

**Pine Ridge Plantation  
Community Development District**

**ANNUAL FINANCIAL REPORT**

**September 30, 2020**

**Pine Ridge Plantation Community Development District**

**ANNUAL FINANCIAL REPORT**

**September 30, 2020**

**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	16-30
INDEPENDENT AUDITORS' 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>	31-32
MANAGEMENT LETTER	33-34
INDEPENDENT ACCOUNTANTS' REPORT/COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES	35



# Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue  
Suite 200  
Fort Pierce, Florida 34950

772/461-6120 // 461-1155  
FAX: 772/468-9278

## 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, 2020, 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 audit. We conducted our audit 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 -

Member AICPA

Member AICPA Division for CPA Firms  
Private Companies practice Section

Member FICPA

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, 2020, 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 June 30, 2021 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  
Certified Public Accountants PL  
Fort Pierce, Florida

June 30, 2021

**Pine Ridge Plantation Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2020**

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, 2020**

**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, 2020.

- ◆ The District's total liabilities exceeded total assets by \$(5,533,426) (net position). Unrestricted net position for Governmental Activities was \$(4,132,767). Net investment in capital assets \$(1,439,871). Net position restricted was \$39,212.
- ◆ Governmental activities revenues totaled \$1,515,565, while governmental activities expenses totaled \$2,020,049.

**Pine Ridge Plantation Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2020**

**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>2020</b>	<b>2019</b>
Current assets	\$ 1,092,054	\$ 1,033,695
Restricted assets	2,212,841	1,217,792
Capital assets	3,444,382	3,621,248
Total Assets	6,749,277	5,872,735
Deferred Outflows of Resources	273,207	-
Current liabilities	609,201	616,206
Non-current liabilities	11,946,709	10,285,471
Total Liabilities	12,555,910	10,901,677
Net investment in capital assets	(1,439,871)	(1,536,212)
Net position - restricted	39,212	575,331
Net position - unrestricted	(4,132,767)	(4,068,061)
Total Net Position	\$ (5,533,426)	\$ (5,028,942)

The increase in current assets is mainly related to the increase in cash in the current year.

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

The increase in non-current liabilities and restricted assets is primarily due to the issuance of long-term debt in the current year.

**Pine Ridge Plantation Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2020**

**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>2020</b>	<b>2019</b>
Program Revenues		
Charges for services	\$ 1,488,089	\$ 1,490,854
General Revenues		
Investment earnings	23,094	41,133
Miscellaneous revenues	4,382	8,688
Total Revenues	<u>1,515,565</u>	<u>1,540,675</u>
Expenses		
General government	113,916	100,479
Physical environment	270,003	250,096
Culture and recreation	298,276	306,567
Interest and other charges	1,337,854	619,590
Total Expenses	<u>2,020,049</u>	<u>1,276,732</u>
Change in Net Position	(504,484)	263,943
Net Position - Beginning of Year	<u>(5,028,942)</u>	<u>(5,292,885)</u>
Net Position - End of Year	<u>\$ (5,533,426)</u>	<u>\$ (5,028,942)</u>

The increase in physical environment is related to the increase in landscape maintenance and other repairs in the current year.

The increase in interest and other charges is related to the other debt service costs in the current year related to the issuance of long-term debt.

**Pine Ridge Plantation Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2020**

**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, 2020 and 2019.

<u>Description:</u>	<b>Governmental Activities</b>	
	<b>2020</b>	<b>2019</b>
Infrastructure	\$ 2,810,596	\$ 2,810,596
Buildings and improvements	2,325,000	2,325,000
Equipment	21,864	21,864
Accumulated depreciation	(1,713,078)	(1,536,212)
Total	<u>\$ 3,444,382</u>	<u>\$ 3,621,248</u>

During the year, depreciation was \$176,866.

**General Fund Budgetary Highlights**

During the year, budgeted expenditures exceeded actual amounts primarily because facility assistant, capital reserve and water-usage expenditures were lower than anticipated.

The September 30, 2020 budget was not amended.

