

Remington Community
Development District

Financial Statements

September 30, 2013

Remington Community Development District
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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Remington Community Development District
Osceola County, Florida

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express 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 from material misstatement.

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3–7 and 23 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 January 29, 2014, on our consideration of the District's internal control over financial reporting and 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 the District's internal control over financial reporting and compliance.

Caru, Riggs & Ingram, L.L.C.

Miramar Beach, Florida
January 29, 2014

Management's Discussion And Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Remington Community Development District's financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2013. Please read it in conjunction with the District's financial statements, which begin on page 8.

FINANCIAL HIGHLIGHTS

- At September 30, 2013, the assets and deferred outflows of the District exceeded its liabilities by approximately \$8.4 million.
- During the year ended September 30, 2013, the District established additional infrastructure and other improvements of approximately \$232,000, incurred approximately \$147,000 of interest expenditures and repaid principal of \$565,000.
- During the year ended September 30, 2013, the District transferred approximately \$857,000 from the General Fund to the Capital Projects Fund to separate the budgeted amounts reserved to manage the various ongoing paving projects within the District.

USING THE ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities on pages 8 – 9 provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements start on page 9. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.

Reporting the District as a Whole

Our analysis of the District as a whole begins on page 3. One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and the related changes during the current year. You can think of the District's net position – the difference between assets and liabilities – as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the District's assessment base and the condition of the District's infrastructure, to assess the overall health of the District.

Reporting the District's Most Significant Funds

Our analysis of the District's major funds begins on page 5. The fund financial statements begin on page 9 and provide detailed information about the most significant funds – not the District as a whole. Some funds are required to be established by State law and by bond covenants. All of the District's funds are governmental fund-types.

- *Governmental funds* – All of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental activities and governmental funds in reconciliation with the fund financial statements.

THE DISTRICT AS A WHOLE

The following table reflects the condensed Statement of Net Position and is compared to the prior year. Certain prior year amounts have been modified to reflect changes associated with the adoption of new accounting standards in the current year.

September 30,	2013	2012	Change
Assets			
Current and other assets	\$ 1,948,137	\$ 1,682,196	\$ 265,941
Capital assets, net of depreciation	9,801,611	10,135,881	(334,270)
Total assets	11,749,748	11,818,077	(68,329)
Deferred outflows of resources			
Deferred charge on refunding	110,880	130,739	(19,859)
Total deferred outflows of resources	110,880	130,739	(19,859)
Total assets and deferred outflows of resources	\$ 11,860,628	\$ 11,948,816	\$ (88,188)
Liabilities			
Current liabilities	\$ 877,511	\$ 654,553	\$ 222,958
Other liabilities	2,536,203	3,118,359	(582,156)
Total liabilities	3,413,714	3,772,912	(359,198)
Net position			
Net investment in capital assets	6,786,288	6,583,261	203,027
Restricted for:			
Debt service	237,687	217,143	20,544
Unrestricted	1,422,939	1,375,500	47,439
Total net position	8,446,914	8,175,904	271,010
Total liabilities and net position	\$ 11,860,628	\$ 11,948,816	\$ (88,188)

For more detailed information, see the accompanying Statement of Net Position.

During the fiscal year ended September 30, 2013, total assets and liabilities decreased by approximately \$68,000 and \$359,000, respectively. The decrease in assets is primarily related to depreciation on capital assets, and was partially offset by an increase in current assets resulting from excess assessment receipts over expenditures. The decrease in liabilities is due to principal payments on outstanding bonds, and was partially offset by an increase in current liabilities resulting from a contractor performing paving work at year end.

The following schedule compares the Statement of Activities for the current and previous fiscal years. As with the Statement of Net Position above, certain prior year amounts have been modified to reflect changes associated with the adoption of new accounting standards in the current year.

<i>Year ended September 30,</i>	2013	2012	Change
Revenues:			
Program revenues			
Charges for services	\$ 1,906,891	\$ 1,879,867	\$ 27,024
Grants and contributions	191	280	(89)
General revenues:			
Interest and other revenues	7,436	6,328	1,108
Total revenues	1,914,518	1,886,475	28,043
Expenses:			
General government	175,345	145,170	30,175
Maintenance and operations	1,302,257	1,297,009	5,248
Interest	165,906	186,987	(21,081)
Total expenses	1,643,508	1,629,166	14,342
Change in net position	271,010	257,309	13,701
Net position, beginning of year, as restated (see Note 9)	8,175,904	7,918,595	257,309
Net position, end of year	\$ 8,446,914	\$ 8,175,904	\$ 271,010

For more detailed information, see the accompanying Statement of Activities.

