liabilities:	
Bonds payable	159,612
Total Liabilities	182,146
NET POSITION	
Net investment in capital assets	2,807,549
Unrestricted	346,757
Total Net Position	\$ 3,154,306

See accompanying notes to financial statements..

**RIDGEWOOD TRAILS COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenues and Changes in Net Position</u>
Primary government		<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities				
General government	\$ (82,926)	\$ 81,942	\$ -	\$ (984)
Physical environment	(183,015)	180,843	81,026	78,854
Recreation	(59,327)	58,623	-	(704)
Interest on long-term debt	(9,505)	14,923	-	5,418
Total Governmental Activities	<u>\$ (334,773)</u>	<u>\$ 336,331</u>	<u>\$ 81,026</u>	<u>82,584</u>
 General revenues:				
Investment earnings				913
Total General Revenues				<u>913</u>
Change in Net Position				83,497
Net Position - October 1, 2015				3,070,809
Net Position - September 30, 2016				<u>\$ 3,154,306</u>

See accompanying notes to financial statements.

**RIDGEWOOD TRAILS COMMUNITY DEVELOPMENT DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016**

ASSETS	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
Cash and cash equivalents	\$ 15,845	\$ -	\$ 15,845
Investment	330,914	-	330,914
Assessment receivable		1,528	1,528
Prepaid expenses	14,305	-	14,305
Deposits	1,500	-	1,500
Restricted assets:			
Restricted investments	-	15,199	15,199
Total Assets	<u>\$ 362,564</u>	<u>\$ 16,727</u>	<u>\$ 379,291</u>
 LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	<u>\$ 13,650</u>	<u>\$ -</u>	<u>\$ 13,650</u>
 FUND BALANCES			
Nonspendable	15,805	-	15,805
Restricted for:			
Debt Service	-	16,727	16,727
Unassigned	<u>333,109</u>	<u>-</u>	<u>333,109</u>
Total Fund Balances	<u>348,914</u>	<u>16,727</u>	<u>365,641</u>
Total Liabilities and Fund Balances	<u>\$ 362,564</u>	<u>\$ 16,727</u>	<u>\$ 379,291</u>

See accompanying notes to financial statements.

**RIDGEWOOD TRAILS COMMUNITY DEVELOPMENT DISTRICT
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
SEPTEMBER 30, 2016**

Total Governmental Fund Balances	\$	365,641
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets, buildings (\$571,641), infrastructure (\$2,656,355), and equipment (\$33,250) net of accumulated depreciation (\$(304,085)) used in governmental activities are not financial resources; therefore, are not reported at the governmental fund level.		2,957,161
Long-term liabilities, including bonds payable (\$(165,000)), net of net bond discount (\$388) are not due and payable in the current period; therefore, are not reported at the governmental fund level.		(164,612)
Accrued interest expense for long-term debt is not a financial use; therefore, it is not reported at the governmental fund level.		<u>(3,884)</u>
Net Position of Governmental Activities	<u>\$</u>	<u>3,154,306</u>

See accompanying notes to financial statements.

**RIDGEWOOD TRAILS COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	General	Debt Service 2007A	Total Governmental Funds
Revenues			
Special assessments	\$ 321,408	\$ 14,923	\$ 336,331
Contributions from owners	81,026	-	81,026
Investment earnings	913	-	913
Total Revenues	<u>403,347</u>	<u>14,923</u>	<u>418,270</u>
Expenditures			
Current			
General government	82,926	-	82,926
Physical environment	89,960	-	89,960
Culture/recreation	44,670	-	44,670
Capital outlay	81,026	-	81,026
Debt service			
Principal	-	5,000	5,000
Interest	-	9,605	9,605
Total Expenditures	<u>298,582</u>	<u>14,605</u>	<u>313,187</u>
Net change in fund balances	104,765	318	105,083
Fund Balances - October 1, 2015	<u>244,149</u>	<u>16,409</u>	<u>260,558</u>
Fund Balances - September 30, 2016	<u><u>\$ 348,914</u></u>	<u><u>\$ 16,727</u></u>	<u><u>\$ 365,641</u></u>

See accompanying notes to financial statements.

**RIDGEWOOD TRAILS 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 \$ 105,083

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

Governmental funds report capital outlays (\$81,026) as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation \$107,712. This is the net amount in the current year. (26,686)

Payment of long-term liabilities are reported as expenditures in the governmental fund statement but such repayments reduce long-term liabilities in the Statement of Net Position. 5,000

Amortization expense of bond discounts does not require the use of current resources and therefore is not reported at the governmental funds level. This is the amount of amortization in the current period. (18)

In the Statement of Activities, interest is accrued on outstanding bonds; whereas at governmental funds level, interest expenditures are reported when due. This is the change in accrued interest from the prior year. 118

Change in Net Position of Governmental Activities \$ 83,497

See accompanying notes to financial statements.

