

THE HAMMOCKS
Community Development District

Annual Operating and Debt Service Budget
Fiscal Year 2015

Version 1 - Approved Tentative Budget:
(Approved at May 21, 2014 meeting)

Prepared by:



Table of Contents

	<u>Page #</u>
<u>OPERATING BUDGET</u>	
General Fund	
Summary of Revenues, Expenditures and Changes in Fund Balances	1
Exhibit A - Allocation of Fund Balances	2
Budget Narrative	3-5
<u>DEBT SERVICE BUDGETS</u>	
Series 2005	
Summary of Revenues, Expenditures and Changes in Fund Balances	6
Amortization Schedule	7
Budget Narrative	8
<u>SUPPORTING BUDGET SCHEDULES</u>	
2014-2015 Non-Ad Valorem Assessment Summary	9

The Hammocks
Community Development District

Operating Budget
Fiscal Year 2015

Summary of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2015 Proposed Budget

ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ADOPTED	ACTUAL	PROJECTED	TOTAL	ANNUAL
	FY 2012	FY 2013	BUDGET FY 2014	THRU APR-2014	MAY - SEP-2014	PROJECTED FY 2014	BUDGET FY 2015
REVENUES							
Interest - Investments	\$ 521	\$ 180	\$ 100	\$ 71	\$ 51	\$ 122	\$ 100
Interest - Tax Collector	-	183	-	-	-	-	-
Special Assmnts- Tax Collector	167,158	167,162	219,732	211,777	7,954	219,731	219,731
Special Assmnts- Discounts	(6,131)	(6,252)	(8,789)	(7,448)	-	(7,448)	(8,789)
Settlements	-	5,150	-	-	-	-	-
TOTAL REVENUES	161,548	166,423	211,043	204,400	8,005	212,405	211,042
EXPENDITURES							
<i>Administrative</i>							
P/R-Board of Supervisors	400	4,800	6,000	2,400	3,600	6,000	6,000
FICA Taxes	31	367	459	184	275	459	459
Unemployment Compensation	-	-	25	-	-	-	-
ProfServ-Arbitrage Rebate	1,200	-	600	-	600	600	600
ProfServ-Dissemination Agent	5,000	1,000	5,000	1,000	-	1,000	1,000
ProfServ-Engineering	1,514	3,403	3,000	1,235	1,700	2,935	2,500
ProfServ-Legal Services	2,867	2,366	3,000	585	2,000	2,585	2,000
ProfServ-Mgmt Consulting Serv	43,160	43,160	43,160	25,177	17,983	43,160	44,455
ProfServ-Property Appraiser	3,082	3,185	4,395	4,087	159	4,246	4,395
ProfServ-Special Assessment	12,500	12,500	12,500	12,500	-	12,500	12,500
ProfServ-Trustee	3,233	3,233	3,500	3,233	-	3,233	3,718
Auditing Services	5,000	5,000	4,500	3,000	2,000	5,000	5,000
Communication - Telephone	10	9	25	2	-	2	-
Postage and Freight	283	719	600	99	500	599	600
Insurance - General Liability	5,500	13,246	15,233	13,661	-	13,661	15,027
Printing and Binding	240	166	400	125	250	375	400
Legal Advertising	524	702	500	40	450	490	500
Misc-Bank Charges	508	643	600	319	228	547	600
Misc-Bad Debt	5,150	-	-	-	-	-	-
Misc-Assessmnt Collection Cost	2,098	22	4,395	4,087	159	4,246	4,395
Office Supplies	2	-	25	-	10	10	25
Annual District Filing Fee	175	175	175	175	-	175	175
Total Administrative	92,477	94,696	108,092	71,909	29,915	101,824	104,348
<i>Field</i>							
Contracts-Wetland Mitigation	3,840	3,930	-	-	-	-	-
Contracts-Landscape	56,411	91,265	58,991	34,477	25,580	60,057	70,000
Contracts-Lakes	-	-	3,960	2,310	1,650	3,960	3,960
R&M-Fence	-	-	2,000	4,950	-	4,950	5,000
R&M-Irrigation	-	-	1,000	442	500	942	1,000
R&M-Mulch	-	-	3,000	-	3,000	3,000	3,000
Misc-Contingency	1,095	7,127	34,000	-	14,167	14,167	23,734
Total Field	61,346	102,322	102,951	42,179	44,896	87,075	106,694
TOTAL EXPENDITURES	153,823	197,018	211,043	114,088	74,811	188,899	211,042
Excess (deficiency) of revenues Over (under) expenditures	7,725	(30,595)	-	90,312	(66,806)	23,506	-
Net change in fund balance	7,725	(30,595)	-	90,312	(66,806)	23,506	-
FUND BALANCE, BEGINNING	129,551	137,276	106,681	106,681	-	106,681	130,187
FUND BALANCE, ENDING	\$ 137,276	\$ 106,681	\$ 106,681	\$ 196,993	\$ (66,806)	\$ 130,187	\$ 130,187