Revenues and expenses did not change significantly from the prior year. The overall result was a \$271,010 increase in net position for fiscal year 2013.

THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds (as presented in the balance sheet on page 10) reported a combined fund balance of approximately \$1.71 million, which is an increase from last year's balance that totaled approximately \$1.65 million. Significant transactions are discussed below.

- During the year ended September 30, 2013, the District established additional infrastructure and other improvements of approximately \$232,000.

- During the year ended September 30, 2013, the District incurred approximately \$147,000 of interest expenditures and repaid principal of \$565,000.
- During the year ended September 30, 2013, the District transferred approximately \$857,000 from the General Fund to the Capital Projects Fund to separate the budgeted amounts reserved to manage the various ongoing paving projects within the District.

The overall increase in fund balance for the year ended September 30, 2013 totaled \$59,024.

GOVERNMENTAL FUNDS BUDGETARY HIGHLIGHTS

An Operating budget was established by the governing board for the District pursuant to the requirements of the Florida Statutes. The budget to actual comparison for the General Fund, including the original budget and final adopted budget, is shown on page 23.

The District experienced favorable variances in revenues and expenditures as compared to the budget in the amount of \$50,478 and \$238,070, respectively. The variances in revenues and expenditures are primarily related to excess amounts received from the tax collector and anticipated budgeted operating expenditures that were not incurred during the year. In addition, capital outlay was under budget approximately \$150,000, as this amount was reserved for paving management and transferred to the Capital Projects Fund, but not shown as an expenditure.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2013, the District had approximately \$9.8 million invested in capital assets (net of depreciation). This amount represents a net decrease (including additions and deductions) of approximately \$334,000 from the fiscal year 2012 total.

A listing of capital assets by major category for the current and prior year is as follows:

<i>September 30,</i>	2013	2012	Change
Capital assets	\$ 17,372,292	\$ 17,139,898	\$ 232,394
Accumulated depreciation	(7,570,681)	(7,004,017)	(566,664)
Net capital assets	\$ 9,801,611	\$ 10,135,881	\$ (334,270)

More information about the District's capital assets is presented in Note 4 to the financial statements.

Debt

At September 30, 2013, the District had approximately \$3.2 million of bonds outstanding. This amount represents a net decrease of \$565,000 from the fiscal year 2012 total.

A listing of debt amounts outstanding for the current and prior year is as follows:

<i>September 30,</i>	2013	2012	Change
Series 2008-1 bonds	\$ 135,000	\$ 260,000	\$ (125,000)
Series 2008-2 bonds	3,035,000	3,475,000	(440,000)
	\$ 3,170,000	\$ 3,735,000	\$ (565,000)

More information about the District's long-term debt is presented in Note 5 to the financial statements.

FUTURE FINANCIAL FACTORS

Remington Community Development District is an independent special district that operates under the provisions of Chapter 190, Florida Statutes. The District operates under an elected Board of Supervisors, which establishes policy and sets assessment rates. Assessment rates for fiscal year 2014 were established to provide for the operations of the District as well as necessary debt service requirements.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances. If you have questions about this report or need additional financial information, contact the Remington Community Development District's management company at 135 W. Central Boulevard, Suite 320, Orlando, Florida 32801.

Basic Financial Statements

Remington Community Development District

Statement of Net Position

<i>September 30,</i>	2013
	Governmental Activities
Assets	
Cash and cash equivalents	\$ 245,419
Investments	1,657,566
Assessments receivable	12,017
Prepaid expenses	33,135
Capital assets:	
Not being depreciated	755,075
Depreciable, net	9,046,536
Total assets	11,749,748
Deferred outflows of resources	
Deferred charge on refunding	110,880
Total deferred outflows of resources	110,880
Liabilities	
Accounts payable	235,152
Accrued interest payable	52,359
Non-current liabilities:	
Due within one year	590,000
Due in more than one year	2,536,203
Total liabilities	3,413,714
Net position	
Net investment in capital assets	6,786,288
Restricted for:	
Debt service	237,687
Unrestricted	1,422,939
Total net position	\$ 8,446,914

See accompanying notes to financial statements.

