

RIVERWOOD ESTATES COMMUNITY DEVELOPMENT DISTRICT

DISTRICT OFFICE · 5844 OLD PASCO ROAD · SUITE 100 · WESLEY CHAPEL, FLORIDA 33544

**RIVERWOOD ESTATES
COMMUNITY
DEVELOPMENT DISTRICT**

**BOARD OF SUPERVISORS
MEETING
AUGUST 14, 2014**

RIVERWOOD ESTATES COMMUNITY DEVELOPMENT DISTRICT AGENDA AUGUST 14, 2014 at 10:00 a.m.

At the office of Rizzetta & Company, Inc., located at 5844 Old Pasco Road, Suite 100, Wesley Chapel, 33544

District Board of Supervisors	Patricia Buck Jennifer Orsi Julie Vitale Michelle Orsi Paula Orsi	Chairman Vice Chairman Assistant Secretary Assistant Secretary Assistant Secretary
District Manager	Matthew Huber	Rizzetta & Company, Inc.
District Counsel	Wes Haber	Hopping, Green & Sams, P.A.
District Engineer	Steve Wasson	Florida Design Consultants, Inc.

All Cellular phones and pagers must be turned off during the meeting.

The District Agenda is comprised of five different sections:

The meeting will begin promptly at **10:00 a.m.** with the first section which is called **Audience Comments**. The Audience Comment portion of the agenda is where individuals may comment on matters that concern the District. Each individual is limited to three (3) minutes for such comment. The Board of Supervisors or Staff is not obligated to provide a response until sufficient time for research or action is warranted. **IF THE COMMENT CONCERNS A MAINTENANCE RELATED ITEM, THE ITEM WILL NEED TO BE ADDRESSED BY THE DISTRICT MANAGER OUTSIDE THE CONTEXT OF THIS MEETING.** The second section is called the **Business Administration** section and contains items that require the review and approval of the District Board of Supervisors as a normal course of business. The third section is called **Business Items**. The business items section contains items for approval by the District Board of Supervisors that may require discussion, motion and votes on an item-by-item basis. Occasionally, certain items for decision within this section are required by Florida Statute to be held as a Public Hearing. During the Public Hearing portion of the agenda item, each member of the public will be permitted to provide one comment on the issue, prior to the Board of Supervisors' discussion, motion and vote. Agendas can be reviewed by contacting the Manager's office at (813) 994-1001 at least seven days in advance of the scheduled meeting. Requests to place items on the agenda must be submitted in writing with an explanation to the District Manager at least fourteen (14) days prior to the date of the meeting. The fourth section is called **Staff Reports**. This section allows the District Manager, Engineer, and Attorney to update the Board of Supervisors on any pending issues that are being researched for Board action. The final section is called **Supervisor Requests**. This is the section in which the Supervisors may request Staff to prepare certain items in an effort to meet residential needs.

Public workshops sessions may be advertised and held in an effort to provide informational services. These sessions allow staff or consultants to discuss a policy or business matter in a more informal manner and allow for lengthy presentations prior to scheduling the item for approval. Typically no motions or votes are made during these sessions.

Pursuant to provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this meeting is asked to advise the District Office at (813) 994-1001, at least 48 hours before the meeting. If you are hearing or speech impaired, please contact the Florida Relay Service at 1 (800) 955-8770, who can aid you in contacting the District Office.

Any person who decides to appeal any decision made by the Board with respect to any matter considered at the meeting is advised that this same person will need a record of the proceedings and that accordingly, the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which the appeal is to be based.

RIVERWOOD ESTATES COMMUNITY DEVELOPMENT DISTRICT
DISTRICT OFFICE • 5844 OLD PASCO ROAD • SUITE 100 • WESLEY CHAPEL, FL 33544

August 6, 2014

Board of Supervisors
Riverwood Estates
Community Development District

AGENDA

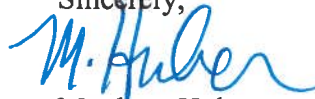
Dear Board Members:

The public hearing and regular meeting of the Board of Supervisors' of Riverwood Estates Community Development District will be held on **Thursday, August 14, 2014 at 10:00 a.m.** at the office of Rizzetta & Company, Inc., located at 5844 Old Pasco Road, Suite 100, Wesley Chapel, FL 33544. The following is the agenda for this meeting:

- 1. CALL TO ORDER**
- 2. AUDIENCE COMMENTS**
- 3. BUSINESS ADMINISTRATION**
 - A. Consideration of the Minutes of the Board of Supervisors' Meeting held on May 8, 2014..... Tab 1
 - B. Consideration of Operation and Maintenance Expenditures for May – July 2014..... Tab 2
- 4. BUSINESS ITEMS**
 - A. Presentation of September 30, 2013 Audit Tab 3
 - B. Consideration of Resolution 2014-04; Setting Landowners Election Tab 4
 - C. Consideration of Resolution 2014-05; Setting Annual Meeting Schedule for Fiscal Year 2014/2015 Tab 5
 - D. Public Hearing on Fiscal Year 2014/2015 Final Budget
 1. Consideration of Resolution 2014-03 Annual Appropriation (*Budget under separate cover*) Tab 6
 - E. Consideration of Fiscal Year 2014/2015 Funding Agreement (*Budget under separate cover*)..... Tab 7
- 5. STAFF REPORTS**
 - A. District Counsel
 - B. District Engineer
 - C. District Manager
- 6. SUPERVISOR REQUESTS**
- 7. ADJOURNMENT**

We look forward to seeing you at the meeting. In the meantime, if you have any questions, please do not hesitate to call us at (813) 933-5571

Sincerely,



Matthew Huber
District Manager

Tab 1

MINUTES OF MEETING

Each person who decides to appeal any decision made by the Board with respect to any matter considered at the meeting is advised that person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

**RIVERWOOD ESTATES
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Riverwood Estates Community Development District was held on **Thursday, May 8, 2014 at 10:00 a.m.**, at the office of Rizzetta & Company, Inc., located at 5844 Old Pasco Road, Suite 100, Wesley Chapel, Florida 33544.

Present and constituting a quorum were:

Patricia Buck	Board Supervisor, Chairman
Jennifer Orsi	Board Supervisor, Assistant Secretary
Michelle Orsi	Board Supervisor, Assistant Secretary

Also present were:

Matthew Huber	District Manager, Rizzetta & Company, Inc.
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FIRST ORDER OF BUSINESS

Call to Order

Mr. Huber called the meeting to order and read the roll call

SECOND ORDER OF BUSINESS

Audience Members

No audience members present.

THIRD ORDER OF BUSINESS

**Consideration of the Minutes of the Second
Audit Committee Meeting and the Board
of Supervisors' Meeting held on July 11,
2013**

On a Motion by Ms. Buck, seconded by Ms. M. Orsi, with all in favor, the Board of Supervisors approved the minutes of the Second Audit Committee Meeting and the Board of Supervisor's Meeting held on July 11, 2013 as presented for Riverwood Estates Community Development District.

FOURTH ORDER OF BUSINESS

Consideration of the Minutes Board of Supervisors' Regular Meeting held on July 11, 2013

On a Motion by Ms. Buck, seconded by Ms. M. Orsi, with all in favor, the Board of Supervisors approved the minutes of the Board of Supervisor's Regular Meeting held on July 11, 2013 as presented for Riverwood Estates Community Development District.

FIFTH ORDER OF BUSINESS

Consideration of Operation and Maintenance Expenditures for June thru December 2013 and January thru March 2014

On a Motion by Ms. Buck, seconded by Ms. J. Orsi, with all in favor, the Board of Supervisors approved the Operation and Maintenance Expenditures for June thru December 2013 and January thru March 2014 as presented for Riverwood Estates Community Development District.

SIXTH ORDER OF BUSINESS

Consideration of Resolution 2014-01; Opportunity to be Heard

Mr. Huber reviewed Resolution 2014-01; Opportunity to be Heard.

On a Motion by Ms. Buck, seconded by Ms. M. Orsi, with all in favor, the Board of Supervisors adopted Resolution 2014-01; Opportunity to be Heard as presented for Riverwood Estates Community Development District.

SEVENTH ORDER OF BUSINESS

Consideration of Resolution 2014-02, Approving Proposed Budget for Fiscal Year 2014/2015 and Setting Public Hearing Date

Mr. Huber reviewed Resolution 2014-02; Approving Proposed Budget for Fiscal Year 2014/2015 and Setting the Public Hearing Date.

On a Motion by Ms. Buck, seconded by Ms. MJ. Orsi, with all in favor, the Board of Supervisors adopted Resolution 2014-02, Approving Proposed Budget for Fiscal Year 2014/2015 and Setting Public Hearing Date as presented and scheduled the public hearing for August 14, 2014 at 10:00 a.m. to be held at Rizzetta & Company, Inc., located at 5844 Old Pasco Road, Suite 100, Wesley Chapel, Florida 33544 for Riverwood Estates Community Development District.

EIGHTH ORDER OF BUSINESS

Staff Reports

- A. District Counsel
No report.
- B. District Engineer
Not present.
- C. District Manager
Mr. Huber announced the Pasco County registered voter count as of April 15, 2014 was 0. Mr. Huber announced the next meeting will be June 12, 2014 at 10:00 a.m. at the office of Rizzetta & Company, Inc., located at 5844 Old Pasco Road, Suite 100, Wesley Chapel, Florida 33544. The final budget will be adopted at the August 14, 2014 meeting.

NINTH ORDER OF BUSINESS

Supervisor Requests

No supervisor requests.

Mr. Huber stated that there was no further business to come before the Board and asked for a motion to adjourn.

TENTH ORDER OF BUSINESS

Adjournment

<p>On a Motion by Ms. P. Buck, seconded by Ms. M. Orsi, with all in favor, the Board of Supervisors adjourned the meeting at 10:05 a.m. for Riverwood Estates Community Development District.</p>

Secretary/Assistant Secretary

Chairman/Vice Chairman

Tab 2

RIVERWOOD ESTATES COMMUNITY DEVELOPMENT DISTRICT

DISTRICT OFFICE · 5844 OLD PASCO ROAD · SUITE 100 · WESLEY CHAPEL, FLORIDA 33544

Operation and Maintenance Expenditures May 2014 For Board Approval

Attached please find the check register listing the Operation and Maintenance expenditures paid from May 1, 2014 through May 31, 2014. This does not include expenditures previously approved by the Board.

The total items being presented: **\$88.36**

Approval of Expenditures:

_____ Chairman

_____ Vice Chairman

_____ Assistant Secretary

Riverwood Estates Community Development District

Paid Operation & Maintenance Expenses

May 1, 2014 Through May 31, 2014

10101 - Cash-Operating Account

<u>Vendor Name</u>	<u>Check Number</u>	<u>Invoice Number</u>	<u>Invoice Description</u>	<u>Invoice Amount</u>
Times Publishing Company	1217	I1004154660-0501	1000547303 Legal Advertising 05/14	\$ 88.36
Report Total				<u>\$ 88.36</u>



tampabay.com

P.O. Box 175

St. Petersburg, FL 33731-0175
Toll Free Phone (877) 321-7355

NON-CONTRACT INVOICE

Advertising Run Dates	Advertiser / Client Name
5/1/2014-5/1/2014	Riverwood Estates Cdd
Billing Date	Customer Account
05/02/2014	1000547303
Total Amount Due	Invoice Number
88.36	I1004154660-0501

AD SALES HOURS

M-TH 7:30-6:30

FRI 7:30-5:30

CUSTOMER SERVICE HOURS

M-F 8:00-5:00

PAYMENT DUE UPON RECEIPT

Start	Stop	Invoice Number	Class	Description	P.O.	Inserts	Size	Amount
5/01	5/01	I1004154660-0501		LEG101- Notice of Public Meeting Pasco Pasco Cls Internet MaterialItem	BY RIZZET	1	38 Li	84.36 4.00

RECEIVED
MAY 06 2014

are Hecd Rizzetta & Co., Inc. _____
 VM approval Meh Date 5/8
 Date entered MAY 12 2014
 Fund 001 GL 51300 OC 4801
 Sheet # _____

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RIVERWOOD ESTATES COMMUNITY DEVELOPMENT DISTRICT

DISTRICT OFFICE · 5844 OLD PASCO ROAD · SUITE 100 · WESLEY CHAPEL, FLORIDA 33544

**Operation and Maintenance Expenditures
June 2014
For Board Approval**

No Operations and Maintenance Expenses were paid from June 1, 2014 through June 30, 2014. Therefore, there are no new items to present at this time.