Exhibit "A"
Allocation of Fund Balances

AVAILABLE FUNDS

	<u>Amount</u>
Beginning Fund Balance - Fiscal Year 2015	\$ 130,187
Net Change in Fund Balance - Fiscal Year 2015	-
Reserves - Fiscal Year 2015 Additions	-
Total Funds Available (Estimated) - 9/30/2015	130,187

ALLOCATION OF AVAILABLE FUNDS

Assigned Fund Balance

Operating Reserve - First Quarter Operating Capital	52,761 ⁽¹⁾
Reserves - Ponds	26,800
Subtotal	<u>79,561</u>
Total Allocation of Available Funds	79,561

Total Unassigned (undesignated) Cash	<u>\$ 50,626</u>
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Notes

(1) Represents approximately 3 months of operating expenditures

Budget Narrative
Fiscal Year 2015

REVENUES

Interest-Investments

The District earns interest on the monthly average collected balance for their operating accounts.

Special Assessments-Tax Collector

The District will levy a Non-Ad Valorem assessment on all the assessable property within the District in order to pay for the operating expenditures during the Fiscal Year.

Special Assessments-Discounts

Per Section 197.162, Florida Statutes, discounts are allowed for early payment of assessments. The budgeted amount for the fiscal year is calculated at 4% of the anticipated Non-Ad Valorem assessments.

EXPENDITURES

Administrative

P/R-Board of Supervisors

Chapter 190 of the Florida Statutes allows for members of the Board of Supervisors to be compensated \$200 per meeting at which they are in attendance. The amount for the Fiscal Year is based upon all supervisors attending all of the meetings.

Professional Services - Arbitrage Rebate

The District has a proposal with a company who specializes to calculate the District's Arbitrage Rebate Liability on the Series of Benefit Special Assessment Bonds. The budgeted amount for the fiscal year is based on standard fees charged for this service.

Professional Services - Dissemination Agent

The District is required by the Securities and Exchange Commission to comply with Rule 15c2-12(b)-(5), which relates to additional reporting requirements for unrelated bond issues. The budgeted amount for the fiscal year is based on standard fees charged for this service.

Professional Services-Engineering

The District's engineer provides general engineering services to the District, i.e. attendance and preparation for monthly board meetings when requested, review of invoices, and other specifically requested assignments.

Professional Services-Legal Services

The District's Attorney, Straley & Robin, P.A., provides general legal services to the District, i.e., attendance and preparation for monthly Board meetings, review of contracts, review of agreements and resolutions, and other research as directed or requested by the Board of Supervisors and the District Manager.

Professional Services-Management Consulting Services

The District receives Management, Accounting and Administrative services as part of a Management Agreement with Severn Trent Environmental Services, Inc. Also included are costs for Information Technology charges to process all of the District's financial activities, i.e. accounts payable, financial statements, budgets, etc., on a main frame computer owned by Severn Trent in accordance with the management contract and the charge for rentals. The budgeted amount for the fiscal year is based on the contracted fees outlined in Exhibit "A" of the Management Agreement.

Budget Narrative
Fiscal Year 2015

EXPENDITURES

Administrative (continued)

Professional Services - Property Appraiser

The Property Appraiser provides the District with a listing of the legal description of each property parcel within the District boundaries, and the names and addresses of the owners of such property. The District reimburses the Property Appraiser for necessary administrative costs incurred to provide this service. Per the Florida Statutes, administrative costs shall include, but not be limited to, those costs associated with personnel, forms, supplies, data processing, computer equipment, postage, and programming. The fiscal year budget for property appraiser costs was based on 2% of the anticipated assessment collections

Professional Services-Special Assessment

The District has contracted with Severn Trent Management Services, Inc. for the collection of assessments, updating the District's tax roll and levying the annual assessment.

Professional Services - Trustee

The District issued this Series of 2005 A/B Special Assessment Bonds that are deposited with a Trustee to handle all trustee matters. The annual trustee fee is based on standard fees charged plus any out-of-pocket expenses.

Auditing Services

The District is required to conduct an annual audit of its financial records by an Independent Certified Public Accounting Firm. The budgeted amount for the fiscal year is based on contracted fees from an existing engagement letter.

Communication-Telephone

Telephone and fax transmission expenditures.

