

**Ridgewood Trails
Community Development District**

ANNUAL FINANCIAL REPORT

September 30, 2015

Ridgewood Trails Community Development District

ANNUAL FINANCIAL REPORT

September 30, 2015

TABLE OF CONTENTS

	<u>Page Number</u>
REPORT OF INDEPENDENT AUDITORS	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-8
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements	
Balance Sheet – Governmental Funds	11
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	12
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	15
Notes to Financial Statements	16-28
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	29-30
MANAGEMENT LETTER	31-33
INDEPENDENT ACCOUNTANT'S REPORT/COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES	34



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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, 2015, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Fort Pierce / Stuart

To the Board of Supervisors
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, Debt Service Fund and the Capital Projects Fund of the Ridgewood Trails Community Development District as of September 30, 2015, 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

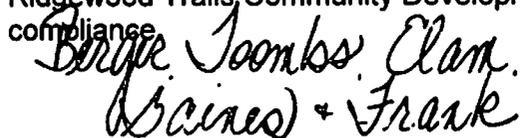
Required Supplementary Information

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 inquiries 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 18, 2016 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 18, 2016

Ridgewood Trails Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2015

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, 2015**

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 financial activity for the year ended September 30, 2015.

- ◆ The District's total liabilities exceeded total assets by \$3,070,809 (net position). Unrestricted net position for Governmental Activities were \$241,556. Net investment in capital assets was \$2,829,253.
- ◆ Governmental activities revenues totaled \$5,926,664 while governmental activities expenses totaled \$374,537.

**Ridgewood Trails Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2015**

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	
	2015	2014
Current assets	\$ 253,404	\$ 109,872
Restricted assets	16,409	516,985
Capital assets	<u>2,983,847</u>	<u>3,089,308</u>
 Total Assets	 <u>3,253,660</u>	 <u>3,716,165</u>
 Current liabilities	 18,257	 521,542
Non-current liabilities	<u>164,594</u>	<u>5,675,941</u>
 Total Liabilities	 <u>182,851</u>	 <u>6,197,483</u>
 Net position -net investment in capital assets	 2,829,253	 (90,912)
Net position - restricted	-	42,063
Net position - unrestricted	<u>241,556</u>	<u>(2,432,469)</u>
 Total Net Position	 <u><u>\$ 3,070,809</u></u>	 <u><u>\$ (2,481,318)</u></u>

The decrease in Total Liabilities and the increase in Total Net Position is primarily due to the payment and extinguishment of outstanding bonds payable.

**Ridgewood Trails Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2015**

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	
	2015	2014
Program Revenues		
Charges for services	\$ 334,702	\$ 67,844
Operating grants and contributions	2,967,129	421,571
General Revenues		
Investment earnings	112	121
Miscellaneous revenues	1,276	369
Gain on bond extinguishment	2,623,445	-
Total Revenues	<u>5,926,664</u>	<u>489,905</u>
Expenses		
General government	81,892	100,272
Physical environment	82,223	72,734
Recreation	141,696	112,200
Interest on long-term debt	68,726	358,086
Total Expenses	<u>374,537</u>	<u>643,292</u>
Change in Net Position	5,552,127	(153,387)
Net Position - Beginning of Year	<u>(2,481,318)</u>	<u>(2,327,931)</u>
Net Position - End of Year	<u>\$ 3,070,809</u>	<u>\$ (2,481,318)</u>

The increase in charges for services is due to a new funding agreement with a Developer.

The increase in operating grants and contributions is due to proceeds received from Ridgewood Trails CDD Holdings, LLC (a component unit of the District).

The gain on bond extinguishment is due to an arrangement with the bondholders to cancel outstanding bonds.

The decrease in interest on long-term debt is due to the payments and extinguishments of the bonds.