Approval of Expenditures:

Chairman

Vice Chairman

Assistant Secretary

Blank Tab

RIVERWOOD ESTATES COMMUNITY DEVELOPMENT DISTRICT

DISTRICT OFFICE · 5844 OLD PASCO ROAD · SUITE 100 · WESLEY CHAPEL, FLORIDA 33544

Operation and Maintenance Expenditures July 2014 For Board Approval

Attached please find the check register listing the Operation and Maintenance expenditures paid from July 1, 2014 through July 31, 2014. This does not include expenditures previously approved by the Board.

The total items being presented: **\$2,147.14**

Approval of Expenditures:

_____ Chairman

_____ Vice Chairman

_____ Assistant Secretary

Riverwood Estates Community Development District

Paid Operation & Maintenance Expenses

July 1, 2014 Through July 31, 2014

10101 - Cash-Operating Account

<u>Vendor Name</u>	<u>Check Number</u>	<u>Invoice Number</u>	<u>Invoice Description</u>	<u>Invoice Amount</u>
AutoOwners	1218	010962772 07/14	General Liability Insurance 07/14	\$ 422.00
Stahl & Associates Insurance	1219	32378	Public Officials Liability Insurance 07/28/14 - 07/28/15	\$ 1,725.14
Report Total				<u>\$ 2,147.14</u>

AGENCY 12-0049-00

STAHL & ASSOCIATES INSURANCE
3939 TAMPA RD
OLDSMAR, FL 34677-3104



P.O. Box 30315, LANSING, MICHIGAN 48909-7815

06-23-2014

(727) 784-8554

RECEIVED
JUN 30 2014

at RIZZETTA & CO., INC.
M approval Ma Date 7/8
ate entered JUL - 8 2014
und 001 GL 15500 OC
book #

RIVERWOOD ESTATES CDD
C/O RIZZETTA & CO
3434 COLWELL AVE STE 200
TAMPA, FL 33614-8390

Billing Plan	Account Number	Due Date	Minimum Due	Account Balance
FULL PAY	010962772	07-13-2014	\$422.00	\$422.00

Enroll at www.auto-owners.com to make a payment, view your premium invoice, or view your policy information. A separate Personal ID (PID) Code is required to enroll each policy. The PID Code(s) are located on the back of this invoice for each enrollable policy.

Payment of your premium via check to Auto-Owners Insurance or your agency authorizes us to process your payment electronically. Funds may be withdrawn from your account as soon as the same day we receive your payment.

A fee of up to \$15.00 will be charged if a cancellation notice is issued. A fee of up to \$25.00 will be charged for checks returned due to insufficient funds. If your check is returned for non-sufficient funds (NSF), we may re-present the check as an electronic ACH transaction. An \$8.00 convenience fee will be charged when making a payment by phone.

***** SEE THE REVERSE SIDE OF THIS PAGE FOR DETAILS OF YOUR ACCOUNT BALANCE *****

029544

Detach here and mail with your payment in the envelope provided. No staples please.



Premium Invoice
06-23-2014

Billing Plan	Account Number	Due Date	Minimum Due	Account Balance
FULL PAY	010962772	07-13-2014	\$422.00	\$422.00

12-0049-00
STAHL & ASSOCIATES INSURANCE
3939 TAMPA RD
OLDSMAR, FL 34677-3104

PLEASE DO NOT SEND CASH.
MAKE CHECK PAYABLE TO
AUTO-OWNERS INSURANCE

RIVERWOOD ESTATES CDD
C/O RIZZETTA & CO
3434 COLWELL AVE STE 200
TAMPA, FL 33614-8390

AUTO-OWNERS INSURANCE
P.O. BOX 30315
LANSING, MI 48909-7815



010962772 10 7 0000042200 00042200 0

Account/Policy Information	Previous Balance	New Charges	New Credits	Payments Applied	Current Balance	Minimum Due
<p>CASUALTY Policy: 092312 20721946 Effective: 07-13-2013 PID: 7V6 X64 V7X Expiration: 07-13-2014</p> <p>Current Policy Balance</p> <p>-----</p>					0.00	0.00
<p>CASUALTY Policy: 092312 20721946 Effective: 07-13-2014 PID: 7V6 X64 V7X Expiration: 07-13-2015</p> <p>Renewal 05-28-2014 Premium Change 05-28-2014 Current Policy Balance</p>		417.00 5.00			422.00	422.00
Total	0.00	422.00	0.00	0.00	422.00	422.00



Stahl & Associates Insurance
 3939 Tampa Road
 Oldsmar, FL 34677
 Phone : 727-784-8554 Fax : 727-789-2823

INVOICE # 32378		Page 1
ACCOUNT NO. RIVER-5	OP SH	DATE 07/08/14
Public Officials Liability		
POLICY # 02022061		
COMPANY Socius Insurance Services		
EFFECTIVE 07/28/14	EXPIRATION 07/28/15	BALANCE DUE ON 07/18/14

Riverwood Estates CDD
 c/o Rizzetta & Co
 3434 Colwell Avenue #200
 Tampa, FL 33614

Itm #	Eff Date	Trn	Type	Description	Amount
572431	07/28/14	MEM	PUBL	Public Officials Liab Renewal	\$ 1,725.14
Invoice Balance:					\$ 1,725.14

Date Rec'd Dist Office JUL 17 2014
 DM Approval Meh 7/21
 Date Entered JUL 18 2014
 Fund 001 GL 15500 CC _____
 Check # _____

Please make check payable to Stahl & Associates, and remit directly to our office for processing. Thank you.

Tab 3

**RIVERWOOD ESTATES
COMMUNITY DEVELOPMENT DISTRICT**

FINANCIAL REPORT

Year Ended September 30, 2013

**RIVERWOOD ESTATES COMMUNITY DEVELOPMENT DISTRICT
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YEAR ENDED SEPTEMBER 30, 2013**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Riverwood Estates Community Development District
Pasco County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the *Riverwood Estates Community Development District* ("District"), as of and for the year ended September 30, 2013, and related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management 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 opinions 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 assessments 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 opinions.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Adverse
General Fund	Unmodified
Debt Service Fund	Unmodified

Basis for Adverse Opinion on Governmental Activities

Management has not included financial data for the Special Purpose Entity ("SPE"), which is a legally separate discrete component unit. Accounting principles generally accepted in the United States of America require financial data of this component unit to be reported with the financial data of the District if the nature and significance of its relationship with the District is such that, if excluded, the financial statements of the District would be considered misleading. We believe that the exclusion of the financial data of the above mentioned component unit results in financial statements that are misleading. The amount by which this departure would affect the assets, liabilities, net position, revenues and expenses of the governmental activities is not reasonably determinable.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on Governmental Activities" paragraph, the financial statements referred to above do not present fairly the financial position of the governmental activities of the District, as of September 30, 2013, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each major fund of the District, as of September 30, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Notes 5 and 7 to the financial statements, the Developer declared bankruptcy in fiscal year 2009 and has not paid assessments owed to the District. As a result, the District has been unable to make its debt service payments on the Series 2006 Bonds. In December 2010, the Developer's property was awarded to the SPE through Federal Bankruptcy Court. The SPE was formed by the Trustee, on behalf of the Bondholders, to own, manage and dispose of the property and is responsible for funding current operating and maintenance costs. The Trustee has directed the District to temporarily defer collection of the debt service assessments encumbering the property. The Trustee, at the direction of the bondholders, funds the SPE from the District trust accounts. If Districts funds are no longer available and another funding source has not been secured, the SPE may convey its property to the District or another mutually agreed upon party and the SPE will dissolve. These conditions as well as the District's cash and Trust account balances, indicate deteriorating financial conditions.

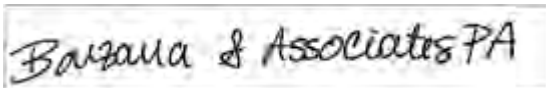
Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and Budget to Actual Comparison Statement on pages 4 through 7 and 26 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 19, 2014, 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, contracts and grant agreements and other matters. 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 the 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 District's internal control over financial reporting and compliance.

A rectangular box containing a handwritten signature in cursive script that reads "Barzana & Associates PA".

Barzana & Associates, P.A.

Tampa, Florida
May 19, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the *Riverwood Estates Community Development District's* (the "District") financial accomplishments provide an overview of the District's financial activities for the year ended September 30, 2013. Please read it in conjunction with the District's Independent Auditor's Report, financial statements and accompanying notes.

This information is being presented to provide additional information regarding the activities of the District and to meet the disclosure requirements of Government Accounting Standards Board Statement (GASB) No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* issued June 1999.

Financial Highlights

- The liabilities of the District exceeded its assets at September 30, 2013 by \$7,251,160, an increase in the deficit of \$1,064,394 in comparison with the prior year.
- At September 30, 2013, the District's governmental funds reported a combined fund deficit of \$(15,660,597), an increase in the deficit of \$10,276,021 in comparison with the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the *Riverwood Estates Community Development District's* financial statements. The District's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's position and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The government-wide financial statements include all District activities that are principally supported by special assessment revenues. The District does not have any business-type activities. The governmental activities of the District include general government and physical environment related functions.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has one fund category: Governmental Funds.

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund and capital projects fund. The general fund and debt service fund are considered to be major funds.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with the budget.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

Statement of Net Position - The District's net position was \$(7,251,160) at September 30, 2013. The following analysis focuses on the net deficit of the District's governmental activities.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Government-Wide Financial Analysis (Continued):

**Riverwood Estates Community Development District
Statement of Net Position**

	<u>September 30, 2013</u>	<u>September 30, 2012</u>
Assets		
Assets, excluding capital assets	\$ 29,985	\$ 367,858
Capital assets not being depreciated	<u>21,569,725</u>	<u>21,569,725</u>
Total assets	<u>21,599,710</u>	<u>21,937,583</u>
Liabilities		
Current Liabilities	16,003,335	5,963,700
Long-term liabilities	<u>12,847,535</u>	<u>21,876,350</u>
Total Liabilities	<u>28,850,870</u>	<u>27,840,050</u>
Net Position		
Net investment in capital assets	(1,210,161)	(922,326)
Unrestricted	<u>(6,040,999)</u>	<u>(4,980,141)</u>
Total net position	<u>(7,251,160)</u>	<u>(5,902,467)</u>
Total liabilities and net position	<u>\$ 21,599,710</u>	<u>\$ 21,937,583</u>

The following is a summary of the District's governmental activities for the fiscal years ended September 30, 2013 and 2012.

**Changes in Net Position
Year ended September 30,**

	<u>2013</u>	<u>2012</u>
Revenues:		
Program revenues	\$ 3	\$ 7
Expenses:		
General government	56,306	90,486
Physical environment	362	330
Interest on long-term debt	<u>1,007,729</u>	<u>1,190,541</u>
Total expenses	<u>1,064,397</u>	<u>1,281,357</u>
Increases (decreases) in net position	(1,064,394)	(1,281,350)
Net position, beginning, previously stated	(5,902,467)	(4,621,117)
Effect of adoption of GASB No. 65 (Note 1)	<u>(284,299)</u>	<u>-</u>
Net position, beginning, as restated	<u>(6,186,766)</u>	<u>(4,621,117)</u>
Net position, ending	<u>\$ (7,251,160)</u>	<u>\$ (5,902,467)</u>

As noted in this summary and in the statement of activities, the cost of all governmental activities during the year ended September 30, 2013 was \$1,064,397. The majority of these costs are comprised of interest on bonds outstanding at September 30, 2013.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Financial Analysis of the Government's Funds

The District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The focus of the District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At September 30, 2013, the District's governmental funds reported a combined fund deficit of \$(15,660,597). Of this total, \$1,675 is nonspendable, and the remainder is a negative unassigned fund balance of \$(15,662,272).

The fund balance of the District's general fund decreased by \$51,757 compared to the prior year.

The debt service fund balance decreased by \$10,224,264 from the prior year because no revenue was collected in the current year to fund the interest and principal due on the Series 2006 Bonds.