**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 B was paid off during the current year.
- ◆ In September 2020, the District issued \$9,545,000 Series 2020A-1 Senior Capital Improvement Revenue and Refunding Bonds and \$2,890,000 2020A-2 Subordinate Capital Improvement Revenue and Refunding Bonds. These bonds were issued to refund and redeem the outstanding Series 2006A Capital Improvement Revenue Bonds and to finance improvements within the District. The balance outstanding of the Series 2020A-1 and Series 2020A-2 Bonds at September 30, 2020 was \$9,545,000 and \$2,890,000, respectively.

**Pine Ridge Plantation Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2020**

**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 2021.

**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, 475 West Towne Place, Suite 114, St. Augustine, Florida 32092.

**Pine Ridge Plantation Community Development District**  
**STATEMENT OF NET POSITION**  
**September 30, 2020**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Current Assets:	
Cash	\$ 181,460
Investments	892,191
Prepaid expenses	18,403
Total Current Assets	1,092,054
Non-Current Assets:	
Restricted assets:	
Investments	2,212,841
Capital assets being depreciated:	
Infrastructure	2,810,596
Buildings and improvements	2,325,000
Equipment	21,864
Accumulated depreciation	(1,713,078)
Total Non-Current Assets	5,657,223
Total Assets	6,749,277
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred amount on refunding	273,207
 <b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable and accrued expenses	22,849
Accrued interest	1,352
Bonds payable	585,000
Total Current Liabilities	609,201
Non-Current Liabilities:	
Bonds payable, net	11,946,709
Total Liabilities	12,555,910
 <b>NET POSITION</b>	
Net investment in capital assets	(1,439,871)
Restricted for debt service	39,212
Unrestricted	(4,132,767)
Total Net Position	\$ (5,533,426)

*See accompanying notes to financial statements.*

**Pine Ridge Plantation Community Development District**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2020**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues Charges for Services</u>	<u>Net (Expense) Revenues and Changes in Net Position Governmental Activities</u>
Governmental Activities			
General government	\$ (113,916)	\$ 128,691	\$ 14,775
Physical environment	(270,003)	170,486	(99,517)
Culture/recreation	(298,276)	243,908	(54,368)
Interest and other charges	(1,337,854)	945,004	(392,850)
<b>Total Governmental Activities</b>	<u><u>\$ (2,020,049)</u></u>	<u><u>\$ 1,488,089</u></u>	<u><u>(531,960)</u></u>
 <b>General revenues:</b>			
			23,094
			4,382
			<u>27,476</u>
			(504,484)
			(5,028,942)
			<u><u>\$ (5,533,426)</u></u>

*See accompanying notes to financial statements.*

**Pine Ridge Plantation Community Development District**  
**BALANCE SHEET –**  
**GOVERNMENTAL FUNDS**  
**September 30, 2020**

<b>ASSETS</b>	General Fund	Debt Service	Capital Projects	Total Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Cash	\$ 53,256	\$ -	\$ 128,204	\$ 181,460
Investments	691,904	-	200,287	892,191
Prepaid expenses	18,403	-	-	18,403
Restricted assets:				
Investments, at fair value	-	329,257	1,883,584	2,212,841
Total Assets	<u>\$ 763,563</u>	<u>\$ 329,257</u>	<u>\$2,212,075</u>	<u>\$ 3,304,895</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	<u>\$ 21,639</u>	<u>\$ -</u>	<u>\$ 1,210</u>	<u>\$ 22,849</u>
<b>FUND BALANCES</b>				
Nonspendable-prepays	18,403	-	-	18,403
Restricted:				
Debt service	-	329,257	-	329,257
Capital projects	-	-	1,883,584	1,883,584
Assigned-capital projects	-	-	327,281	327,281
Unassigned	723,521	-	-	723,521
Total Fund Balance	<u>741,924</u>	<u>329,257</u>	<u>2,210,865</u>	<u>3,282,046</u>
Total Liabilities and Fund Balances	<u>\$ 763,563</u>	<u>\$ 329,257</u>	<u>\$2,212,075</u>	<u>\$ 3,304,895</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, 2020**

