

**THE VERANDAHS COMMUNITY  
DEVELOPMENT DISTRICT**

**BOARD OF SUPERVISORS  
MEETING  
JULY 5, 2016**

# THE VERANDAHS COMMUNITY DEVELOPMENT DISTRICT AGENDA

**JULY 5, 2016 at 8:00 a.m.**

Trinity Lutheran Church  
3100 Starkey Boulevard  
New Port Richey, FL 34655

<b>District Board of Supervisors</b>	Stanley Haupt Nancy Smith Thomas May	Chairman Vice Chairman Assistant Secretary
	Sara Guthrie Brady Lefere	Assistant Secretary Assistant Secretary
<b>District Manager</b>	Clifton Fischer	Rizzetta & Company, Inc.
<b>District Attorney</b>	Vivek Babbar	Straley & Robin
<b>District Engineer</b>	Stuart Rogers	Dewberry Engineering, Inc.

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

**The District Agenda is comprised of seven different sections:**

The meeting will begin promptly at **8:00 a.m.** with the first section which is called **Audience Comments on Agenda Items**. The Audience Comment portion of the agenda is where individuals may comment on matters that concern the District. Each individual is limited to three (3) minutes for such comment. The Board of Supervisors or Staff is not obligated to provide a response until sufficient time for research or action is warranted. **IF THE COMMENT CONCERNS A MAINTENANCE RELATED ITEM, THE ITEM WILL NEED TO BE ADDRESSED BY THE DISTRICT MANAGER OUTSIDE THE CONTEXT OF THIS MEETING.** The second section is called **District Counsel and District Engineer Reports**. This section allows the District Engineer, and Attorney to update the Board of Supervisors on any pending issues that are being researched for Board action. The third section is the **Business Administration** section and contains items that require the review and approval of the District Board of Supervisors as a normal course of business. The fourth section is called **Business Items**. The business items section contains items for approval by the District Board of Supervisors that may require discussion, motion and votes on an item-by-item basis. Occasionally, certain items for decision within this section are required by Florida Statute to be held as a Public Hearing. During the Public Hearing portion of the agenda item, each member of the public will be permitted to provide one comment on the issue, prior to the Board of Supervisors' discussion, motion and vote. Agendas can be reviewed by contacting the Manager's office at (813) 994-1001 at least seven days in advance of the scheduled meeting. Requests to place items on the agenda must be submitted in writing with an explanation to the District Manager at least fourteen (14) days prior to the date of the meeting. The fifth section is called **Staff Reports**. This section allows the District Manager and Maintenance Supervisor to update the Board of Supervisors on any pending issues that are being researched for Board action. The sixth section which is called **Audience Comments on Other Items** provides members of the Audience the opportunity to comment on matters of concern to them that were not addressed during the meeting. The same guidelines used during the first audience comment section will apply here as well. The final section is called **Supervisor Requests**. This is the section in which the Supervisors may request Staff to prepare certain items in an effort to meet residential needs.

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

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

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

**THE VERANDAHS COMMUNITY DEVELOPMENT DISTRICT**  
**DISTRICT OFFICE • 5844 OLD PASCO ROAD • SUITE 100 • WESLEY CHAPEL, FL 33544**  
[www.theverandahscdd.org](http://www.theverandahscdd.org)

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June 27, 2016

Board of Supervisors  
**The Verandahs Community  
Development District**

Dear Board Members:

The regular meeting of the Board of Supervisors of The Verandahs Community Development District will be held on **Tuesday, July 5, 2016 at 8:00 a.m.** at Trinity Lutheran Church, located at 3100 Starkey Boulevard, New Port Richey, FL 34655. The following is the advance agenda for this meeting:

- 1. CALL TO ORDER/ROLL CALL**
- 2. AUDIENCE COMMENTS ON AGENDA ITEMS**
- 3. BUSINESS ADMINISTRATION**
  - A. Consideration of Minutes of the Board of Supervisor’s Meeting  
Held on June 21, 2016.....Tab 1
  - B. Consideration of Operation and Maintenance Expenditures for  
May..... Tab 2
- 4. BUSINESS ITEMS**
  - A. Ratification of Filing Fiscal Year 2014/2015 Financial Audit..... Tab 3
- 5. STAFF REPORTS**
  - A. District Counsel
    1. Update on Acquisition of HOA Property for Clubhouse  
Construction
  - B. District Engineer
  - C. Operations Manager
  - D. District Manager
    1. Review of Options to Reduce Amount of Debt Needed to  
Fund Club Construction
- 6. AUDIENCE COMMENTS**
- 7. SUPERVISOR REQUESTS**
- 8. ADJOURNMENT**

I look forward to seeing you at the meeting. In the meantime, if you have any questions, please do not hesitate to call me at (813) 994-1001.

Very truly yours,  
***Clif Fischer***  
Clifton Fischer  
District Manager

cc. Mark Straley, Straley & Robin  
Stewart Rogers, Dewberry Engineering

# Tab 1

MINUTES OF MEETING

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

THE VERANDAHS COMMUNITY DEVELOPMENT DISTRICT

The special meeting of the Board of Supervisors of The Verandahs Community Development District was held on Tuesday, June 21, 2016 at 6:30 p.m. at the Trinity Lutheran Church, located at 3100 Starkey Boulevard, New Port Richey, FL 34655.

Present and constituting a quorum:

Stanley Haupt	<b>Board Supervisor, Chairman</b>
Thomas May	<b>Board Supervisor, Assistant Secretary</b>
Brady Lefere	<b>Board Supervisor, Assistant Secretary</b>
Sara Guthrie	<b>Board Supervisor, Assistant Secretary</b>

Also present were:

Clifton Fischer	<b>District Manager, Rizzetta &amp; Company, Inc.</b>
Scott Brizendine	<b>Director of Financial Consulting, Rizzetta &amp; Co., Inc.</b>
Bre Beirl	<b>Financial Consultant, Rizzetta &amp; Co., Inc.</b>
Stewart Rogers	<b>District Engineer, Dewberry Engineering</b>
Vivek Babbar	<b>District Counsel, Straley &amp; Robin</b>
	<i>(via speakerphone)</i>
Robbie Cox	<b>MBS Capital Markets</b>
Tyree Brown	<b>Field Services Manager, Rizzetta &amp; Company, Inc.</b>

FIRST ORDER OF BUSINESS

Call to Order

Mr. Fischer called the meeting to order and performed roll call confirming a quorum for the meeting.

SECOND ORDER OF BUSINESS

Audience Comments on Agenda Items

There were no members of the general audience in attendance.

47 **THIRD ORDER OF BUSINESS**

**Consideration of the Minutes of the  
Board of Supervisors' Meeting held on  
May 3, 2016**

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On a Motion by Mr. Haupt, seconded by Mr. May with all in favor, the Board of Supervisors approved the minutes of the Board of Supervisors' meeting held on May 3, 2016 for The Verandahs Community Development District.

