

SPICEWOOD

Community Development District

Annual Operating and Debt Service Budget

Fiscal Year 2019

Version 2 - Adopted Budget
(Adopted at 7/18/2018 Meeting)

Prepared by:



SPICEWOOD

Community Development District

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SPICEWOOD

Community Development District

Operating Budget

Fiscal Year 2019

Summary of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2019 Adopted Budget

| ACCOUNT DESCRIPTION | ACTUAL | ADOPTED | ACTUAL | PROJECTED | TOTAL | ANNUAL |
|--------------------------------|----------------|-------------------|-------------------|-------------------|----------------------|-------------------|
| | FY 2017 | BUDGET FY 2018 | THRU JUNE-2018 | JULY SEPT-2018 | PROJECTED FY 2018 | BUDGET FY 2019 |
| REVENUES | | | | | | |
| Interest - Investments | \$ 1,447 | \$ - | \$ 1,413 | \$ 471 | \$ 1,884 | \$ - |
| Interest - Tax Collector | 49 | - | 155 | - | 155 | - |
| Special Assmnts- Tax Collector | 154,601 | 154,603 | 154,508 | 95 | 154,603 | 154,603 |
| Special Assmnts- Discounts | (5,250) | (6,184) | (5,331) | - | (5,331) | (6,184) |
| TOTAL REVENUES | 150,847 | 148,419 | 150,744 | 566 | 151,311 | 148,419 |
| EXPENDITURES | | | | | | |
| <i>Administrative</i> | | | | | | |
| P/R-Board of Supervisors | 3,200 | 7,000 | 1,800 | 1,200 | 3,000 | 7,000 |
| FICA Taxes | 245 | 536 | 138 | 92 | 230 | 536 |
| ProfServ-Engineering | 1,275 | 3,435 | 887 | - | 887 | 1,500 |
| ProfServ-Legal Services | 8,584 | 9,000 | 5,294 | 1,310 | 6,604 | 8,600 |
| ProfServ-Mgmt Consulting Serv | 20,450 | 21,064 | 15,798 | 5,266 | 21,064 | 21,696 |
| ProfServ-Special Assessment | 2,653 | 2,733 | 2,733 | - | 2,733 | 2,815 |
| Auditing Services | 4,773 | 4,750 | 4,750 | - | 4,750 | 4,750 |
| Postage and Freight | 29 | 205 | 24 | 8 | 32 | 50 |
| Rental - Meeting Room | 560 | 981 | 200 | 200 | 400 | 700 |
| Insurance - General Liability | 4,355 | 4,791 | 4,566 | - | 4,566 | 4,794 |
| Printing and Binding | 267 | 405 | 65 | 22 | 87 | 270 |
| Legal Advertising | 220 | 600 | 145 | 105 | 250 | 250 |
| Misc-Assessmnt Collection Cost | 1,494 | 1,546 | 1,399 | 1 | 1,400 | 1,546 |
| Misc-Contingency | 100 | 37,470 | - | - | - | 40,226 |
| Misc-Web Hosting | 1,000 | 1,030 | 772 | 258 | 1,030 | 1,061 |
| Office Supplies | - | 248 | 70 | - | 70 | - |
| Annual District Filing Fee | 175 | 175 | 175 | - | 175 | 175 |
| Total Administrative | 49,380 | 95,969 | 38,816 | 8,462 | 47,277 | 95,969 |
| <i>Field</i> | | | | | | |
| R&M-Grounds | - | 12,500 | 97 | - | 97 | 12,500 |
| Misc-Contingency | - | 2,450 | - | - | - | 2,450 |
| Misc-Security | 23,729 | 36,500 | 12,493 | 24,007 | 36,500 | 36,500 |
| Reserve - Playground | - | 1,000 | - | - | - | 1,000 |
| Total Field | 23,729 | 52,450 | 12,590 | 24,007 | 36,597 | 52,450 |
| TOTAL EXPENDITURES | 73,109 | 148,419 | 51,406 | 32,469 | 83,874 | 148,419 |

