

**Pine Ridge Plantation  
Community Development District**

**ANNUAL FINANCIAL REPORT**

September 30, 2016

**Pine Ridge Plantation Community Development District**

**ANNUAL FINANCIAL REPORT**

**September 30, 2016**

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## REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors  
Pine Ridge Plantation Community Development District  
Clay County, Florida

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

Fort Pierce / Stuart  
- 1 -

To the Board of Supervisors  
Pine Ridge Plantation Community Development District

## Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, and each major fund of Pine Ridge Plantation Community Development District as of September 30, 2016, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated May 16, 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 Pine Ridge Plantation Community Development District's internal control over financial reporting and compliance.

*Berger, Toombs, Elam,  
Gaines & Frank*

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

May 16, 2017

**Pine Ridge Plantation Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2016**

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

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

The *Government-wide financial statements* are the **statement of net position** and the **statement of activities**. These statements use accounting methods similar to those used by private-sector companies. Emphasis is placed on the net position of the 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, culture and recreation 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.

**Pine Ridge Plantation Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2016**

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

*Fund financial statements* include a **balance sheet** and a **statement of revenues, expenditures and changes in fund balances** for all governmental funds. A **statement of revenues, expenditures, and changes in fund balances – budget and actual** is provided for the District's General Fund. *Fund financial statements* provide more detailed information about the District's activities. Individual funds are established by the District to track revenues that are restricted to certain uses or to comply with legal requirements.

The *government-wide financial statements* and the *fund financial statements* provide different pictures of the District. The *government-wide financial statements* provide an overall picture of the District's financial standing. These statements are comparable to private-sector companies and give a good understanding of the District's overall financial health and how the District paid for the various activities, or functions, provided by the District. All assets of the District, including land 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 special assessment bonds, are not included in the fund financial statements. To provide a link from the *fund financial statements* to the *government-wide financial statements*, reconciliation is provided from the *fund financial statements* to the *government-wide financial statements*.

*Notes to financial statements* provide additional detail concerning the financial activities and financial balances of the District. Additional information about the accounting practices of the District, investments of the District, capital assets and long-term debt are some of the items included in the *notes to financial statements*.

**Financial Highlights**

The following are the highlights of financial activity for the year ended September 30, 2016.

- ◆ The District's total liabilities exceeded total assets by \$ \$(6,391,825) (net position). Unrestricted net position for Governmental Activities was \$(5,479,820). Net investment in capital assets was \$(1,008,824). Net position restricted for capital projects was \$96,819.
- ◆ Governmental activities revenues totaled \$1,532,282, while governmental activities expenses totaled \$1,294,521.

**Pine Ridge Plantation 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**

|                                  | <b>Governmental Activities</b> |                |
|----------------------------------|--------------------------------|----------------|
|                                  | <b>2016</b>                    | <b>2015</b>    |
| Current assets                   | \$ 571,802                     | \$ 477,689     |
| Restricted assets                | 837,217                        | 819,801        |
| Capital assets                   | 4,130,915                      | 4,306,573      |
| Total Assets                     | 5,539,934                      | 5,604,063      |
| Current liabilities              | 598,745                        | 591,454        |
| Non-current liabilities          | 11,333,014                     | 11,642,195     |
| Total Liabilities                | 11,931,759                     | 12,233,649     |
| Net investment in capital assets | (1,008,824)                    | (833,166)      |
| Net position - restricted        | 96,819                         | 71,994         |
| Net position - unrestricted      | (5,479,820)                    | (5,868,414)    |
| Total Net Position               | \$ (6,391,825)                 | \$ (6,629,586) |

The increase in current assets is related to the increase in assessments collected in the current year.

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

The decrease in non-current liabilities is primarily due to principal payments on bonds in the current year.