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52 **FOURTH ORDER OF BUSINESS**

**Consideration of Operation and  
Maintenance Expenditures for April 2016**

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55 Mr. May questioned why a particular lift station was not pressured washed and whether it  
56 was included in the scope of service. Mr. Fischer stated that he would research the question.  
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On a Motion by Mr. May, seconded by Ms. Guthrie with all in favor, the Board of Supervisors approved the Operations and Maintenance Expenditures for April totaling \$18,556.15 for The Verandahs Community Development District.

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59 **FIFTH ORDER OF BUSINESS**

**Ratification of Series 2006 Requisition  
DC 1 & 2**

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62 Mr. Babbar and Mr. Brizendine spoke regarding the Trust Indenture that requires the  
63 payment of deferred costs to the developer once a certain percentage of occupancy certificates have  
64 been issued.  
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On a Motion by Mr. May seconded by Mr. Haupt with all in favor, the Board of Supervisors ratified the Series 2006 requisitions DC 1 & 2 for The Verandahs Community Development District.

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67 **SIXTH ORDER OF BUSINESS**

**Ratification of Resolution 2016-01,  
Approving the Fiscal Year 2016/2017  
Proposed Budget and Setting the Public  
Hearing for the Final Budget**

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72 Mr. Fischer stated that this is a house keeping matter as the Board approved the proposed  
73 budget by motion last month after the workshop and authorized Staff to prepare the appropriate  
74 resolution.  
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On a Motion by Ms. Guthrie, seconded by Mr. May with all in favor, the Board of Supervisors approved Resolution 2016-01, approving the fiscal year 2016/2016 proposed budget totaling \$333,439 and setting the public hearing of August 2, 2016 at 6:30 p.m. at the Trinity Lutheran Church, located at 3100 Starkey Boulevard, New Port Richey, FL 34655 for The Verandahs Community Development District.

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**SEVENTH ORDER OF BUSINESS**

**Consideration of Proposal for Professional Field Services**

Mr. Fischer introduced Mr. Brown to the Board, stating that he would be handling the field operations services for the District going forward. He noted Mr. Brown's credentials and a brief discussion was held regarding the condition of the District's landscaping.

Mr. Fischer asked if there were any questions regarding the new contract for professional field services from Rizzetta & Company, Inc. There were none.

On a Motion by Mr. May seconded by Mr. Haupt with all in favor, the Board of Supervisors approved the Professional Field Services Agreement with Rizzetta & Company, Inc. the for The Verandahs Community Development District.

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**EIGHTH ORDER OF BUSINESS**

**Consideration of Proposal for Professional District Services**

Mr. Fischer spoke regarding the contract for Professional District Services, noting that Mr. Rizzetta agreed to hold the increase to 3% as requested by the Board during the workshop and the increase was actually applied to the field services agreement.

On a Motion by Mr. Haupt seconded by Mr. May with all in favor, the Board of Supervisors approved the Professional District Services Agreement with Rizzetta & Company, Inc. the for The Verandahs Community Development District.

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**NINTH ORDER OF BUSINESS**

**Discussion Regarding Fiscal Year 2014/2015 Financial Audit**

A brief discussion was held regarding the timing for submitting the audit under Florida Statutes and the fact that to date the audit has not been finalized. A request was made to authorize the Chairman to accept the audit, with it being noted that the audit would be brought before the Board at the next meeting. It was stated that the Board would have the ability to make changes if necessary.

On a Motion by Mr. May, seconded by Mr. Haupt with all in favor, the Board of Supervisors authorized Staff to submit the fiscal year 2014/2015 audit to the appropriate governmental entities pending acceptance by the Chairman for The Verandahs Community Development District.

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**THE VERANDAHS COMMUNITY DEVELOPMENT DISTRICT**

**June 21, 2016 Minutes of Meeting**

**Page 4**

110 **TENTH ORDER OF BUSINESS**

**Consideration of License Agreement for  
Tree Installation**

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Discussion was held regarding a resident request to move a tree from her property to CDD property. It was stated that the resident and any persons buying the property in the future are responsible for maintenance of the tree, which is why the document will be recorded with the County.

On a Motion by Mr. May, seconded by Mr. Haupt with all in favor, the Board of Supervisors authorized Staff executed the License Agreement for Tree Installation once finalized for The Verandahs Community Development District.

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119 **ELEVENTH ORDER OF BUSINESS**

**Matters Related to Potential Bond  
Refinancing**

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Mr. Cox provided a brief overview of discussions to date relative to the potential bond refinancing and new money for the construction of an amenity center. He reviewed the terms of the commitment letter from Servis1st Bank that include an interest rate of 3.5% over twenty years, with a tax equivalent rate of 5.08%, a fee based on 25 basis points, and a 25% debt service reserve fund. He explained that the tax equivalent rate is included to protect the bank in the event that the IRS deems that the District is no longer eligible for its tax exempt status as some future date. A brief discussion ensued with both Mr. Cox and Mr. Brizendine stating that this the terms are better than most deals they've seen recently. It was stated that Mr. Babbar has submitted commitments to the bank and they are open to making the revisions. The bank will not be requiring that the Bank establish a deposit relationship as they have no physical banks near by.

On a Motion by Mr. May, seconded by Mr. Haupt with all in favor, the Board of Supervisors approved commitment letter for Servis 1<sup>st</sup> Bank in substantial form and authorized the Chairman to execute once finalized for The Verandahs Community Development District.

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Mr. Rogers reviewed the updated engineer's cost estimating the construction costs for the new amenity center totaling \$410,736 and a brief discussion ensued. Mr. Rogers explained that the increased costs correlate to the addition of more square footage to include a fitness center and the fitness center and the level of construction in the area that is driving costs up. The Board expressed concern with the high construction costs, what is included in the \$92,000 for professional and permitting fees, and the desire not to raise debt service assessments to pay for the clubhouse. Mr. Rogers reviewed the various fees included in the \$92,000 line item and noted that the costs are high estimates for the purpose of presenting a worse case scenario for the Board and residents.