Total Governmental Fund Balances	\$	3,282,046
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets being depreciated, infrastructure, \$2,810,596, buildings and improvements, \$2,325,000, and equipment, \$21,864, less accumulated depreciation, \$(1,713,078), used in governmental activities are not financial resources and therefore, are not reported in the funds.		3,444,382
Long-term liabilities, including bonds payable, \$(12,435,000), and bond premium, net, \$(96,709), are not due and payable in the current period and therefore, are not reported at the fund level.		(12,531,709)
Deferred outflow of resources are not current financial resources and therefore, are not reported at the fund level.		273,207
Accrued interest expense for long-term debt is not a current financial use and; therefore, is not reported in the funds.		<u>(1,352)</u>
Net Position of Governmental Activities	\$	<u><u>(5,533,426)</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, 2020**

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues:				
Special assessments	\$ 543,085	\$ 945,004	\$ -	\$ 1,488,089
Investment earnings	9,439	13,327	328	23,094
Miscellaneous revenues	4,382	-	-	4,382
Total Revenues	<u>556,906</u>	<u>958,331</u>	<u>328</u>	<u>1,515,565</u>
Expenditures:				
Current				
General government	113,916	-	-	113,916
Physical environment	150,913	-	21,910	172,823
Culture and recreation	215,905	-	2,685	218,590
Debt service				
Principal	-	10,660,000	-	10,660,000
Interest	-	574,695	-	574,695
Other debt service	-	629,791	630,546	1,260,337
Total Expenditures	<u>480,734</u>	<u>11,864,486</u>	<u>655,141</u>	<u>13,000,361</u>
Revenues over/(under) expenditures	<u>76,172</u>	<u>(10,906,155)</u>	<u>(654,813)</u>	<u>(11,484,796)</u>
Other Financing Sources/(Uses)				
Issuance of long-term debt	-	10,017,579	2,417,421	12,435,000
Bond premium	-	-	96,709	96,709
Transfers in	-	4,494	35,001	39,495
Transfers out	(35,000)	(1)	(4,494)	(39,495)
Total Other Financing Sources/(Uses)	<u>(35,000)</u>	<u>10,022,072</u>	<u>2,544,637</u>	<u>12,531,709</u>
Net change in fund balances	41,172	(884,083)	1,889,824	1,046,913
Fund Balances - October 1, 2019	<u>700,752</u>	<u>1,213,340</u>	<u>321,041</u>	<u>2,235,133</u>
Fund Balances - September 30, 2020	<u>\$ 741,924</u>	<u>\$ 329,257</u>	<u>\$ 2,210,865</u>	<u>\$ 3,282,046</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, 2020**

Net Change in Fund Balances - Total Governmental Funds	\$ 1,046,913
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.	(176,866)
The issuance of long-term debt is recognized as an other financing source at the fund level. At the government-wide level it is reflected as an increase in long-term liabilities.	(12,435,000)
Deferred amount on refunding is recognized as other debt service costs at the fund level, however, at the government-wide level it is recognized as a deferred outflow of resources amortized as interest over the life of the bonds.	258,678
Bond premium associated with the issuance of long-term debt, is a reduction in an other financing source at the fund level, but at the government-wide level it is included in long-term liabilities.	(96,709)
Principal payments are reported as expenditures in the governmental funds, but are reported as reductions of liabilities in the Statement of Net Position.	10,660,000
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>238,500</u>
Change in Net Position of Governmental Activities	<u><u>\$ (504,484)</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, 2020**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
Revenues				
Special assessments	\$ 537,569	\$ 537,569	\$ 543,085	\$ 5,516
Investment income	1,500	1,500	9,439	7,939
Other income	3,000	3,000	4,382	1,382
Total Revenues	<u>542,069</u>	<u>542,069</u>	<u>556,906</u>	<u>14,837</u>
Expenditures				
Current				
General government	119,252	119,252	113,916	5,336
Physical environment	210,251	210,251	150,913	59,338
Culture and recreation	251,146	251,146	215,905	35,241
Total Expenditures	<u>580,649</u>	<u>580,649</u>	<u>480,734</u>	<u>99,915</u>
Revenues over/(under) expenditures	(38,580)	(38,580)	76,172	114,752
Other Financing Sources/(Uses)				
Transfers out	<u>-</u>	<u>-</u>	<u>(35,000)</u>	<u>(35,000)</u>
Net change in fund balances	(38,580)	(38,580)	41,172	79,752
Fund Balances - October 1, 2019	<u>38,580</u>	<u>38,580</u>	<u>700,752</u>	<u>662,172</u>
Fund Balances - September 30, 2020	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 741,924</u>	<u>\$ 741,924</u>

