

LIVE OAK NO. 2

Community Development District

Annual Operating and Debt Service Budget

Fiscal Year 2018

Version 1 - Approved Tentative Budget
(Approved May 16, 2017)

Prepared by:



LIVE OAK NO. 2

Community Development District

Table of Contents

	<u>Page #</u>
<u>OPERATING BUDGET</u>	
General Fund	
Summary of Revenues, Expenditures and Changes in Fund Balances	1
Budget Narrative	2-4
Exhibit A - Allocation of Fund Balances	5
<u>DEBT SERVICE BUDGET</u>	
Series 2016	
Summary of Revenues, Expenditures and Changes in Fund Balances	6
Amortization Schedule	7
<u>SUPPORTING BUDGET SCHEDULES</u>	
2017-2018 Non-Ad Valorem Assessment Summary	8

Live Oak No. 2
Community Development District

Operating Budget
Fiscal Year 2018

LIVE OAK NO. 2

Community Development District

General Fund

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

ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ADOPTED	ACTUAL	PROJECTED	TOTAL	ANNUAL
	FY 2015	FY 2016	BUDGET FY 2017	THRU APR-2017	MAY- SEP-2017	PROJECTED FY 2017	BUDGET FY 2018
REVENUES							
Interest - Investments	\$ 1,456	\$ 1,321	\$ -	\$ 1,138	\$ 625	\$ 1,763	\$ -
Special Assmnts- Tax Collector	256,048	256,048	256,049	251,035	5,013	256,048	256,049
Special Assmnts- Delinquent	296	-	-	-	-	-	-
Special Assmnts- Discounts	(9,576)	(9,587)	(10,242)	(9,683)	-	(9,683)	(10,242)
Other Miscellaneous Revenues	-	-	-	1,667	-	1,667	-
TOTAL REVENUES	248,224	247,782	245,807	244,157	5,638	249,795	245,807
EXPENDITURES							
<i>Administrative</i>							
P/R-Board of Supervisors	4,600	4,600	8,000	800	2,000	2,800	8,000
FICA Taxes	352	352	612	61	153	213	612
ProfServ-Arbitrage Rebate	600	1,200	600	-	600	600	600
ProfServ-Dissemination Agent	5,000	5,000	1,000	-	1,000	1,000	1,000
ProfServ-Engineering	32,575	16,477	15,000	10,211	10,211	20,422	15,000
ProfServ-Legal Services	2,150	3,525	3,000	2,099	1,499	3,598	3,000
ProfServ-Mgmt Consulting Serv	37,000	38,850	38,850	22,663	16,187	38,850	38,850
ProfServ-Property Appraiser	4,847	-	-	-	-	-	-
ProfServ-Special Assessment	12,500	12,500	12,500	12,500	-	12,500	12,500
ProfServ-Trustee Fees	9,079	9,079	3,717	-	3,717	3,717	3,717
Auditing Services	3,500	3,500	3,500	-	3,500	3,500	3,500
Postage and Freight	170	95	1,000	27	300	327	1,000
Insurance - General Liability	9,195	8,217	9,039	8,310	-	8,310	9,141
Printing and Binding	342	171	500	52	119	171	500
Legal Advertising	665	379	900	285	450	735	900
Misc-Bank Charges	271	302	600	163	140	303	600
Misc-Assessmnt Collection Cost	3,847	3,456	5,121	4,827	100	4,927	5,121
Misc-Web Hosting	1,228	772	775	775	-	775	775
Office Supplies	-	94	100	-	94	94	100
Annual District Filing Fee	175	175	175	175	-	175	175
Total Administrative	128,096	108,744	104,989	62,948	40,070	103,017	105,091
<i>Field</i>							
Contracts-Envirom'l Monitoring	5,250	1,950	-	-	13,800	13,800	3,200
Contracts-Landscape	42,238	44,238	44,238	25,806	18,432	44,238	44,238
Contracts-Lakes	16,596	16,596	16,596	9,681	6,915	16,596	16,596
R&M-Fence	6,689	3,620	7,500	555	396	951	7,500
R&M-Lake	5,755	1,022	5,000	7,746	-	7,746	5,000
R&M-Stormwater System	31,800	-	-	-	-	-	-
R&M-Wetland Monitoring	1,000	-	8,000	1,650	6,350	8,000	8,000
Misc-Contingency	4,025	25,004	25,000	16,525	8,000	24,525	25,000
Reserve - Ponds	13,245	-	34,484	24,432	-	24,432	31,182
Total Field	126,598	92,430	140,818	86,395	53,893	140,288	140,716
TOTAL EXPENDITURES	254,694	201,174	245,807	149,343	93,963	243,305	245,807
Net change in fund balance	(6,470)	46,608	-	94,814	(88,325)	6,490	0
FUND BALANCE, BEGINNING	311,204	304,734	351,342	351,342	-	351,342	357,832
FUND BALANCE, ENDING	\$ 304,734	\$ 351,342	\$ 351,342	\$ 446,156	\$ (88,325)	\$ 357,832	\$ 357,832