General Fund Budgetary Highlights

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control is at the fund level.

Capital Asset and Debt Administration

Capital Assets - At September 30, 2013, the District had \$21,569,725 invested in land and infrastructure under construction.

Capital Debt - At September 30, 2013, the District had \$22,805,000 in bonds outstanding, including \$9,930,000 in matured bonds payable. More detailed information about the District's capital debt is presented in the notes to the financial statements.

Requests for Information

If you have questions about this report or need additional financial information, contact the *Riverwood Estates Community Development District's* Finance Department at 3434 Colwell Avenue, Suite 200, Tampa, Florida 33614.

FINANCIAL STATEMENTS

**RIVERWOOD ESTATES COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF NET POSITION
SEPTEMBER 30, 2013**

	Governmental Activities
Assets	
Cash	\$ 3,143
Prepaid expenses	1,675
Restricted assets:	
Temporarily restricted investments	25,167
Capital assets not being depreciated	21,569,725
Total assets	21,599,710
Liabilities	
Accounts payable	33,177
Accrued interest payable	312,753
Matured bonds payable	9,930,000
Matured interest payable	5,727,405
Non-current liabilities:	
Due within one year	270,000
Due in more than one year	12,577,535
Total liabilities	28,850,870
Net Position	
Net investment in capital assets	(1,210,161)
Unrestricted	(6,040,999)
Total net position	\$ (7,251,160)

See accompanying notes to financial statements.

**RIVERWOOD ESTATES COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

<u>Functions / Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Primary government:					
Governmental activities:					
General government	\$ (56,306)	\$ -	\$ -	\$ -	\$ (56,306)
Physical environment	(362)	-	-	-	(362)
Interest on long-term debt	(1,007,729)	-	3	-	(1,007,726)
Total governmental activities	<u>\$ (1,064,397)</u>	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>(1,064,394)</u>
Change in net position					(1,064,394)
Net position - beginning, previously stated					(5,902,467)
Effect of adoption of GASB No. 65 (Note 1)					(284,299)
Net position - beginning, as restated					<u>(6,186,766)</u>
Net position - ending					<u>\$ (7,251,160)</u>

See accompanying notes to financial statements.

**RIVERWOOD ESTATES COMMUNITY DEVELOPMENT DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013**

	<u>General</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
Assets			
Cash	\$ 3,143	\$ -	\$ 3,143
Investments	-	25,167	25,167
Prepaid expenditures	1,675	-	1,675
Total assets	<u>\$ 4,818</u>	<u>\$ 25,167</u>	<u>\$ 29,985</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 33,177	\$ -	\$ 33,177
Matured bonds payable	-	9,930,000	9,930,000
Matured interest payable	-	5,727,405	5,727,405
Total liabilities	33,177	15,657,405	15,690,582
Fund balances			
Non-Spendable:			
Prepaid items	1,675	-	1,675
Unassigned	<u>(30,034)</u>	<u>(15,632,238)</u>	<u>(15,662,272)</u>
Total fund balances	<u>(28,359)</u>	<u>(15,632,238)</u>	<u>(15,660,597)</u>
Total liabilities and fund balances	<u>\$ 4,818</u>	<u>\$ 25,167</u>	<u>\$ 29,985</u>

See accompanying notes to financial statements.

**RIVERWOOD ESTATES COMMUNITY DEVELOPMENT DISTRICT
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2013**

Total fund balances, governmental funds	\$ (15,660,597)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund financial statements.	21,569,725
Liabilities not due and payable from current resources, including accrued interest, are not reported in the fund financial statements.	<u>(13,160,288)</u>
Total net position - governmental activities	<u>\$ (7,251,160)</u>

See accompanying notes to financial statements.

**RIVERWOOD ESTATES COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	General	Debt Service	Total Governmental Funds
Revenues			
Interest income	\$ -	\$ 3	\$ 3
Expenditures			
Current:			
General government	51,395	4,911	56,306
Physical environment	362	-	362
Debt service:			
Interest	-	1,189,356	1,189,356
Principal	-	9,030,000	9,030,000
Total expenditures	<u>51,757</u>	<u>10,224,267</u>	<u>10,276,024</u>
Net change in fund balances	(51,757)	(10,224,264)	(10,276,021)
Fund balances, beginning of year	<u>23,398</u>	<u>(5,407,974)</u>	<u>(5,384,576)</u>
Fund balances, end of year	<u>\$ (28,359)</u>	<u>\$ (15,632,238)</u>	<u>\$ (15,660,597)</u>

See accompanying notes to financial statements.

**RIVERWOOD ESTATES 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, 2013**

Net change in fund balances - governmental funds \$ (10,276,021)

Repayments of long-term liabilities are reported as expenditures in governmental funds, while repayments reduce long term liabilities in the statement of net position.

Matured bonds payable 9,030,000

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Change in accrued interest	182,812	
Amortization of bond discount	(1,185)	181,627
Change in net position of governmental activities		\$ (1,064,394)

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

**RIVERWOOD ESTATES COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

Note 1 - Summary of Significant Accounting Policies:

Reporting Entity

The *Riverwood Estates Community Development District*, (the "District") was established by Pasco County Ordinance 06-01 enacted on February 14, 2006 pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190 Florida Statutes. The Act provides among other things, the power to manage basic services for community development, the power to borrow money and issue bonds, and the power to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure. The District was established for the purpose of financing and managing the acquisition, construction, maintenance and operation of a portion of the infrastructure necessary for community development within the District.

The District is governed by the Board of Supervisors (the "Board"), which is composed of five members. The Supervisors are elected on an at large basis by the owners of the property within the District. The Board of Supervisors of the District exercises all powers granted to the District pursuant to Chapter 190, Florida Statutes.

The Board has the final responsibility for:

1. Allocating and levying assessments.
2. Approving budgets.
3. Exercising control over facilities and properties.
4. Controlling the use of funds generated by the District.
5. Approving the hiring and firing of key personnel.
6. Financing improvements.

In fiscal year 2009, the Developer declared bankruptcy and development activities of the District were halted. In May 2010, a Special Purpose Entity ("SPE"), Riverwood Estates Holdco, LLC, was awarded the Developer property through Federal Bankruptcy Court. The SPE became legal owner of the property in December 2010. The SPE was formed by the Trustee, on behalf of the Bondholders, to own, manage and dispose of the property. The District is economically dependent on the SPE.

The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statement 14, and Statement 61, an amendment of GASB Statement 14. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the District Board of Supervisors is considered to be financially accountable, and other organizations (component units) for which the nature and significance of their relationship with the District are such that, if excluded, the financial statements of the District would be considered incomplete or misleading. Management has determined that there are no entities considered to be component units of the District.

**RIVERWOOD ESTATES COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

Note 1 - Summary of Significant Accounting Policies (Continued):

Government-Wide and Fund Financial Statements

The financial statements include both government-wide and fund financial statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants, contributions and investment earnings that are restricted to meeting the operational or capital requirements of a particular function or segment and 3) operating-type special assessments that are treated as charges for services (including assessments for maintenance and debt service). Other items not included among program revenues are reported instead as *general revenues*.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Assessments are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the modified *accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Assessments, including debt service assessments and operation and maintenance assessments, are non-ad valorem assessments imposed on all lands located within the District and benefited by the District's activities. Operation and maintenance special assessments are levied by the District prior to the start of the fiscal year which begins October 1st and ends on September 30th. These assessments are imposed upon all benefited lands located in the District. Debt service special assessments are imposed upon certain lots and lands as described in each resolution imposing the special assessment for each series of bonds issued by the District. Certain debt service assessments are collected upon the closing of those lots subject to short term debt and are used to prepay a portion of the bonds outstanding.

**RIVERWOOD ESTATES COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

Note 1 - Summary of Significant Accounting Policies (Continued):

**Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued):**

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

The District reports the following major governmental funds:

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 the accumulation of resources for the annual payment of principal and interest on long-term general obligation debt.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

New Accounting Standards Implemented

During fiscal year 2013, the District implemented three new accounting standards as follows:

GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.

This Statement incorporates into the GASB's authoritative literature certain guidance that previously could only be found in certain FASB and AICPA pronouncements issued on or before November 30, 1989 and eliminates the selection to apply post-November 30, 1989 FASB pronouncements that do not conflict with or contradict GASB pronouncements.

GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.

This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources and identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements by incorporating deferred outflow of resources and deferred inflows of resources (previously reported as assets and liabilities) into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets

GASB Statement No. 65, Items Previously Reported as Assets and Liabilities

**RIVERWOOD ESTATES COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

Note 1 - Summary of Significant Accounting Policies (Continued):

New Accounting Standards Implemented (Continued):

This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources, certain items that were previously reported as assets and liabilities.

The implementation of GASB 65 resulted in the write off of bond issuance costs and the effect of adoption of GASB 65 is the reduction of beginning net position by \$284,299 of the Governmental activities. The effect on fiscal year 2012 had the implementation of GASB 65 occurred earlier would have resulted in a decrease in expenses of the governmental activities by \$47,048.

Assets, Liabilities and Net Position or Equity

Restricted Assets - These assets represent cash and investments set aside pursuant to bond covenants

Deposits and Investments - The District's cash and cash equivalents are considered to be cash on hand and demand deposits.

Investments of the District are reported at fair value. The District's investments consist of investments authorized per their investment policy adopted in accordance with Section 218.415, Florida Statutes.

Prepaid Items - Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, sidewalks and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

All capital asset acquisition and construction is considered land and infrastructure under construction at September 30, 2013.

Long Term Obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds issuance costs are expensed as incurred. Bonds payable are reported net of premiums or discounts.

**RIVERWOOD ESTATES COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

Note 1 - Summary of Significant Accounting Policies (Continued):

Assets, Liabilities and Net Position or Equity (Continued):

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures

Fund Balance Categories and Classification - The District implemented GASB 54 in 2011, which established the following fund balance classifications: nonspendable, restricted, committed, assigned, and unassigned. The District's general spending prioritization policy is to consider restricted resources to have been used first, followed by assigned and unassigned amounts when expenditures have been incurred for which resources in more than one classification could be used

Nonspendable Fund Balance - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Spendable Fund Balance:

- Restricted - includes fund balance amounts that are constrained for specific purposes which are externally imposed by debt covenants or amounts constrained due to constitutional provisions or enabling legislation.
- Committed - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority, which is the Board of Supervisors.
- Assigned - includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. The Board of Supervisors has authorized the District Manager to assign amounts for specific purposes.
- Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

Net position in the government-wide statements are categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents net position related to infrastructure and property, plant and equipment, net of any related debt. Restricted net position represent the assets restricted by the District's bond covenants.

Other Disclosures

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**RIVERWOOD ESTATES COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

Note 2 - Stewardship, Compliance and Accountability:

A. Budgetary Information

The District is required to establish a budgetary system and an approved annual budget for the General Fund. Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at the fiscal year end. The legal level of budgetary control is at the fund level. Any budget amendments that increase the aggregate budgeted appropriations, at the fund level, must be approved by the Board of Supervisors.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
2. A public hearing is conducted to obtain comments.
3. Prior to October 1, the budget is legally adopted by the District Board.
4. All budget changes must be approved by the District Board.
5. The budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

B. Deficit Fund Balance

At September 30, 2013, the debt service fund had a deficit fund balance of \$(15,632,238).

C. Funds Available in Excess of Appropriations

Appropriations in the general fund were less than anticipated revenues and prior years fund balance.

D. Expenditures in Excess of Appropriations

Actual expenditures in the general fund exceeded budgeted expenditures by \$23,857.

**RIVERWOOD ESTATES COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

Note 3 - Deposits and Investments:

Deposits

The District's cash balances were entirely covered by federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", requires all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. Governmental and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

Investments

Investments are stated at fair value, which is the amount for which an investment could be exchanged in a current transaction between willing parties, other than in a forced liquidation sale. Fair value is based on quoted market prices. Changes in the fair value of investments are recognized as revenue and included in investment revenue. Investment revenue is recognized as earned and is recorded in the respective funds related to the investment activity.