*See accompanying notes to financial statements.*

**Pine Ridge Plantation Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2020**

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

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

**1. Reporting Entity**

The District was established on 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, 2020**

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

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

**a. Government-wide Financial Statements**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Government-wide financial statements report all non-fiduciary information about the reporting government as a whole. These statements include all the governmental activities of the primary government. The effect of interfund activity has been removed from these statements.

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

Amounts paid to acquire capital assets are capitalized as assets, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as an other 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, 2020**

**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, 2020**

**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, 2020**

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

**3. Basis of Presentation**

**a. Governmental Major Funds**

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

Debt Service Fund – Accounts for debt service requirements to retire the capital improvement bonds which were used to refund and retire an existing bond and 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.

Capital Projects Fund – Accounts for monies the Board has set aside for capital improvements and the construction of capital improvements within the District.

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

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

**Pine Ridge Plantation Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2020**

**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.

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 infrastructure, buildings and improvements and equipment, are reported in governmental activities.

**Pine Ridge Plantation Community Development District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2020**

**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.

Depreciation of capital assets is computed and recorded by utilizing the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows:

Buildings and improvements	30 years
Infrastructure	15-30 years
Equipment	10 years

**d. Unamortized Bond Premiums**

Bond premiums associated with the issuance of revenue bonds are amortized according to the straight-line method of accounting. For financial reporting, unamortized bond premiums are netted with the applicable long-term debt.

**e. 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.

**f. Deferred Outflow of Resources**

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

**Pine Ridge Plantation Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2020**

**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, \$3,282,046, differs from “net position” of governmental activities, \$(5,533,426), 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 (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	\$	2,810,596
Buildings and improvements		2,325,000
Equipment		21,864
Accumulated depreciation		<u>(1,713,078)</u>
Total		<u>\$ 3,444,382</u>

**Deferred outflow of resources**

Deferred outflow of resources applicable to the District’s governmental activities are not current financial resources and therefore, are not reported as fund deferred outflow of resources:

Deferred amount on refunding	\$	<u>273,207</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, 2020 were:

Bonds payable	\$	(12,435,000)
Bond premium, net		<u>(96,709)</u>
Total		<u>\$ (12,531,709)</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>(1,352)</u>
------------------	----	----------------

**Pine Ridge Plantation Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2020**

**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, \$1,046,913, differs from the “change in net position” for governmental activities, \$(504,484), 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>(176,866)</u>
--------------	---------------------

**Long-term debt transactions**

When long-term debt is issued for governmental activities, the resources obtained are recognized as an other financing source at the fund level. At the government-wide level, however, the new debt increases non-current liabilities.

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.

Issuance of long-term debt	\$ <u>(12,435,000)</u>
Bond premium	\$ <u>(96,709)</u>
Bond principal payments	\$ <u>10,660,000</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>238,500</u>
Deferred amount on refunding	\$ <u>258,678</u>

**Pine Ridge Plantation Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2020**

**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, 2020, the District's bank balance was \$188,460 and the carrying value was \$181,460. 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, 2020, the District had the following investments and maturities:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
U S Bank Managed Money Market	N/A	\$ 1,527
First American Treasury Obligation	46 days*	2,212,841
Local Government Surplus		
Trust Fund Prime Fund	37 days*	<u>890,664</u>
Total		<u><u>\$ 3,105,032</u></u>

\* Weighted Average Maturity

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

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

The investments in the First American Treasury Obligation Fund and U S Bank Managed Money Market are level 1 assets.