Summary of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2019 Adopted Budget

| ACCOUNT DESCRIPTION | ACTUAL FY 2017 | ADOPTED BUDGET FY 2018 | ACTUAL THRU JUNE-2018 | PROJECTED JULY SEPT-2018 | TOTAL PROJECTED FY 2018 | ANNUAL BUDGET FY 2019 |
|---------------------------------|--------------------------|------------------------------|-----------------------------|--------------------------------|-------------------------------|-----------------------------|
| Excess (deficiency) of revenues | | | | | | |
| Over (under) expenditures | 77,738 | - | 99,338 | (31,903) | 67,437 | - |
| Net change in fund balance | <u>77,738</u> | <u>-</u> | <u>99,338</u> | <u>(31,903)</u> | <u>67,437</u> | <u>-</u> |
| FUND BALANCE, BEGINNING | 233,165 | 310,903 | 310,903 | - | 310,903 | 378,340 |
| FUND BALANCE, ENDING | <u>\$ 310,903</u> | <u>\$ 310,903</u> | <u>\$ 410,241</u> | <u>\$ (31,903)</u> | <u>\$ 378,340</u> | <u>\$ 378,340</u> |

Budget Narrative
Fiscal Year 2019**REVENUES****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 the meetings. Seven meetings are scheduled.

FICA Taxes

Payroll taxes on Board of Supervisor's compensation. The budgeted amount for the fiscal year is calculated at 7.65% of the total Board of Supervisor's payroll expenditures.

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. Annual engineer's report as required by the bond indenture.

Professional Services-Legal Services

The District's Attorney, Billing, Cochran, Lyles 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 Inframark Infrastructure Management Services, Inc. Also includes cost of Information Technology (GASB 54 Compliant Software System), transcription services, records management and long term offsite records storage. The budgeted amount for the fiscal year is based on the contracted fees outlined in Exhibit "A" of the Management Agreement, with a moderate 3% proposed increase.

Professional Services-Special Assessments

Administrative services to maintain the District's Assessments Roll including estoppels letters and reports to applicable agencies. A moderate 3% increase is proposed.

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.

Budget Narrative
Fiscal Year 2019**EXPENDITURES****Administrative** (continued)**Postage and Freight**

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

Rental-Meeting Room

Meetings are held at Somerset Academy Silver Palms. Rental fee per meeting. Seven meetings are scheduled.

Insurance-General Liability

The District's General Liability & Public Officials Liability Insurance policy is with Florida Municipal Insurance Trust. They specialize in providing insurance coverage to governmental agencies. The budgeted amount allows for a projected increase in the premium.

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-Assessment Collection Costs

The District reimburses the Miami-Dade 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 1% on the amount of special assessments collected and remitted, whichever is greater. The budget for collection costs was based on a maximum of 1% of the anticipated assessment collections.

Miscellaneous-Contingency

Unexpected expenditures that the District may incur.

Miscellaneous-Web Hosting

Web hosting of minutes to comply with new State Statutes. A moderate 3% increase is proposed.

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 Economic Opportunity.

Budget Narrative
Fiscal Year 2019

| |
|---------------------|
| EXPENDITURES |
|---------------------|

Field

R&M-Grounds

For maintenance of areas District is responsible for but work is performed by Homeowners' Association.

Miscellaneous-Contingency

Unexpected expenditures that the District may incur.

Miscellaneous-Security

Security services for District paid to the Homeowners' Association, per HOA and Easement agreements.

Reserve-Playground

Reserve for future park equipment.

Exhibit "A"
Allocation of Fund Balances

AVAILABLE FUNDS

| | <u>Amount</u> |
|--|----------------|
| Beginning Fund Balance - Fiscal Year 2019 | \$ 378,340 |
| Net Change in Fund Balance - Fiscal Year 2019 | - |
| Reserves - Fiscal Year 2019 Additions | 1,000 |
| Total Funds Available (Estimated) - 9/30/19 | 379,340 |

ALLOCATION OF AVAILABLE FUNDS

Assigned Fund Balance

| | | |
|---|--------|-------|
| Operating Reserve - First Quarter Operating Capital | 36,855 | (1) |
| Reserve - Playground | | |
| Prior Years Funding | 6,000 | |
| FY 2019 Reserve | 1,000 | 7,000 |

| | |
|--|---------------|
| Total Allocation of Available Funds | 43,855 |
|--|---------------|

| | |
|---|-------------------|
| Total Unassigned (undesignated) Cash | \$ 335,485 |
|---|-------------------|

Notes

(1) Represents approximately 3 months of operating expenditures, net reserves.