Budget Narrative

Fiscal Year 2018

REVENUES**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 operating expenditures during the Fiscal Year.

Special Assessment – Discount

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 Supervisor**

Chapter 190 of the Florida Statutes allows for a member of the Board of Supervisors to be compensated for a meeting attendance and to receive \$200 per meeting plus payroll taxes.

FICA Taxes

Payroll taxes for the Supervisors' salaries are calculated at 7.65% of gross payroll.

Professional Services-Arbitrage Rebate Calculation

The District will contract with an independent certified public account to annually 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 supporting requirements for unrelated bond issues. The budgeted amount for the fiscal year is based on the Series 2016 Continuing Disclosure Certificate found in the indenture.

Professional Services-Engineering

The District's engineer will be providing general engineering services to the District, i.e. attendance and preparation for monthly board meetings, review invoices, etc. Fees are based on estimated activity.

Professional Services-Legal

The District's legal counsel will be providing general legal services to the District, i.e. attendance and preparation for monthly meetings, review operating and maintenance contracts, etc. Fees are based on estimated activity.

Professional Services-Management Consulting

The District receives Management, Accounting, IT and Administrative services as part of a Management Agreement with Severn Trent Environmental Services, Inc. The fees are related to the current contracted fees in the Management Agreement.

Professional Services-Special Assessments

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.

Budget Narrative

Fiscal Year 2018

EXPENDITURES**ADMINISTRATIVE (CONTINUED)****Professional Services-Trustee**

The District pays US Bank an annual fee for trustee services on the Series 2016 Special Assessments Refunding Bond. The budgeted amount was provided by the Trustee.

Auditing Services

The District is required annually to conduct an audit of its financial records by an Independent Certified Public Accounting Firm. The fee is based on existing year's engagement letter.

Postage & Freight

Mailing of agenda packages, overnight deliveries & correspondence.

Insurance – General Liability

The District has general liability insurance. These insurance policies are held with Public Risk Insurance. Public Risk Insurance specializes in providing insurance coverage to governmental agencies. The amount is based upon historical expenses with a projected 10% increase.

Printing & Binding

Printing & binding agenda packages for board meetings, printing of computerized checks, stationary, envelopes etc.

Legal Advertising

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

Misc- Bank Charges

Bank Fees charged by SunTrust on the main operating account.

Misc-Assessment Collection Fee

The District reimburses the Tax Collector for 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 budget for collection costs was based on a maximum of 2% of the anticipated assessment collections.

Misc-Web Hosting

The District will create and maintain a website for public access to the District's activities.

Office Supplies

Miscellaneous office supplies required to prepare agenda packages.

Annual District Filing Fee

The District is required to pay an annual fee to the Department of Economic Opportunity Division of Community Development for \$175.

Budget Narrative
Fiscal Year 2018

EXPENDITURES

OPERATIONS & MAINTENANCE

Contracts – Envirom’l Monitoring

The District will contract with Florida Native Nursery to remove and maintain the overgrown weeds and brush in 3 flood compensation areas. The initial cost for removal of the brush is \$12,000; the ongoing quarterly maintenance for mitigation of the area is \$800 per quarter.