**Pine Ridge Plantation Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2020**

**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, 2020. 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 Treasury Obligation Fund Class D are 71% of the District's total investments. The District's investments in the State Board Administration Local Government Surplus Trust Fund are 29% of the District's investments. The District also has less than 1% of investments in the U S Bank Money Market Managed.

The types of deposits and investments and their level of risk exposure as of September 30, 2020 were typical of these items during the fiscal year then ended. The District's investment in the Local Government Surplus Prime Fund and First American Treasury Obligations were 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, 2020**

**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, 2020 was as follows:

	Balance October 1, 2019	Additions	Deletions	Balance September 30, 2020
<u>Governmental Activities:</u>				
Capital assets, being depreciated:				
Infrastructure	\$ 2,810,596	\$ -	\$ -	\$ 2,810,596
Buildings and improvements	2,325,000	-	-	2,325,000
Equipment	21,864	-	-	21,864
Total Capital Assets, Being Depreciated	<u>5,157,460</u>	<u>-</u>	<u>-</u>	<u>5,157,460</u>
Less accumulated depreciation for:				
Infrastructure	(828,479)	(97,180)	-	(925,659)
Buildings and improvements	(696,111)	(77,500)	-	(773,611)
Equipment	(11,622)	(2,186)	-	(13,808)
Total Accumulated Depreciation	<u>(1,536,212)</u>	<u>(176,866)</u>	<u>-</u>	<u>(1,713,078)</u>
Governmental Activities Capital Assets	<u>\$ 3,621,248</u>	<u>\$ (176,866)</u>	<u>\$ -</u>	<u>\$ 3,444,382</u>

Depreciation of \$97,180 was charged to physical environment and \$79,686 was charged to culture/recreation.

**Pine Ridge Plantation Community Development District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2020**

**NOTE F – LONG-TERM DEBT**

The following is a summary of long-term debt activity for the District for the year ended September 30, 2020.

Long-term debt at October 1, 2019	\$	10,660,000
Issuance of long-term debt		12,435,000
Principal payments		<u>(10,660,000)</u>
Long-term debt at September 30, 2020	\$	12,435,000
Plus: bond premium		<u>96,709</u>
Bonds payable, net at September 30, 2020	\$	<u><u>12,531,709</u></u>

Long-term debt for Governmental Activities is comprised of the following:

**Capital Improvement Revenue and Refunding Bonds**

<p>\$9,545,000 Series 2020A-1 Senior Capital Improvement Revenue and Refunding Bonds are due in annual principal installments beginning May 2021 maturing May 2037. Interest at various rates between 2% and 3% is due May and November beginning November 2020. Current portion is \$455,000.</p>	\$	9,545,000
--	----	-----------

<p>\$2,890,000 Series 2020A-2 Subordinate Capital Improvement Revenue and Refunding Bonds are due in annual principal installments beginning May 2021 and maturing May 2037. Interest at various rates between 2.75% and 3.75% is due May and November beginning November 2020. Current portion is \$130,000.</p>		<u>2,890,000</u>
---	--	------------------

Bonds Payable		<u><u>\$ 12,435,000</u></u>
---------------	--	-----------------------------

In September 2020, the District issued \$9,545,000 Series 2020A-1 Senior Capital Improvement Revenue and Refunding Bonds and \$2,890,000 2020A-2 Subordinate Capital Improvement Revenue and Refunding Bonds, which retired the Series 2006A Capital Improvement Revenue Bonds. The current refunding of the Series 2006A Capital Improvement Revenue Bonds resulted in a deferred amount on refunding of \$273,207. As a result of this transaction, the District decreases its aggregate debt payment by \$1,480,746 over the next 16 years and realized an economic loss of approximately \$893,595.

