

**Renaissance Commons
Community Development District**

ANNUAL FINANCIAL REPORT

September 30, 2015

Renaissance Commons Community Development District

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REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors
Renaissance Commons Community Development District
Palm Beach County, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of Renaissance Commons Community Development District as of and for the year ended September 30, 2015, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Fort Pierce / Stuart

To the Board of Supervisors
Renaissance Commons Community Development District

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the Renaissance Commons Community Development District as of September 30, 2015, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 16, 2016 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts.

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Renaissance Commons Community Development District's internal control over financial reporting and compliance.

*Berger, Toombs, Elam,
Gaines & Frank*

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

June 16, 2016

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

The *Government-wide financial statements* are the **statement of net position** and the **statement of activities**. These statements use accounting methods similar to those used by private-sector companies. Emphasis is placed on the net position of governmental activities and the change in net position. Governmental activities are primarily supported by special assessments.

The **statement of net position** presents information on all assets and liabilities of the District, with the difference between assets and liabilities reported as net position. Net position is reported in three categories; 1) net investment in capital assets 2) restricted and 3) unrestricted. Assets, liabilities, and net position are reported for all Governmental activities.

The statement of activities presents information on all revenues and expenses of the District and the change in net position. Expenses are reported by major function and program revenues relating to those functions are reported, providing the net cost of all functions provided by the District. To assist in understanding the District's operations, expenses have been reported as governmental activities. Governmental activities financed by the District include general government and physical environment.

Fund financial statements present financial information for governmental funds. These statements provide financial information for the major and other governmental funds of the District. Governmental fund financial statements provide information on the current assets and liabilities of the funds, changes in current financial resources (revenues and expenditures), and current available resources.

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

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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

The *agency fund financial statement* includes a **statement of fiduciary net position**. These are funds held by the District on behalf of others and may not be used in governmental activities.

The *government-wide financial statements* and the *fund financial statements* provide different pictures of the District. The *government-wide financial statements* provide an overall picture of the District's financial standing. These statements are comparable to private-sector companies and give a good understanding of the District's overall financial health and how the District paid for the various activities, or functions, provided by the District. All assets of the District, including land improvements and infrastructure are reported in the **statement of net position**. All liabilities obligated but not paid by the District, are included. The **statement of activities** includes depreciation on all long lived assets of the District, but transactions between the different functions of the District have been eliminated in order to avoid "doubling up" the revenues and expenses. The *fund financial statements* provide a picture of the major funds of the District. In the case of governmental activities, outlays for long lived assets are reported as expenditures and long-term liabilities are not included in the fund financial statements. To provide a link from the *fund financial statements* to the *government-wide financial statements*, a reconciliation is provided from the *fund financial statements* to the *government-wide financial statements*.

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

Financial Highlights

The following are the highlights of financial activity for the period ended September 30, 2015.

- ◆ The District's total assets exceeded total liabilities assets by \$10,168,198 (net position). Net investment in capital assets was \$10,110,724.
- ◆ Governmental activities revenues totaled \$38,223 while governmental activities expenses totaled \$498,995.

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

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District

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

Net Position

	Governmental Activities	
	2015	2014
Current assets	\$ 67,712	\$ 83,088
Capital assets	10,110,724	10,558,520
Total Assets	10,178,436	10,641,608
 Current Liabilities	 10,238	 12,638
Net investment in capital assets	10,110,724	10,558,520
Net position - unrestricted	57,474	70,450
Total Net Position	\$ 10,168,198	\$ 10,628,970

The decrease in current assets and unrestricted net position is primarily the result of expenses in excess of special assessment revenues at the fund level.

The decrease in capital assets and net investment in capital assets is related to current year depreciation.

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

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Financial Analysis of the District (Continued)

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

Change in Net Position

	Governmental Activities	
	2015	2014
<u>Governmental Revenues</u>		
Charges for services	\$ 36,732	\$ 42,906
Investment earnings	598	1,469
Miscellaneous	893	193
Total Revenues	<u>38,223</u>	<u>44,568</u>
 Expenses		
General government	51,199	55,657
Physical environment	447,796	447,796
Total Expenses	<u>498,995</u>	<u>503,453</u>
 Change in Net Position	(460,772)	(458,885)
 Net Position - Beginning of Year	<u>10,628,970</u>	<u>11,087,855</u>
 Net Position - End of Year	<u>\$ 10,168,198</u>	<u>\$ 10,628,970</u>

The decrease in charges for services is primarily the result of a budgeted decrease in special assessment revenues.