**THE VERANDAHS COMMUNITY DEVELOPMENT DISTRICT**

**June 21, 2016 Minutes of Meeting**

**Page 5**

147 Mr. Brizendine presented the Preliminary Supplemental Assessment Methodology Report,  
148 highlighting key points in the written portion, noting that while the 2006 series bonds were based on  
149 an equivalent assessment unit contemplating that the various product types receive varying benefits  
150 from the bonds issues; whereas, with this issuance all property owners will benefit equally from the  
151 improvements. He reviewed the various tables in great detail and responded to Board questions on  
152 the report. He emphasized that the numbers represents maximum numbers and Staff will be working  
153 to reduce them as much as possible before the Board is asked to close on the bonds. More will be  
154 known once Lennar and Cal-Atlantic settle on an agreement in terms of the funds currently setting  
155 in the reserve account which could be used to offset the amount of bonds issued. Further discussion  
156 ensued regarding concerns with increasing the debt assessments.  
157

158 Mr. Babbar reviewed Resolution 2016-02, which officially starts the bond process, by  
159 accepting the engineer's and methodology reports and outlines the Chapter 170 notice requirements.  
160 He confirmed that approving the resolution the Board is merely starting the process and is not  
161 obligated to finalize the bond deal. A brief discussion was held regarding the noticing requirements.  
162

On a Motion by Mr. May, seconded by Mr. Haupt with all in favor, the Board of Supervisors approved Resolution 2016-02, Declaring Assessments for The Verandahs Community Development District.

163 A recommendation was made to hold the public hearing on August 2, 2016. Staff  
164 confirmed that they would be able to meet the notice requirements.  
165  
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On a Motion by Mr. May, seconded by Ms. Guthrie with all in favor, the Board of Supervisors approved Resolution 2016-03, setting the public hearing on assessments for August 2, 2016 at 6:30 p.m. at the Trinity Lutheran Church, located at 3100 Starkey Boulevard, New Port Richey, FL 34655 for The Verandahs Community Development District.

167 Discussion was held regarding the need to obtain a deed to the property, currently owned by  
168 the HOA, where the amenity center will be constructed. The Board directed District Counsel to  
169 work with the HOA on this matter.  
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**TWELFTH ORDER OF BUSINESS**

**Staff Reports**

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174 A. District Counsel  
175 No report.

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177 B. District Engineer  
178 Mr. Rogers informed the Board that he is still waiting for the vendor regarding the  
179 erosion problem behind 11942 Greengate. Mr. Lefere confirmed that is not an  
180 irrigation issue.  
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183 C. Operations Manager  
184 Mr. Brown touched on various items that he has discussed with Yellowstone and  
185 will be monitoring.  
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187 D. District Manager  
188 Mr. Fischer reminded the Board that the next meeting will be held on July 5, 2016 at  
189 8:00 a.m.  
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191 **THIRTEENTH ORDER OF BUSINESS** **Audience Comments**

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193 There were no members of the general audience in attendance.  
194

195 **FOURTEENTH ORDER OF BUSINESS** **Supervisor Requests**

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197 There were no Supervisor requests put forward.  
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199 **FIFTEENTH ORDER OF BUSINESS** **Adjournment**  
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On a Motion by Mr. Haupt, seconded by Ms. Guthrie with all in favor, the Board of Supervisors adjourned the meeting at 9:31 a.m. for The Verandahs Community Development District.

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\_\_\_\_\_  
Secretary/Assistant Secretary

\_\_\_\_\_  
Chairman/Vice Chairman

# Tab 2

# The Verandahs Community Development District

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

## Operations and Maintenance Expenditures May 2016 For Board Approval

Attached please find the check register listing the Operation and Maintenance expenditures paid from May 1, 2016 through May 31, 2016. This does not include expenditures previously approved by the Board.

The total items being presented: **\$6,678.63**

Approval of Expenditures:

\_\_\_\_\_

\_\_\_\_\_ Chairperson

\_\_\_\_\_ Vice Chairperson

\_\_\_\_\_ Assistant Secretary

**The Verandahs Community Development District**  
**Paid Operation & Maintenance Expenditures**  
 May 1, 2016 Through May 31, 2016

<u>Vendor Name</u>	<u>Check Number</u>	<u>Invoice Number</u>	<u>Invoice Description</u>	<u>Invoice Amount</u>
Dewberry Engineers Inc.	001236	1305258	Engineering Services 04/16	\$ 262.50
Mike Wells, Pasco County Property Appraiser	001226	Annual Fee FY 16/17	Non-Ad Valorem Assessment Annual Fee FY 16/17	\$ 150.00
Nancy J Smith	001233	NS 050316	Board of Supervisors Meeting 05/03/16	\$ 200.00
Rizzetta & Company, Inc.	001228	3146	District Management Fees 05/16	\$ 3,966.67
Rizzetta Technology Services, LLC	001227	INV0000001248	Website & Email Hosting Services 05/16	\$ 175.00
Rust-Off Inc.	001232	134289	Chemicals For Rust Prevention 04/16	\$ 590.00
Stanley Haupt	001230	SH 050316	Board of Supervisors Meeting 05/03/16	\$ 200.00
Straley Robin Vericker	001234	13197	General Legal Services 04/16	\$ 785.00
Thomas M May	001231	TM 050316	Board of Supervisors Meeting 05/03/16	\$ 200.00
Times Publishing Company	001229	282282 04/22/16	Legal Advertising 04/16	\$ 99.46
Trinity Lutheran Church	001235	050316	Meeting Room Use Donation 05/16	\$ <u>50.00</u>
<b>Report Total</b>				<b>\$ <u>6,678.63</u></b>

# INVOICE

RECEIVED  
MAY 18 2016



Please remit to: Dewberry Engineers Inc.  
P.O. Box 821824  
Philadelphia, PA 19182-1824  
(703)849-0100 TIN: 13-0746510

Bill To: VERANDAHS CDD  
5844 OLD PASCO ROAD  
WESLEY CHAPEL FL 33544

Invoice #: 1305258  
Invoice Date: 5/16/2016  
Due Date: 6/15/2016  
Client #: 448957  
Contract #: 50078144  
Batch #: 2622002

Work Performed Thru Period Ending 4/29/2016

Job: 50078144 Verandahs CDD

## TIME & MATERIAL BILLING

Task ID Task Description  
T001 GENERAL ENGINEERING SERVICES

### CURRENT PERIOD BILLING

Description	Prev Amount Billed	\$	1,877.50	Hours	Rate	Amount
ENGINEER VII				1.50	175.000	\$ 262.50
	TOTAL HOURLY LABOR			1.50		\$ 262.50
	TOTAL FOR			T001		\$ 262.50

TOTAL FOR JOB: 50078144 \$ 262.50

**TOTAL INVOICE AMOUNT DUE \$ 262.50**  
**BY 6/15/2016**

Date Rec'd Dist Office \_\_\_\_\_  
DM Approval WP \_\_\_\_\_  
Date Entered MAY 20 2016 \_\_\_\_\_  
Fund 001 GL 51300 CC 3103 \_\_\_\_\_  
Check # \_\_\_\_\_

This invoice is due and payable within 30 days of the invoice date. Any questions pertaining to the above should be brought to the attention of Dewberry immediately. Thank you.