**Pine Ridge Plantation Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2016**

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

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

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

**Financial Activity**

|                                  | <b>Governmental Activities</b> |                       |
|----------------------------------|--------------------------------|-----------------------|
|                                  | <b>2016</b>                    | <b>2015</b>           |
| Program Revenues                 |                                |                       |
| Charges for services             | \$ 1,519,856                   | \$ 1,171,110          |
| General Revenues                 |                                |                       |
| Investment earnings              | 4,419                          | 662                   |
| Miscellaneous                    | 8,007                          | 4,488                 |
| Total Revenues                   | <u>1,532,282</u>               | <u>1,176,260</u>      |
| Expenses                         |                                |                       |
| General government               | 119,092                        | 131,767               |
| Culture and recreation           | 268,397                        | 251,296               |
| Physical environment             | 252,806                        | 270,186               |
| Interest on long-term debt       | 654,226                        | 669,671               |
| Total Expenses                   | <u>1,294,521</u>               | <u>1,322,920</u>      |
| Change in Net Position           | 237,761                        | (146,660)             |
| Net Position - Beginning of Year | <u>(6,629,586)</u>             | <u>(6,482,926)</u>    |
| Net Position - End of Year       | <u>\$ (6,391,825)</u>          | <u>\$ (6,629,586)</u> |

The increase in charges for services is related to the planned increase in special assessments.

The decrease in general government expenses is related to the decrease in contingencies expenditures.

The increase in culture and recreation is related to increases in field management services and security expenditures in the current year.

**Pine Ridge Plantation 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 as of September 30, 2016.

| <u>Description:</u>        | <b>Governmental Activities</b> |                            |
|----------------------------|--------------------------------|----------------------------|
|                            | <b><u>2016</u></b>             | <b><u>2015</u></b>         |
| Infrastructure             | \$ 2,799,323                   | \$ 2,799,323               |
| Buildings and improvements | 2,325,000                      | 2,325,000                  |
| Equipment                  | 15,416                         | 15,416                     |
| Accumulated depreciation   | (1,008,824)                    | (833,166)                  |
| Total                      | <b><u>\$ 4,130,915</u></b>     | <b><u>\$ 4,306,573</u></b> |

During the year, depreciation was \$175,658.

**General Fund Budgetary Highlights**

During the year, budgeted expenditures exceeded actual amounts primarily because actual expenditures related to water, landscape maintenance, repair and maintenance and electric were lower than anticipated. There were no amendments to the September 30, 2016 budget.

**Debt Management**

Governmental Activities debt includes the following:

- ◆ In September 2006, the District issued \$14,090,000 Series 2006A Capital Improvement Revenue Bonds. The Bonds are the first series of securities to be issued by the District and are being used to: (i) finance a portion of the Cost of the acquisition, construction, installation and equipping of certain Assessable Improvements and (ii) pay certain costs associated with the issuance of the Bonds. The balance outstanding for the Series 2006A Bonds at September 30, 2016 was \$11,660,000.

**Pine Ridge Plantation Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2016**

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

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

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

**Request for Information**

The financial report is designed to provide a general overview of Pine Ridge Plantation 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 Pine Ridge Plantation Community Development District, 5385 N Nob Hill Road, Sunrise, FL 33351.

**Pine Ridge Plantation Community Development District**  
**STATEMENT OF NET POSITION**  
**September 30, 2016**

|                                       | <b>Governmental<br/>Activities</b> |
|---------------------------------------|------------------------------------|
| <b>ASSETS</b>                         |                                    |
| Current Assets:                       |                                    |
| Cash                                  | \$ 96,454                          |
| Investments                           | 446,772                            |
| Prepaid expenses                      | 28,576                             |
| Total Current Assets                  | 571,802                            |
| Non-Current Assets:                   |                                    |
| Restricted assets:                    |                                    |
| Investments                           | 837,217                            |
| Capital assets not being depreciated: |                                    |
| Infrastructure                        | 2,799,323                          |
| Buildings and improvements            | 2,325,000                          |
| Equipment                             | 15,416                             |
| Accumulated depreciation              | (1,008,824)                        |
| Total Non-Current Assets              | 4,968,132                          |
| Total Assets                          | 5,539,934                          |
| <b>LIABILITIES</b>                    |                                    |
| Current Liabilities:                  |                                    |
| Accounts payable and accrued expenses | 26,398                             |
| Accrued interest                      | 262,347                            |
| Bonds payable                         | 310,000                            |
| Total Current Liabilities             | 598,745                            |
| Non-Current Liabilities:              |                                    |
| Bonds payable, net                    | 11,333,014                         |
| Total Liabilities                     | 11,931,759                         |
| <b>NET POSITION</b>                   |                                    |
| Net investment in capital assets      | (1,008,824)                        |
| Restricted for capital projects       | 96,819                             |
| Unrestricted                          | (5,479,820)                        |
| Total Net Position                    | \$ (6,391,825)                     |

