

THE HAMMOCKS

Community Development District

Annual Operating and Debt Service Budget

Fiscal Year 2018

Version 1 - Approved Tentative Budget:
(Approved 5/10/17)

Prepared by:



THE HAMMOCKS

Community Development District

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The Hammocks
Community Development District

Operating Budget
Fiscal Year 2018

Summary of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2018 Approved Tentative Budget

ACCOUNT DESCRIPTION	ACTUAL FY 2016	ADOPTED BUDGET FY 2017	ACTUAL THRU MAR-2017	PROJECTED APR - SEP-2017	TOTAL PROJECTED FY 2017	ANNUAL BUDGET FY 2018
REVENUES						
Interest - Investments	\$ 790	\$ 106	\$ 364	\$ 364	\$ 728	\$ 651
Interest - Tax Collector	28	-	75	-	75	-
Special Assmnts- Tax Collector	219,731	219,731	209,625	10,106	219,731	219,731
Special Assmnts- Discounts	(8,141)	(8,789)	(8,208)	-	(8,208)	(8,789)
Other Miscellaneous Revenues	1,100	-	-	-	-	-
TOTAL REVENUES	213,508	211,048	201,856	10,470	212,326	211,593
EXPENDITURES						
<i>Administrative</i>						
P/R-Board of Supervisors	7,000	6,000	2,400	3,000	5,400	6,000
FICA Taxes	536	459	184	230	414	459
ProfServ-Arbitrage Rebate	600	600	600	-	600	600
ProfServ-Dissemination Agent	1,000	1,000	-	1,000	1,000	-
ProfServ-Engineering	593	2,500	1,555	1,250	2,805	2,500
ProfServ-Legal Services	2,435	2,000	608	1,000	1,608	2,000
ProfServ-Mgmt Consulting Serv	44,455	46,678	23,339	23,339	46,678	46,678
ProfServ-Special Assessment	12,500	12,500	12,500	-	12,500	12,500
ProfServ-Trustee Fees	3,717	3,718	-	3,718	3,718	3,718
Auditing Services	5,000	5,000	5,000	24	5,024	5,024
Postage and Freight	215	600	51	300	351	600
Insurance - General Liability	9,732	10,705	10,342	-	10,342	11,376
Printing and Binding	213	400	127	273	400	400
Legal Advertising	630	500	-	500	500	500
Misc-Bank Charges	812	690	312	312	624	690
Misc-Assessmnt Collection Cost	391	4,395	4,029	366	4,395	4,395
Misc-Web Hosting	1,000	1,000	500	500	1,000	1,000
Office Supplies	6	25	-	25	25	25
Annual District Filing Fee	175	175	175	-	175	175
Total Administrative	91,010	98,945	61,722	35,837	97,559	98,640
<i>Field</i>						
Contracts-Landscape	57,639	56,599	26,883	28,300	55,183	56,599
Contracts-Lakes	4,362	4,404	2,202	2,202	4,404	4,404
R&M-Fence	4,950	5,000	410	4,590	5,000	5,000
R&M-Irrigation	3,465	1,000	-	1,000	1,000	1,000
R&M-Mulch	21,240	3,000	-	3,000	3,000	3,000
Misc-Contingency	11,819	20,000	-	20,000	20,000	20,950
Reserve - Ponds	-	22,100	-	-	-	22,000
Total Field	103,475	112,103	29,495	59,092	88,587	112,953
TOTAL EXPENDITURES	194,485	211,048	91,217	94,928	186,145	211,593
Excess (deficiency) of revenues						
Over (under) expenditures	19,023	-	110,639	(84,458)	26,181	-

Summary of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2018 Approved Tentative Budget

ACCOUNT DESCRIPTION	ACTUAL FY 2016	ADOPTED BUDGET FY 2017	ACTUAL THRU MAR-2017	PROJECTED APR - SEP-2017	TOTAL PROJECTED FY 2017	ANNUAL BUDGET FY 2018
OTHER FINANCING SOURCES (USES)						
Contribution to (Use of) Fund Balance	-	-	-	-	-	-
TOTAL OTHER SOURCES (USES)	-	-	-	-	-	-
Net change in fund balance	19,023	-	110,639	(84,458)	26,181	-
FUND BALANCE, BEGINNING	189,386	208,409	208,409	-	208,409	234,590
FUND BALANCE, ENDING	\$ 208,409	\$ 208,409	\$ 319,048	\$ (84,458)	\$ 234,590	\$ 234,590

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Exhibit "A" Allocation of Fund Balances

AVAILABLE FUNDS

	<u>Amount</u>
Beginning Fund Balance - Fiscal Year 2018	\$ 234,590
Net Change in Fund Balance - Fiscal Year 2018	-
Reserves - Fiscal Year 2018 Additions	22,000
Total Funds Available (Estimated) - 9/30/2018	256,590

ALLOCATION OF AVAILABLE FUNDS

Assigned Fund Balance

Operating Reserve - First Quarter Operating Capital		52,898 ⁽¹⁾
Reserves - Ponds (prior year)	30,878 ⁽²⁾	
Reserves - Ponds (FY 2017)	22,100 ⁽³⁾	
Reserves - Ponds (FY 2018)	22,000 ⁽⁴⁾	74,978
	Subtotal	<u>127,876</u>
Total Allocation of Available Funds		127,876

Total Unassigned (undesignated) Cash	\$ 128,714
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Notes

- (1) Represents approximately 3 months of operating expenditures
- (2) Assigned fund balance as of 9/30/16
- (3) FY 2017 budgeted reserves
- (4) FY 2018 proposed budgeted reserves

Budget Narrative
Fiscal Year 2018**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.