Postage and Freight

Actual postage and/or freight used for District mailings including agenda packages, vendor checks and other correspondence.

Insurance-General Liability

The District's General Liability & Public Officials Liability Insurance policy is with Public Risk Insurance Agency, Inc. They specialize in providing insurance coverage to governmental agencies. The budgeted amount allows for a projected increase in the premium due to market uncertainty.

Printing and Binding

Copies used in the preparation of agenda packages, required mailings, and other special projects.

Legal Advertising

The District is required to advertise various notices for monthly Board meetings and other public hearings in a newspaper of general circulation.

Miscellaneous – Bank Charges

This includes monthly bank charges on the Wells Fargo bank operating account.

Budget Narrative
Fiscal Year 2015

EXPENDITURES

Administrative (continued)

Miscellaneous-Assessment Collection Costs

The District reimburses the Hillsborough County Tax Collector for her or his necessary administrative costs. Per the Florida Statutes, administrative costs shall include, but not be limited to, those costs associated with personnel, forms, supplies, data processing, computer equipment, postage, and programming. The District also compensates the Tax Collector for the actual cost of collection or 2% on the amount of special assessments collected and remitted, whichever is greater. The fiscal year budget for collection costs was based on a maximum of 2% of the anticipated assessment collections.

Office Supplies

Supplies used in the preparation and binding of agenda packages, required mailings, and other special projects.

Annual District Filing Fee

The District is required to pay an annual fee of \$175 to the Department of Community Affairs.

Field

Contracts-Lakes

The District has a permit obligation to comply with certain conditions for the establishment and maintenance of upland/wetland conservation areas and for maintenance of storm water management areas. Aquatics Systems, Inc. – Water management systems monthly fee: \$330 for 9 waterways.

Contracts-Landscape

The District currently has a contract with LMP, Inc. to maintain the landscaping and irrigation system of the common areas within the District. The amount is based on proposed contract amounts and prior year's costs, irrigation repairs and replacement. The HOA is billed 58.7% of each invoice.

R&M-Fence

The District will incur repair and maintenance for the District's fence.

R&M-Irrigation

The District will incur repairs and maintenance to the District's irrigation system.

R&M-Mulch

The District will replace mulch through out the District.

Misc - Contingency

This represents any additional expenses that may not have been provided for in the budget.

The Hammocks
Community Development District

Debt Service Budgets

Fiscal Year 2015

Summary of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2015 Proposed Budget

ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ADOPTED	ACTUAL	PROJECTED	TOTAL	ANNUAL
	FY 2012	FY 2013	BUDGET FY 2014	THRU APR-2014	MAY - SEP-2014	PROJECTED FY 2014	BUDGET FY 2015
REVENUES							
Interest - Investments	\$ 391	\$ 341	\$ -	\$ 194	\$ -	\$ 194	\$ -
Special Assmnts- Tax Collector	448,400	448,412	448,400	431,251	16,199	447,450	447,450
Special Assmnts- Prepayment	731,794	95,446	-	-	-	-	-
Special Assmnts- CDD Collected	64,380	10,614	-	-	-	-	-
Special Assmnts- Discounts	(16,446)	(16,770)	(17,936)	(15,168)	-	(15,168)	(17,898)
TOTAL REVENUES	1,228,519	538,043	430,464	416,277	16,199	432,476	429,552
EXPENDITURES							
<i>Administrative</i>							
ProfServ-Property Appraiser	8,269	8,544	8,968	8,322	324	8,646	8,949
Misc-Assessmnt Collection Cost	5,629	8,544	8,968	8,322	324	8,646	8,949
Total Administrative	13,898	17,088	17,936	16,644	648	17,292	17,898
<i>Debt Service</i>							
Debt Retirement Series A	100,000	105,000	110,000	-	110,000	110,000	120,000
Prepayments Series A	-	15,000	-	-	-	-	-
Prepayments Series B	730,000	305,000	-	-	-	-	-
Interest Expense Series A	311,850	306,350	299,750	149,875	149,875	299,750	293,700
Interest Expense Series B	67,686	13,746	-	-	-	-	-
Total Debt Service	1,209,536	745,096	409,750	149,875	259,875	409,750	413,700
TOTAL EXPENDITURES	1,223,434	762,184	427,686	166,519	260,523	427,042	431,598
Excess (deficiency) of revenues							
Over (under) expenditures	5,085	(224,141)	2,778	249,758	(244,324)	5,434	(2,046)
OTHER FINANCING SOURCES (USES)							
Interfund Transfer - In	-	-	-	27,460	-	27,460	-
Operating Transfers-Out	(207)	(195)	-	(65)	-	(65)	-
Contribution to (Use of) Fund Balance	-	-	2,778	-	-	-	(2,046)
TOTAL OTHER SOURCES (USES)	(207)	(195)	2,778	27,395	-	27,395	(2,046)
Net change in fund balance	4,878	(224,336)	2,778	277,153	(244,324)	32,829	(2,046)
FUND BALANCE, BEGINNING	834,821	839,699	615,363	615,363	-	615,363	648,192
FUND BALANCE, ENDING	\$ 839,699	\$ 615,363	\$ 618,141	\$ 892,516	\$ (244,324)	\$ 648,192	\$ 646,146