*See accompanying notes to financial statements.*

**Pine Ridge Plantation Community Development District**  
**STATEMENT OF ACTIVITIES**  
**For The Year Ended September 30, 2016**

| <u>Functions/Programs</u>     | <u>Expenses</u>       | <u>Program<br/>Revenues<br/>Charges for<br/>Services</u> | <u>Net (Expense)<br/>Revenues and<br/>Changes in<br/>Net Position<br/>Governmental<br/>Activities</u> |
|-------------------------------|-----------------------|--|---|
| Governmental Activities       |                       |  |   |
| General government            | \$ (119,092)          | \$ 103,162   | \$ (15,930)   |
| Culture and recreation        | (268,397)             | 232,496  | (35,901)  |
| Physical environment          | (252,806)             | 73,214   | (179,592)   |
| Interest on long-term debt    | (654,226)             | 1,110,984  | 456,758   |
| Total Governmental Activities | <u>\$ (1,294,521)</u> | <u>\$ 1,519,856</u>                                      | <u>225,335</u>  |
| <b>General revenues:</b>      |                       |  |   |
|                               |                       |  | 4,419   |
|                               |                       |  | 8,007   |
|                               |                       |  | <u>12,426</u>   |
|                               |                       |  | 237,761   |
|                               |                       |  | (6,629,586)   |
|                               |                       |  | <u>\$ (6,391,825)</u>   |

*See accompanying notes to financial statements.*

**Pine Ridge Plantation Community Development District**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**September 30, 2016**

| <b>ASSETS</b>                         | <u>General<br/>Fund</u> | <u>Debt<br/>Service</u> | <u>Capital<br/>Projects</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---------------------------------------|-------------------------|-------------------------|-----------------------------|---|
| Cash                                  | \$ 3,942                | \$ -                    | \$ 92,512                   | \$ 96,454                               |
| Investments                           | 446,772                 | -                       | -                           | 446,772                                 |
| Prepaid expenses                      | 28,576                  | -                       | -                           | 28,576                                  |
| Restricted assets:                    |                         |                         |                             |   |
| Investments, at fair value            | -                       | 832,910                 | 4,307                       | 837,217                                 |
| Total Assets                          | <u>\$ 479,290</u>       | <u>\$ 832,910</u>       | <u>\$ 96,819</u>            | <u>\$ 1,409,019</u>                     |
| <b>LIABILITIES AND FUND BALANCES</b>  |                         |                         |                             |   |
| <b>LIABILITIES</b>                    |                         |                         |                             |   |
| Accounts payable and accrued expenses | <u>\$ 26,398</u>        | <u>\$ -</u>             | <u>\$ -</u>                 | <u>\$ 26,398</u>                        |
| <b>FUND BALANCES</b>                  |                         |                         |                             |   |
| Restricted:                           |                         |                         |                             |   |
| Nonspendable for prepaids             | 28,576                  | -                       | -                           | 28,576                                  |
| Debt service                          | -                       | 832,910                 | -                           | 832,910                                 |
| Capital projects                      | -                       | -                       | 96,819                      | 96,819                                  |
| Unassigned                            | 424,316                 | -                       | -                           | 424,316                                 |
| Total Fund Balance                    | <u>452,892</u>          | <u>832,910</u>          | <u>96,819</u>               | <u>1,382,621</u>                        |
| Total Liabilities and Fund Balances   | <u>\$ 479,290</u>       | <u>\$ 832,910</u>       | <u>\$ 96,819</u>            | <u>\$ 1,409,019</u>                     |