SPICEWOOD

Community Development District

Debt Service Budget

Fiscal Year 2019

Summary of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2019 Adopted Budget

| ACCOUNT DESCRIPTION | ACTUAL FY 2017 | ADOPTED BUDGET FY 2018 | ACTUAL THRU JUNE-2018 | PROJECTED JULY SEPT-2018 | TOTAL PROJECTED FY 2018 | ANNUAL BUDGET FY 2019 |
|---------------------------------------|-------------------|------------------------------|-----------------------------|--------------------------------|-------------------------------|-----------------------------|
| REVENUES | | | | | | |
| Interest - Investments | \$ 1,333 | \$ - | \$ 353 | \$ 118 | \$ 471 | \$ - |
| Special Assmnts- Tax Collector | 228,118 | 228,118 | 227,980 | 138 | 228,118 | 228,118 |
| Special Assmnts- Discounts | (7,746) | (9,125) | (7,866) | - | (7,866) | (9,125) |
| TOTAL REVENUES | 221,705 | 218,993 | 220,467 | 256 | 220,723 | 218,994 |
| EXPENDITURES | | | | | | |
| <i>Administrative</i> | | | | | | |
| ProfServ-Dissemination Agent | - | 1,000 | - | - | - | - |
| ProfServ-Trustee | 4,041 | 5,408 | 2,694 | 2,714 | 5,408 | 5,949 |
| Misc-Assessmnt Collection Cost | 2,204 | 2,281 | 2,065 | 1 | 2,066 | 2,281 |
| Total Administrative | 6,245 | 8,689 | 4,759 | 2,715 | 7,474 | 8,230 |
| <i>Debt Service</i> | | | | | | |
| Principal Debt Retirement | 110,000 | 110,000 | 110,000 | - | 110,000 | 115,000 |
| Interest Expense | 101,169 | 98,694 | 98,694 | - | 98,694 | 95,944 |
| Total Debt Service | 211,169 | 208,694 | 208,694 | - | 208,694 | 210,944 |
| TOTAL EXPENDITURES | 217,414 | 217,383 | 213,453 | 2,715 | 216,168 | 219,174 |
| Excess (deficiency) of revenues | | | | | | |
| Over (under) expenditures | 4,291 | 1,610 | 7,014 | (2,460) | 4,554 | (180) |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Operating Transfers-Out | (166) | - | (170) | - | (170) | - |
| Contribution to (Use of) Fund Balance | - | 1,610 | - | - | - | (180) |
| TOTAL OTHER SOURCES (USES) | (166) | 1,610 | (170) | - | (170) | (180) |
| Net change in fund balance | 4,125 | 1,610 | 6,844 | (2,460) | 4,384 | (180) |
| FUND BALANCE, BEGINNING | 196,086 | 200,211 | 200,211 | - | 200,211 | 204,595 |
| FUND BALANCE, ENDING | \$200,211 | \$201,821 | \$ 207,055 | \$ (2,460) | \$ 204,595 | \$ 204,415 |