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

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Capital Assets Activity

The following schedule provides a summary of the District's capital assets as of September 30, 2015.

	Governmental Activities	
	2015	2014
Infrastructure	\$ 13,431,878	\$ 13,431,878
Less: accumulated depreciation	(3,321,154)	(2,873,358)
Total	\$ 10,110,724	\$ 10,558,520

Depreciation of \$447,796 was the only capital asset activity for the year.

General Fund Budgetary Highlights

The original budget for the General Fund was amended to reflect an increase in special assessments and a decrease in engineering and continuing disclosure fees.

Economic Factors and Next Year's Budget

Renaissance Commons Community Development District does not expect any economic factors to have any significant effect on the financial position or results of operations of the District in fiscal year 2016.

Request for Information

The financial report is designed to provide a general overview of Renaissance Commons Community Development District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Renaissance Commons Community Development District, Special District Services, Inc., 2501A Burns Road, Palm Beach Gardens, Florida 33410.

Renaissance Commons Community Development District
STATEMENT OF NET POSITION
September 30, 2015

	Governmental Activities
Assets	
Current Assets	
Cash and equivalents	\$ 67,569
Accounts receivable	143
Total Current Assets	67,712
Non-Current Assets	
Capital assets being depreciated:	
Infrastructure	13,431,878
Less: accumulated depreciation	(3,321,154)
Total Non-Current Assets	10,110,724
Total Assets	10,178,436
Liabilities	
Current Liabilities	
Accounts payable	10,238
Net Position	
Net investment in capital assets	10,110,724
Unrestricted	57,474
Total Net Position	\$ 10,168,198

See accompanying notes to financial statements.

Renaissance Commons Community Development District
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2015

Functions/Programs	Expenses	Program Revenues	Net (Expense) Revenues and Changes in Net Position
		Charges for Services	Governmental Activities
General government	\$ (51,199)	\$ 36,732	\$ (14,467)
Physical environment	(447,796)	-	(447,796)
Total Governmental Activities	\$ (498,995)	\$ 36,732	(462,263)
General Revenues			
			598
			893
			1,491
			(460,772)
			10,628,970
			\$ 10,168,198

See accompanying notes to financial statements.

Renaissance Commons Community Development District
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2015

	General Fund
Assets	
Cash and equivalents	\$ 67,569
Accounts receivable	143
Total Assets	\$ 67,712
Liabilities and Fund Balances	
Liabilities	
Accounts payable	\$ 10,238
Fund Balances:	
Unassigned	57,474
Total Liabilities and Fund Balances	\$ 67,712

See accompanying notes to financial statements.

Renaissance Commons Community Development District
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
For the Year Ended September 30, 2015

Total Governmental Fund Balances	\$ 57,474
Capital assets being depreciated, infrastructure, \$13,431,878 net of accumulated depreciation, \$(3,321,154), used in governmental activities are not financial resources and; therefore, are not reported in the funds.	<u>10,110,724</u>
Net Position of Governmental Activities	<u><u>\$ 10,168,198</u></u>

See accompanying notes to financial statements.

Renaissance Commons Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the year ended September 30, 2015

	General Fund
Revenues	
Special assessments	\$ 36,732
Miscellaneous revenues	893
Investment earnings	598
Total Revenues	38,223
Expenditures	
Current:	
General government	51,199
Net change in fund balances	(12,976)
Fund Balances - October 1, 2014	70,450
Fund Balances - September 30, 2015	\$ 57,474

See accompanying notes to financial statements.

Renaissance Commons Community Development District
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2015

Net Change in Fund Balances - Total Governmental Funds	\$ (12,976)
 Amounts reported for Governmental Activities in the Statement of Activities are different because:	
 Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation. This is the amount of depreciation in the current period.	
	<u>(447,796)</u>
Change in Net Position of Governmental Activities	<u><u>\$ (460,772)</u></u>

See accompanying notes to financial statements.