*See accompanying notes to financial statements.*

**Pine Ridge Plantation Community Development District  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO NET POSITION OF GOVERNMENTAL ACTIVITIES  
September 30, 2016**

|  |    |                           |
|--|----|---------------------------|
| Total Governmental Fund Balances   | \$ | 1,382,621                 |
| Amounts reported for governmental activities in the statement of net position are different because:   |    |                           |
| Capital assets being depreciated, infrastructure, \$2,799,323, buildings and improvements, \$2,325,000, and equipment, \$15,416, less accumulated depreciation, \$(1,008,824), used in governmental activities are not financial resources and therefore, are not reported in the funds. |    | 4,130,915                 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.  |    | (11,660,000)              |
| Bonds payable, net includes a bond discount, \$42,700, which is reported net of accumulated amortization, \$(25,714).  |    | 16,986                    |
| Accrued interest expense for long-term debt is not a financial use and; therefore, is not reported in the funds.   |    | <u>(262,347)</u>          |
| Net Position of Governmental Activities  | \$ | <u><u>(6,391,825)</u></u> |

*See accompanying notes to financial statements.*

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

|                                      | General           | Debt<br>Service   | Capital<br>Projects | Totals<br>Governmental<br>Funds |
|--------------------------------------|-------------------|-------------------|---------------------|---------------------------------|
| <b>Revenues:</b>                     |                   |                   |                     |                                 |
| Special assessments                  | \$ 554,648        | \$ 965,208        | \$ -                | \$ 1,519,856                    |
| Investment earnings                  | 2,279             | 2,132             | 8                   | 4,419                           |
| Other income                         | 8,007             | -                 | -                   | 8,007                           |
| Total Revenues                       | <u>564,934</u>    | <u>967,340</u>    | <u>8</u>            | <u>1,532,282</u>                |
| <b>Expenditures:</b>                 |                   |                   |                     |                                 |
| Current                              |                   |                   |                     |                                 |
| General government                   | 113,909           | -                 | 5,183               | 119,092                         |
| Culture and recreation               | 189,354           | -                 | -                   | 189,354                         |
| Physical environment                 | 156,191           | -                 | -                   | 156,191                         |
| Debt service                         |                   |                   |                     |                                 |
| Principal                            | -                 | 290,000           | -                   | 290,000                         |
| Interest                             | -                 | 645,300           | -                   | 645,300                         |
| Other debt service                   | -                 | 14,632            | -                   | 14,632                          |
| Total Expenditures                   | <u>459,454</u>    | <u>949,932</u>    | <u>5,183</u>        | <u>1,414,569</u>                |
| Revenues over/(under) expenditures   | <u>105,480</u>    | <u>17,408</u>     | <u>(5,175)</u>      | <u>117,713</u>                  |
| Other financing sources/(uses)       |                   |                   |                     |                                 |
| Transfers in                         | -                 | -                 | 30,000              | 30,000                          |
| Transfers out                        | (30,000)          | -                 | -                   | (30,000)                        |
| Total Other Financing Sources/(Uses) | <u>(30,000)</u>   | <u>-</u>          | <u>30,000</u>       | <u>-</u>                        |
| Net change in fund balances          | 75,480            | 17,408            | 24,825              | 117,713                         |
| Fund Balances - October 1, 2015      | <u>377,412</u>    | <u>815,502</u>    | <u>71,994</u>       | <u>1,264,908</u>                |
| Fund Balances - September 30, 2016   | <u>\$ 452,892</u> | <u>\$ 832,910</u> | <u>\$ 96,819</u>    | <u>\$ 1,382,621</u>             |

See accompanying notes to financial statements.