**Ridgewood Trails Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2015**

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, 2015:

<u>Description</u>	<u>Governmental Activities</u>	
	<u>2015</u>	<u>2014</u>
Capital assets being depreciated		
Buildings	\$ 571,641	\$ 571,641
Infrastructure	2,575,329	2,575,329
Equipment	33,250	33,250
Accumulated depreciation	(196,373)	(90,912)
Capital assets being depreciated	<u>\$ 2,983,847</u>	<u>\$ 3,089,308</u>

There was \$105,461 in depreciation 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, 2015 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, 2015, the outstanding balance was \$170,000 for the 2007A bond.

Economic Factors and Next Year's Budget

Ridgewood Trails Community Development District has closed the special purpose entity ("SPE") as a result of the sale of the land to a new developer. The revenues will be budgeted based on anticipation of developer funding.

**Ridgewood Trails Community Development District
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2015**

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, 2015**

	Governmental Activities
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 246,904
Prepaid expenses	5,000
Deposits	1,500
Total Current Assets	253,404
Non-current Assets:	
Restricted assets:	
Investments	16,409
Capital assets being depreciated	
Buildings	571,641
Infrastructure	2,575,329
Equipment	33,250
Accumulated depreciation	(196,373)
Total Non-current Assets	3,000,256
Total Assets	3,253,660
 LIABILITIES	
Current Liabilities:	
Accounts payable	9,255
Accrued interest payable	4,002
Bonds payable	5,000
Total Current Liabilities	18,257
Non-current Liabilities:	
Bonds payable	164,594
Total Liabilities	182,851
 NET POSITION	
Net investment in capital assets	2,829,253
Unrestricted	241,556
Total Net Position	\$ 3,070,809

See accompanying notes to financial statements..

**RIDGEWOOD TRAILS COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenues and Changes in Net Position</u>	<u>Component Unit</u>
		<u>Charges for Services</u>	<u>Operating Grant and Contributions</u>	<u>Governmental Activities</u>	
Primary government					
Governmental Activities					
General government	\$ (81,892)	\$ 86,037	\$ -	\$ 4,145	\$ -
Physical environment	(82,223)	86,386	-	4,163	-
Recreation	(141,696)	148,870	-	7,174	-
Interest on long-term debt	(68,726)	13,409	2,967,129	2,911,812	-
Total Governmental Activities	<u>\$ (374,537)</u>	<u>\$ 334,702</u>	<u>\$ 2,967,129</u>	<u>2,927,294</u>	<u>-</u>
Component unit:					
Ridgewood Trails CDD Holdings, LLC	<u>\$ (3,231,298)</u>	<u>\$ -</u>	<u>\$ 65,953</u>	<u>-</u>	<u>(3,165,345)</u>
General revenues:					
Investment earnings				112	-
Miscellaneous revenues				1,276	50
Total General Revenues				<u>1,388</u>	<u>50</u>
Gain on Bond Extinguishment				2,623,445	-
Change in Net Position				5,552,127	(3,165,295)
Net Position - October 1, 2014				(2,481,318)	3,165,295
Net Position - September 30, 2015				<u>\$ 3,070,809</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**RIDGEWOOD TRAILS COMMUNITY DEVELOPMENT DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015**

ASSETS	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
Cash and cash equivalents	\$ 246,904	\$ -	\$ 246,904
Prepaid expenses	5,000	-	5,000
Deposits	1,500	-	1,500
Restricted assets:			
Restricted investments	-	16,409	16,409
Total Assets	<u>\$ 253,404</u>	<u>\$ 16,409</u>	<u>\$ 269,813</u>
 LIABILITIES AND FUND BALANCES			
 LIABILITIES			
Accounts payable	\$ 9,255	\$ -	\$ 9,255
Total Liabilities	<u>9,255</u>	<u>-</u>	<u>9,255</u>
 FUND BALANCES			
Nonspendable	6,500	-	6,500
Restricted for:			
Debt Service	-	16,409	16,409
Unassigned	237,649	-	237,649
Total Fund Balances	<u>244,149</u>	<u>16,409</u>	<u>260,558</u>
 Total Liabilities and Fund Balances	 <u>\$ 253,404</u>	 <u>\$ 16,409</u>	 <u>\$ 269,813</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, 2015**