**RIDGEWOOD TRAILS COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Special assessments	\$ 321,059	\$ 321,059	\$ 321,408	\$ 349
Developer contributions	-	-	81,026	81,026
Interest income	-	-	913	913
Total Revenues	<u>321,059</u>	<u>321,059</u>	<u>403,347</u>	<u>82,288</u>
Expenditures				
Current				
General government	117,173	117,173	82,926	34,247
Physical environment	135,440	135,440	89,960	45,480
Culture/recreation	68,196	68,196	44,670	23,526
Capital outlay	250	250	81,026	(80,776)
Total Expenditures	<u>321,059</u>	<u>321,059</u>	<u>298,582</u>	<u>22,477</u>
Net Change in Fund Balances	-	-	104,765	104,765
Fund Balances - October 1, 2015	<u>-</u>	<u>-</u>	<u>244,149</u>	<u>244,149</u>
Fund Balances - September 30, 2016	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 348,914</u>	<u>\$ 348,914</u>

See accompanying notes to financial statements.

Ridgewood Trails 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 established on October 19, 2005, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes and Clay County Ordinance 2005-47 and corrected by Clay County Ordinance 2010-27. 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 Ridgewood Trails Community Development District. The District is governed by a five-member Board of Supervisors who are elected on an at-large basis by landowners within the District. The District operates within the criteria established by Chapter 190.

As required by GAAP, these financial statements present the Ridgewood Trails 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 including, but 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 by the Governmental Accounting Standards Board, the District has identified no component units.

Ridgewood Trails 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

The basic financial statements of the District are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to financial statements

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.

Ridgewood Trails 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

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.

Governmental Funds

The District implemented the Governmental Accounting Standards Board Statement 54 – Fund Balance Reporting and Governmental Fund Type Definitions. The Statement requires the fund balance for governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The District has various policies governing the fund balance classifications.

Nonspendable Fund Balance – This classification consists of amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

Restricted Fund Balance – This classification includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Assigned Fund Balance – This classification consists of the Board of Supervisors' intent to be used for specific purposes, but are neither restricted nor committed. The assigned fund balances can also be assigned by the District's management company.

Unassigned Fund Balance – This classification is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

Ridgewood Trails 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 (Continued)

Fund Balance Spending Hierarchy – For all governmental funds except special revenue funds, when restricted, committed, assigned, and unassigned fund balances are combined in a fund, qualified expenditures are paid first from restricted or committed fund balance, as appropriate, then assigned and finally unassigned fund balances.

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.

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.

Ridgewood Trails Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Basis of Presentation (Continued)

a. Governmental Major Funds (Continued)

Debt Service Fund - Accounts for debt service requirements to retire the capital improvement bonds which were used to finance the construction of District infrastructure improvements.

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.

Ridgewood Trails 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 Assets

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

c. Capital Assets

Capital assets, which include land 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 \$750 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 3 to 39 years.

d. Bond Discounts

Bond discounts are amortized over the life of the bonds.

e. 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. All budgeted appropriations lapse at year end. Formal budgets are adopted for the general and debt service funds. As a result, deficits in the budget columns of the accompanying financial statements may occur.

Ridgewood Trails 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)

f. Net Position

Net position represents the difference between assets and liabilities and is 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 is 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 \$365,641 differs from “net position” of governmental activities \$3,154,306 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 included those capital assets among the assets of the District as a whole.

Buildings	\$	571,641
Infrastructure		2,656,355
Equipment		33,250
Accumulated depreciation		<u>(304,085)</u>
Net Capital Assets		<u><u>\$2,957,161</u></u>

Ridgewood Trails 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)

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	\$ (165,000)
Bond discount, net	388
Total	<u>\$ (164,612)</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>\$ (3,884)</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 \$105,083 differs from the “change in net position” for governmental activities \$83,497 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.

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 are allocated over their estimated useful lives as depreciation. Therefore, when those assets are later conveyed, a fund level expenditure is not recorded, but the undepreciated balance is shown as a special item in the Statement of Activities. The following is the amount of depreciation and capital additions in the current year.

Depreciation	\$ (107,712)
Capital Outlay	81,026
Total	<u>\$ (26,686)</u>

Ridgewood Trails 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)

Long-term debt transactions

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 and are eliminated in the statement of activities.

Debt principal payments	<u>\$ 5,000</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>\$ (18)</u>
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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.

Change in accrued interest payable	<u>\$ 118</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 \$17,229 and the carrying value was \$15,845.

**Ridgewood Trails Community Development District
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2016**

NOTE C – CASH AND DEPOSITS (CONTINUED)

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

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
SBA Local Government Surplus Funds	N/A	\$ 330,914
First American Treasury Obligation Fund Y	39 Days *	15,199
		<u>\$ 346,113</u>

* Weighted Average Maturity

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 use 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 Treasury Obligation Fund Class Y 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.

Ridgewood Trails 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. As of September 30, 2016, the District's investment in First American Treasury Obligation was rated AAAM by Standard & Poor's.

Concentration of Credit Risk

The District places no limit on the amount it may invest.