Remington Community Development District

Statement of Activities

Year ended September 30,

2013

Functions/Programs	Expenses	Charges for Services	<u>Program Revenues</u>		Net (Expense) Revenue and Changes in Net Position
			Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary government:					
Governmental activities:					
General government	\$ (175,345)	\$ 227,765	\$ -	\$ -	\$ 52,420
Maintenance and operations	(1,302,257)	955,499	-	-	(346,758)
Interest	(165,906)	723,627	120	71	557,912
Total governmental activities	\$(1,643,508)	\$ 1,906,891	\$ 120	\$ 71	263,574

General revenues

Interest and other revenues	7,436
Change in net position	271,010
Net position - beginning of year, as restated	8,175,904
Net position - end of year	\$ 8,446,914

See accompanying notes to financial statements.

Remington Community Development District

Balance Sheet - Governmental Funds

September 30,

2013

	General	Debt Service	Capital Projects	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 130,165	\$ -	\$ 115,254	\$ 245,419
Investments	665,114	285,411	707,041	1,657,566
Assessments receivable	7,382	4,635	-	12,017
Prepaid expenditures	33,135	-	-	33,135
Total assets	\$ 835,796	\$ 290,046	\$ 822,295	\$ 1,948,137
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 28,758	\$ -	\$ 206,394	\$ 235,152
Total liabilities	28,758	-	206,394	235,152
Fund balances				
Nonspendable	33,135	-	-	33,135
Restricted for debt service	-	290,046	-	290,046
Committed for pavement management	-	-	615,901	615,901
Unassigned	773,903	-	-	773,903
Total fund balances	807,038	290,046	615,901	1,712,985
Total liabilities and fund balances	\$ 835,796	\$ 290,046	\$ 822,295	\$ 1,948,137

See accompanying notes to financial statements.

Remington Community Development District

Reconciliation of the Balance Sheet to the Statement of Net Position

<i>September 30,</i>	2013
Total fund balances, governmental funds	\$ 1,712,985
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund level statements.	9,801,611
Deferred charges on refunding are not financial resources and, therefore are not reported as assets in governmental funds. The Statement of Net Position includes these charges, net of amortization.	110,880
Liabilities not due and payable from current resources, including accrued interest, are not reported in the fund level statements.	(3,178,562)
Total net position - governmental activities	\$ 8,446,914

See accompanying notes to financial statements.

Remington Community Development District

Statement of Revenues, Expenditures and Changes in Fund Balances-
Governmental Funds

Year ended September 30,

2013

	General	Debt Service	Capital Projects	Total Governmental Funds
Revenues				
Assessments	\$ 1,183,264	\$ 723,627	\$ -	\$ 1,906,891
Interest and other revenues	7,436	120	71	7,627
Total revenues	1,190,700	723,747	71	1,914,518
Expenditures				
Current:				
General government	151,209	-	24,136	175,345
Maintenance and operations	735,593	-	-	735,593
Debt service:				
Principal	-	565,000	-	565,000
Interest	-	147,162	-	147,162
Capital outlay	15,350	-	217,044	232,394
Total expenditures	902,152	712,162	241,180	1,855,494
Excess (deficit) of revenues over expenditures	288,548	11,585	(241,109)	59,024
Other financing sources (uses)				
Transfers in	-	-	857,010	857,010
Transfers out	(857,010)	-	-	(857,010)
Total other financing sources (uses)	(857,010)	-	857,010	-
Net change in fund balances	(568,462)	11,585	615,901	59,024
Fund balances, beginning of year	1,375,500	278,461	-	1,653,961
Fund balances, end of year	\$ 807,038	\$ 290,046	\$ 615,901	\$ 1,712,985

See accompanying notes to financial statements.

Remington Community Development District

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

<i>Year ended September 30,</i>	2013
Net change in fund balances - governmental funds	\$ 59,024
Capital outlay, reported as expenditures in the governmental funds, is shown as capital assets on the Statement of Net Position.	232,394
Depreciation on capital assets is not recognized in the fund financial statements but is reported as an expense in the Statement of Activities.	(566,664)
Governmental funds report principal payments on bonds when debt is paid, whereas these payments are eliminated in the Statement of Activities and recognized as a decrease in bonds payable in the Statement of Net Position.	565,000
Amortization of deferred refunding amounts and original issue discount is not recognized in the governmental fund statements but is reported as an expense in the Statement of Activities.	(27,703)
The change in accrued interest between the current and prior year is recorded on the Statement of Activities but not on the fund level statements.	8,959
Change in net position of governmental activities	\$ 271,010

See accompanying notes to financial statements.