Special Assessment Bonds
AMORTIZATION SCHEDULE

DATE	BALANCE	RATE	PRINCIPAL	EXTRAORDINARY REDEMPTION	INTEREST	TOTAL
11/1/2014	\$5,340,000.00	5.50%	\$0.00	\$0.00	\$146,850.00	\$146,850.00
5/1/2015	\$5,340,000.00	5.50%	\$120,000.00	\$0.00	\$146,850.00	\$266,850.00
11/1/2015	\$5,220,000.00	5.50%	\$0.00	\$0.00	\$143,550.00	\$143,550.00
5/1/2016	\$5,220,000.00	5.50%	\$125,000.00	\$0.00	\$143,550.00	\$268,550.00
11/1/2016	\$5,095,000.00	5.50%	\$0.00	\$0.00	\$140,112.50	\$140,112.50
5/1/2017	\$5,095,000.00	5.50%	\$135,000.00	\$0.00	\$140,112.50	\$275,112.50
11/1/2017	\$4,960,000.00	5.50%	\$0.00	\$0.00	\$136,400.00	\$136,400.00
5/1/2018	\$4,960,000.00	5.50%	\$140,000.00	\$0.00	\$136,400.00	\$276,400.00
11/1/2018	\$4,820,000.00	5.50%	\$0.00	\$0.00	\$132,550.00	\$132,550.00
5/1/2019	\$4,820,000.00	5.50%	\$150,000.00	\$0.00	\$132,550.00	\$282,550.00
11/1/2019	\$4,670,000.00	5.50%	\$0.00	\$0.00	\$128,425.00	\$128,425.00
5/1/2020	\$4,670,000.00	5.50%	\$155,000.00	\$0.00	\$128,425.00	\$283,425.00
11/1/2020	\$4,515,000.00	5.50%	\$0.00	\$0.00	\$124,162.50	\$124,162.50
5/1/2021	\$4,515,000.00	5.50%	\$165,000.00	\$0.00	\$124,162.50	\$289,162.50
11/1/2021	\$4,350,000.00	5.50%	\$0.00	\$0.00	\$119,625.00	\$119,625.00
5/1/2022	\$4,350,000.00	5.50%	\$175,000.00	\$0.00	\$119,625.00	\$294,625.00
11/1/2022	\$4,175,000.00	5.50%	\$0.00	\$0.00	\$114,812.50	\$114,812.50
5/1/2023	\$4,175,000.00	5.50%	\$185,000.00	\$0.00	\$114,812.50	\$299,812.50
11/1/2023	\$3,990,000.00	5.50%	\$0.00	\$0.00	\$109,725.00	\$109,725.00
5/1/2024	\$3,990,000.00	5.50%	\$195,000.00	\$0.00	\$109,725.00	\$304,725.00
11/1/2024	\$3,795,000.00	5.50%	\$0.00	\$0.00	\$104,362.50	\$104,362.50
5/1/2025	\$3,795,000.00	5.50%	\$205,000.00	\$0.00	\$104,362.50	\$309,362.50
11/1/2025	\$3,590,000.00	5.50%	\$0.00	\$0.00	\$98,725.00	\$98,725.00
5/1/2026	\$3,590,000.00	5.50%	\$220,000.00	\$0.00	\$98,725.00	\$318,725.00
11/1/2026	\$3,370,000.00	5.50%	\$0.00	\$0.00	\$92,675.00	\$92,675.00
5/1/2027	\$3,370,000.00	5.50%	\$230,000.00	\$0.00	\$92,675.00	\$322,675.00
11/1/2027	\$3,140,000.00	5.50%	\$0.00	\$0.00	\$86,350.00	\$86,350.00
5/1/2028	\$3,140,000.00	5.50%	\$245,000.00	\$0.00	\$86,350.00	\$331,350.00
11/1/2028	\$2,895,000.00	5.50%	\$0.00	\$0.00	\$79,612.50	\$79,612.50
5/1/2029	\$2,895,000.00	5.50%	\$255,000.00	\$0.00	\$79,612.50	\$334,612.50
11/1/2029	\$2,640,000.00	5.50%	\$0.00	\$0.00	\$72,600.00	\$72,600.00
5/1/2030	\$2,640,000.00	5.50%	\$270,000.00	\$0.00	\$72,600.00	\$342,600.00
11/1/2030	\$2,370,000.00	5.50%	\$0.00	\$0.00	\$65,175.00	\$65,175.00
5/1/2031	\$2,370,000.00	5.50%	\$285,000.00	\$0.00	\$65,175.00	\$350,175.00
11/1/2031	\$2,085,000.00	5.50%	\$0.00	\$0.00	\$57,337.50	\$57,337.50
5/1/2032	\$2,085,000.00	5.50%	\$305,000.00	\$0.00	\$57,337.50	\$362,337.50
11/1/2032	\$1,780,000.00	5.50%	\$0.00	\$0.00	\$48,950.00	\$48,950.00
5/1/2033	\$1,780,000.00	5.50%	\$320,000.00	\$0.00	\$48,950.00	\$368,950.00
11/1/2033	\$1,460,000.00	5.50%	\$0.00	\$0.00	\$40,150.00	\$40,150.00
5/1/2034	\$1,460,000.00	5.50%	\$340,000.00	\$0.00	\$40,150.00	\$380,150.00
11/1/2034	\$1,120,000.00	5.50%	\$0.00	\$0.00	\$30,800.00	\$30,800.00
5/1/2035	\$1,120,000.00	5.50%	\$355,000.00	\$0.00	\$30,800.00	\$385,800.00
11/1/2035	\$765,000.00	5.50%	\$0.00	\$0.00	\$21,037.50	\$21,037.50
5/1/2036	\$765,000.00	5.50%	\$380,000.00	\$0.00	\$21,037.50	\$401,037.50
11/1/2036	\$385,000.00	5.50%	\$0.00	\$0.00	\$10,587.50	\$10,587.50
5/1/2037	\$385,000.00	5.50%	\$385,000.00	\$0.00	\$10,587.50	\$395,587.50
			\$5,340,000.00	\$0.00	\$4,209,150.00	\$9,549,150.00