**Pine Ridge Plantation Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2020**

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

The annual requirements to amortize the principal and interest of bonded debt outstanding as of September 30, 2020 are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 585,000	\$ 210,315	\$ 795,315
2022	605,000	322,298	927,298
2023	620,000	304,485	924,485
2024	640,000	286,235	926,235
2025	660,000	267,385	927,385
2026-2030	3,525,000	1,107,738	4,632,738
2031-2035	4,015,000	632,000	4,647,000
2036-2037	1,785,000	81,638	1,866,638
Totals	<u>\$ 12,435,000</u>	<u>\$ 3,212,094</u>	<u>\$ 15,647,094</u>

Summary of Significant Bonds Resolution Terms and Covenants

**Capital Improvement Revenue and Refunding Bonds**

Significant Bond Provisions

The Series 2020 Bonds are subject to redemption at the option of the District prior to their maturity, in whole or in part, at any time after May 1, 2030 at a redemption price set forth in the Trust Indenture. The Series 2020 are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Trust Indenture.

The Trust Indenture established certain amounts be maintained in a reserve account. In addition, the Trust Indenture has certain restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements.

**Pine Ridge Plantation Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2020**

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

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:

Reserve Fund – The Series 2020A-1 Reserve requirement is an amount equal to 50 percent the maximum annual debt service of the Series 2020A-1 Bonds. The Series 2020A-1 Reserve Account was funded as 50 percent of the requirement from the proceeds of the Series 2020A-1 Bonds and 50 percent the requirement is satisfied by the Reserve Insurance Policy. The Series 2020A-2 Reserve Account was funded from the proceeds of the Series 2020A-2 Bonds an amount equal to 50 percent of the maximum annual debt service of the Series 2020A-2 Bonds. Monies held in the reserve accounts will be used only for the purposes established in the Trust Indenture.

The following is a schedule of required reserve deposits as of September 30, 2020:

<u>Capital Improvement Revenue and Refunding</u>	<u>Reserve Balance</u>	<u>Reserve Requirement</u>
Series 2020A-1 (Senior Bond)	\$ 173,593	\$ 173,593
Series 2020A-2 (Subordinate Bond)	\$ 115,100	\$ 115,100

**NOTE G – INTERFUND ACTIVITY**

Interfund transfers for the year ended September 30, 2020, consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>			<u>Total</u>
	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
Debt Service Fund	\$ -	\$ -	\$ 4,494	\$ 4,494
Capital Projects Fund	35,000	1	-	35,001
Total	\$ 35,000	\$ 1	\$ 4,494	\$ 39,495

Interfund transfers in the current year were made to increase capital reserves and debt service transfers were in accordance with the Trust Indenture.

**NOTE H – 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. The District has not filed any claims under this commercial coverage during the last three years.



# Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue  
Suite 200  
Fort Pierce, Florida 34950

772/461-6120 // 461-1155  
FAX: 772/468-9278

## **INDEPENDENT AUDITORS' 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  
Clay County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Pine Ridge Plantation Community Development District, as of and for the year ended September 30, 2020, and the related notes to the financial statements, and have issued our report thereon dated June 30, 2021.

### **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 (internal control) as a basis for designing 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.

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 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

### **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  
Certified Public Accountants PL  
Fort Pierce, Florida

June 30, 2021



# Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue  
Suite 200  
Fort Pierce, Florida 34950

772/461-6120 // 461-1155  
FAX: 772/468-9278

## MANAGEMENT LETTER

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

### 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, 2020, and have issued our report thereon dated June 30, 2021.

### 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 Reporting Requirements

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, AT-C Section 315 regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in that report, which is dated June 30, 2021, 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 determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no findings or recommendations in the preceding financial audit report.

### Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires that we apply appropriate procedures and communicate 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 to identify 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.b. and 10.556(8), Rules of the Auditor General, we applied financial conditions assessment procedures as of September 30, 2020 for Pine Ridge Plantation Community Development District. 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.

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

#### **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate 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 findings or recommendations.

#### **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

June 30, 2021



**Berger, Toombs, Elam,  
Gaines & Frank**

Certified Public Accountants PL

600 Citrus Avenue  
Suite 200  
Fort Pierce, Florida 34950

772/461-6120 // 461-1155  
FAX: 772/468-9278

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

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

We have examined Pine Ridge Plantation Community Development District's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2020. 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, 2020.

*Berger Toombs Elam  
Gaines & Frank*

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

June 30, 2021