The District's investment policy is governed by State Statutes and the District Trust Indenture. The District investment policy allows investments in any financial institution that is a qualified public depository of the State of Florida as identified by the State Treasurer, in accordance with Chapter 280 of the Florida Statutes. Authorized District investments include, but are not limited to:

1. The Local Government Surplus Funds Trust Fund (SBA);
2. Securities and Exchange Commission Registered Money Market Funds with the highest credit quality rating from a nationally recognized rating agency;
3. Interest-bearing time deposits or savings accounts in qualified public depositories;
4. Direct obligations of the U.S. Treasury;
5. Short-term bond funds investing in U.S. Government securities or U.S. Government Agency Securities;
6. Securities of registered investment companies (mutual funds) that are limited to obligations of the U.S. Government or any agency or instrumentality thereof.

**RIVERWOOD ESTATES COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

Note 3 - Deposits and Investments (Continued):

Investments (Continued):

Investments made by the District at September 30, 2013 are summarized below. In accordance with GASB 31, investments are reported at fair value.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Rating</u>	<u>Weighted Average Maturity</u>
Wells Fargo Advantage Government Money Market Fund	25,167	not rated	N/A

Credit Risk:

The District's investment policy limits credit risk by restricting authorized investments to those described above. Investments in U.S. Government securities and agencies must be backed by the full faith and credit of the United States Government. Short term bond funds shall be rated by a nationally recognized ratings agency and shall maintain the highest credit quality rating.

Custodial Credit Risk:

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy requires that bank deposits be secured as provided by Chapter 280, Florida Statutes. This law requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida, and creates the Public Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. At September 30, 2013, all of the District's bank deposits were in qualified public depositories.

For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At September 30, 2013, none of the investments listed are exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Concentration of Credit Risk:

The District's investment policy requires diversification, but does not specify limits on types of investments.

Interest Rate Risk:

The District's investment policy does not specifically address interest rate risk, however the general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and in general, avoid speculative investments. The District manages its exposure to declines in fair values by investing primarily in pooled investments that have a weighted average maturity of less than three months.

**RIVERWOOD ESTATES COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

Note 4 - Capital Assets:

Capital asset activity for the year ended September 30, 2013 was as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Governmental Activities:				
Capital assets not being depreciated				
Land	\$ 3,383,712	\$ -	\$ -	\$ 3,383,712
Infrastructure under construction	18,186,013	-	-	18,186,013
Total capital assets not being depreciated	<u>21,569,725</u>	<u>-</u>	<u>-</u>	<u>21,569,725</u>
Governmental activities capital assets	<u>\$ 21,569,725</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,569,725</u>

Note 5 - Long-Term Liabilities:

On December 1, 2006, the District issued \$23,000,000 of Capital Improvement Revenue Bonds Series 2006. These Bonds consist of \$14,225,000 Series 2006A Bonds due on May 1, 2037 with a fixed interest rate of 5.35% and \$8,775,000 of Series 2006B Bonds due May 1, 2013 with a fixed interest rate of 5%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. Interest is paid semiannually on each May 1 and November 1, commencing May 1, 2007. Principal on the Series 2006A Bonds, maturing on May 1, 2037, is payable annually commencing May 1, 2008 through May 1, 2037. Principal on the Series 2006B Bonds is payable on May 1, 2013.

The Series 2006A Bonds are subject to redemption at the option of the District, in whole or in part at anytime on or after May 1, 2016 at a redemption price as set forth in the Bond Indenture. The Series 2006B Bonds are not subject to optional redemption.

The Series 2006 Bonds are subject to extraordinary mandatory redemption prior to maturity in the manner determined by the Bond Indenture.

In the prior year, \$214,848 was moved from interfund due to/due from accounts to interfund transfer accounts when it was determined that the general fund was unable return these funds to the debt service fund.

**RIVERWOOD ESTATES COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

Note 5 - Long-Term Liabilities (Continued):

The Bond Indenture requires that the District maintain adequate funds in a reserve account to meet the debt service reserve requirements as defined in the Indenture. The District is not in compliance with this requirement at September 30, 2013.

The Bond 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 agreed to levy special assessments in annual installments adequate to provide payment of debt service and to meet the reserve requirements. Payment of the principal and interest on the Series 2006 Bonds is secured by a pledge of and first lien upon the pledged special assessment revenue. The District is not in compliance with certain requirements of the Bond Indenture.

Total principal and interest remaining on the Series 2006 Revenue Bonds at September 30, 2013 is \$40,378,777. Of this amount, \$15,657,405 is recorded as matured bonds payable and matured interest payable, representing amounts owed for fiscal years 2009 through 2013. Interest of \$1,189,356 and principal of \$9,030,000 was due in the current year, but was not paid. No special assessment revenue was pledged in the current year.

Long-term debt activity for the year ended September 30, 2013 was as follows

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Bonds Payable:					
Special assessment debt with District	\$ 21,905,000	\$ -	\$ (9,030,000)	\$ 12,875,000	\$ 270,000
Less issuance discount	<u>(28,650)</u>	<u>-</u>	<u>1,185</u>	<u>(27,465)</u>	<u>-</u>
Governmental activity long-term liabilities	<u>\$ 21,876,350</u>	<u>\$ -</u>	<u>\$ (9,028,815)</u>	<u>\$ 12,847,535</u>	<u>\$ 270,000</u>

The schedule above includes a principal reduction of \$9,030,000 that was due but was not paid. The beginning balance includes a reduction of \$900,000 that was due in prior fiscal years but was not paid. These amounts, totaling \$9,930,000, were reclassified into matured bonds payable.

At September 30, 2013, the scheduled debt service requirements on the bonds payable were as follows, excluding amounts owed for principal and interest that are shown as currently due in matured bonds payable and matured interest payable:

**RIVERWOOD ESTATES COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

Note 5 - Long-Term Liabilities (Continued):

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2014	\$ 270,000	\$ 750,606
2015	285,000	736,160
2016	300,000	720,912
2017	315,000	704,862
2018	335,000	688,010
2019 - 2023	1,980,000	3,149,814
2024 - 2028	2,585,000	2,559,440
2029 - 2033	3,375,000	1,787,702
2034 - 2038	3,430,000	748,866
	<u>\$ 12,875,000</u>	<u>\$ 11,846,372</u>

Note 6 - Net Deficit:

The District has a government-wide net deficit of \$(7,251,160) as of September 30, 2013. The deficit is primarily caused by uncollected assessments from the Developer.

Note 7 - Special Purpose Entity and Deteriorating Financial Condition:

In fiscal year 2009, the Developer declared bankruptcy and development activities on the District were halted. In May 2010, a Special Purpose Entity ("SPE"), Riverwood Estates Holdco, LLC, was awarded the Developer property through Federal Bankruptcy Court. The SPE was formed by the Trustee, on behalf of the Bondholders, to own, manage and dispose of the property. The SPE became legal owner of the property in December 2010 and is responsible for funding current operating and maintenance costs. The Trustee has directed the District to temporarily defer collection of the debt service assessments encumbering the property.

The Trustee, at the direction of the bondholders, funds the SPE from the District trust accounts. In the current year, the District paid the SPE \$31,552 out of the general fund. If District funds are no longer available and another funding source has not been secured, the SPE may convey its property to the District or another mutually agreed upon party and the SPE will dissolve.

**RIVERWOOD ESTATES COMMUNITY DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2013**

Note 8 - Risk Management:

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance from independent third parties. The District has not filed any claims under this commercial coverage during the last three years.

Note 9 - Subsequent Events:

The Trustee has directed the District not to collect debt service assessments. The November and May 2013 debt service payments were not made on the Series 2006 Bonds because no debt service assessments were collected.

**RIVERWOOD ESTATES COMMUNITY DEVELOPMENT DISTRICT
BUDGET TO ACTUAL COMPARISON STATEMENT – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Special assessment revenue	\$ 7,025	\$ 7,025	\$ -	\$ (7,025)
Expenditures				
General government	27,500	27,500	51,395	(23,895)
Maintenance and operations	400	400	362	38
Total expenditures	27,900	27,900	51,757	(23,857)
Excess (deficiency) of revenues over expenditures	(20,875)	(20,875)	(51,757)	(30,882)
Fund balance, beginning of year	20,875	20,875	23,398	2,523
Fund balance, end of year	\$ -	\$ -	\$ (28,359)	\$ (28,359)



**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
Riverwood Estates Community Development District
Pasco County, Florida

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the *Riverwood Estates Community Development District* (the "District") as of and for the year ended September 30, 2013, which collectively comprise the District's basic financial statements and have issued our report thereon dated May 19, 2014, which includes an explanatory paragraph regarding the adverse opinion for the omission of the discrete component unit and deteriorating financial conditions. We conducted our audit in accordance with 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.

Internal Control Over Financial Reporting

District management is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified.

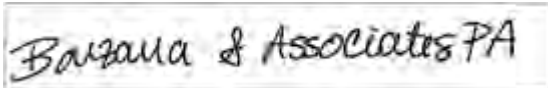
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination 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. We consider the deficiency described in Appendix B to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, 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 certain instances of noncompliance. See Appendix C of the accompanying report to management dated May 19, 2014.

We noted certain other matters that we reported to management of the District, in a separate letter dated May 19, 2014. The District's response to our findings identified in our audit is included in this report. We did not audit the District's response, and accordingly, we express no opinion on it.

This report is intended solely for the information and use of management and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

A rectangular box containing a handwritten signature in cursive script that reads "Barzana & Associates PA".

Barzana & Associates, P.A.

Tampa, Florida
May 19, 2014



MANAGEMENT COMMENTS

Board of Supervisors
Riverwood Estates Community Development District
Pasco County, Florida

We have audited the financial statements of the *Riverwood Estates Community Development District*, (the "District") as of and for the fiscal year ended September 30, 2013, and have issued our report thereon dated May 19, 2014.

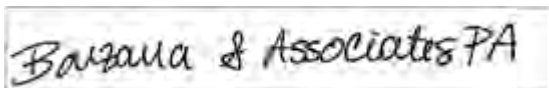
We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. Disclosures in that report, which is dated May 19, 2014, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information which is not included in the aforementioned auditor's report:

- 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 annual financial audit report. The status of management's response to recommendations included in the preceding annual financial report is outlined in Appendix A to this report.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the District complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., 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)4., Rules of the Auditor General, requires that we address violations of 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 more than inconsequential. In connection with our audit, we did not have any such findings.

- Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse; and (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)6., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information has been disclosed in the notes to the financial statements.
- Section 10.554(1)(i)7.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503 (1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the District met two of the conditions described in Section 218.503(1), Florida Statutes, as a result of deteriorating financial conditions. These conditions are described in Appendix D.
- Section 10.554(1)(i)7.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the District for the fiscal year ended September 30, 2013, 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, 2013. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Sections 10.554(1)(i)7.c. and 10.556(7), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. Deteriorating financial conditions were noted as indicated above under Section 10.554(1)(i)7.a.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing Standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.



Barzana & Associates, P.A.

Tampa, Florida
May 19, 2014

**RIVERWOOD ESTATES COMMUNITY DEVELOPMENT DISTRICT
APPENDIX A – PRIOR YEAR RECOMMENDATIONS
YEAR ENDED SEPTEMBER 30, 2013**

<u>No.</u>	<u>Prior Year's Finding</u>	<u>Finding No Longer Relevant</u>	<u>Finding is Still Relevant</u>	<u>Finding Included in Second Preceding Audit</u>
12-01	Failure to Make Bond Debt Service Payments When Due		X	X
12-02	Failure to Meet Debt Service Reserve Account Requirements		X	X
12-03	Failure to Include Component Unit Financial Statements in the Financial Report		X	
12-04	Failure to Pay Claims from Creditors within 90 Days		X	X

**RIVERWOOD ESTATES COMMUNITY DEVELOPMENT DISTRICT
APPENDIX B – MATERIAL WEAKNESS
YEAR ENDED SEPTEMBER 30, 2013**

13-03 - Failure to Include Component Unit Financial Statements in the Financial Report

Criteria

Generally accepted accounting principles require that the District include the financial statements of the Special Purpose Entity (“SPE”) in their audited financial report as a discretely-presented component unit.

Condition

The SPE is not included as a component unit in the District’s financial report.