Remington Community Development District

Notes to Financial Statements

NOTE 1 – NATURE OF ORGANIZATION

The Remington Community Development District (the “District”) was established in 1994 pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes, by Osceola County Ordinance 94-2. The Act provides, among other things, the power to manage basic services for community development, power to borrow money and issue bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

The District was established for the purposes 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 a Board of Supervisors (“Board”), which is comprised of five members. The Supervisors are elected by qualified electors of Osceola County whose primary residence is 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. Assessing and levying special 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 evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include or exclude a potential component unit in the reporting entity was made by applying the criteria set forth in Generally Accepted Accounting Principles (GAAP) as defined by the Governmental Accounting Standards Board (GASB) in Statements No. 14 and No. 61. Based on the criteria identified, no potential component units were found.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the District conform to GAAP as applicable to governments in accordance with those promulgated by GASB. The following is a summary of the more significant policies:

Government-wide and Fund Financial Statements

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by assessments, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The business-type activities are reported separately in government-wide financial statements; however, at September 30, 2013, the District did not have any significant business-type activities. Therefore, no business-type activities are reported. Assessments and other items not properly included as program revenues (i.e., charges to customers or applicants who purchase, use, or directly benefit from goods or services) are reported as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Basis of 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 the related cash flows. Assessments are recognized as revenues in the year for which they are levied. Grants and other similar items are to be recognized as revenue 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 generally 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 special assessments imposed on all lands located within the District and benefited by the District's activities. Operation and maintenance assessments are levied by the District prior to the start of the fiscal year which begins October 1st and ends on September 30th. Operation and maintenance special 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.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The District reports the following major governmental funds:

General Fund – The General Fund is the primary operating fund of the District. It is used to account for all financial resources except those required to be accounted for in other funds.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for the annual payment of principal and interest on long-term debt for the Series 2008 Bonds.

Capital Projects Fund – The Capital Projects Fund accounts for the financial resources to be used in the acquisition or construction of major infrastructure within the District.

For the year ended September 30, 2013, the District does not report any proprietary funds.

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 government's policy to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, or unassigned resources are available for use in governmental fund financial statements, it is the government's policy to use committed resources first, followed by assigned resources, and then unassigned resources as needed.

Cash, Deposits and Investments

The District maintains deposits with "Qualified Public Depositories" as defined in Chapter 280, Florida Statutes. All Qualified Public Depositories must place with the Treasurer of the State of Florida securities in accordance with collateral requirements determined by the State's Chief Financial Officer. In the event of default by a Qualified Public Depository, the State Treasurer will pay public depositors all losses. Losses in excess of insurance and collateral will be paid through assessments between all Qualified Public Depositories.

Under this method, all the District's deposits are fully insured or collateralized at the highest level of security as defined by GASB Statement Number 40, *Deposits and Investment Disclosures (An Amendment of GASB Statement Number 3)*.

The District is authorized to invest in financial instruments as established by Section 218.415, Florida Statutes. The authorized investments include among others, direct obligations of the United States Treasury; the Local Government Surplus Funds Trust as created by Section 218.405, Florida Statutes; SEC registered money market funds with the highest credit quality rating from a nationally recognized rating agency; and interest-bearing time deposits or savings accounts in authorized financial institutions.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include primarily infrastructure assets (e.g., roads, sidewalks, water management systems and similar items), are reported in the 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 2 years. Such assets are recorded at historical cost and estimated historical cost if purchased or constructed. Donated 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 asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Asset	Years
Buildings and other improvements	5 - 30
Infrastructure	25 - 30

In the governmental fund financial statements, amounts incurred for the acquisition of capital assets are reported as fund expenditures. Depreciation expense is not reported in the governmental fund financial statements.

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 or effective interest method. Bonds payable are reported net of these premiums or discounts. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current period expenses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of the 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 debt service expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes include a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District only has one item that qualifies for reporting in this category: the deferred charge on refunding reported in the

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District does not have any of this type of item at September 30, 2013.

Fund Equity

Net position in the government-wide financial statements represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources and is categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents assets related to infrastructure and property, plant and equipment, net of any related debt. Restricted net position represents the net position restricted by the District's bond covenants.