FICA Taxes

Payroll taxes for supervisor salaries are calculated as 7.65% of payroll.

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-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 2018**EXPENDITURES****Administrative (continued)****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 2016 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 estimated based on optional renewal clause within existing engagement letter.

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 Hancock bank operating account.

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.

Miscellaneous-Web Hosting

Costs associated with web services provided by Severn Trent.

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.

Budget Narrative
Fiscal Year 2018

EXPENDITURES

Field

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.

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: \$367 for 9 waterways.

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.

Miscellaneous-Contingency

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

Reserve-Ponds

The district anticipates placing funds aside for future repairs.

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Debt Service Budget
Fiscal Year 2018

Summary of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2018 Approved Tentative Budget

ACCOUNT DESCRIPTION	ACTUAL FY 2016	ADOPTED BUDGET FY 2017	ACTUAL THRU MAR-2017	PROJECTED APR - SEP-2017	TOTAL PROJECTED FY 2017	ANNUAL BUDGET FY 2018
REVENUES						
Interest - Investments	\$ 6	\$ -	\$ 100	\$ 100	\$ 200	\$ -
Special Assmnts- Tax Collector	-	351,522	335,354	16,168	351,522	351,522
Special Assmnts- Discounts	-	(14,061)	(13,132)	-	(13,132)	(14,061)
TOTAL REVENUES	6	337,461	322,322	16,268	338,590	337,461
EXPENDITURES						
<i>Administrative</i>						
Misc-Assessmnt Collection Cost	-	7,030	6,445	585	7,030	7,030
Cost of Issuance	200,830	-	10,000	-	10,000	-
Total Administrative	200,830	7,030	16,445	585	17,030	7,030
<i>Debt Service</i>						
Principal Debt Retirement	-	165,000	-	165,000	165,000	170,000
Interest Expense	-	106,820	28,340	78,480	106,820	151,680
Total Debt Service	-	271,820	28,340	243,480	271,820	321,680
TOTAL EXPENDITURES	200,830	278,850	44,785	244,065	288,850	328,710
Excess (deficiency) of revenues Over (under) expenditures	(200,824)	58,611	277,537	(227,797)	49,740	8,750
OTHER FINANCING SOURCES (USES)						
Interfund Transfer - In	30,297	-	-	-	-	-
Proceeds of Refunding Bonds	4,905,000	-	-	-	-	-
Pymt to Escrow Acct-Refunding	(4,559,714)	-	-	-	-	-
Contribution to (Use of) Fund Balance	-	58,611	-	-	-	8,750
TOTAL OTHER SOURCES (USES)	375,583	58,611	-	-	-	8,750
Net change in fund balance	174,759	58,611	277,537	(227,797)	49,740	8,750
FUND BALANCE, BEGINNING	-	174,759	174,759	-	174,759	224,499
FUND BALANCE, ENDING	\$ 174,759	\$ 233,370	\$ 452,296	\$ (227,797)	\$ 224,499	\$ 233,249