Total Governmental Fund Balances	\$	260,558
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets , buildings (\$571,641), infrastructure (\$2,575,329), and equipment (\$33,250) net of accumulated depreciation (\$196,373) used in governmental activities are not financial resources and; therefore, are not reported in the funds.		2,983,847
Long-term liabilities, including bonds payable (\$170,000), net of net bond discount (\$406) are not due and payable in the current period and; therefore, are not reported in the funds.		(169,594)
Accrued interest expense for long-term debt is not a financial use and; therefore, is not reported in the funds.		<u>(4,002)</u>
Net Position of Governmental Activities	<u>\$</u>	<u>3,070,809</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, 2015**

	General	Debt Service 2007A	Capital Projects	Total Governmental Funds
Revenues				
Special assessments	\$ 321,293	\$ 13,409	\$ -	\$ 334,702
Contributions from owners	-	2,967,129	-	2,967,129
Miscellaneous revenues	1,276	-	-	1,276
Investment earnings	-	111	1	112
Total Revenues	<u>322,569</u>	<u>2,980,649</u>	<u>1</u>	<u>3,303,219</u>
Expenditures				
Current				
General government	81,892	-	-	81,892
Physical environment	82,223	-	-	82,223
Culture/recreation	36,235	-	-	36,235
Debt service				
Principal	-	3,148,970	-	3,148,970
Interest	-	175,009	-	175,009
Other debt service	-	17,783	-	17,783
Total Expenditures	<u>200,350</u>	<u>3,341,762</u>	<u>-</u>	<u>3,542,112</u>
Excess of revenues over/(under) expenditures	122,219	(361,113)	1	(238,893)
Other Financing Sources/(Uses)				
Gain on bond extinguishment	-	137,415	-	137,415
Transfers in	-	5	4	9
Transfers out	-	(4)	(5)	(9)
Total Other Financing Sources/(Uses)	<u>-</u>	<u>137,416</u>	<u>(1)</u>	<u>137,415</u>
Net change in fund balances	122,219	(223,697)	-	(101,478)
Fund Balances - October 1, 2014	<u>121,930</u>	<u>240,106</u>	<u>-</u>	<u>362,036</u>
Fund Balances - September 30, 2015	<u>\$ 244,149</u>	<u>\$ 16,409</u>	<u>\$ -</u>	<u>\$ 260,558</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, 2015**

Net Change in Fund Balances - Total Governmental Funds	\$ (101,478)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation. This is the amount of depreciation in the current year.	(105,461)
Payment of long-term liabilities are reported as expenditures in the governmental fund statement but such repayments reduce liabilities in the statement of net assets.	3,148,970
Gain on extinguishment of long-term liabilities are not reported in the governmental fund statements but reduce liabilities in the statement of net assets.	2,486,030
Amortization expense of a bond 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.	(13,653)
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.	<u>137,719</u>
Change in Net Position of Governmental Activities	<u><u>\$ 5,552,127</u></u>

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, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Special assessments	\$ 65,248	\$ 65,248	\$ 321,293	\$ 256,045
Contribution from SPE	255,811	255,811	-	(255,811)
Miscellaneous revenues	-	-	1,276	1,276
Total Revenues	<u>321,059</u>	<u>321,059</u>	<u>322,569</u>	<u>1,510</u>
Expenditures				
Current				
General government	116,359	116,359	81,892	34,467
Physical environment	132,500	132,500	82,223	50,277
Culture/recreation	71,950	71,950	36,235	35,715
Capital outlay	250	250	-	250
Total Expenditures	<u>321,059</u>	<u>321,059</u>	<u>200,350</u>	<u>120,709</u>
Excess of revenues over/(under) expenditures	(255,811)	(255,811)	122,219	122,219
Fund Balances - October 1, 2014	<u>-</u>	<u>-</u>	<u>121,930</u>	<u>121,930</u>
Fund Balances - September 30, 2015	<u>\$(255,811)</u>	<u>\$(255,811)</u>	<u>\$ 244,149</u>	<u>\$ 499,960</u>

See accompanying notes to financial statements.