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the District board through approval of resolutions. Assigned fund balances is a limitation imposed by a designee of the District board. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Budgets

The District is required to establish a budgetary system and an approved annual budget. Annual budgets are legally adopted on a basis consistent with GAAP for the General Fund. Any revision to the budget must be approved by the District Board. The budgets are compared to actual expenditures. In instances where budget appropriations and estimated revenues have been revised during the year, budget data presented in the financial statements represent final authorization amounts.

Remington Community Development District

Notes to Financial Statements

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

NOTE 3 – INVESTMENTS

All investments held at September 30, 2013 are reported at fair value based on quoted market prices, which approximates amortized cost.

<i>September 30,</i>	2013	Credit Risk	Weighted Average Maturities
State Board of Administration Florida PRIME	\$ 364,905	S&P AAAm	44 days
Short-term Money Market Funds	1,292,661	S&P AAAm	47-48 days
Total investments	\$ 1,657,566		

Concentration risk – The District’s investment policy requires diversification, but does not specify limits on types of investments.

Custodial credit risk – For an investment, custodial credit risk is the risk that the District will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The District has no formal policy for custodial risk. At September 30, 2013, none of the investments listed above are exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Interest rate risk – The District does not have a formal policy for addressing interest rate risk; however, investments are made with discretion, to seek reasonable returns, preserve capital, and in general, avoid speculative investments. The District manages its exposure to declines in fair values from interest rate changes by reviewing the portfolio on an ongoing basis for changes in effective yield amounts.

Remington Community Development District

Notes to Financial Statements

NOTE 4 – CAPITAL ASSETS

The following is a summary of changes in the capital assets for the year ended September 30, 2013:

	Beginning Balance	Additions	Transfers and Conveyances	Ending Balance
Governmental Activities:				
<i>Capital assets not being depreciated:</i>				
Land and improvements	\$ 755,075	\$ -	\$ -	\$ 755,075
Total capital assets, not being depreciated	755,075	-	-	755,075
<i>Capital assets being depreciated:</i>				
Building and other improvements	986,957	-	-	986,957
Infrastructure	15,397,866	232,394	-	15,630,260
Total capital assets, being depreciated	16,384,823	232,394	-	16,617,217
<i>Less accumulated depreciation for:</i>				
Building and other improvements	367,783	41,467	-	409,250
Infrastructure	6,636,234	525,197	-	7,161,431
Total accumulated depreciation	7,004,017	566,664	-	7,570,681
Total capital assets, being depreciated, net	9,380,806	(334,270)	-	9,046,536
Governmental activities capital assets, net	\$ 10,135,881	\$ (334,270)	\$ -	\$ 9,801,611

Depreciation expense of \$566,664 was allocated to maintenance and operations on the Statement of Activities.

NOTE 5 – BONDS PAYABLE

On February 1, 2008, bonds were issued to refund the Series 1994 and Series 1997A Special Assessment Bonds. The District issued \$850,000 of Series 2008-1 Term Bonds with a fixed interest rate of 4%. Principal of the Series 2008-1 Bonds is paid serially commencing May 1, 2008 through May 1, 2014. The District also issued Series 2008-2 Term Bonds in two portions; \$2,915,000 and \$2,580,000, with fixed interest rates of 3.75% and 4%, respectively. Principal of the Series 2008-2 Bonds is paid serially commencing on May 1, 2008 through May 1, 2019. Interest for both bond series is paid semiannually on each May 1 and November 1.

The Bond Indenture has certain restrictions and requirements relating principally to the use of proceeds to pay for infrastructure improvements and the procedure to be followed by the District on assessments to property owners. The District agreed to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the debt service reserve requirement. The District is in compliance with the requirements of the Bond Indenture.

Remington Community Development District

Notes to Financial Statements

NOTE 5 – BONDS PAYABLE (CONTINUED)

The Bond Indenture requires that the District maintain adequate funds in the reserve account to meet the debt service reserve requirement as defined in the Indenture. The requirement has been met for the fiscal year ended September 30, 2013 through the utilization of a surety bond.