Budget Narrative
Fiscal Year 2015

REVENUES

Interest - Investments

The District earns interest income on their trust accounts with US Bank.

Special Assessment - Tax Collector

The District will levy a Non-Ad Valorem assessment on all the assessable property within the District in order to pay for the debt service expenditures during the Fiscal Year.

Special Assessment - Discounts

Per Section 197.162, Florida Statutes, discounts are allowed for early payments. The budgeted amount for the fiscal year is calculated at 4% of the anticipated Non-Ad Valorem assessments.

EXPENDITURES

Expenditures - Administrative

Professional Service – Property Appraiser

The Property Appraiser provides the District with a listing of the legal description of each property parcel within the District boundaries, and the names and addresses of the owners of such property. The District reimburses the Property Appraiser for necessary administrative costs incurred to provide this service. Per the Florida Statutes, administrative costs shall include, but not be limited to, those costs associated with personnel, forms, supplies, data processing, computer equipment, postage, and programming. The FY2014 budget for property appraiser costs was based on a unit price per parcel.

Misc-Assessment Collection Cost

The District reimburses the Polk County Tax Collector for her or his necessary administrative costs. Per the Florida Statutes, administrative costs shall include, but not be limited to, those costs associated with personnel, forms, supplies, data processing, computer equipment, postage, and programming. The District also compensates the Tax Collector for the actual cost of collection or 2% on the amount of special assessments collected and remitted, whichever is greater. The fiscal year budget for collection costs was based on a maximum of 2% of the anticipated assessment collections.

Expenditures – Debt Service

Principal Debt Retirement Series A

The District pays regular principal payments annually in order to pay down/retire the debt.

Interest Expense Series A

The District pays interest expense on the debt twice during the year.

The Hammocks
Community Development District

Supporting Budget Schedules
Fiscal Year 2015

**Comparison of Assessment Rates
Fiscal Year 2015 vs. Fiscal Year 2014**

Name	General Fund 001			Debt Service			Total Assessments per Unit			Total Units
	FY 2015	FY 2014	Percent Change	FY 2015	FY 2014	Percent Change	FY 2015	FY 2014	Percent Change	
Brentwood	\$465.53	\$465.53	0.0%	\$950.00	\$950.00	0.0%	\$1,415.53	\$1,415.53	0.0%	234
Oakwood	\$416.53	\$416.53	0.0%	\$850.00	\$850.00	0.0%	\$1,266.53	\$1,266.53	0.0%	266
										500