Ridgewood Trails Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

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 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, as well as a discretely-presented component unit. 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. The component unit is discretely presented because the exclusion of such information would cause the financial statements to be misleading or incomplete.

Based upon the application of the above-mentioned criteria, the District has identified one discretely-presented component unit.

The discretely-presented component unit is a legally separate entity which did not meet the criteria for blending. It is reported in separate columns to emphasize that it is legally separate from the District. The discrete component unit of the District is as follows:

Ridgewood Trails Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Reporting Entity (Continued)

Ridgewood Trails CDD Holdings, LLC - The Company is a special purpose entity consistent with provisions in the Trust indenture for the 2007A Capital Improvement Revenue Bonds for the purpose of owning, maintaining, selling or disposing of the property related to the bonds. Funds received by the Company are to be used first to pay the fees and expenses of the Company related to operations subject to approval by the Trustee, and second to the Bondholders to repay those 2007 Bonds, along with accrued interest.

In October 2014 all land owned by the SPE was sold. The Proceeds from the sale were remitted to the District and used to pay down the above referenced Series 2007A Bonds. The SPE was subsequently closed in December 2014. The company's financial statements may be obtained from GMS Property Management, LLC, 475 West Town Place, Suite 114, St. Augustine, FL 32092.

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, 2015

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, 2015

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, 2015

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.

Capital Projects Fund – Accounts for the financial resources used for the acquisition, construction, installation and equipping of infrastructure improvements. The Capital Projects Fund was closed in the current year.

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, 2015

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 7 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. As a result, deficits in the budget columns of the accompanying financial statements may occur. All budgeted appropriations lapse at year end.

**Ridgewood Trails Community Development District
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2015**

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 (\$260,558) differs from “net position” of governmental activities (\$3,070,809) 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		2,575,329
Equipment		33,250
Accumulated depreciation		<u>(196,373)</u>
Net Capital Assets		<u><u>\$ 2,983,847</u></u>

Ridgewood Trails Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

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, 2015 were:

Bonds payable	\$ (170,000)
Bond discount, net	406
Total	\$ (169,594)

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>(4,002)</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 (\$101,478) differs from the “change in net position” for governmental activities \$5,552,127 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.

Depreciation	\$ <u>(105,461)</u>
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Ridgewood Trails Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

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>3,148,970</u>
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Gain on extinguishment of long-term liabilities are not reported in the governmental fund statements but reduce liabilities in the statement of net assets.

Gain on extinguishment of long-term liabilities	\$ <u>2,486,030</u>
---	---------------------

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>(13,653)</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>137,719</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, 2015, the District's bank balance was \$248,659 and the carrying value was \$246,904.

Ridgewood Trails Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE C – CASH AND DEPOSITS (CONTINUED)

As of September 30, 2015, the District had the following investments and maturities:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
First American Government Obligation Fund Y	N/A	<u>\$ 16,409</u>

Interest Rate Risk

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

Credit Risk

The District's investments in treasury funds, commercial paper, and government loans are limited by state statutory requirements and bond compliance. The District has no investment policy that would further limit its investment choices. As of September 30, 2015, the District's investment in Commercial Paper is Fund accounts was rated A-1+ 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, 2015 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. 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.

Ridgewood Trails Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE E – CAPITAL ASSETS

Capital Asset activity for the year ended September 30, 2015 was as follows:

	Balance October 1, 2014	Additions	Deletions	Balance September 30, 2015
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Governmental Activities:</u>				
Capital assets, being depreciated:				
Building	\$ 571,641	\$ -	\$ -	\$ 571,641
Infrastructure	2,575,329	-	-	2,575,329
Furniture and equipment	33,250	-	-	33,250
Total Capital Assets, Being Depreciated	<u>3,180,220</u>	<u>-</u>	<u>-</u>	<u>3,180,220</u>
Less accumulated depreciation for:				
Building - Recreation	(3,665)	(14,657)	-	(18,322)
Improvements other than building	-	-	-	-
Infrastructure	(85,844)	(85,844)	-	(171,688)
Furniture and equipment	(1,403)	(4,960)	-	(6,363)
Total Accumulated Depreciation	<u>(90,912)</u>	<u>(105,461)</u>	<u>-</u>	<u>(196,373)</u>
Total Capital Assets Depreciated, Net	<u>\$ 3,089,308</u>	<u>\$ (105,461)</u>	<u>\$ -</u>	<u>\$ 2,983,847</u>

Depreciation of \$105,461 was charged to culture/recreation.