**Pine Ridge Plantation 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   | \$ 117,713               |
| 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.         | (175,658)                |
| Bond discounts are reported as expenditures in governmental funds, but are reported as a contra-liability in the Statement of Net Position and amortized over the life of the bonds. This is the amount of bond discount amortization in the current period. | (819)                    |
| Principal payments are reported as expenditures in the governmental funds, but are reported as reductions of liabilities in the Statement of Net Position.   | 290,000                  |
| 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 during the current period.                                      | <u>6,525</u>             |
| Change in Net Positon of Governmental Activities   | <u><u>\$ 237,761</u></u> |

*See accompanying notes to financial statements.*

**Pine Ridge Plantation 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<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual</u>     | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|------------------------------------|----------------------------|-------------------------|-------------------|---|
| Revenues                           |                            |                         |                   |   |
| Special assessments                | \$ 537,569                 | \$ 537,569              | \$ 554,648        | \$ 17,079   |
| Investment income                  | -                          | -                       | 2,279             | 2,279   |
| Other income                       | 3,000                      | 3,000                   | 8,007             | 5,007   |
| Total Revenues                     | <u>540,569</u>             | <u>540,569</u>          | <u>564,934</u>    | <u>24,365</u>   |
| Expenditures                       |                            |                         |                   |   |
| Current                            |                            |                         |                   |   |
| General government                 | 118,332                    | 118,332                 | 113,909           | 4,423   |
| Culture and recreation             | 198,067                    | 198,067                 | 189,354           | 8,713   |
| Physical environment               | 179,170                    | 179,170                 | 156,191           | 22,979  |
| Capital Outlay                     | 45,000                     | 45,000                  | -                 | 45,000  |
| Total Expenditures                 | <u>540,569</u>             | <u>540,569</u>          | <u>459,454</u>    | <u>81,115</u>   |
| Revenues over/(under) expenditures | -                          | -                       | 105,480           | 105,480   |
| Other financing sources/(uses)     |                            |                         |                   |   |
| Transfers out                      | -                          | -                       | (30,000)          | (30,000)  |
| Net change in fund balances        | -                          | -                       | 75,480            | 75,480  |
| Fund Balances - October 1, 2015    | <u>-</u>                   | <u>-</u>                | <u>377,412</u>    | <u>377,412</u>  |
| Fund Balances - September 30, 2016 | <u>\$ -</u>                | <u>\$ -</u>             | <u>\$ 452,892</u> | <u>\$ 452,892</u>   |

See accompanying notes to financial statements.

**Pine Ridge Plantation Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2016**

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

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

**1. Reporting Entity**

The District was created on March 8, 2006, pursuant to Clay County Ordinance Number 2006-05 and Chapter 190, Florida Statutes. The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of the infrastructure necessary for community development within its jurisdiction. The District is authorized to issue bonds for the purpose, among others, of financing, funding, planning, establishing, acquiring, constructing or re-constructing, enlarging or extending, equipping, operating and maintaining water management, bridges or culverts, district roads, landscaping, street lights and other basic infrastructure projects within or outside the boundaries of the Pine Ridge Plantation Community Development District. The District is governed by a five-member Board of Supervisors who are elected for four year terms. The District operates within the criteria established by Chapter 190.

As required by GAAP, these financial statements present the Pine Ridge Plantation 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.

**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

**Pine Ridge Plantation Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2016**

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

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

**a. Government-wide Financial Statements**

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

Governmental activities are supported by developer contributions and interest. Program revenues include charges for services and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the Statement of Activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as an other financing source.

Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

**b. Fund Financial Statements**

The underlying accounting system of the District is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental funds are presented after the government-wide financial statements. These statements display information about major funds individually.

**Pine Ridge Plantation 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**

The District classifies fund balance according to 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. Unassigned fund balance is considered to be utilized first when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

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

**Pine Ridge Plantation 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)**

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. Revenues are considered to be available when they are collected within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

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.