This invoice accurately reflects the terms and conditions of our agreement and the amount hereon is correct.  
REINARDO MALAVE DAVILA



# Dewberry®

50078144

Verandahs CDD

start_date	end_date	emp_id	fullname	cost_code	description	SAT	SUN	MON	TUE	WED	THU	FRI	TOTAL
4/2/2016	4/8/2016	408875	Rogers, Stuart	T0010000	Board Meeting, Research for Clubhouse	0	0	0	1.5	0	0	0	1.5



# Mike Wells

## Pasco County Property Appraiser

14236 6th Street, Suite 101, Dade City, FL 33523-3411  
Phone: (352) 521-4433 (Dade City)  
(813) 929-2780 (Land O' Lakes)  
(727) 847-8151 (New Port Richey)  
Fax: (352) 521-4411 / (813) 929-2784 / (727) 847-8013  
Web Site: <http://appraiser.pascogov.com>

Ms. Valerie Barreto  
Senior Financial Associate  
Rizzetta & Company, Inc.  
8529 South Park Circle, Suite 330  
Orlando, Florida 32819-9064

April 20, 2016

Date Rec'd Dist Office

APR 20 2016

DM Approval

Date Entered

APR 22 2016

Fund 001 GL 51300 CC 3106

Check #

Re: Asturia, Bexley, Bridgewater of Wesley Chapel, Chapel Creek, Concord Station, Connerton West, Country Walk, Estancia at Wiregrass, Lake Padgett Estates ISD, Lakeside, Long Lake Ranch, Meadow Pointe III, Meadow Pointe IV, Riverwood Estates, Seven Oaks, Summit View, The Groves, Talavera, The Preserve at Wilderness Lake, **The Verandahs**, Waters Edge, Wiregrsss and Zephyr Ridge Community Development Districts

Dear Ms. Barreto:

In an effort to expedite the annual processing of those districts that elect to use the Uniform Method of Collection, the Property Appraiser's office considers that once an Interlocal Agreement has been executed, it will extend from one year to the next, provided appropriate fees are paid and deadlines met.

It is important that expansions or other such alterations to the district's boundaries be filed with this office. Declarations or documents filed with the Tax Collector's office, other constitutional offices or departments of Pasco County are not sufficient notice.

Failure to notify this office of boundary changes, submission of proper fees, or compliance with the below timeframe will result in the forfeiture of the use of the uniform method of collection.

### Non-Ad Valorem Calendar

- Annual Fees Due May 31, 2016
- Preliminary Certification and Certificate\* July 15, 2016
- Final Certification and Certificate September 19, 2016

### Non-Ad Valorem Fee Structure

- Annual Fee for each CDD **\$150.00**

**Please note: Should you elect to utilize the tax roll in 2015 for Chapel Creek, Riverwood Estates, Summit View, Talavera or Zephyr Ridge, there will be no Annual Fee for those CDDs.**



Ms. Barreto  
April 20, 2016  
Page 2

\*Please provide the following Public Hearing information on the Preliminary Certification (this information will be printed on the TRIM Notice): telephone number; date, time and location (complete street address) of Public Hearing.

Enclosed are the Preliminary and Final Certificates for Non-Ad Valorem Assessment (DR-408A) for your use. **If you do not provide all information requested on the forms, they will be returned to you for completion.**

We have always worked well with management companies and other administrators of community development districts. Therefore, **we ask that you notify this office immediately if you are no longer managing any of the above referenced districts.**

Sincerely,



Mike Wells

MW/ba

Encs. – Preliminary and Final Certificates

# THE VERANDAHS CDD SUPERVISORS PAY REQUEST

MEETING DATE: May 3, 2016

\$200.00

Name of Board Supervisor	Check if present	Check if to be paid
Stanley Haupt	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Nancy Smith	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Brady Lefere	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Thomas May	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Sarah Guthrie	<input type="checkbox"/>	<input type="checkbox"/>

SH 050316  
NS 050316  
TM 050316

## EXTENDED MEETING TIMECARD

Meeting Start Time:	6:30
Meeting End Time:	8:00
Total Meeting Time:	1 1/2 hrs

Time Over \_\_\_\_\_ () Hours:

Total at \$175 per Hour:

Bill Client for above?	yes
Accumulate for future billing?	yes

DM Signature:

Please forward Time Card to Marcia Eannetta and Susan Garcia

Date Rec'd Dist Office \_\_\_\_\_  
 DM Approval \_\_\_\_\_  
 Date Entered **MAY - 6 2016**  
 Fund 001 GL 51100 CC 1101  
 Check # \_\_\_\_\_

RIZZETTA & COMPANY, INC.  
 5020 W Linebaugh Avenue  
 Suite 200  
 Tampa, FL 33624

APR 26 2016

DATE	INVOICE NO.
5/1/2016	3146

BILL TO
THE VERANDAHS 3434 Colwell Ave. Suite 200 Tampa, FL 33614

TERMS	PROJECT
Due Upon Rec't	266 - CDD

ITEM	DESCRIPTION	QTY	RATE	AMOUNT
	<b>PROFESSIONAL FEES:</b>			
DM	District Management Services	51300 } 53900 4658	1,616.67	1,616.67
ADMIN	Administrative Services		300.00	300.00
ACTG	Accounting Services		1,250.00	1,250.00
FC	Financial Consulting Services		300.00	300.00
Field	Field Administrative Services		500.00	500.00
	<b>Services for the period May 1, 2016 through May 31, 2016</b>			
	Date Rec'd Dist Office _____			
	DM Approval <u>CEK</u>			
	Date Entered <b>APR 28 2016</b>			
	Fund <u>001</u> GL <u>51300</u> <u>CCabaw</u>			
	<u>53900</u> <u>4658</u>			
	Check # _____			

<b>Total</b>	<b>\$3,966.67</b>
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**Rizzetta Technology Services**  
 5020 W Linebaugh Ave.  
 Suite 200  
 Tampa FL 33624

APR 27 2016 Invoice

Date	Invoice #
5/1/2016	INV0000001248

**Bill To:**

THE VERANDAHS CDD  
 3434 Colwell Avenue, Suite 200  
 Tampa FL 33614

Services for the month of	Terms	Client Number
May		00266

Description	Qty	Rate	Amount
EEmail Hosting	5	\$15.00	\$75.00
Website Hosting Services	1	\$100.00	\$100.00
<b>Subtotal</b>			\$175.00
<b>Total</b>			\$175.00

Date Rec'd Dist Office \_\_\_\_\_  
 DM Approval CEK  
 Date Entered APR 28 2016  
 Fund 001 GL 51300 CC 5103  
 Check # \_\_\_\_\_