Cause

It is the District’s position that the SPE is not a component unit of the District.

Effect

Barzana & Associates, P.A. could not audit these records nor include them as a discretely-presented component unit in the District’s government-wide financial statements.

Recommendation

We recommend the District include the SPE as a discretely-presented component unit of the District’s government-wide financial statements.

**RIVERWOOD ESTATES COMMUNITY DEVELOPMENT DISTRICT
APPENDIX C – COMPLIANCE VIOLATIONS OF LAWS, REGULATIONS
AND CONTRACTUAL PROVISIONS
YEAR ENDED SEPTEMBER 30, 2013**

13-01 - Failure to Make Debt Service Payments When Due

Criteria

The Special Assessment Revenue Bonds Series 2006 require semiannual interest payments and annual principal payments as per the Bond Indenture.

Condition

In the current and prior years, the District did not pay principal and interest due on the Series 2006 Bonds.

Cause

The Trustee has directed the District not to collect debt service special assessments. The District, therefore is not receiving debt service assessments due to Developer's nonpayment and Special Purpose Entity purchase of the land within the District.

Effect

At September 30, 2013, the District was not in compliance with the requirements of the Bond Indenture and has met a financial emergency condition as described in Florida Statute Section 218.503(1).

Recommendation

We recommend the District utilize all remedies available to bring debt service payments current.

13-02 - Failure to Meet Debt Service Reserve Account Requirement

Criteria

The Trust Indenture requires the District to maintain a minimum balance in the Debt Service Reserve Account.

Condition

At September 30, 2013, the Debt Service Reserve Account was deficient.

Cause

The balance in the Debt Service Reserve Account was used to pay District operating and maintenance expenses and trustee fees.

Effect

The District is not in compliance with the Trust Indenture.

Recommendation

We recommend the District utilize all remedies available to replenish the Debt Service Reserve Account.

**RIVERWOOD ESTATES COMMUNITY DEVELOPMENT DISTRICT
APPENDIX D – CONDITIONS OF FINANCIAL EMERGENCY
YEAR ENDED SEPTEMBER 30, 2013**

13-01 - Failure to Make Debt Service Payments When Due

In the current and prior years, the District did not pay principal and interest due on the Series 2006 Bonds as a result of lack of funds; therefore the District meets Section 218.503(1)(a) as a financial emergency condition.

13-04 - Failure to Pay Claims from Creditors within 90 Days

At September 30, 2013, the District had payables due to creditors that were greater than 90 days old.

RIVERWOOD ESTATES COMMUNITY DEVELOPMENT DISTRICT

DISTRICT OFFICE • 5844 OLD PASCO ROAD • SUITE 100 • WESLEY CHAPEL, FLORIDA 33544

May 19, 2014

Response to the Management Letter for the fiscal year ended September 30, 2013

Management Letter finding 13-01:

The auditor noted that the District did not make the required debt service interest and principal payments on the Series 2006 bonds.

District response to the finding:

During the year ending September 30, 2009, the Developer declared bankruptcy and abandoned the project. The Developer was unable to pay their debt service assessments and therefore the Bonds went into default. During the year ending September 30, 2010, the Federal Bankruptcy Court mandated a sale of the land and gave the District a credit for bidding on the land equal to the par amount of the bonds. The Court mandated that a minimum of one million dollars must be bid by the District. The District assigned its rights to a SPE, which was successful in securing the land with the minimum bid. Subsequent to that the District withdrew its foreclosure suit. The SPE has assumed responsibility for the operations and maintenance payments. The past due and future debt service payments will be held in abeyance until the trustee notifies the District to the contrary.

Management Letter finding 13-02:

The auditor noted that the District's Series 2006 Debt Service Reserve Accounts were deficient at September 30, 2013, as a result of funds from the Reserve Accounts being used to make debt service payments and fund District operations due to non payment from the Developer.

District response to the finding:

As mentioned above, during the year ending September 30, 2009, the Developer declared bankruptcy and abandoned the project. They were unable to pay their assessments on the Series 2006 Bond causing them to go into default. The trustee on behalf of the bondholders is funding the District operations through bond proceeds, which has resulted in the deficiency in the Debt Service Reserve account.

Management Letter finding 13-03:

The auditor noted that the SPE was not included as a component unit of the District.

District response to the finding:

Management does not agree that the Special Purpose Entity should be included as a discretely-presented component unit on the government-wide financial statements. In summary, management feels that it would be misleading to the users of the financial statements to include the SPE as a component unit for the following reasons. The District has no ownership and/or control over the SPE and in no way can it impose its will on the SPE. In addition, the District will not benefit from the activities of the SPE. When the land held by the SPE is sold, the proceeds will be paid to the Bondholders to satisfy the Bond debt. The District will not be responsible for any deficiency between the net proceeds of the sale and the associated Bond debt.



William J. Rizzetta

Treasurer

Riverwood Estates Community Development District

Tab 4

RESOLUTION 2014-04

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE RIVERWOOD ESTATES COMMUNITY DEVELOPMENT DISTRICT DESIGNATING A DATE, TIME AND LOCATION FOR A LANDOWNERS' MEETING; PROVIDING FOR PUBLICATION; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Riverwood Estates Community Development District ("**District**") is a local unit of special-purpose government created and existing pursuant to Chapter 190, Florida Statutes, being situated entirely within Pasco County, Florida; and

WHEREAS, the District's Board of Supervisors ("**Board**") is statutorily authorized to exercise the powers granted to the District; and

WHEREAS, all meetings of the Board shall be open to the public and governed by provisions of Chapter 286, Florida Statutes; and

WHEREAS, the effective date of Ordinance No. 06-01 creating the District is February 24, 2006; and

WHEREAS, the District is statutorily required to hold a meeting of the landowners of the District for the purpose of electing supervisors for the District on a date in November established by the Board, which shall be noticed pursuant to Section 190.006(2)(a), Florida Statutes.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF RIVERWOOD ESTATES COMMUNITY DEVELOPMENT DISTRICT:

Section 1. In accordance with Section 190.006(2), Florida Statutes, the meeting of the landowners to elect three (3) supervisors of the District, shall be held on the _____ day of November, 2014, at _____ a/p.m. at Offices of Rizzetta & Company, Inc., 5844 Old Pasco Road, Suite 100, Wesley Chapel, Florida 33544.

Section 2. The District's Secretary is hereby directed to publish notice of this landowners' meeting in accordance with the requirements of Section 190.006(2)(a), Florida Statutes.

Section 3. Pursuant to Section 190.006(2)(b), Florida Statutes, the landowners' meeting and election has been announced by the Board at its August 14, 2014 meeting. A sample notice of landowners' meeting and election, proxy, ballot form and instructions were presented at such meeting and are attached hereto as **Exhibit A**. Such documents are available for review and copying during normal business hours at the District's Records Office, located at the office of the District Manager, Rizzetta & Company, Inc., 5844 Old Pasco Road, Suite 100, Wesley Chapel, Florida 33544.

Section 4. This Resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED THIS 14TH DAY OF AUGUST, 2014.

RIVERWOOD ESTATES COMMUNITY DEVELOPMENT DISTRICT

ATTEST:

CHAIRMAN / VICE CHAIRMAN

SECRETARY / ASST. SECRETARY

NOTICE OF LANDOWNERS' MEETING AND ELECTION AND MEETING OF THE BOARD OF SUPERVISORS OF THE RIVERWOOD ESTATES COMMUNITY DEVELOPMENT DISTRICT

Notice is hereby given to the public and all landowners within Riverwood Estates Community Development District (the "District") the location of which is generally described as comprising a parcel or parcels of land containing approximately 516.4 acres, generally located north of _____, east of _____, south of _____ and west of _____, located entirely within Pasco County, Florida, advising that a meeting of landowners will be held for the purpose of electing three (3) persons to the District Board of Supervisors. Immediately following the landowners' meeting there will be convened a meeting of the Board of Supervisors for the purpose of considering certain matters of the Board to include election of certain District officers, and other such business which may properly come before the Board.

DATE: _____
TIME: _____
PLACE: Rizzetta & Company, Inc.
5844 Old Pasco Road, Suite 100
Wesley Chapel, Florida 33544

Each landowner may vote in person or by written proxy. Proxy forms may be obtained upon request at the office of the District Manager, 5844 Old Pasco Road, Suite 100, Wesley Chapel, Florida 33544. At said meeting each landowner or his or her proxy shall be entitled to nominate persons for the position of Supervisor and cast one vote per acre of land, or fractional portion thereof, owned by him or her and located within the District for each person to be elected to the position of Supervisor. A fraction of an acre shall be treated as one acre, entitling the landowner to one vote with respect thereto. Platted lots shall be counted individually and rounded up to the nearest whole acre. The acreage of platted lots shall not be aggregated for determining the number of voting units held by a landowner or a landowner's proxy. At the landowners' meeting the landowners shall select a person to serve as the meeting chair and who shall conduct the meeting.

The landowners' meeting and the Board of Supervisors meeting are open to the public and will be conducted in accordance with the provisions of Florida law. One or both of the meetings may be continued to a date, time, and place to be specified on the record at such meeting. A copy of the agenda for these meetings may be obtained from 5844 Old Pasco Road, Suite 100, Wesley Chapel, Florida 33544. There may be an occasion where one or more supervisors will participate by speaker telephone.

Any person requiring special accommodations to participate in these meetings is asked to contact the District Office at (813) 994-1001, at least 48 hours before the hearing. If you are hearing or speech impaired, please contact the Florida Relay Service at (800) 955-8770 for aid in contacting the District Office.

A person who decides to appeal any decision made by the Board with respect to any matter considered at the meeting is advised that such person will need a record of the proceedings and that accordingly, the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which the appeal is to be based.

Matthew Huber
District Manager
Run Date(s): _____ & _____

PUBLISH: ONCE A WEEK FOR 2 CONSECUTIVE WEEKS, THE LAST DAY OF PUBLICATION TO BE NOT FEWER THAN 14 DAYS OR MORE THAN 28 DAYS BEFORE THE DATE OF ELECTION, IN A NEWSPAPER WHICH IS IN GENERAL CIRCULATION IN THE AREA OF THE DISTRICT

**INSTRUCTIONS RELATING TO LANDOWNERS' MEETING OF
RIVERWOOD ESTATES COMMUNITY DEVELOPMENT DISTRICT
FOR THE ELECTION OF SUPERVISORS**

DATE OF LANDOWNERS' MEETING: _____, November __, 2014

TIME: _____ .M.

LOCATION: **Rizzetta & Company, Inc.**
5844 Old Pasco Road, Suite 100
Wesley Chapel, Florida 33544

Pursuant to Chapter 190, Florida Statutes, and after a Community Development District (“**District**”) has been established and the landowners have held their initial election, there shall be a subsequent landowners’ meeting for the purpose of electing members of the Board of Supervisors (“**Board**”) every two years until the District qualifies to have its board members elected by the qualified electors of the District. The following instructions on how all landowners may participate in the election are intended to comply with Section 190.006(2)(b), Florida Statutes.

A landowner may vote in person at the landowners’ meeting, or the landowner may nominate a proxy holder to vote at the meeting in place of the landowner. Whether in person or by proxy, each landowner shall be entitled to cast one vote per acre of land owned by him or her and located within the District, for each position on the Board that is open for election for the upcoming term. A fraction of an acre shall be treated as one (1) acre, entitling the landowner to one vote with respect thereto. Please note that a particular parcel of real property is entitled to only one vote for each eligible acre of land or fraction thereof; therefore, two or more people who own real property in common, that is one acre or less, are together entitled to only one vote for that real property.

At the landowners’ meeting, the first step is to elect a chair for the meeting, who may be any person present at the meeting. The landowners shall also elect a secretary for the meeting who may be any person present at the meeting. The secretary shall be responsible for the minutes of the meeting. The chair shall conduct the nominations and the voting. If the chair is a landowner or proxy holder of a landowner, he or she may nominate candidates and make and second motions. Candidates must be nominated and then shall be elected by a vote of the landowners. Nominees may be elected only to a position on the Board that is open for election for the upcoming term.

This year, three (3) seats on the Board will be up for election by landowners. The two candidates receiving the highest number of votes shall be elected for a term of four (4) years. The candidate receiving the next highest number of votes shall be elected for a term of two (2) years. The term of office for each successful candidate shall commence upon election.