Renaissance Commons Community Development District
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL FUND
For the Year Ended September 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Special assessments	\$ 35,387	\$ 36,945	\$ 36,732	\$ (213)
Miscellaneous revenues	-	750	893	143
Investment earnings	300	380	598	218
Total Revenues	<u>35,687</u>	<u>38,075</u>	<u>38,223</u>	<u>148</u>
Expenditures				
Current				
General government	<u>59,545</u>	<u>55,420</u>	<u>51,199</u>	<u>4,221</u>
Net change in fund balances	(23,858)	(17,345)	(12,976)	4,369
Fund Balances - October 1, 2014	<u>125,712</u>	<u>125,712</u>	<u>70,450</u>	<u>(55,262)</u>
Fund Balances - September 30, 2015	<u>\$ 101,854</u>	<u>\$ 108,367</u>	<u>\$ 57,474</u>	<u>\$ (50,893)</u>

See accompanying notes to financial statements.

Renaissance Commons Community Development District
STATEMENT OF FIDUCIARY NET POSITION -
AGENCY FUNDS
September 30, 2015

Assets	
Cash and investments	\$ 2,187,801
Accounts receivable	5,284
Total Assets	<u>\$ 2,193,085</u>
Liabilities	
Agency funds on hand	<u>\$ 2,193,085</u>

See accompanying notes to financial statements.

Renaissance Commons Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Reporting Entity

The District was established on March 15, 2005, by the City of Boynton Beach Ordinance 05-018, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), as a Community Development District. The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of the infrastructure necessary for community development within its jurisdiction. The District is authorized to issue bonds for the purpose, among others, of financing, funding, planning, establishing, acquiring, constructing or re-constructing, enlarging or extending, equipping, operating and maintaining water management, water supply, sewer and waste water management, bridges or culverts, district roads, landscaping, street lights and other basic infrastructure projects within or without the boundaries of the Renaissance Commons Community Development District. The District is governed by a five-member Board of Supervisors, who are elected for four year terms. The District operates within the criteria established by Chapter 190.

As required by GAAP, these financial statements present the Renaissance Commons Community Development District (the primary government) as a stand-alone government. The reporting entity for the District includes all functions of government in which the District's Board exercises oversight responsibility including, but not limited to, financial interdependency, selection of governing authority, designation of management, significant ability to influence operations and accountability for fiscal matters.

Based upon the application of the above-mentioned criteria as set forth in Governmental Accounting Standards Board ("GASB"), the District has identified no component units.

2. Measurement Focus and Basis of Accounting

The basic financial statements of the District are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to financial statements

Renaissance Commons Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

a. Government-wide Financial Statements

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

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

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

b. Fund Financial Statements

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

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

Governmental Funds

The District implemented the Governmental Accounting Standards Board Statement 54 – Fund Balance Reporting and Governmental Fund Type Definitions. The Statement requires the fund balance for governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The classifications include non-spendable, restricted, committed, assigned and unassigned.

Renaissance Commons Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds (Continued)

The District has various policies governing the fund balance classifications.

Nonspendable Fund Balance – This classification consists of amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

Restricted Fund Balance – This classification includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Assigned Fund Balance – This classification consists of the Board of Supervisors' intent to be used for specific purposes, but are neither restricted nor committed. The assigned fund balances can also be assigned by the District's management company.

Unassigned Fund Balance – This classification is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. Unassigned fund balance is considered to be utilized first when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

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

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Interest associated with the current fiscal period is considered to be an accrual item and has been recognized as revenue of the current fiscal period.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Renaissance Commons Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Measurement Focus and Basis of Accounting (Continued)

b. Fund Financial Statements (Continued)

Governmental Funds (Continued)

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

The District uses a 90 day window for recognition of revenues received. There is no use of significant estimates due to the nature of the revenues.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources are expended, rather than as fund assets. The proceeds of long-term debt are recorded as an other financing source rather than as a fund liability.

3. Basis of Presentation

a. Governmental Major Funds

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

b. Agency Fund

The Special Assessment Debt Service Agency Fund - This fund accounts for the debt service activity of the Special Assessment Bonds, Series 2005A which were issued to finance certain improvements of the District, and reflects the fiduciary nature of its relationship to the bondholders.

c. Non-current Governmental Assets/Liabilities

GASB Statement 34 requires that non-current governmental assets, such as land, buildings, infrastructure and equipment, and non-current governmental liabilities, such as general obligation bonds, capital leases and accrued compensated absences, be reported in the governmental activities column in the government-wide Statement of Net Position.