**RUST-OFF INC.**  
P.O. BOX 470730  
LAKE MONROE, FL 32747



# INVOICE

Invoice Number: 134289  
Invoice Date: Apr 30, 2016  
Page: 1

Voice: 800-992-3111  
Fax: 407-328-0061

Bill To:
VERANDAH @PASCO CDD 5844 OLD PASCO RD SUITE 100 WESLEY CHAPEL, FL 33544

Ship to:
VERANDAH @PASCO , FL 34683

Customer ID	Customer PO	Payment Terms	
VERANDAH @ PASCO		Net 30 Days	
Sales Rep ID	Shipping Method	Ship Date	Due Date
			5/30/16

Quantity	Item	Description	Unit Price	Amount
2.00	RX	RX 10- CHEMICAL FOR RUST PREVENTION INCLUDING MONTHLY MAINTENANCE ( DATE OF SERVICE) 2 WELLS LAST INVOICE DATE TO CURRENT INVOICE DATE)	295.00	590.00
		Date Rec'd Dist Office _____		
		DM Approval <u>CVK</u>		
		Date Entered <u>MAY - 6 2016</u>		
		Fund <u>001 GL 53900 CC 4620</u>		
		Check # _____		
Subtotal				590.00
Sales Tax				
Total Invoice Amount				590.00
Payment/Credit Applied				
<b>TOTAL</b>				<b>590.00</b>

Check/Credit Memo No:

**Straley & Robin**  
1510 W. Cleveland Street  
Tampa, FL 33606  
Telephone (813) 223-9400 \* Facsimile (813) 223-5043  
Federal Tax Id. - 20-1778458



The Verandahs CDD  
5844 Old Pasco Road  
Suite 100  
Wesley Chapel, FL 33544

April 26, 2016  
Client: 001308  
Matter: 000001  
Invoice #: 13197

Page: 1

RE: General

For Professional Services Rendered Through April 15, 2016

**SERVICES**

Date	Person	Description of Services	Hours	
3/16/2016	VKB	REVIEW EMAIL FROM AND REPLY TO C. FISCHER RE: DEFERRED COSTS ; TELECONFERENCE WITH S. HAUPT RE: SAME; DRAFT EMAIL TO L. COFFEY RE: SAME.	0.4	
3/23/2016	LH	PREPARE DRAFT QUARTERLY REPORT TO DISSEMINATION AGENT FOR PERIOD ENDING MARCH 31, 2016.	0.2	
4/4/2016	VKB	REVIEW AGENDA PACKAGE; TELECONFERENCE WITH C. FISCHER RE: BOARD MEETING AND BUDGET AMENDMENT.	0.6	
4/5/2016	VKB	PREPARE FOR AND ATTEND BOARD MEETING VIA TELEPHONE.	1.4	
4/6/2016	VKB	PREPARE QUARTERLY DISTRICT COUNSEL BOND REPORT; TELECONFERENCE WITH R. COX RE: REFUNDING AND CLUBHOUSE PROJECT.	0.5	
4/7/2016	LH	FINALIZE QUARTERLY REPORT TO DISSEMINATION AGENT; PREPARE EMAIL TO DISSEMINATION AGENT TRANSMITTING SAME.	0.2	
Total Professional Services			3.3	\$785.00

April 26, 2016  
Client: 001308  
Matter: 000001  
Invoice #: 13197

Page: 2


**PERSON RECAP**

Person		Hours	Amount
VKB	Vivek K. Babbar	2.9	\$725.00
LH	Lynn Hoodless	0.4	\$60.00

Total Services	\$785.00	
Total Disbursements	\$0.00	
Total Current Charges		\$785.00

**PAY THIS AMOUNT** **\$785.00**

*Please Include Invoice Number on all Correspondence*

Date Rec'd Dist Office \_\_\_\_\_  
DM Approval  \_\_\_\_\_  
Date Entered **MAY - 6 2016** \_\_\_\_\_  
Fund 001 GL 51400 CC 3107 \_\_\_\_\_  
Check # \_\_\_\_\_





## Check Request

Amount: \$50.00


Project: The Verandahs CDD


Date: May 3, 2016

Payable to: Trinity Lutheran Church

Address: 3100 Starkey Boulevard  
New Port Richey, FL 34655

Reason: Donation for Meeting Room Use

Requestor:   
Clifton Fischer,  
District Manager

Date Rec'd Dist Office \_\_\_\_\_  
DM Approval  \_\_\_\_\_  
Date Entered MAY - 6 2016  
Fund 001 GL 51300 CC 4903  
Check # \_\_\_\_\_

# Tab 3

**Verandahs Community Development District**

**ANNUAL FINANCIAL REPORT**

**September 30, 2015**

**Verandahs Community Development District**

**ANNUAL FINANCIAL REPORT**

**September 30, 2015**

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# Berger, Toombs, Elam, Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue  
Suite 200  
Fort Pierce, Florida 34950

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

## REPORT OF INDEPENDENT AUDITORS

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

### Report on the Financial Statements

We have audited the accompanying basic financial statements of Verandahs 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  
Verandahs 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 Verandahs 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

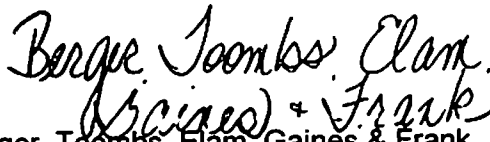
### *Required Supplementary Information*

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 7, 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 Verandahs Community Development District's internal control over financial reporting and compliance.



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

June 7, 2016

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

Management's discussion and analysis of Verandahs Community Development District (the "District") financial performance provides an objective 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 are reported in three categories; 1) net investment in capital assets, 2) restricted, and 3) unrestricted. Assets, liabilities, and net position are reported for all Governmental activities.

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

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

**Verandahs 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 and expenditures that are restricted for certain purposes or to comply with legal requirements.

The *government-wide financial statements* and the *fund financial statements* provide different pictures of the District. The *government-wide financial statements* provide an overall picture of the District's financial standing. These statements are comparable to private-sector companies and give a good understanding of the District's overall financial health and how the District paid for the various activities, or functions, provided by the District. All assets of the District, including land, infrastructure and improvements are reported in the **statement of net position**. All liabilities, including principal outstanding on bonds are included. The **statement of activities** includes depreciation on all long lived assets of the District, but transactions between the different functions of the District have been eliminated in order to avoid "doubling up" the revenues and expenses. The *fund financial statements* provide a picture of the major funds of the District. In the case of governmental funds, outlays for long lived assets are reported as expenditures and long-term liabilities, such as general obligation bonds, 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, capital assets and long-term debt are some of the items included in the *notes to financial statements*.

**Financial Highlights**

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

- ◆ The District's total assets exceeded total liabilities by \$823,443 (net position). Unrestricted net position for Governmental Activities was \$325,383. Net position restricted was \$120,013. Net investment in capital assets was \$378,047.
- ◆ Governmental activities revenues totaled \$608,046 while governmental activities expenses totaled \$507,176.