A proxy is available upon request. To be valid, each proxy must be signed by one of the legal owners of the property for which the vote is cast and must contain the typed or printed name of the individual who signed the proxy; the street address, legal description of the property or tax parcel identification number; and the number of authorized votes. If the proxy authorizes more than one vote, each property must be listed and the number of acres of each property must be included. The signature on a proxy does not need to be notarized.

LANDOWNER PROXY

**RIVERWOOD ESTATES COMMUNITY DEVELOPMENT DISTRICT
PASCO COUNTY, FLORIDA
LANDOWNERS' MEETING – NOVEMBER __, 2014**

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, the fee simple owner of the lands described herein, hereby constitutes and appoints _____ (“**Proxy Holder**”) for and on behalf of the undersigned, to vote as proxy at the meeting of the landowners of the Riverwood Estates Community Development District to be held at the offices of Rizzetta & Company, Inc., 5844 Old Pasco Road, Suite 100, Wesley Chapel, Florida 33544, on November ____, at _____ a/p.m., and at any adjournments thereof, according to the number of acres of unplatted land and/or platted lots owned by the undersigned landowner that the undersigned would be entitled to vote if then personally present, upon any question, proposition, or resolution or any other matter or thing that may be considered at said meeting including, but not limited to, the election of members of the Board of Supervisors. Said Proxy Holder may vote in accordance with his or her discretion on all matters not known or determined at the time of solicitation of this proxy, which may legally be considered at said meeting.

Any proxy heretofore given by the undersigned for said meeting is hereby revoked. This proxy is to continue in full force and effect from the date hereof until the conclusion of the landowners’ meeting and any adjournment or adjournments thereof, but may be revoked at any time by written notice of such revocation presented at the landowners’ meeting prior to the Proxy Holder’s exercising the voting rights conferred herein.

Printed Name of Legal Owner

Signature of Legal Owner

Date

<u>Parcel Description</u>	<u>Acreage</u>	<u>Authorized Votes</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

[Insert above the street address of each parcel, the legal description of each parcel, or the tax identification number of each parcel. If more space is needed, identification of parcels owned may be incorporated by reference to an attachment hereto.]

Total Number of Authorized Votes: _____

NOTES: Pursuant to Section 190.006(2)(b), Florida Statutes (2013), a fraction of an acre is treated as one (1) acre entitling the landowner to one vote with respect thereto. Moreover, two (2) or more persons who own real property in common that is one acre or less are together entitled to only one vote for that real property.

If the fee simple landowner is not an individual, and is instead a corporation, limited liability company, limited partnership or other entity, evidence that the individual signing on behalf of the entity has the authority to do so should be attached hereto (e.g., bylaws, corporate resolution, etc.).

OFFICIAL BALLOT
RIVERWOOD ESTATES COMMUNITY DEVELOPMENT DISTRICT
PASCO COUNTY, FLORIDA
LANDOWNERS' MEETING - NOVEMBER __, 2014

For Election (3 Supervisors): The two (2) candidates receiving the highest number of votes will each receive a four (4) year term, and the one (1) candidate receiving the next highest number of votes will receive a two (2) year term, with the term of office for the successful candidates commencing upon election.

The undersigned certifies that he/she/it is the fee simple owner of land, or the proxy holder for the fee simple owner of land, located within the Riverwood Estates Community Development District and described as follows:

<u>Description</u>	<u>Acreage</u>
_____	_____
_____	_____
_____	_____

[Insert above the street address of each parcel, the legal description of each parcel, or the tax identification number of each parcel.] [If more space is needed, identification of parcels owned may be incorporated by reference to an attachment hereto.]

or

Attach Proxy.

I, _____, as Landowner, or as the proxy holder of _____
(Landowner) pursuant to the Landowner's Proxy attached hereto, do cast my votes as follows:

NAME OF CANDIDATE	NUMBER OF VOTES
1. _____	_____
2. _____	_____
3. _____	_____

Date: _____

Signed: _____
Printed Name: _____

Tab 5

RESOLUTION 2014-05

A RESOLUTION OF THE BOARD OF SUPERVISORS OF RIVERWOOD ESTATES COMMUNITY DEVELOPMENT DISTRICT DESIGNATING DATES, TIME AND LOCATION FOR REGULAR MEETINGS OF THE BOARD OF SUPERVISORS OF THE DISTRICT, AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, Riverwood Estates Community Development District (hereinafter the "District") is a local unit of special-purpose government created and existing pursuant to Chapter 190, Florida Statutes, being situated entirely within Pasco County, Florida; and

WHEREAS, the District's Board of Supervisors (hereinafter the "Board") is statutorily authorized to exercise the powers granted to the District; and

WHEREAS, all meetings of the Board shall be open to the public and governed by the provisions of Chapter 286, Florida Statutes; and

WHEREAS, the Board is statutorily required to file annually, with the local governing authority and the Florida Department of Economic Opportunity, a schedule of its regular meetings.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF RIVERWOOD ESTATES COMMUNITY DEVELOPMENT DISTRICT:

Section 1. Regular meetings of the Board of Supervisors of the District shall be held as provided on the schedule attached as Exhibit "A".

Section 2. In accordance with Section 189.417(1), Florida Statutes, the District's Secretary is hereby directed to file annually, with Pasco County, a schedule of the District's regular meetings.

Section 3. This Resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED THIS 11TH DAY OF AUGUST 2014.

**RIVERWOOD ESTATES
COMMUNITY DEVELOPMENT
DISTRICT**

CHAIRMAN/VICE CHAIRMAN

ATTEST:

SECRETARY/ASST. SECRETARY

EXHIBIT “A”
BOARD OF SUPERVISORS MEETING DATES (REVISED)
RIVERWOOD ESTATES COMMUNITY DEVELOPMENT DISTRICT
FISCAL YEAR 2014/2015

October 9, 2014
November 13, 2014
December 11, 2014
January 8, 2015
February 12, 2015
March 12, 2015
April 9, 2015
May 14, 2015
June 11, 2015
July 9, 2015
August 13, 2015
September 10, 2015

All meetings will convene at 10:00 a.m. at the office of Rizzetta & Company, Inc., located at 5844 Old Pasco Road, Suite 100, Wesley Chapel, FL 33544.

Tab 6

RESOLUTION 2014-03

THE ANNUAL APPROPRIATION RESOLUTION OF THE RIVERWOOD ESTATES COMMUNITY DEVELOPMENT DISTRICT (THE "DISTRICT") RELATING TO THE ANNUAL APPROPRIATIONS AND ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2014, AND ENDING SEPTEMBER 30, 2015

WHEREAS, the District Manager has, prior to the fifteenth (15th) day in June, 2014, submitted to the Board of Supervisors (the "Board") a proposed budget for the next ensuing budget year along with an explanatory and complete financial plan for each fund of the Riverwood Estates Community Development District, pursuant to the provisions of Section 190.008(2)(a), Florida Statutes; and

WHEREAS, at least sixty (60) days prior to the adoption of the proposed annual budget (the "Proposed Budget"), the District filed a copy of the Proposed Budget with the local governing authorities having jurisdiction over the area included in the District pursuant to the provisions of Section 190.008(2)(b), Florida Statutes; and

WHEREAS, the Board set August 14, 2014, as the date for a public hearing thereon and caused notice of such public hearing to be given by publication pursuant to Section 190.008(2)(a), Florida Statutes; and

WHEREAS, the District Manager posted the Proposed Budget on the District's website at least two days before the public hearing or transmitted the Proposed Budget to the manager or administrator of Pasco County for posting on its website; and

WHEREAS, Section 190.008(2)(a), Florida Statutes, requires that, prior to October 1st of each year, the District Board, by passage of the Annual Appropriation Resolution, shall adopt a budget for the ensuing fiscal year and appropriate such sums of money as the Board deems necessary to defray all expenditures of the District during the ensuing fiscal year; and

WHEREAS, the District Manager has prepared a Proposed Budget, whereby the budget shall project the cash receipts and disbursements anticipated during a given time period, including reserves for contingencies for emergency or other unanticipated expenditures during the fiscal year.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE RIVERWOOD ESTATES COMMUNITY DEVELOPMENT DISTRICT:

Section 1. Budget

- a. That the Board of Supervisors has reviewed the District Manager's Proposed Budget, a copy of which is on file with the office of the District Manager and at the District's Records Office, and hereby approves certain amendments thereto, as shown in Section 2 below.
- b. That the District Manager's Proposed Budget, attached hereto as Exhibit "A," as amended by the Board, is hereby adopted in accordance with the provisions of Section 190.008(2)(a), Florida Statutes, and incorporated herein by reference; provided, however, that the comparative figures contained in the adopted budget may be subsequently revised as deemed necessary by the District Manager to reflect actual revenues and expenditures for Fiscal Year 2014 and/or revised projections for Fiscal Year 2015.
- c. That the adopted budget, as amended, shall be maintained in the office of the District Manager and at the District's Records Office and identified as "The Budget for the Riverwood Estates Community Development District for the Fiscal Year Ending September 30, 2015," as adopted by the Board of Supervisors on August 14, 2014.
- d. The final adopted budget shall be posted by the District Manager on the District's official website within thirty (30) days after adoption or shall be transmitted to the manager or administrator of Pasco County for posting on its website.

Section 2. Appropriations

There is hereby appropriated out of the revenues of the Riverwood Estates Community Development District, for the fiscal year beginning October 1, 2014, and ending September 30, 2015, the sum of \$_____ to be raised by the levy of assessments and otherwise, which sum is deemed by the Board of Supervisors to be necessary to defray all expenditures of the District during said budget year, to be divided and appropriated in the following fashion:

TOTAL GENERAL FUND	\$ _____
DEBT SERVICE FUND – SERIES 2006A	\$ _____
TOTAL ALL FUNDS	\$ _____

Section 3. Supplemental Appropriations

Pursuant to Section 189.418(6), Florida Statutes, the following provisions govern amendments to the budget(s) for any particular fund(s) listed above:

- a. The Board may authorize an increase or decrease in line item appropriations within a fund by motion recorded in the minutes if the total appropriations of the fund do not increase.
- b. The District Manager or Treasurer may authorize an increase or decrease in line item appropriations within a fund if the total appropriations of the fund do not increase and if the aggregate change in the original appropriation item does not exceed \$10,000 or 10% of the original appropriation.
- c. By resolution, the Board may increase any appropriation item and/or fund to reflect receipt of any additional unbudgeted monies and make the corresponding change to appropriations or the unappropriated balance.
- d. Any other budget amendments shall be adopted by resolution and consistent with Florida law.

The District Manager or Treasurer must establish administrative procedures to ensure that any budget amendments are in compliance with this Section 3 and Section 189.418 of the Florida Statutes, among other applicable laws.

Introduced, considered favorably, and adopted this 14th day of August, 2014.

ATTEST:

**RIVERWOOD ESTATES COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

By: _____
Its: _____

Tab 7

Riverwood Estates Community Development District
Fiscal Year 2014-2015 Funding Agreement

This Agreement is made and entered into this ____ day of _____, 2014, by and between:

Riverwood Estates Community Development District, a local unit of special-purpose government established pursuant to Chapter 190, Florida Statutes, and located in Pasco County, Florida (hereinafter "District"), and

Riverwood Estates Holdco, LLC, a Florida limited liability company and a landowner in the District (hereinafter "Landowner") with an address of 5120 W. Linebaugh Ave., Suite 200, Tampa, Florida 33624.