Contracts - Landscape

The District currently has a contract with Landscape Maintenance Professionals, Inc. to maintain the landscaping and irrigation system of the common areas within the District. The contract amount is \$3,687 per month.

Contracts-Lakes

The District has a contract with American EcoSystems to provide lake spray services to 27 ponds for \$1,383/mo.

R&M - Fence

The District anticipates fence repair expenses.

R&M – Lake

The District expects to incur minor lake maintenance expenditures.

R&M-Wetland Monitoring

Monitoring and reporting services for the District’s lakes will be provided by Driggers & King Engineering.

Misc-Contingency

This category represents miscellaneous expenditures incurred during the year that cannot be otherwise classified.

Reserves-Ponds

This represents reserves the district has budgeted and intends to designate as funds to set aside to cover future capital expenditures which may require substantial cash use.

Exhibit "A"
Allocation of Fund Balances

AVAILABLE FUNDS

	<u>Amount</u>
Beginning Fund Balance - Fiscal Year 2018	\$ 357,832
Net Change in Fund Balance - Fiscal Year 2018	-
Reserves - Fiscal Year 2018 Additions	31,182
Total Funds Available (Estimated) - 9/30/2018	389,014

ALLOCATION OF AVAILABLE FUNDS

Assigned Fund Balance

Operating Reserve - First Quarter Operating Capital		53,656 ⁽¹⁾
Reserves - Ponds	160,699	
Reserves - Ponds - FY17 (Projected)	10,052	
Reserves - Ponds - FY18 (Proposed)	31,182	201,933
	Subtotal	<u>255,589</u>
Total Allocation of Available Funds		255,589

Total Unassigned (undesignated) Cash \$ 133,425

Notes

(1) Represents approximately 3 months of operating expenditures

Live Oak No. 2
Community Development District

Debt Service Budget
Fiscal Year 2018

LIVE OAK NO. 2

Community Development District

Debt Service Series 2016 Fund

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

ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ADOPTED	ACTUAL	PROJECTED	TOTAL	ANNUAL
	FY 2015	FY 2016	BUDGET FY 2017	THRU APR-2017	MAY- SEP-2017	PROJECTED FY 2017	BUDGET FY 2018
REVENUES							
Interest - Investments	\$ -	\$ 198	\$ -	\$ 437	\$ 303	\$ 740	\$ -
Special Assmnts- Tax Collector	-	30,587	601,171	588,699	11,755	600,454	600,454
Special Assmnts- Prepayment	-	8,841	-	-	-	-	-
Special Assmnts- Discounts	-	339	(24,047)	(22,707)	-	(22,707)	(24,018)
TOTAL REVENUES	-	39,965	577,124	566,429	12,058	578,487	576,436
EXPENDITURES							
<i>Administrative</i>							
Misc-Assessmnt Collection Cost	-	(3,481)	12,023	11,320	235	11,555	\$ 12,009
Total Administrative	-	(3,481)	12,023	11,320	235	11,555	12,009
<i>Other Uses</i>							
Cost of Issuance	-	111,165	-	-	-	-	-
DS Bond Discount	-	2,958	-	-	-	-	-
Underwriter	-	114,300	-	-	-	-	-
Total Other Uses	-	228,423	-	-	-	-	-
<i>Debt Service</i>							
Principal Debt Retirement	-	25,000	310,000	-	310,000	310,000	315,000
Prepayments Series	-	-	-	15,000	-	15,000	-
Interest Expense Series	-	30,042	245,796	122,898	122,649	245,547	238,324
Total Debt Service	-	55,042	555,796	137,898	432,649	570,547	553,324
TOTAL EXPENDITURES	-	279,984	567,819	149,218	432,883	582,101	565,332
Excess (deficiency) of revenues Over (under) expenditures	-	(240,019)	9,305	417,211	(420,826)	(3,615)	11,104
OTHER FINANCING SOURCES (USES)							
Interfund Transfer - In	-	889,193	-	-	-	-	-
Proceeds of Refunding Bonds	-	7,620,000	-	-	-	-	-
Pymt to Escrow Acct-Refunding	-	(7,826,788)	-	-	-	-	-
Balance	-	-	9,305	-	-	-	11,103
TOTAL OTHER SOURCES (USES)	-	682,405	9,305	-	-	-	11,103
Net change in fund balance	-	442,386	9,305	417,211	(420,826)	(3,615)	11,103
FUND BALANCE, BEGINNING	-	-	442,386	442,386	-	442,386	438,771
FUND BALANCE, ENDING	\$ -	\$ 442,386	\$ 451,691	\$ 859,597	\$ (420,826)	\$ 438,771	\$ 449,874