**Verandahs 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**

	<b>Governmental Activities</b>	
	<b>2015</b>	<b>2014</b>
Current assets	\$ 331,829	\$ 306,179
Restricted assets	462,436	474,931
Capital assets	<u>4,402,842</u>	<u>4,427,792</u>
 Total Assets	 <u>5,197,107</u>	 <u>5,208,902</u>
 Current liabilities	 193,552	 192,250
Non-current liabilities	<u>4,180,112</u>	<u>4,294,079</u>
 Total Liabilities	 <u>4,373,664</u>	 <u>4,486,329</u>
 Net position - net investment in capital assets	 378,047	 307,713
Net position - restricted for debt service and capital projects	120,013	113,211
Net position - unrestricted	<u>325,383</u>	<u>301,649</u>
 Total Net Position	 <u><u>\$ 823,443</u></u>	 <u><u>\$ 722,573</u></u>

The increase in net position is the result of revenues exceeding expenses.

The decrease in capital assets is the result of current year depreciation.

The decrease in non-current liabilities is primarily due to debt payments made in the current year.

**Verandahs 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.

	<b>Financial Activity</b>	
	<b>Governmental</b>	<b>Activities</b>
	<b>2015</b>	<b>2014</b>
Program Revenues		
Charges for services	\$ 607,995	\$ 584,808
General Revenues		
Investment earnings	51	304
Total Revenues	<u>608,046</u>	<u>585,112</u>
Expenses		
General government	86,309	122,273
Physical environment	211,877	170,129
Interest on long-term debt	208,990	214,200
Total Expenses	<u>507,176</u>	<u>506,602</u>
Change in Net Position	100,870	78,510
Net Position - Beginning of Year	<u>722,573</u>	<u>644,063</u>
Net Position - End of Year	<u><u>\$ 823,443</u></u>	<u><u>\$ 722,573</u></u>

The decrease in general government expenses is primarily due to a decrease in electricity and legal fees.

The increase in physical environment expenses is the result of increased landscaping expenses in the current year.

**Verandahs 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 activity as of September 30, 2015:

<u>Description</u>	<u>Governmental Activities</u>	
	<u>2015</u>	<u>2014</u>
Capital assets not being depreciated:		
Land improvements	\$ 3,576,042	\$ 3,576,042
Capital assets being depreciated:		
Infrastructure	982,564	982,564
Less: Accumulated depreciation	(155,764)	(130,814)
Total Capital Assets	<u>\$ 4,402,842</u>	<u>\$ 4,427,792</u>

Depreciation was \$24,950.

**Debt Management**

Governmental Activities debt includes the following:

- ◆ In November 2006, the District issued \$4,670,000 Series 2006A Capital Improvement Revenue Bonds. These bonds were issued to fund certain infrastructure and facilities benefitting the lands of the District. As of September 30, 2015, the outstanding balance was \$3,900,000.

**General Fund Budgetary Highlights**

Actual general fund expenditures for the current fiscal year were less than budgeted amounts due primarily to anticipated costs for pond bank repairs, streetlight utilities and legal expenditures not being as high as expected.

There were no amendments to the September 30, 2015 budget.

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

Verandahs 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 ended September 30, 2015.

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

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

**Request for Information**

The financial report is designed to provide a general overview of Verandahs 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 Verandahs Community Development District's Finance Department at 3434 Colwell Avenue, Suite 200, Tampa, FL 33614.

**Verandahs Community Development District**  
**STATEMENT OF NET POSITION**  
**September 30, 2015**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Current Assets:	
Cash and cash equivalents	\$ 318,897
Deposits	12,932
Total Current Assets	331,829
Non-current Assets:	
Restricted assets:	
Investments	462,436
Capital assets not being depreciated:	
Land improvements	3,576,042
Capital assets being depreciated:	
Infrastructure net	982,564
Less: accumulated depreciation	(155,764)
Total Non-current Assets	4,865,278
Total Assets	5,197,107
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable and accrued expenses	3,137
Accrued interest payable	85,415
Bonds payable	105,000
Total Current Liabilities	193,552
Non-current liabilities:	
Bonds payable, net	3,782,731
Due to developer	397,381
Total Non-current Liabilities:	4,180,112
Total Liabilities	4,373,664
<b>NET POSITION</b>	
Net investment in capital assets	378,047
Restricted for	
Debt service	27,981
Capital projects	92,032
Unrestricted	325,383
Total Net Position	\$ 823,443

*See accompanying notes.*

**Verandahs Community Development District  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED September 30, 2015**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues Charges for Services</u>	<u>Net (Expense) Revenues and Changes in Net Position Governmental Activities</u>
Governmental Activities			
General government	\$ (86,309)	\$ 93,799	\$ 7,490
Physical environment	(211,877)	203,150	(8,727)
Interest on long-term debt	(208,990)	311,046	102,056
Total Governmental Activities	<u>\$ (507,176)</u>	<u>\$ 607,995</u>	<u>100,819</u>
<b>General revenues:</b>			
			51
			<u>100,870</u>
			722,573
			<u>\$ 823,443</u>

See accompanying notes.

**Verandahs Community Development District**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**September 30, 2015**

<b>ASSETS</b>	General	Debt Service	Capital Projects	Total Governmental Funds
Cash and cash equivalents	\$318,897	\$ -	\$ -	\$ 318,897
Due from other fund	-	3,309	-	3,309
Deposits	12,932	-	-	12,932
Restricted assets:				
Restricted investments	-	370,404	92,032	462,436
Total Assets	\$331,829	\$ 373,713	\$ 92,032	\$ 797,574
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 3,137	\$ -	\$ -	\$ 3,137
Due to other Funds	3,309	-	-	3,309
Total Liabilities	6,446	-	-	6,446
<b>FUND BALANCES</b>				
Nonspendable deposits	12,932	-	-	12,932
Restricted for:				
Debt service	-	373,713	-	373,713
Capital projects	-	-	92,032	92,032
Unassigned	312,451	-	-	312,451
Total Fund Balances	325,383	373,713	92,032	791,128
Total Liabilities and Fund Balances	\$331,829	\$ 373,713	\$ 92,032	\$ 797,574

See accompanying notes.