**Pine Ridge Plantation Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2016**

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

**3. Basis of Presentation**

**a. Governmental Major Funds**

General Fund - The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

2006A 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. The bond series is secured by a pledge of all available special assessment revenues in any fiscal year related to the improvements and a first lien on the special assessment revenues from the District's liens on all benefited land within the District.

2006 Capital Projects Fund – The Capital Projects Fund accounts for the proceeds from debt issued in 2006.

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

GASB Statement 34 requires that non-current governmental assets, such as land and buildings, and non-current governmental liabilities, such as general obligation bonds, be reported in the governmental activities column in the government-wide Statement of Net Assets.

**Pine Ridge Plantation 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**

**a. Cash and Investments**

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

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

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

For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less and held in a qualified public depository as defined by Section 280.02, Florida Statutes.

**b. Restricted Net Position**

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

**c. Capital Assets**

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

**Pine Ridge Plantation Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2016**

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

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

**c. Capital Assets (Continued)**

The District defines capital assets as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. The valuation basis for all assets is historical cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

**d. Budgets**

Budgets are prepared and adopted after public hearings for the governmental funds, pursuant to Chapter 190, 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.

**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 (\$1,382,621) differs from “net position” of governmental activities (\$(6,391,825)) 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.

**Pine Ridge Plantation 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)**

**Capital related items**

When capital assets (buildings and improvements, infrastructure, 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.

|                            |                     |
|----------------------------|---------------------|
| Infrastructure             | \$ 2,799,323        |
| Buildings and improvements | 2,325,000           |
| Equipment                  | 15,416              |
| Accumulated depreciation   | <u>(1,008,824)</u>  |
| Total                      | <u>\$ 4,130,915</u> |

**Long-term debt transactions**

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

|                    |                        |
|--------------------|------------------------|
| Bonds payable      | \$ (11,660,000)        |
| Bond discount, net | <u>16,986</u>          |
| Total              | <u>\$ (11,643,014)</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>\$ (262,347)</u> |
|------------------|---------------------|

**Pine Ridge Plantation 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**

The “net change in fund balances” for government funds, \$117,713, differs from the “change in net position” for governmental activities, \$237,761, 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 is allocated over their estimated useful lives and reported as depreciation. As a result, fund balances decrease by the amount of financial resources expended, whereas net position decrease by the amount of depreciation charged for the period.

|              |                     |
|--------------|---------------------|
| Depreciation | \$ <u>(175,658)</u> |
|--------------|---------------------|

**Long-term debt transactions**

When bond discount costs used in governmental activities are expended, the resources expended for those assets are reported as expenditures in governmental funds. However, in the Statement of Activities, the costs of those assets is allocated over their estimated useful lives and reported as amortization costs. As a result, net position decrease by the amount of amortization expense charged for the period.

|              |                 |
|--------------|-----------------|
| Amortization | \$ <u>(819)</u> |
|--------------|-----------------|

Repayments of bond principal are reported as an expenditure in the governmental funds and, thus, have the effect of reducing fund balance because current financial resources have been used.

|                         |                   |
|-------------------------|-------------------|
| Bond principal payments | \$ <u>290,000</u> |
|-------------------------|-------------------|

Some expenses reported in the Statement of Activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.

|                            |                 |
|----------------------------|-----------------|
| Change in accrued interest | \$ <u>6,525</u> |
|----------------------------|-----------------|

**Pine Ridge Plantation Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2016**

**NOTE C – CASH AND INVESTMENTS**

All deposits are held in qualified public depositories and are included on the accompanying balance sheet as cash and investments.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk, however, they follow the provisions of Chapter 280, Florida Statutes regarding deposits and investments. As of September 30, 2016, the District's bank balance was \$101,642 and the carrying value was \$96,454. Exposure to custodial credit risk was as follows. The District maintains all deposits in a qualified public depository in accordance with the provisions of Chapter 280, Florida Statutes, which means that all deposits are fully insured by Federal Depositors Insurance or collateralized under Chapter 280, Florida Statutes.