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. 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 general fund budget and levied annually. Debt Service Assessments are levied when bonds are issued and collected annually. The District may collect assessments directly or utilize the uniform method of collection (Chapter 197.3632, Florida Statutes). Direct collected assessments are due as determined by annual assessment resolution adopted by the Board of Supervisors. Assessments collected under the uniform method are mailed by County Tax Collector on November 1 and due on or before March 31 of each year.

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.

Ridgewood Trails 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 October 1, 2015	Additions	Deletions	Balance September 30, 2016
<u>Governmental Activities:</u>				
Capital assets, being depreciated:				
Buildings	\$ 571,641	\$ -	\$ -	\$ 571,641
Infrastructure	2,575,329	81,026	-	2,656,355
Furniture and equipment	33,250	-	-	33,250
Total Capital Assets, Being Depreciated	<u>3,180,220</u>	<u>81,026</u>	<u>-</u>	<u>3,261,246</u>
Less accumulated depreciation for:				
Building - recreation	(18,322)	(14,657)	-	(32,979)
Infrastructure	(171,688)	(88,095)	-	(259,783)
Furniture and equipment	(6,363)	(4,960)	-	(11,323)
Total Accumulated Depreciation	<u>(196,373)</u>	<u>(107,712)</u>	<u>-</u>	<u>(304,085)</u>
Total Capital Assets Depreciated, Net	<u>\$ 2,983,847</u>	<u>\$ (26,686)</u>	<u>\$ -</u>	<u>\$ 2,957,161</u>

Depreciation of \$107,712 was charged to culture/recreation (\$14,657) and physical environment (\$93,055).

Ridgewood Trails Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE F – LONG-TERM DEBT

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

	Balance October 1, 2015	Additions	Deletions	Balance September 30, 2016
<u>Governmental Funds:</u>				
Bonds payable:				
Series 2007A	\$ 170,000	\$ -	\$ (5,000)	\$ 165,000
Less: Bond discount, net	(406)	-	18	(388)
Governmental Funds Liabilities	<u>\$ 169,594</u>	<u>\$ -</u>	<u>\$ (4,982)</u>	<u>\$ 164,612</u>

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

September 30,	Principal	Interest	Total
2017	\$ 5,000	\$ 9,323	\$ 14,323
2018	5,000	9,040	14,040
2019	5,000	8,758	13,758
2020	5,000	8,475	13,475
2021	5,000	8,193	13,193
2022-2026	25,000	36,725	61,725
2027-2031	40,000	28,815	68,815
2032-2036	50,000	15,538	65,538
2037-2038	25,000	2,260	27,260
Totals	<u>\$ 165,000</u>	<u>\$ 127,127</u>	<u>\$ 292,127</u>

Ridgewood Trails Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2016

NOTE F – LONG-TERM DEBT (CONTINUED)

1. Reserve Fund - The 2007A Reserve Account is funded from the proceeds of the Capital Improvement Revenue Bonds Series 2007A. 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, 2016 are as follows:

	Capital Improvement Revenue Bonds	
	Reserve Balance	Reserve Requirement
Series 2007A	\$ 15,000	\$ 15,000

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.



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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
Ridgewood Trails Community Development District
St. Augustine, FL

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 Ridgewood Trails 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 April 30, 2017.

Internal Control Over Financial Reporting

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

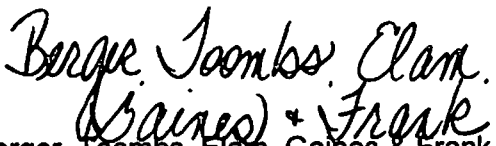
To the Board of Supervisors
Ridgewood Trails Community Development District
St. Augustine, FL

Compliance and Other Matters

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

Purpose of this Report

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


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

April 30, 2017



Berger, Toombs, Elam, Gaines & Frank

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MANAGEMENT LETTER

To the Board of Supervisors
Ridgewood Trails Community Development District
St. Augustine, FL

Report on the Financial Statements

We have audited the financial statements of the Ridgewood Trails Community Development District as of and for the year ended September 30, 2016, and have issued our report thereon dated April 30, 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 April 30, 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. and 10.556(7), Rules of the Auditor General, requires that we apply appropriate procedures and report the results of our determination as to whether or not Ridgewood Trails 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 Ridgewood Trails Community Development District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

To the Board of Supervisors
Ridgewood Trails 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 Ridgewood Trails 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. and 10.556(7), Rules of the Auditor General, requires that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for the Ridgewood Trails 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.

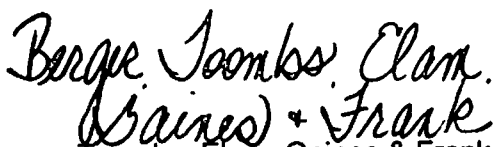
Other Matters

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
Certified Public Accountants PL
Fort Pierce, Florida

April 30, 2017



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

To the Board of Supervisors
Ridgewood Trails Community Development District
St. Augustine, FL

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

In our opinion, Ridgewood Trails 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

April 30, 2017