Ridgewood Trails Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE F – LONG-TERM DEBT

In the current fiscal year, Ridgewood Trails CDD Holdings, LLC (a component unit of the District) sold land it had foreclosed on in a prior year and remitted the proceeds to the District. At the Bondholder's direction and consent, these funds were then used to purchase \$5,845,000 par amount of bonds outstanding (\$5,630,000 in current and long term bonds payable and \$215,000 in matured bonds payable) from the Bondholder. This agreement left \$175,000 in outstanding bonds payable, of which \$5,000 was paid in May of 2015.

The following is a summary of debt activity for the District for the year ended September 30, 2015:

	Balance October 1, 2014	Additions	Deletions	Balance September 30, 2015
<u>Governmental Funds:</u>				
Bonds payable:				
Series 2007A	\$5,805,000	\$ -	\$(5,635,000)	\$ 170,000
Less: Bond discount, net	(14,059)	-	13,653	(406)
 Governmental Funds Liabilities	 <u>\$5,790,941</u>	 <u>\$ -</u>	 <u>\$(5,621,347)</u>	 <u>\$ 169,594</u>

The annual requirements to amortize the principal and interest of bonded debt outstanding as of September 30, 2015 are as follows:

September 30,	Principal	Interest	Total
2016	\$ 5,000	\$ 9,605	\$ 14,605
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
2021-2025	25,000	38,138	63,138
2026-2030	35,000	30,793	65,793
2031-2036	60,000	20,340	80,340
2037-2038	25,000	2,260	27,260
 Totals	 <u>\$ 170,000</u>	 <u>\$ 136,732</u>	 <u>\$ 306,732</u>

Ridgewood Trails Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

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, 2015 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
Clay County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America the financial statements of Ridgewood Trails Community Development District (the District) as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise Ridgewood Trails Community Development District's basic financial statements, and have issued our report thereon dated April 18, 2016.

Internal Control over Financial Reporting

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

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 deficiencies, significant deficiencies or material weaknesses. 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

Compliance and Other Matters

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

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, PL
Fort Pierce, Florida

April 18, 2016



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MANAGEMENT LETTER

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

Report on the Financial Statements

We have audited the financial statements of the Ridgewood Trails Community Development District, Florida as of and for the year ended September 30, 2015, and have issued our report thereon dated April 18, 2016.

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 Schedules

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 Independent Accountant's Report on examination conducted in accordance with *ACIPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports which are dated April 18, 2016 should be considered in conjunction with this Management Letter.

Prior Audit Findings

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

Prior Years Finding and Recommendations:

Finding 2013-01

Finding - The District continues to meet conditions described in Section 218.503(1), Florida Statutes, related to the failure to make certain scheduled debt service payments.

Finding 2014-02

Finding: The District did not meet the reserve requirement on the Series 2007A Capital Improvement Revenue Bonds as set forth in the Trust Indenture.

Fort Pierce / Stuart

To the Board of Supervisors
Ridgewood Trails Community Development District

Current Status

Both of the above findings were resolved in the current year with the sale of land to a new developer and the retirement of a significant portion of the outstanding debt.

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 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 Ridgewood Trails Community Development District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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 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., Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for Ridgewood Trails Community Development District for the fiscal year ended September 30, 2015, 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, 2015. 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.



Berger, Toombs, Elam,
Gaines & Frank

Certified Public Accountants PL

To the Board of Supervisors
Ridgewood Trails Community Development District

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

April 18, 2016



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

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

We have examined Ridgewood Trails Community Development District's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2015. 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, 2015.

*Berger Toombs Elam
Gaines & Frank*

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

April 18, 2016