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

| Investment  | Maturities | Fair Value   |
|---|------------|--------------|
| First American Government<br>Obligation Fund Z    | 25 Days *  | \$ 837,217   |
| Local Government Surplus<br>Trust Fund Prime Fund | N/A        | 446,772      |
|   |            | \$ 1,283,989 |

\* 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 uses the best information available under the circumstances, which includes the District's own data in measuring unobservable inputs.

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

**Pine Ridge Plantation Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2016**

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

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.

Credit Risk

The District's investments in treasury funds and government loans are limited by state statutory requirements and bond compliance. The Local Government Surplus Funds Trust is an authorized investment under Section 218.415, Florida Statutes. The District's investments in the state investment pool are limited by state statutory requirements and bond compliance. The District has monies invested with the Local Government Surplus Funds Trust Fund (Fund), at September 30, 2016. The Fund met the requirements of a "2a-7 like pool" as defined in Government Accounting Standards Board, Statement 31. The District has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one fund. The District's investments in the First American Government Obligation Fund are 65% of the District's total investments. The District's remaining investments are in the State Board Administration Trust Fund.

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's investment in the First American Government Obligation Fund Class Z was rated AAAM by Standard & Poor's. The District considers any decline in fair value for certain investments to be temporary.

**Pine Ridge Plantation Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2016**

**NOTE D – SPECIAL ASSESSMENT REVENUES**

Assessments are non-ad valorem assessments on benefitted property within the District. Operating and Maintenance Assessments are based upon adopted budget and levied annually. Debt Service Assessments are levied when bonds are issued and collected annually. 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.

**NOTE E – CAPITAL ASSETS**

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

|   | Balance<br>October 1,<br>2015 | Additions           | Deletions   | Balance<br>September 30,<br>2016 |
|---|-------------------------------|---------------------|-------------|----------------------------------|
| <u>Governmental Activities:</u>         |                               |                     |             |                                  |
| Capital assets, being depreciated:      |                               |                     |             |                                  |
| Infrastructure                          | \$ 2,799,323                  | \$ -                | \$ -        | \$ 2,799,323                     |
| Buildings and improvements              | 2,325,000                     | -                   | -           | 2,325,000                        |
| Equipment                               | 15,416                        | -                   | -           | 15,416                           |
| Total Capital Assets, Being Depreciated | <u>5,139,739</u>              | <u>-</u>            | <u>-</u>    | <u>5,139,739</u>                 |
| Less accumulated depreciation for:      |                               |                     |             |                                  |
| Infrastructure                          | (441,922)                     | (96,615)            | -           | (538,537)                        |
| Buildings and improvements              | (385,278)                     | (78,333)            | -           | (463,611)                        |
| Equipment                               | (5,966)                       | (710)               | -           | (6,676)                          |
| Total Accumulated Depreciation          | <u>(833,166)</u>              | <u>(175,658)</u>    | <u>-</u>    | <u>(1,008,824)</u>               |
| Governmental Activities Capital Assets  | <u>\$ 4,306,573</u>           | <u>\$ (175,658)</u> | <u>\$ -</u> | <u>\$ 4,130,915</u>              |

Depreciation of \$96,615 was charged to physical environment and \$79,043 was charged to culture/recreation.

**Pine Ridge Plantation 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.

|   |                             |
|---|-----------------------------|
| Debt at October 1, 2015                 | \$ 11,950,000               |
| Bond payments                           | <u>(290,000)</u>            |
| Debt at September 30, 2016              | 11,660,000                  |
| Less bond discount, net                 | <u>(16,986)</u>             |
| Net Bonds Payable at September 30, 2016 | <u><u>\$ 11,643,014</u></u> |

**Capital Improvement Revenue Bonds**

\$14,090,000 Series 2006A Bonds, interest at 5.4%, maturing thru May 1, 2037, payable on May 1 and November 1; collateralized by the pledged revenues of special assessments levied against the benefited property owners.