**Amortization Schedule
Series 2013**

| <u>Date</u> | <u>Principal Retirement</u> | <u>Interest Expense</u> | <u>Principal Balance</u> |
|-------------|-----------------------------|-------------------------|--------------------------|
| 11/1/2018 | | \$ 47,972 | \$ 2,440,000 |
| 5/1/2019 | \$ 115,000 | \$ 47,972 | \$ 2,325,000 |
| 11/1/2019 | | \$ 46,319 | \$ 2,325,000 |
| 5/1/2020 | \$ 120,000 | \$ 46,319 | \$ 2,205,000 |
| 11/1/2020 | | \$ 44,519 | \$ 2,205,000 |
| 5/1/2021 | \$ 120,000 | \$ 44,519 | \$ 2,085,000 |
| 11/1/2021 | | \$ 42,644 | \$ 2,085,000 |
| 5/1/2022 | \$ 125,000 | \$ 42,644 | \$ 1,960,000 |
| 11/1/2022 | | \$ 40,456 | \$ 1,960,000 |
| 5/1/2023 | \$ 130,000 | \$ 40,456 | \$ 1,830,000 |
| 11/1/2023 | | \$ 38,100 | \$ 1,830,000 |
| 5/1/2024 | \$ 135,000 | \$ 38,100 | \$ 1,695,000 |
| 11/1/2024 | | \$ 35,569 | \$ 1,695,000 |
| 5/1/2025 | \$ 140,000 | \$ 35,569 | \$ 1,555,000 |
| 11/1/2025 | | \$ 32,856 | \$ 1,555,000 |
| 5/1/2026 | \$ 150,000 | \$ 32,856 | \$ 1,405,000 |
| 11/1/2026 | | \$ 29,856 | \$ 1,405,000 |
| 5/1/2027 | \$ 155,000 | \$ 29,856 | \$ 1,250,000 |
| 11/1/2027 | | \$ 26,563 | \$ 1,250,000 |
| 5/1/2028 | \$ 160,000 | \$ 26,563 | \$ 1,090,000 |
| 11/1/2028 | | \$ 23,163 | \$ 1,090,000 |
| 5/1/2029 | \$ 165,000 | \$ 23,163 | \$ 925,000 |
| 11/1/2029 | | \$ 19,656 | \$ 925,000 |
| 5/1/2030 | \$ 175,000 | \$ 19,656 | \$ 750,000 |
| 11/1/2030 | | \$ 15,938 | \$ 750,000 |
| 5/1/2031 | \$ 180,000 | \$ 15,938 | \$ 570,000 |
| 11/1/2031 | | \$ 12,113 | \$ 570,000 |
| 5/1/2032 | \$ 180,000 | \$ 12,113 | \$ 390,000 |
| 11/1/2032 | | \$ 8,288 | \$ 390,000 |
| 5/1/2033 | \$ 190,000 | \$ 8,288 | \$ 200,000 |
| 11/1/2033 | | \$ 4,250 | \$ 200,000 |
| 5/1/2034 | \$ 200,000 | \$ 4,250 | \$ - |
| 11/1/2034 | | | |
| | \$ 2,440,000 | \$ 936,519 | |

Budget Narrative
Fiscal Year 2019**REVENUES****Special Assessments-Tax Collector**

The District will levy a Non-Ad Valorem assessment on all the assessable property within the District to pay for the debt service 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****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-Trustee

The District issued this Series of 2013 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. There will be a 10% increase.

Miscellaneous-Assessment Collection Cost

The District reimburses the Miami-Dade 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 1% on the amount of special assessments collected and remitted, whichever is greater. The budget for collection costs was based on a maximum of 1% 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.

SPICEWOOD

Community Development District

Supporting Budget Schedule

Fiscal Year 2019

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Community Development District

**Comparison of Assessment Rates
Fiscal Year 2019 vs. Fiscal Year 2018**

| Product | General Fund 001 | | | Series 2013 Debt Service Fund | | | Total Assessments per Unit | | | Units | Prepaid |
|--------------------|------------------|----------|----------------|-------------------------------|----------|----------------|----------------------------|----------|----------------|------------|----------|
| | FY 2019 | FY 2018 | Percent Change | FY 2019 | FY 2018 | Percent Change | FY 2019 | FY 2018 | Percent Change | | |
| Townhome SF 50' | \$308.15 | \$308.15 | 0% | \$423.71 | \$423.71 | 0% | \$731.86 | \$731.86 | 0% | 222 | 1 |
| | \$338.01 | \$338.01 | 0% | \$529.44 | \$529.44 | 0% | \$867.45 | \$867.45 | 0% | 255 | 1 |
| | | | | | | | | | | 477 | 2 |