Recitals

WHEREAS, the District was established by an ordinance adopted by Pasco County, Florida for the purpose of planning, financing, constructing, operating and/or maintaining certain infrastructure; and

WHEREAS, the District, pursuant to Chapter 190, Florida Statutes, is authorized to levy such taxes, special assessments, fees and other charges as may be necessary in furtherance of the District's activities and services; and

WHEREAS, Developer presently owns and/or is developing the majority of all real property described in Exhibit A, attached hereto and incorporated herein, (the "Property") within the District, which Property will benefit from the timely construction and acquisition of the District's facilities, activities and services and from the continued operations of the District; and

WHEREAS, the District is adopting its general fund budget for the Fiscal Year 2014-2015, which year commences on October 1, 2014, and concludes on September 30, 2015; and

WHEREAS, this general fund budget, which both parties recognize may be amended from time to time in the sole discretion of the District, is attached hereto and incorporated herein by reference as Exhibit B; and

WHEREAS, the District has the option of levying non-ad valorem assessments on all land, including the Property, that will benefit from the activities, operations and services set forth in the 2014-2015 Fiscal Year budget, or utilizing such other revenue sources as may be available to it; and

WHEREAS, in lieu of levying assessments on the Property, the Developer is willing to provide such funds as are necessary to allow the District to proceed with its operations as described in Exhibit B; and

WHEREAS, the Developer agrees that the activities, operations and services provide a special and peculiar benefit equal to or in excess of the costs reflected on Exhibit B to the Property; and

WHEREAS, the Developer has agreed to enter into this Agreement in lieu of having the District levy and collect any non-ad valorem assessments as authorized by law against the Property located within the District for the activities, operations and services set forth in Exhibit B; and

WHEREAS, Developer and District desire to secure such budget funding through the imposition of a continuing lien against the Property described in Exhibit A and otherwise as provided herein.

NOW, THEREFORE, based upon good and valuable consideration and the mutual covenants of the parties, the receipt of which and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. The Developer agrees to make available to the District the monies necessary for the operation of the District as called for in the budget attached hereto as Exhibit B, as may be amended from time to time in the District's sole discretion, within fifteen (15) days of written request by the District. Amendments to the District's

2014-2015 Fiscal Year budget as shown on Exhibit B adopted by the District at a duly noticed meeting shall have the effect of amending this Agreement without further action of the parties. Funds provided hereunder shall be placed in the District's general checking account. These payments are made by the Developer in lieu of taxes, fees, or assessments which might otherwise be levied or imposed by the District.

2. District shall have the right to file a continuing lien upon the Property described in Exhibit A for all payments due and owing under the terms of this Agreement and for interest thereon, and for reasonable attorneys' fees, paralegals' fees, expenses and court costs incurred by the District incident to the collection of funds under this Agreement or for enforcement this lien, and all sums advanced and paid by the District for taxes and payment on account of superior interests, liens and encumbrances in order to preserve and protect the District's lien. The lien shall be effective as of the date and time of the recording of a "Notice of Lien for FY 2014-2015 Budget" in the public records of Pasco County, Florida, stating among other things, the description of the real property and the amount due as of the recording of the Notice, and the existence of this Agreement. The District Manager, in its sole discretion, is hereby authorized by the District to file the Notice of Lien for FY 2014-2015 Budget on behalf of the District, without the need of further Board action authorizing or directing such filing. At the District Manager's direction, the District may also bring an action at law against the record title holder to the Property to pay the amount due under this Agreement, or may foreclose the lien against the Property in any manner authorized by law. The District may partially release any filed lien for portions of the Property subject to a plat if and when the Developer has demonstrated, in the District's sole discretion, such release will not materially impair the ability of the District to enforce the collection of funds hereunder. In the event the Developer sells any of the Property described in Exhibit A after the execution of this Agreement, the Developer's rights and obligations under this Agreement shall remain the same, provided however that the District shall only have the right to file a lien upon the remaining Property owned by the Developer.

3. Alternative methods of collection.

a. In the alternative or in addition to the collection method set forth in Paragraph 2 above, the District may enforce the collection of funds due under this Agreement by action against the Developer in the appropriate judicial forum in and for Pasco County, Florida. The enforcement of the collection of funds in this manner shall be in the sole discretion of the District Manager on behalf of the District. In the event that either party is required to enforce this Agreement by court proceedings or otherwise, then the parties agree that the prevailing party shall be entitled to recover from the other all costs incurred, including reasonable attorneys' fees and costs for trial, alternative dispute resolution, or appellate proceedings.

b. The District hereby finds that the activities, operations and services set forth in Exhibit B provide a special and peculiar benefit to the Property, which benefit is initially allocated on an equal developable acreage basis. The Developer agrees that the activities, operations and services set forth in Exhibit B provide a special and peculiar benefit to the Property equal to or in excess of the costs set forth in Exhibit B, on an equal developable acreage basis. Therefore, in the alternative or in addition to the other methods of collection set forth in this Agreement, the District, in its sole discretion, may choose to certify amounts due hereunder as a non-ad valorem assessment on all or any part of the Property for collection, either through the Uniform Method of Collection set forth in Chapter 197 or under any method of direct bill and collection authorized by Florida law. Such assessment, if imposed, may be certified on the next available tax roll of the Pasco County property appraiser.

4. This instrument shall constitute the final and complete expression of the agreement between the parties relating to the subject matter of this Agreement. Amendments to and waivers of the provisions contained in this Agreement may be made only by an instrument in writing which is executed by both of the parties hereto.

5. The execution of this Agreement has been duly authorized by the appropriate body or official of all parties hereto, each party has complied with all the requirements of law, and each party has full power and authority to comply with the terms and provisions of this instrument.

6. This Agreement may be assigned, in whole or in part, by either party only upon the written consent of the other, which consent shall not be unreasonably withheld.

7. A default by either party under this Agreement shall entitle the other to all remedies available at law or in equity, which shall include, but not be limited to, the right of damages, injunctive relief and specific performance and specifically including the ability of the District to enforce any and all payment obligations under this Agreement in the manner described herein in Paragraphs 2 and 3 above.

8. This Agreement is solely for the benefit of the formal parties herein and no right or cause of action shall accrue upon or by reason hereof, to or for the benefit of any third party not a formal party hereto. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person or corporation other than the parties hereto any right, remedy or claim under or by reason of this Agreement or any provisions or conditions hereof; and all of the provisions, representations, covenants and conditions herein contained shall inure to the sole benefit of and shall be binding upon the parties hereto and their respective representatives, successors and assigns. In the event the Developer sells or otherwise disposes of its business or of all or substantially all of its assets relating to improvements, work product, or lands within the District, the Developer shall continue to be bound by the terms of this Agreement and additionally shall expressly require that the purchaser agree to be bound by the terms of this Agreement. The Developer shall give 90 days prior written notice to the District under this Agreement of any such sale or disposition.

9. This Agreement and the provisions contained herein shall be construed, interpreted and controlled according to the laws of the State of Florida.

10. This Agreement has been negotiated fully between the parties as an arm's length transaction. The parties participated fully in the preparation of this Agreement with the assistance of their respective counsel. In the case of a dispute concerning the interpretation of any provision of this Agreement, the parties are each deemed to have drafted, chosen and selected the language, and the doubtful language will not be interpreted or construed against any party.

11. The Agreement shall be effective after execution by both parties hereto. The enforcement provisions of this Agreement shall survive its termination, until all payments due under this Agreement are paid in full.

In witness whereof, the parties execute this agreement the day and year first written above.

Attest:

**Riverwood Estates Community
Development District**

Secretary/Assistant Secretary

By: _____
Its: _____

**Riverwood Estates Holdco, LLC,
a Florida limited liability company**

Witness

By: _____
Its: _____

Exhibit A Property Description
Exhibit B Fiscal Year 2014-2015 General Fund Budget

Exhibit A

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THIS IS NOT A SURVEY

THERE MAY BE ADDITIONAL RESTRICTIONS AFFECTING THIS PROPERTY THAT MAY BE FOUND IN THE PUBLIC RECORDS OF THIS COUNTY.

THIS LEGAL DESCRIPTION AND SKETCH WAS PREPARED WITHOUT THE BENEFIT OF A TITLE POLICY.

BEARINGS ARE BASED UPON: SEE SKETCH AND LEGAL DESCRIPTION

LEGAL DESCRIPTION A parcel of land being a portion of Section 27, 28, 33, and 34, Township 26 South, Range 21 East, Pasco County, Florida, being more particularly described as follows:

Commencing at the Southwest corner of the Southeast 1/4 of said Section 33; thence along the South line of said Southeast 1/4 of Section 33 N89°35'24"E, for 301.96 feet to the point of intersection with the Easterly right of way line of U.S. Highway 301 same being the POINT OF BEGINNING; thence leaving said South line of the Southeast 1/4 of Section 33, N20°14'52"E, along the Easterly Right of Way of U.S. Highway 301 (being the basis of bearing for this description), for 5,197.50 feet; thence leaving said Easterly Right of Way line of U.S Highway 301, S69°45'08"E, for 290.27 feet; thence N20°18'01"E 224.62 feet to the point of intersection with a non-tangent curve concave Southerly; thence Northerly along the arc of said curve, having a radius of 1000.00 feet, a central angle of 09°21'56", an arc length of 163.46 feet, and a chord bearing of N74°25'59"W, for 163.28 feet to the point of tangent; thence N69°45'01"W, for 127.66 feet to the point of intersection with the easterly Right of Way line of U.S. Highway 301; thence N20°06'06"E along said Easterly Right of Way line of U.S. Highway 301 for 29.74 feet to a point of curvature of a curve concave Easterly, thence Northerly along said arc of said curve, having a radius of 5877.15 feet, a central angle of 00°52'48", an arc length of 90.27 feet, and a chord bearing of N20°41'16"E for 90.27 feet; thence leaving said Easterly Right of Way line of U.S. Highway 301 S69°45'01"E for 127.05 feet to a point of curvature having a radius of 880.00 feet, a central angle of 15°19'00", an arc length of 235.99 feet, and a chord bearing of S77°24'31"E for 234.55 feet to the point of non-tangent, thence N22°20'14"E, for 282.38 feet; thence N67°39'46"W for 355.94 feet to the point of intersection with said Easterly Right of Way line U.S. Highway 301, same being the point of intersection with a non-tangent curve concave Easterly; thence Northerly along the arc of said curve having a radius of 5877.15, a central angle of 00°24'20", an arc length of 41.60 and a chord bearing of N24°30'58"E for 41.60 feet; thence leaving said Easterly Right of Way line of U.S. Highway 301, N89°42'48"E, for 288.09 feet to the point of intersection with the East line of Section 33; thence N89°23'14"E, for 1346.91 feet to the point of intersection with the East line of the Southwest 1/4 of the Southwest 1/4 of Section 27; thence S00°14'30"E, along said East line of the Southwest 1/4 of the Southwest 1/4 of Section 27 for 233.90 feet to the point of intersection with the North line of Section 34; thence S89°23'14"E, along North line of Section 34 for 63.00 feet to the intersection with a line 63.00 feet East of and parallel with the East line of the Northwest 1/4 of the Northwest 1/4 of Section 34; thence leaving said North line of Section 34, S00°11'30"W, along said line 63.00 feet East of and parallel to the East line of the Northwest 1/4 of the Northwest 1/4 of Section 34 for 166.12 feet to a point of intersection with a line 166.10 feet South of and parallel with the North

NOTE: THIS LEGAL DESCRIPTION AND SKETCH WAS PREPARED WITH THE BENEFIT OF THAT CERTAIN BOUNDARY SURVEY TITLED "JES PROPERTIES, INC./U.S. 301 SITE", PREPARED BY FLORIDA DESIGN CONSULTANTS, INC., JOB NUMBER 291-61. THE GEOMETRY PERTAINING TO THE PARCEL OF LAND BEING DESCRIBED HEREIN (THE DESCRIPTION) IS SOLELY BASED UPON THE GEOMETRY AS DESCRIBED ON THE RECORDED DOCUMENTS AS NOTED HEREIN AND IS SUBJECT TO AN ACCURATE FIELD BOUNDARY SURVEY.

PREPARED FOR:

JES PROPERTIES, INC.