Renaissance Commons Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Assets, Liabilities and Net Position or Equity

a. Cash and Investments

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

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

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

b. Restricted Assets

Certain net position of the District are classified as restricted on the Statement of Net Position because their use is limited either by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors.

c. Capital Assets

Capital assets, which include land improvements and infrastructure are reported in the governmental activities column.

The District defines capital assets as assets with an initial, individual cost of \$1,000 or more and an estimated useful life in excess of one year. The valuation basis for all assets is historical cost.

Renaissance Commons Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

c. Capital Assets (Continued)

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

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

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

Infrastructure	30 years
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d. Budgets

Budgets are prepared and adopted after public hearings for the governmental funds, pursuant to Chapter 190 and Section 200.065, Florida Statutes. The District utilizes the same basis of accounting for budgets as it does for revenues and expenditures in its various funds. The legal level of budgetary control is at the fund level. All budgeted appropriations lapse at year end. Formal budgets are adopted for the general fund. As a result, deficits in the budget columns of the accompanying financial statements may occur.

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

“Total fund balances” of the District’s general fund (\$57,474) differs from “net position” of governmental activities (\$10,168,198) reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the governmental fund balance sheet. The effect of the differences is illustrated below.

Renaissance Commons Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

1. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position (Continued)

Capital related items

When capital assets (land, buildings, infrastructure and equipment that are to be used in governmental activities) are purchased or constructed, the cost of those assets are reported as expenditures in governmental funds. However, the Statement of Net Position included those capital assets among the assets of the District.

Infrastructure	\$ 13,431,878
Less: accumulated depreciation	<u>(3,321,154)</u>
Total	<u>\$ 10,110,724</u>

2. Explanation of Differences Between the Governmental Fund Operating Statements and the Statement of Activities

The “net change in fund balances” for the general fund (\$(12,976)) differs from the “change in net position” for governmental activities (\$(460,772)) reported in the Statement of Activities. The differences arise primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Capital related items

When capital assets that are to be used in governmental activities are purchased, constructed or depreciated, the resources expended for those assets are reported as expenditures in governmental funds.

Depreciation expense	<u>\$ (447,796)</u>
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Renaissance Commons Community Development District
NOTES TO FINANCIAL STATEMENTS
September 30, 2015

NOTE C – CASH AND INVESTMENTS

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

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk, however, they follow the provisions of Chapter 280, Florida Statutes regarding deposits and investments. As of September 30, 2015 the District's bank balance was \$109,505 and carrying value were \$67,569. Exposure to custodial credit risk was as follows. The District maintains all deposits in a qualified public depository in accordance with the provisions of Chapter 280, Florida Statutes, which means that all deposits are fully insured by Federal Depositors Insurance or collateralized under Chapter 280, Florida Statutes.

As of September 30, 2015, the District in its' Agency Funds had \$2,187,801 invested in First American Government Obligation Funds.

Interest Rate Risk

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

Credit Risk

The District's investments in treasury funds, commercial paper, and government loans are limited by state statutory requirements and bond compliance. The District has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one. The types of deposits and investments and their level of risk exposure as of September 30, 2015 were typical of these items during the fiscal year then ended. The District considers any decline in fair value for certain investments to be temporary.

NOTE D – RISK MANAGEMENT

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

NOTE E – ECONOMIC DEPENDENCY AND RELATED PARTIES

A substantial portion of the District’s activity is dependent upon the continued involvement of the developers, the loss of which could have a materially adverse effect on the District. At September 30, 2015, the developers owned or controlled a large portion of the assessable property located within District boundaries. All of the Board of Supervisors are employed by the developer or its affiliates at September 30, 2015.

NOTE F – CAPITAL ASSETS

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

	Balance 10/1/2014	Additions	Deletions	Balance 9/30/2015
<u>Governmental Activities:</u>				
Capital assets, being depreciated:				
Infrastructure	\$ 13,431,878	\$ -	\$ -	\$ 13,431,878
Total Capital Assets, Being Depreciated	<u>13,431,878</u>	<u>-</u>	<u>-</u>	<u>13,431,878</u>
Less: accumulated depreciation for:				
Infrastructure	2,873,358	447,796	-	3,321,154
Total Capital Assets Depreciated, Net	<u>10,558,520</u>	<u>(447,796)</u>	<u>-</u>	<u>10,110,724</u>
Governmental Activities Capital Assets, Net	<u>\$ 10,558,520</u>	<u>\$ (447,796)</u>	<u>\$ -</u>	<u>\$ 10,110,724</u>

Depreciation of \$447,796 was allocated to physical environment.