The balance of the Series 2008 Bonds at September 30, 2013 is summarized as follows:

<i>September 30,</i>	2013
Bond principal balance	\$ 3,170,000
Less unamortized bond discount	(43,797)
Net balance, Series 2008 Bonds	\$ 3,126,203

At September 30, 2013, the scheduled debt service requirements on long-term debt were as follows:

Year Ending September 30,	Principal	Interest	Total Debt Service
2014	\$ 590,000	\$ 125,663	\$ 715,663
2015	475,000	103,200	578,200
2016	495,000	84,200	579,200
2017	515,000	64,400	579,400
2018	535,000	43,800	578,800
2019	560,000	22,400	582,400
	\$ 3,170,000	\$ 443,663	\$ 3,613,663

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<i>Governmental Activities</i>					
Bonds Payable:					
Series 2008-1	\$ 260,000	\$ -	\$ 125,000	\$ 135,000	\$ 135,000
Series 2008-2	3,475,000	-	440,000	3,035,000	455,000
	\$ 3,735,000	\$ -	\$ 565,000	\$ 3,170,000	\$ 590,000

NOTE 6 – INTERFUND TRANSFERS

The District transferred funds totaling \$857,010 from the General Fund to the Capital Projects Fund to separate the budgeted amounts reserved to manage the various ongoing paving projects within the District.

NOTE 7 – 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. The District maintains commercial insurance coverage to mitigate the risk of loss. Coverage may not extend to all situations. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in the previous three years.

NOTE 8 – MANAGEMENT COMPANY

The District has contracted with a management company to perform management advisory services, which include financial and accounting advisory services. Certain employees of the management company also serve as officers (Board appointed non-voting positions) of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, and other administrative costs.

NOTE 9 – CHANGE IN ACCOUNTING PRINCIPLES

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement established standards for reporting deferred outflows of resources, deferred inflows of resources, and net position and creates a new format for the statement of financial position that requires deferred outflows of resources and deferred inflows of resources to be reported separately from assets and liabilities.

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This statement improves financial reporting by clarifying the appropriate use of the financial statement elements deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting.

The District made the decision to implement these standards effective October 1, 2012.

As a result of implementation, government-wide net position at the beginning of the year has been restated. GASBS No. 65 requires, among other things, that bond issue costs be shown as current-period outflows of resources (expenses) and not capitalized. Accordingly, prior year deferred charges have been removed from the current year financial statements. The restatement resulted in a decrease in the beginning net position of \$196,830.

In addition to the above restatement, other items have been reclassified in the financial statements in order to conform to the newly required presentation. On the government-wide Statement of Net Position, the deferred charge on refunding was previously netted against long-term debt. In the current year financial statements, it is presented separately as a deferred outflow of resources.

Required Supplemental Information
(Other Than MD&A)

Remington Community Development District

Budget to Actual Comparison Schedule - General Fund

Year ended September 30,

2013

	Original and Final Budget	Actual Amounts	Variance with Final Budget
Revenues			
Assessments	\$ 1,137,222	\$ 1,183,264	\$ 46,042
Interest and other revenues	3,000	7,436	4,436
Total revenues	1,140,222	1,190,700	50,478
Expenditures			
General government	162,145	151,209	10,936
Maintenance and operations	813,077	735,593	77,484
Capital outlay	165,000	15,350	149,650
Total expenditures	1,140,222	902,152	238,070
Excess of revenues over expenditures	\$ -	\$ 288,548	\$ 288,548



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**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
Remington Community Development District
Osceola County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Remington Community Development District (hereinafter referred to as the "District"), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report dated January 29, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or 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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitation, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weakness may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Caru, Riggs & Ingram, L.L.C.

Miramar Beach, Florida
January 29, 2014



Carr, Riggs & Ingram, LLC
Certified Public Accountants
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MANAGEMENT LETTER

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To the Board of Supervisors
Remington Community Development District
Osceola County, Florida

We have audited the financial statements of the Remington Community Development District ("District") as of and for the fiscal year ended September 30, 2013, and have issued our report thereon dated January 29, 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; and Chapter 10.550, Rules of the Florida Auditor General. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in this report, which is dated January 29, 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. There were no recommendations made in the preceding annual audit 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 noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Section 10.554(1)(i)5., 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. The information required is disclosed in the notes to the financial statements.

Section 10.554(1)(i)6.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 did not meet any of the conditions described in Section 218.503(1), Florida Statutes during the year ended September 30, 2013.

Section 10.554(1)(i)6.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)6.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.

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, L.L.C.

Miramar Beach, Florida
January 29, 2014