**Verandahs Community Development District  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO NET POSITION OF GOVERNMENTAL ACTIVITIES  
September 30, 2015**

Total Governmental Fund Balances	\$ 791,128
----------------------------------	------------

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets not being depreciated, land improvements, used in governmental activities are not financial resources and; therefore, are not reported in the funds.	3,576,042
---	-----------

Capital assets being depreciated, infrastructure (\$982,564) net of accumulated depreciation (\$155,764) used in governmental activities are not financial resources and; therefore, are not reported in the funds.	826,800
---	---------

Long-term liabilities, including bonds payable (\$(3,900,000)), net of bond discounts (\$12,269) and due to developer (\$(397,381)) are not due and payable in the current period and; therefore, are not reported in the funds.	(4,285,112)
--	-------------

Accrued interest expense for long-term debt is not a financial use and; therefore, is not reported in the funds.	<u>(85,415)</u>
--	-----------------

Net Position of Governmental Activities	<u><u>\$ 823,443</u></u>
---	--------------------------

*See accompanying notes.*



**Verandahs Community Development District**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended September 30, 2015**

	General	Debt Service 2006A	Capital Projects	Total Governmental Funds
Revenues				
Special assessments	\$ 296,949	\$ 311,046	\$ -	\$ 607,995
Investment earnings	21	25	5	51
Total Revenues	<u>296,970</u>	<u>311,071</u>	<u>5</u>	<u>608,046</u>
Expenditures				
Current				
General government	86,309	-	-	86,309
Physical environment	186,927	-	-	186,927
Debt service				
Principal	-	110,000	-	110,000
Interest	-	210,262	-	210,262
Total Expenditures	<u>273,236</u>	<u>320,262</u>	<u>-</u>	<u>593,498</u>
Excess of revenues over expenditures	23,734	(9,191)	5	14,548
Other Financing Sources/(Uses)				
Transfers in	-	-	9,729	9,729
Transfers out	-	(9,729)	-	(9,729)
Total other financing sources/(uses)	<u>-</u>	<u>(9,729)</u>	<u>9,729</u>	<u>-</u>
Net change in fund balances	23,734	(18,920)	9,734	14,548
Fund Balances - Beginning of Year	<u>301,649</u>	<u>392,633</u>	<u>82,298</u>	<u>776,580</u>
Fund Balances - End of Year	<u>\$ 325,383</u>	<u>\$ 373,713</u>	<u>\$ 92,032</u>	<u>\$ 791,128</u>

See accompanying notes.

**Verandahs 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 Changes in Fund Balances - Total Governmental Funds \$ 14,548

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. (24,950)

Governmental funds report bond discounts as expenditures. However, in the Statement of Activities, the cost of those assets are allocated based on an effective interest rate as amortization expense. This is the amount of amortization of bond discount in the current period. (1,033)

Repayment of long-term liabilities are reported as expenditures in the governmental funds statement but such repayments reduce liabilities in the statement of net position. 110,000

In the Statement of Activities, interest is accrued on outstanding bonds; whereas in governmental funds, interest expenditures are reported when due. This is the change in accrued interest from the prior year. 2,305

Change in Net Position of Governmental Activities \$ 100,870

*See accompanying notes.*

**Verandahs Community Development District**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - 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	\$ 287,496	\$ 287,496	\$ 296,949	\$ 9,453
Investment earnings	-	-	21	21
Total Revenues	<u>287,496</u>	<u>287,496</u>	<u>296,970</u>	<u>9,474</u>
Expenditures				
Current				
General government	102,696	102,696	86,309	16,387
Physical environment	184,800	184,800	186,927	(2,127)
Capital outlay	90,700	90,700	-	90,700
Total Expenditures	<u>378,196</u>	<u>378,196</u>	<u>273,236</u>	<u>104,960</u>
Net changes in fund balance	(90,700)	(90,700)	23,734	114,434
Fund Balances - October 1, 2014	<u>90,700</u>	<u>90,700</u>	<u>301,649</u>	<u>210,949</u>
Fund Balances - September 30, 2015	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 325,383</u>	<u>\$ 325,383</u>

See accompanying notes.

**Verandahs Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2015**

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

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

**1. Reporting Entity**

The District was created on July 25, 2006, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes. The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of the infrastructure necessary for community development within its jurisdiction. The District is authorized to issue bonds for the purpose, among others, of financing, funding, planning, establishing, acquiring, constructing or re-constructing, enlarging or extending, equipping, operating and maintaining water management, district roads, landscaping, street lights and other basic infrastructure projects within or outside the boundaries of the Verandahs Community Development District. The District is governed by a five-member Board of Supervisors who are elected on an at-large basis in an election by qualified electors within the District. The District operates within the criteria established by Chapter 190.

As required by GAAP, these financial statements present the Verandahs 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, 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 Statement Number 14, The Financial Reporting Entity, 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

**Verandahs 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 special assessments. 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 another financing source.

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

**b. Fund Financial Statements**

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

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

**Verandahs 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**

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 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.

**Verandahs 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)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collected within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

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

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

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

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

Debt service expenditures are recorded only when payment is due.

**Verandahs Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2015**

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

**3. Basis of Presentation**

**a. Governmental Major Funds**

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

Debt Service Fund - Accounts for debt service requirements to retire the capital improvement bonds which were used to finance the construction of District infrastructure improvements.

Capital Projects Fund – Accounts for the construction of improvements within the boundaries of the District.

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

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

**4. Assets, Liabilities, and Net Position or Equity**

**a. Cash and Investments**

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

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

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

Cash and cash equivalents includes time deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less.



**Verandahs 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)**

**b. Restricted Assets**

Certain assets of the District and a corresponding liability or portion of net position is 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. In a fund with both restricted and unrestricted assets, qualified expenses are considered to be paid first from restricted net position and then from unrestricted net position.

**c. Capital Assets**

Capital assets, which include land improvements, improvements other than buildings, and equipment are reported in governmental activities.

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

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

Depreciation of capital assets is computed and recorded by utilizing the straight-line method over the assets' estimated useful lives ranging from 5 to 40 years.

**d. Bond Premiums and Issuance Costs**

Bond premiums and legal fees associated with the issuance of bonds are amortized over the life of the bonds using the effective interest method of accounting.

**e. Budgets**

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

**Verandahs 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)**

**f. Net Position**

Net position represents the difference between assets and liabilities and is reported in three categories. Net position invested in capital assets, net of related debt, represents capital assets, net of accumulated depreciation and any outstanding debt related to those assets. Net position is reported as restricted when there are legal limitations imposed on their use by legislation, or external restrictions imposed by other governments, creditors, or grantors. Unrestricted net position is assets that do not meet definitions of the classifications previously described.

**NOTE B – CASH AND DEPOSITS**

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 follows the provisions of Chapter 280, Florida Statutes regarding deposits and investments to manage custodial credit risk. The District maintains all deposits in a qualified public depository, so that all deposits are fully insured by Federal Depositors Insurance or collateralized under Chapter 280, Florida Statutes. As of September 30, 2015, the District's bank balance was \$331,840 and the carrying value was \$318,897.

As of September 30, 2015, the District had the following investments and maturities:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
First American Government Obligation Fund Class Y	N/A	<u>\$ 462,436</u>

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, however; the bond indenture limits the type of investments held using unspent proceeds.

**Verandahs Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2015**

**NOTE B – CASH AND DEPOSITS (CONTINUED)**

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. As of September 30, 2015, the District's investment in the First American Government Obligation Fund was rated AAAM by Standard & Poor's.