NOTE G – AGENCY FUND SPECIAL ASSESSMENT BONDS

In a prior year, the District, acting as agent for the property owners, issued \$19,000,000 Renaissance Commons Community Development District Special Assessment Bonds, Series 2005A (the “Bonds”) pursuant to the Act and a Trust Indenture (the “Indenture”) dated as of December 1, 2005, by and between the District and Wachovia Bank, National Association (the “Trustee”). Subsequently, Wachovia Bank sold the Trust Division to US Bank (the current “Trustee”).

The District is not obligated in any manner for the Bonds, which constitute special assessment debt, and is in no way liable for repayment but is acting only as an agent for property owners in collecting the assessments and forwarding the collection to the paying agent for the bondholders.

The Bonds were issued in order to finance a portion of the cost of the Series 2005 Project (the “Project), provide a debt service reserve fund, and to pay capitalized interest and the cost of issuance of the Bonds.

The Project consisted of the acquisition, construction, installation and equipping of certain roadway improvements, a stormwater management system, and a water and sewer system with a total cost of \$16,525,996. The outstanding balance of the Bonds at September 30, 2015 was \$16,150,000.

SUPPLEMENTARY INFORMATION

Renaissance Commons Community Development District
STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES - AGENCY FUNDS
For the Year Ended September 30, 2015

	Beginning Balance	Additions	Deletions	Ending Balance
Assets				
Cash and investments	\$ 2,152,720	\$ 1,326,128	\$ 1,291,047	\$ 2,187,801
Accounts receivable	6,360	5,284	6,360	5,284
Total Assets	\$ 2,159,080	\$ 1,331,412	\$ 1,297,407	\$ 2,193,085
Liabilities				
Agency funds on hand	\$ 2,159,080	\$ 1,403,205	\$ 1,369,200	\$ 2,193,085



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

To the Board of Supervisors
Renaissance Commons Community Development District
Palm Beach 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 Renaissance Commons Community Development District, as of and for the year ended September 30, 2015, and the related notes to the financial statements, and have issued our report thereon dated June 16, 2016.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Board of Supervisors
Renaissance Commons Community Development District

Compliance and Other Matters

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

Purpose of this Report

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

*Berger, Toombs, Elam,
Gaines & Frank*

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

June 16, 2016



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MANAGEMENT LETTER

To the Board of Supervisors
Renaissance Commons Community Development District
Palm Beach County, Florida

Report on the Financial Statements

We have audited the financial statements of the Renaissance Commons Community Development District as of and for the year ended September 30, 2015, and have issued our report thereon dated June 16, 2016.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the Florida Auditor General.

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and our Independent Auditor's Report on an examination conducted in accordance with AICPA Professionals Standards, Section 601 regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in that report, which is dated June 16, 2016, should be considered in conjunction with this Management Letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we address in the Management Letter, if not already addressed in the auditor's report on compliance and internal controls, whether or not recommendations made in the preceding annual financial report have been followed. There were no recommendations made in the preceding audit report.

Financial Condition

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that we report the results of our determination as to whether or not Renaissance Commons Community Development District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific conditions met. In connection with our audit, we determined that the Renaissance Commons Community Development District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

To the Board of Supervisors
Renaissance Commons Community Development District

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial conditions assessment procedures. It is management's responsibility to monitor the Renaissance Commons Community Development District's financial condition; our financial condition assessment was based in part on the representations made by management and the review of the financial information provided by the same.

Annual Financial Report

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the Renaissance Commons Community Development District for the fiscal year ended September 30, 2015, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2015. In connection with our audit, we determined that these two reports were in agreement.

Other Matters

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

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

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

*Berger, Toombs, Elam,
Gaines & Frank*

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

June 16, 2016



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

To the Board of Supervisors
Renaissance Commons Community Development District
Palm Beach County, Florida

We have examined Renaissance Commons Community Development District's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2015. Management is responsible for Renaissance Commons Community Development District's compliance with those requirements. Our responsibility is to express an opinion on Renaissance Commons Community Development District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Renaissance Commons Community Development District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Renaissance Commons Community Development District's compliance with the specified requirements.

In our opinion, Renaissance Commons Community Development District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2015.

*Berger, Toombs, Elam,
Gaines & Frank*

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

June 16, 2016