LIVE OAK NO. 2

Community Development District

SPECIAL ASSESSMENT BONDS, SERIES 2016A AMORTIZATION SCHEDULE

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
11/1/2017			119,161.88	119,161.88	
5/1/2018	315,000.00	2.250%	119,161.88	434,161.88	553,323.76
11/1/2018			115,618.13	115,618.13	
5/1/2019	320,000.00	2.250%	115,618.13	435,618.13	551,236.26
11/1/2019			112,018.13	112,018.13	
5/1/2020	330,000.00	2.250%	112,018.13	442,018.13	554,036.26
11/1/2020			108,305.63	108,305.63	
5/1/2021	335,000.00	2.000%	108,305.63	443,305.63	551,611.26
11/1/2021			104,955.63	104,955.63	
5/1/2022	345,000.00	2.250%	104,955.63	449,955.63	554,911.26
11/1/2022			101,074.38	101,074.38	
5/1/2023	355,000.00	2.600%	101,074.38	456,074.38	557,148.76
11/1/2023			96,459.38	96,459.38	
5/1/2024	360,000.00	2.750%	96,459.38	456,459.38	552,918.76
11/1/2024			91,509.38	91,509.38	
5/1/2025	375,000.00	3.125%	91,509.38	466,509.38	558,018.76
11/1/2025			85,650.00	85,650.00	
5/1/2026	385,000.00	3.200%	85,650.00	470,650.00	556,300.00
11/1/2026			79,490.00	79,490.00	
5/1/2027	400,000.00	3.300%	79,490.00	479,490.00	558,980.00
11/1/2027			72,890.00	72,890.00	
5/1/2028	410,000.00	3.700%	72,890.00	482,890.00	555,780.00
11/1/2028			65,305.00	65,305.00	
5/1/2029	425,000.00	3.700%	65,305.00	490,305.00	555,610.00
11/1/2029			57,442.50	57,442.50	
5/1/2030	445,000.00	3.700%	57,442.50	502,442.50	559,885.00
11/1/2030			49,210.00	49,210.00	
5/1/2031	460,000.00	3.700%	49,210.00	509,210.00	558,420.00
11/1/2031			40,700.00	40,700.00	
5/1/2032	480,000.00	4.000%	40,700.00	520,700.00	561,400.00
11/1/2032			31,100.00	31,100.00	
5/1/2033	495,000.00	4.000%	31,100.00	526,100.00	557,200.00
11/1/2033			21,200.00	21,200.00	
5/1/2034	520,000.00	4.000%	21,200.00	541,200.00	562,400.00
11/1/2034			10,800.00	10,800.00	
5/1/2035	540,000.00	4.000%	10,800.00	550,800.00	561,600.00
11/1/2035					
	7,295,000.00		2,725,780.08	10,020,780.08	

Live Oak No. 2
Community Development District

Supporting Budget Schedules
Fiscal Year 2018

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

Product	General Fund 001		Debt Service		Total Assessments per Unit			Total Units
	FY 2018	FY 2017	FY 2018	FY 2017	FY 2018	FY 2017	Percent Change	
45'	\$332.53	\$332.53	\$632.86	\$632.86	\$965.39	\$965.39	0.0%	191
50'	\$332.53	\$332.53	\$717.24	\$717.24	\$1,049.77	\$1,049.77	0.0%	328
60'	\$332.53	\$332.53	\$843.81	\$843.81	\$1,176.34	\$1,176.34	0.0%	134
75'	\$332.53	\$332.53	\$1,096.95	\$1,096.95	\$1,429.48	\$1,429.48	0.0%	74
80'	\$332.53	\$332.53	\$1,181.33	\$1,181.33	\$1,513.86	\$1,513.86	0.0%	43
								770