\$ 11,660,000

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

| Year Ending<br>September 30, | Principal                   | Interest                   | Total                       |
|------------------------------|-----------------------------|----------------------------|-----------------------------|
| 2017                         | \$ 310,000                  | \$ 629,640                 | \$ 939,640                  |
| 2018                         | 325,000                     | 612,900                    | 937,900                     |
| 2019                         | 345,000                     | 595,350                    | 940,350                     |
| 2020                         | 360,000                     | 576,720                    | 936,720                     |
| 2021                         | 380,000                     | 557,280                    | 937,280                     |
| 2022-2026                    | 2,255,000                   | 2,453,220                  | 4,708,220                   |
| 2027-2031                    | 2,955,000                   | 1,772,550                  | 4,727,550                   |
| 2032-2036                    | 3,865,000                   | 882,630                    | 4,747,630                   |
| 2037                         | <u>865,000</u>              | <u>46,710</u>              | <u>911,710</u>              |
| Totals                       | <u><u>\$ 11,660,000</u></u> | <u><u>\$ 8,127,000</u></u> | <u><u>\$ 19,787,000</u></u> |

**Pine Ridge Plantation Community Development District  
 NOTES TO FINANCIAL STATEMENTS  
 September 30, 2016**

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

Summary of Significant Bonds Resolution Terms and Covenants

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

1. Reserve Fund - The 2006A Reserve Account was funded from the proceeds of the Bonds in an amount equal to the one sixth annual interest payment of the 2006A Bonds. Monies held in the reserve accounts will be used only for the purposes established in the Trust Indenture.

The annual reserve requirement is as follows:

|  | <u>Capital Improvement Bonds</u> |                        |
|--|----------------------------------|------------------------|
|  | Reserve<br>Balance               | Reserve<br>Requirement |
| Series 2006A Capital Improvement Revenue Bonds | \$ 494,005                       | \$ 786,665             |

**NOTE G – RISK MANAGEMENT**

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

**NOTE H – SUBSEQUENT EVENT**

In October 2016, the District accepted \$13,300 as settlement for the use of District land. Additionally, the District approved the foreclosure of certain lots for nonpayment of assessments in August 2016. In January 2017, the District approved the foreclosure of the remaining undeveloped lots with unpaid assessments.



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

To the Board of Supervisors  
Pine Ridge Plantation 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 Pine Ridge Plantation 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 May 16, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Pine Ridge Plantation 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 Pine Ridge Plantation Community Development District's internal control. Accordingly, we do not express an opinion on the effectiveness of Pine Ridge Plantation 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  
Pine Ridge Plantation Community Development District  
St. Augustine, FL

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Berger, Toombs, Elam,  
Gaines & Frank*

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

May 16, 2017



# Berger, Toombs, Elam, Gaines & Frank

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## MANAGEMENT LETTER

To the Board of Supervisors  
Pine Ridge Plantation Community Development District  
St. Augustine, FL

### Report on the Financial Statements

We have audited the financial statements of the Pine Ridge Plantation Community Development District as of and for the year ended September 30, 2016, and have issued our report thereon dated May 16, 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 May 16, 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 Pine Ridge Plantation 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 Pine Ridge Plantation Community Development District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

To the Board of Supervisors  
Pine Ridge Plantation 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 Pine Ridge Plantation 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.

#### **Finding 16-01**

**Finding:** The District did not meet the reserve requirement of the Series 2006 Capital Improvement Revenue Bonds.

**Recommendation:** We recommend that the District collect assessments and fund the reserve to the required amount.

**Response:** The District is taking all actions to collect assessments to ensure funds are available to re-establish the reserve balance.

#### **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 Pine Ridge Plantation 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.

To the Board of Supervisors  
Pine Ridge Plantation 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

May 16, 2017



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

To the Board of Supervisors  
Pine Ridge Plantation Community Development District  
St. Augustine, FL

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

In our opinion, Pine Ridge Plantation 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

May 16, 2017