SHEET DESCRIPTION:

LEGAL DESCRIPTION AND SKETCH OF RIVERWOOD CDD

SCALE: NONE	DATE: 03/29/05	DRAWN: JST	CALCED: SMB	CHECKED: SMB
JOB No.:	EPN:	SECTION:	TOWNSHIP:	RANGE:
291-07	103	28,33,34	26S	21E

SEE SHEET 1 FOR LEGAL DESCRIPTION
SEE SHEET 2 FOR LEGAL DESCRIPTION, TABLES, AND LEGEND
SEE SHEET 3 FOR SKETCH



FLORIDA DESIGN CONSULTANTS, INC.
ENGINEERS, ENVIRONMENTALISTS
SURVEYORS & PLANNERS

3030 Starkey Blvd.
New Port Richey, Florida 34655
(727) 849-7688

Certificate of Authorization: LB 6707
State of Florida

NOT VALID WITHOUT THE SIGNATURE
AND THE ORIGINAL RAISED SEAL OF A FLORIDA
LICENSED SURVEYOR AND MAPPER

Samuel Mark Beach

SAMUEL MARK BEACH
PROFESSIONAL SURVEYOR AND MAPPER
LICENSE NUMBER LS 6261
STATE OF FLORIDA

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THIS IS NOT A SURVEY

THERE MAY BE ADDITIONAL RESTRICTIONS AFFECTING THIS PROPERTY THAT MAY BE FOUND IN THE PUBLIC RECORDS OF THIS COUNTY.
 THIS LEGAL DESCRIPTION AND SKETCH WAS PREPARED WITHOUT THE BENEFIT OF A TITLE POLICY.
 BEARINGS ARE BASED UPON: SEE SKETCH AND LEGAL DESCRIPTION

line of Section 34; thence N89°23'14"E, along said line 166.10 feet South of and parallel with the North line of the Northeast 1/4 of the Northwest 1/4 of Section 34 for 1,284.78 feet to a line 166.10 feet South of and parallel with the North line of the Northeast 1/4 of the Northwest 1/4 of Section 34; thence N89°23'54"E, along said line 166.10 feet South of and parallel with the North line of Northwest 1/4 of the Northeast 1/4 of Section 34 for 1,315.80 feet to a point of intersection with the Easterly boundary of Tract 3 as recorded in Crystal Springs Colony Plat Book 2, Page 24 of the Public Records of Pasco County, Florida; thence S00°05'56"W, along Easterly boundary of Tract 3, Tract 14, and Tract 19 of said Crystal Springs Colony, respectively, for 1,827.07 feet to a point of intersection with the Southeast corner of Tract 19 of said Crystal Springs Colony; thence S89°35'44"W, along the Southerly boundary line of Tract 19 for 661.50 feet to the Southwest corner of Tract 19 of said Crystal Springs Colony; thence S00°12'46"W, along the Easterly boundary line of Tract 29 of said Crystal Springs Colony for 663.65 feet to the Southeast corner of Tract 29 of said Crystal Springs Colony; thence S89°39'39"W, along the Southerly line of Tract 29 of said Crystal Springs Colony for 662.81 feet to a point of intersection with the East line of the Northeast 1/4 of the Southwest 1/4 of Section 34; thence S00°19'36"W, along said East line of the Northeast 1/4 of the Southwest 1/4 of Section 34 for 1,325.82 feet to the Southeast corner of the Northeast 1/4 of the Southwest 1/4 of Section 34; thence S89°42'49"W, along the South line of the Northeast 1/4 of the Southwest 1/4 of Section 34 for 1,338.34 feet to a point of intersection with the East line of the Southwest 1/4 of the Southwest 1/4 of Section 34; thence leaving said South line of the Northeast 1/4 of the Southwest 1/4 of Section 34, S00°13'03"W, along East line of the Southwest 1/4 of the Southwest 1/4 of Section 34 for 1,320.38 feet to a point of intersection with the Southeast corner of the Southwest 1/4 of the Southwest 1/4 of Section 34; thence S89°56'45"W, along said South line of the Southwest 1/4 of the Southwest 1/4 of Section 34, 1334.71 feet to the Southwest corner of the Southwest 1/4 of the Southwest 1/4 of Section 34, thence S89°35'24"W, along the South line of the Southeast 1/4 of Section 33, for 2340.87 feet to the POINT OF BEGINNING.

Containing 22,493,835.20 square feet or 516.387 acres, more or less.

CURVE TABLE

CURVE	RADIUS	CENTRAL ANGLE	LENGTH	BEARING	CHORD
C1	1000.00'	92°1'56"	163.46'	N74°25'59"W	163.28'
C2	5877.15'	0°52'48"	90.27'	N20°41'16"E	90.27'
C3	880.00'	15°19'00"	235.25'	S77°24'31"E	234.55'
C4	5877.15'	0°24'20"	41.60'	N24°30'58"E	41.60'

LINE TABLE

LINE	BEARING	LENGTH	LINE	BEARING	LENGTH
L1	S00°14'30"E	233.90'	L8	N20°18'01"E	224.62'
L2	S89°48'30"E	63.00'	L9	N69°45'01"W	127.66'
L3	S00°11'30"W	166.12'	L10	N20°08'08"E	29.74'
L4	S89°35'44"W	881.50'	L11	S69°43'01"E	127.05'
L5	S00°12'46"W	883.65'	L12	N22°20'14"E	282.38'
L6	S89°39'39"W	662.81'	L13	N67°39'48"W	355.94'
L7	S69°45'08"E	290.27'	L14	N89°42'48"E	288.09'

LEGEND:

- AC = ACRES
- COR = CORNER
- FT = FEET
- R/W = RIGHT OF WAY
- POC = POINT OF COMMENCEMENT
- POB = POINT OF BEGINNING
- PB = PLAT BOOK
- PG = PAGE
- SEC = SECTION
- SQ = SQUARE

NOTE: THIS LEGAL DESCRIPTION AND SKETCH WAS PREPARED WITH THE BENEFIT OF THAT CERTAIN BOUNDARY SURVEY TITLED 'JES PROPERTIES, INC./U.S. 301 SITE', PREPARED BY FLORIDA DESIGN CONSULTANTS, INC., JOB NUMBER 291-61. THE GEOMETRY PERTAINING TO THE PARCEL OF LAND BEING DESCRIBED HEREIN (THE DESCRIPTION) IS SOLELY BASED UPON THE GEOMETRY AS DESCRIBED ON THE RECORDED DOCUMENTS AS NOTED HEREIN AND IS SUBJECT TO AN ACCURATE FIELD BOUNDARY SURVEY.

PREPARED FOR:

JES PROPERTIES, INC.

SHEET DESCRIPTION:

LEGAL DESCRIPTION AND SKETCH OF RIVERWOOD CDD

SCALE: NONE	DATE: 03/29/05	DRAWN: JST	CALCED: SMB	CHECKED: SMB
JOB No.:	EPN:	SECTION:	TOWNSHIP:	RANGE:
291-07	103	28,33,34	26S	21E

SEE SHEET 1 FOR LEGAL DESCRIPTION
 SEE SHEET 2 FOR LEGAL DESCRIPTION, TABLES, AND LEGEND
 SEE SHEET 3 FOR SKETCH

NOT VALID WITHOUT THE SIGNATURE AND THE ORIGINAL RAISED SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER.

Samuel Mark Beach

SAMUEL MARK BEACH
 PROFESSIONAL SURVEYOR AND MAPPER
 LICENSE NUMBER LS 6261
 STATE OF FLORIDA

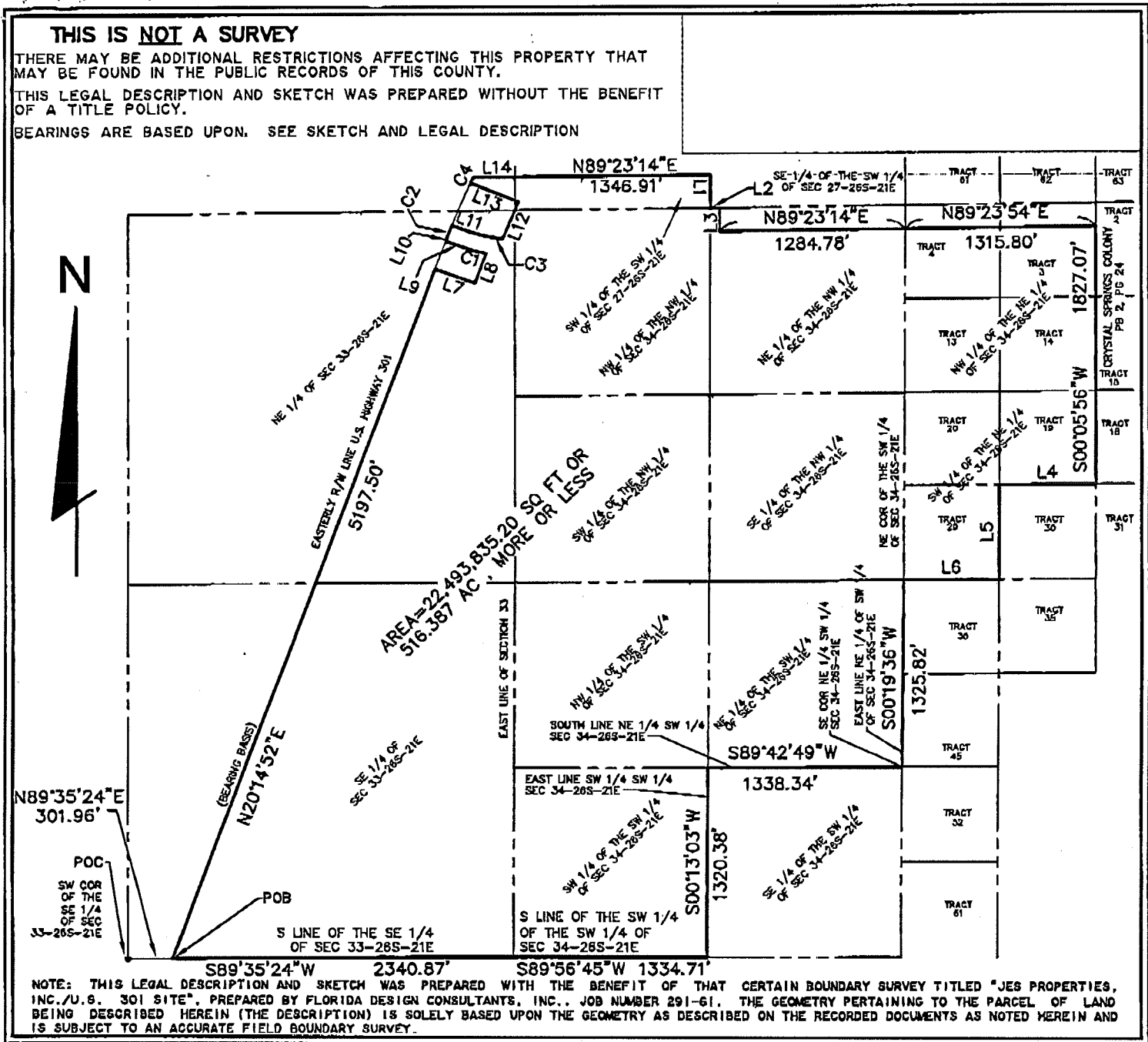


FLORIDA DESIGN CONSULTANTS, INC.
 ENGINEERS, ENVIRONMENTALISTS
 SURVEYORS & PLANNERS

3030 Starkay Blvd.
 New Port Richey, Florida 34655
 (727) 849-7588

Certificate of Authorization: LB 6707
 State of Florida

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PREPARED FOR: **JES PROPERTIES, INC.**

SHEET DESCRIPTION: **LEGAL DESCRIPTION AND SKETCH OF RIVERWOOD CDD**

SCALE: 1"=1000	DATE: 03/29/05	DRAWN: JST	CALCED: SMB	CHECKED: SMB
JOB No.:	EPN:	SECTION:	TOWNSHIP:	RANGE:
291-07	103	28,33,34	26S	21E

SEE SHEET 1 FOR LEGAL DESCRIPTION
SEE SHEET 2 FOR LEGAL DESCRIPTION, TABLES, AND LEGEND
SEE SHEET 3 FOR SKETCH

FLORIDA DESIGN CONSULTANTS, INC.
ENGINEERS, ENVIRONMENTALISTS
SURVEYORS & PLANNERS

3030 Starkey Blvd.
New Port Richey, Florida 34655
(727) 849-7588

Certificate of Authorization: LB 6707
State of Florida

NOT VALID WITHOUT THE SIGNATURE
AND THE ORIGINAL RAISED SEAL OF A FLORIDA
LICENSED SURVEYOR AND MAPPER.

Samuel Mark Beach

SAMUEL MARK BEACH
PROFESSIONAL SURVEYOR AND MAPPER
LICENSE NUMBER LS 6261
STATE OF FLORIDA