Concentration of Credit Risk

The District places no limit on the amount it may invest.

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 C – SPECIAL ASSESSMENT REVENUES**

Special assessment revenues recognized for the 2014-2015 fiscal year were levied in October 2014. All assessments are due and payable on November 1 or as soon as the assessment roll is certified and delivered to the Tax Collector. Per Section 197.162, Florida Statutes, discounts are allowed for early payment at the rate of 4% in November, 3% in December, 2% in January, and 1% in February. Assessments paid in March are without discount.

All unpaid assessments become delinquent as of April 1. Virtually all unpaid assessments are collected via the sale of tax certificates on or prior to, June 1; therefore, there were no material taxes receivable at fiscal year end.

**Verandahs Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2015**

**NOTE D – CAPITAL ASSETS**

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

	<u>Balance 10/1/2014</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 09/30/15</u>
<u>Governmental Activities:</u>				
Capital assets, not being depreciated:				
Land improvements	\$3,576,042	\$ -	\$ -	\$3,576,042
Capital assets, being depreciated:				
Infrastructure	982,564	-	-	982,564
Less accumulated depreciation:	(130,814)	(24,950)	-	(155,764)
Total capital assets being depreciated	<u>851,750</u>	<u>(24,950)</u>	<u>-</u>	<u>826,800</u>
Governmental Activities Capital Assets	<u>\$4,427,792</u>	<u>\$ (24,950)</u>	<u>\$ -</u>	<u>\$4,402,842</u>

Depreciation of \$24,950 was charged to physical environment.

**NOTE E – LONG-TERM DEBT**

The following is a summary of debt activity for the District for the year ended September 30, 2015:

	<u>Beginning Balance 10/1/2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance 9/30/2015</u>
<u>Governmental Funds:</u>				
Bonds payable:				
Series 2006A	\$4,010,000	\$ -	\$(110,000)	\$3,900,000

District debt is comprised of the following at September 30, 2015:

**Capital Improvement Revenue Bond**

\$4,670,000 Series 2006A Capital Improvement Revenue Bonds maturing through 2036, interest of 5.25%, payable May 1 and November 1.	\$ 3,900,000
Less: Discount, net	12,269
Total	<u>\$ 3,887,731</u>

**Verandahs Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2015**

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

The annual requirements to amortize the principal and interest of bonded debt outstanding as of September 30, 2015 are as follows:

Year Ending September 30,	Principal	Interest	Total
2016	\$ 105,000	\$ 204,750	\$ 309,750
2017	110,000	199,238	309,238
2018	115,000	193,463	308,463
2019	125,000	187,425	312,425
2020-2024	720,000	832,650	1,552,650
2025-2029	935,000	622,650	1,557,650
2030-2034	1,215,000	348,863	1,563,863
2035-2036	575,000	45,413	620,413
Totals	<u>\$ 3,900,000</u>	<u>\$ 2,634,452</u>	<u>\$ 6,534,452</u>

**Summary of Significant Bonds Resolution Terms and Covenants**

Capital Improvement Revenue Bonds, Series 2006A

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

1. Reserve Fund – The reserve account is funded from bond proceeds in an amount equal to the reserve account percentage times the deemed outstanding principal amount of the bonds, as of the time of any such calculation. Monies held in the reserve account will be used only for the purposes established in the Trust Indenture.
2. Deferred Cost Account – This account is established to account for monies released from the reserve account to pay the deferred costs due to the developers.
3. Revenue Account – This account is funded by the yearly special assessments and is used to pay the annual required debt service payments.

**Verandahs Community Development District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2015**

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

**Summary of Significant Bonds Resolution Terms and Covenants (Continued)**

Capital Improvement Revenue Bonds, Series 2006A (Continued)

4. Prepayment Account – The prepayment account is funded by prepayments of debt service obligations and is used for the purposes established in the Trust Indenture.

	Reserve Balance	Reserve Requirement
2006A Capital Improvement Revenue Bond	\$ 267,659	\$ 260,317

**Due to Developer**

The District and Developers have entered into an acquisition agreement relating to the land and infrastructure improvements. Project costs totaled \$4,322,461 and proceeds from the Capital Improvement Revenue Bonds 2006A Series in the amount of \$4,140,725 were paid to the Developers and the remaining \$181,738 is a deferred cost to the Developer. In addition, \$220,676 engineering and permitting fees were incurred in connection with the project. The outstanding balance of deferred cost due to the Developers is \$397,381. There is no amortization for the amount due because repayment will be dependent on the release of reserves as the related debt is paid down.

Beginning in November 2009, and on every May and November thereafter until the deferred costs have been repaid in full, LEN-Verandahs, LLP is entitled to 90% of the periodic payments from the deferred cost account and the Ryland Group, Inc. is entitled to the remaining 10%.

**NOTE F – RELATED PARTIES**

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 of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, computer, and other administrative costs.

**NOTE G – 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 for which the government carries commercial insurance. The District has not filed any claims under this commercial coverage during the last three years.

**Verandahs Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2015**

**NOTE H – SUBSEQUENT EVENT**

No payment has been made on the deferred cost liability because there is a question as to the allocation method between the developers. As of September 30, 2015, District Counsel was reviewing the allocation method and once the allocation method is properly determined, a payment will be made.



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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  
Verandahs Community Development District  
Pasco County, Florida

We have audited the financial statements of Verandahs Community Development District as of and for the year ended September 30, 2015, and have issued our report thereon dated June 7, 2016. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

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 over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



To the Board of Supervisors  
Verandahs Community Development District

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Verandahs 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*.

This report is intended solely for the information and use of the Board of Supervisors, Management, others within the entity and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than those specified parties.

*Berger Toombs Elam  
Gaines & Frank*

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

June 7, 2016



# Berger, Toombs, Elam, Gaines & Frank

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## **MANAGEMENT LETTER**

To the Board of Supervisors  
Verandahs Community Development District  
Pasco, Florida

### **Report on the Financial Statements**

We have audited the financial statements of the Verandahs Community Development District as of and for the year ended September 30, 2015, and have issued our report thereon dated June 7, 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*. Disclosures in that report, which is dated June 7, 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 Verandahs 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 Verandahs Community Development District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

To the Board of Supervisors  
Verandahs 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 Verandahs 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 Verandahs 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.

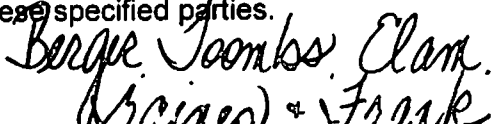
### **Other Matters**

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 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  
Certified Public Accountants PL  
Fort Pierce, Florida

June 7, 2016



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

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

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

In our opinion, Verandahs 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 7, 2016