Special Assessment Bonds
AMORTIZATION SCHEDULE

DATE	BALANCE	RATE	PRINCIPAL	EXTRAORDINARY REDEMPTION	INTEREST	TOTAL
11/1/2017	\$4,740,000.00	3.20%	\$0.00	\$0.00	\$75,840.00	\$75,840.00
5/1/2018	\$4,740,000.00	3.20%	\$170,000.00	\$0.00	\$75,840.00	\$245,840.00
11/1/2018	\$4,570,000.00	3.20%	\$0.00	\$0.00	\$73,120.00	\$73,120.00
5/1/2019	\$4,570,000.00	3.20%	\$180,000.00	\$0.00	\$73,120.00	\$253,120.00
11/1/2019	\$4,390,000.00	3.20%	\$0.00	\$0.00	\$70,240.00	\$70,240.00
5/1/2020	\$4,390,000.00	3.20%	\$185,000.00	\$0.00	\$70,240.00	\$255,240.00
11/1/2020	\$4,205,000.00	3.20%	\$0.00	\$0.00	\$67,280.00	\$67,280.00
5/1/2021	\$4,205,000.00	3.20%	\$190,000.00	\$0.00	\$67,280.00	\$257,280.00
11/1/2021	\$4,015,000.00	3.20%	\$0.00	\$0.00	\$64,240.00	\$64,240.00
5/1/2022	\$4,015,000.00	3.20%	\$195,000.00	\$0.00	\$64,240.00	\$259,240.00
11/1/2022	\$3,820,000.00	3.20%	\$0.00	\$0.00	\$61,120.00	\$61,120.00
5/1/2023	\$3,820,000.00	3.20%	\$200,000.00	\$0.00	\$61,120.00	\$261,120.00
11/1/2023	\$3,620,000.00	3.20%	\$0.00	\$0.00	\$57,920.00	\$57,920.00
5/1/2024	\$3,620,000.00	3.20%	\$210,000.00	\$0.00	\$57,920.00	\$267,920.00
11/1/2024	\$3,410,000.00	3.20%	\$0.00	\$0.00	\$54,560.00	\$54,560.00
5/1/2025	\$3,410,000.00	3.20%	\$215,000.00	\$0.00	\$54,560.00	\$269,560.00
11/1/2025	\$3,195,000.00	3.20%	\$0.00	\$0.00	\$51,120.00	\$51,120.00
5/1/2026	\$3,195,000.00	3.20%	\$220,000.00	\$0.00	\$51,120.00	\$271,120.00
11/1/2026	\$2,975,000.00	3.20%	\$0.00	\$0.00	\$47,600.00	\$47,600.00
5/1/2027	\$2,975,000.00	3.20%	\$230,000.00	\$0.00	\$47,600.00	\$277,600.00
11/1/2027	\$2,745,000.00	3.20%	\$0.00	\$0.00	\$43,920.00	\$43,920.00
5/1/2028	\$2,745,000.00	3.20%	\$235,000.00	\$0.00	\$43,920.00	\$278,920.00
11/1/2028	\$2,510,000.00	3.20%	\$0.00	\$0.00	\$40,160.00	\$40,160.00
5/1/2029	\$2,510,000.00	3.20%	\$245,000.00	\$0.00	\$40,160.00	\$285,160.00
11/1/2029	\$2,265,000.00	3.20%	\$0.00	\$0.00	\$36,240.00	\$36,240.00
5/1/2030	\$2,265,000.00	3.20%	\$255,000.00	\$0.00	\$36,240.00	\$291,240.00
11/1/2030	\$2,010,000.00	3.20%	\$0.00	\$0.00	\$32,160.00	\$32,160.00
5/1/2031	\$2,010,000.00	3.20%	\$260,000.00	\$0.00	\$32,160.00	\$292,160.00
11/1/2031	\$1,750,000.00	3.20%	\$0.00	\$0.00	\$28,000.00	\$28,000.00
5/1/2032	\$1,750,000.00	3.20%	\$270,000.00	\$0.00	\$28,000.00	\$298,000.00
11/1/2032	\$1,480,000.00	3.20%	\$0.00	\$0.00	\$23,680.00	\$23,680.00
5/1/2033	\$1,480,000.00	3.20%	\$280,000.00	\$0.00	\$23,680.00	\$303,680.00
11/1/2033	\$1,200,000.00	3.20%	\$0.00	\$0.00	\$19,200.00	\$19,200.00
5/1/2034	\$1,200,000.00	3.20%	\$285,000.00	\$0.00	\$19,200.00	\$304,200.00
11/1/2034	\$915,000.00	3.20%	\$0.00	\$0.00	\$14,640.00	\$14,640.00
5/1/2035	\$915,000.00	3.20%	\$295,000.00	\$0.00	\$14,640.00	\$309,640.00
11/1/2035	\$620,000.00	3.20%	\$0.00	\$0.00	\$9,920.00	\$9,920.00
5/1/2036	\$620,000.00	3.20%	\$305,000.00	\$0.00	\$9,920.00	\$314,920.00
11/1/2036	\$315,000.00	3.20%	\$0.00	\$0.00	\$5,040.00	\$5,040.00
5/1/2037	\$315,000.00	3.20%	\$315,000.00	\$0.00	\$5,040.00	\$320,040.00
			\$4,740,000.00	\$0.00	\$1,752,000.00	\$6,492,000.00

Budget Narrative
Fiscal Year 2018

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

Administrative

Miscellaneous-Assessment Collection Cost

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.

Debt Service

Principal Debt Retirement

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

Interest Expense

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

The Hammocks

Community Development District

Supporting Budget Schedules

Fiscal Year 2018

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Community Development District

Comparison of Assessment Rates Fiscal Year 2018 vs. Fiscal Year 2017

Name	General Fund 001			Debt Service			Total Assessments per Unit			Total Units
	FY 2018	FY 2017	Percent Change	FY 2018	FY 2017	Percent Change	FY 2018	FY 2017	Percent Change	
Brentwood	\$465.53	\$465.53	0.0%	\$747.92	\$747.92	0.0%	\$1,213.45	\$1,213.45	0.0%	234
Oakwood	\$416.53	\$416.53	0.0%	\$669.19	\$669.19	0.0%	\$1,085.72	\$1,085.72	0.0%	266
										500