

2018



**SOUTHERN HILLS
PLANTATION II**
COMMUNITY DEVELOPMENT DISTRICT

FISCAL YEAR 2018
PROPOSED ANNUAL OPERATING BUDGET

MAY 12, 2017



SOUTHERN HILLS PLANTATION II COMMUNITY DEVELOPMENT DISTRICT

FISCAL YEAR 2018 PROPOSED ANNUAL OPERATING BUDGET

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MAY 12, 2017

SOUTHERN HILLS PLANTATION II COMMUNITY DEVELOPMENT DISTRICT BUDGET INTRODUCTION

Background Information

The Southern Hills Plantations II Community Development District is a local special purpose government authorized by Chapter 190, Florida Statutes, as amended. The Community Development District (CDD) is an alternative method for planning, financing, acquiring, operating and maintaining community-wide infrastructure in master planned communities. The CDD also is a mechanism that provides a “solution” to the State’s needs for delivery of capital infrastructure to service projected growth without overburdening other governments and their taxpayers. CDDs represent a major advancement in Florida’s effort to manage its growth effectively and efficiently. This allows the community to set a higher standard for construction along with providing a long-term solution to the operation and maintenance of community facilities.

The following report represents the District budget for Fiscal Year 2018, which begins on October 1, 2017. The District budget is organized by fund to segregate financial resources and ensure that the segregated resources are used for their intended purpose, and the District has established the following funds.

<u>Fund Number</u>	<u>Fund Name</u>	<u>Services Provided</u>
001	General Fund	Operations and Maintenance of Community Facilities Financed by Non-Ad Valorem Assessments
002	General Fund	Foreclosure Fees Financed by Non-Ad Valorem Assessments
200	Debt Service Fund	Collection of Special Assessments for Debt Service on the Series 2004 Capital Improvement Revenue Bonds

Facilities of the District

The District’s existing facilities include storm-water management (lake and water control structures), wetland preserve areas, street lighting, landscaping, entry signage, entry features, irrigation distribution facilities, recreational center, parks, pool facility, tennis courts and other related public improvements.

Maintenance of the Facilities

In order to maintain the facilities, the District conducts hearings to adopt an operating budget each year. This budget includes a detailed description of the maintenance program along with an estimate of the cost of the program. The funding of the maintenance budget is levied as a non-ad valorem assessment on your property by the District Board of Supervisors.

SOUTHERN HILLS PLANTATION II COMMUNITY DEVELOPMENT DISTRICT

GENERAL FUND 001

	Fiscal Year 2017 Operating Budget	Current Period Actuals 10/1/2016 - 3/31/2017	Projected Revenues & Expenditures 4/1/17 to 9/30/17	Total Actuals and Projections Through 09/30/17	Over/(Under) Budget Through 09/30/17
REVENUES					
SPECIAL ASSESSMENTS					
Operations & Maintenance Assmts-Tax Roll	17,596.00	70,042.98	0.00	70,042.98	52,446.98
Operations & Maintenance Assmts-Off Roll	66,299.00	0.00	59,006.43	59,006.43	(7,292.57)
TOTAL SPECIAL ASSESSMENTS	\$83,895.00	\$70,042.98	\$59,006.43	\$129,049.41	\$45,154.41
TOTAL REVENUES	\$83,895.00	\$70,042.98	\$59,006.43	\$129,049.41	\$45,154.41
EXPENDITURES					
LEGISLATIVE					
Supervisor Fees	1,600.00	0.00	0.00	0.00	(1,600.00)
TOTAL LEGISLATIVE	\$1,600.00	\$0.00	\$0.00	\$0.00	(\$1,600.00)
FINANCIAL & ADMINISTRATIVE					
District Management	12,000.00	6,000.00	6,000.00	12,000.00	0.00
District Engineer	2,500.00	1,250.00	1,250.00	2,500.00	0.00
Disclosure Report	5,000.00	0.00	1,750.00	1,750.00	(3,250.00)
Trustees Fees	3,500.00	0.00	5,919.20	5,919.20	2,419.20
Auditing Services	3,400.00	0.00	0.00	0.00	(3,400.00)
Arbitrage Rebate Calculation	650.00	0.00	0.00	0.00	(650.00)
Postage, Phone, Faxes, Copies	0.00	70.26	53.49	123.75	123.75
Public Officials Liability Insurance	3,774.00	2,564.68	626.26	3,190.94	(583.06)
Legal Advertising	500.00	1,247.10	646.43	1,893.53	1,393.53
Bank Fees	310.00	142.88	151.16	294.04	(15.96)
Dues, Licenses & Fees	175.00	360.00	63.00	423.00	248.00
TOTAL FINANCIAL & ADMINISTRATIVE	\$31,809.00	\$11,634.92	\$16,459.55	\$28,094.47	(\$3,714.53)
LEGAL COUNSEL					
District Counsel	4,000.00	34,975.59	13,345.24	48,320.83	44,320.83
TOTAL LEGAL COUNSEL	\$4,000.00	\$34,975.59	\$13,345.24	\$48,320.83	\$44,320.83
ELECTRIC UTILITY SERVICES					
Street Lights	16,525.00	5,148.24	29,077.72	34,225.96	17,700.96
TOTAL ELECTRIC UTILITY SERVICES	\$16,525.00	\$5,148.24	\$29,077.72	\$34,225.96	\$17,700.96
STORMWATER CONTROL					
Aquatic Contract	904.00	2,100.00	2,210.52	4,310.52	3,406.52
TOTAL STORMWATER CONTROL	\$904.00	\$2,100.00	\$2,210.52	\$4,310.52	\$3,406.52
OTHER PHYSICAL ENVIRONMENT					
General Liability Insurance	549.00	0.00	444.00	444.00	(105.00)
Entry & Walls Maintenance	600.00	0.00	513.04	513.04	(86.96)
Landscape Maintenance	16,908.00	21,987.06	(9,165.47)	12,821.59	(4,086.41)
Irrigation Repairs & Maintenance	3,500.00	0.00	113.12	113.12	(3,386.88)
Landscape Replacement Plants, Trees, Mulch	5,000.00	0.00	205.88	205.88	(4,794.13)
TOTAL OTHER PHYSICAL ENVIRONMENT	\$26,557.00	\$21,987.06	(\$7,889.43)	\$14,097.63	(\$12,459.37)
CONTINGENCY					
Miscellaneous Contingency	2,500.00	0.00	0.00	0.00	(2,500.00)
TOTAL CONTINGENCY	\$2,500.00	\$0.00	\$0.00	\$0.00	(\$2,500.00)
TOTAL EXPENDITURES	\$83,895.00	\$75,845.81	\$53,203.60	\$129,049.41	\$45,154.41
EXCESS OF REVENUES OVER/(UNDER) EXPENDITURES	\$0.00	(\$5,802.83)	\$5,802.83	\$0.00	\$0.00

FISCAL YEAR 2017 BUDGET ANALYSIS

SOUTHERN HILLS PLANTATION II COMMUNITY DEVELOPMENT DISTRICT

GENERAL FUND 001

	Fiscal Year 2017 Operating Budget	Total Actuals and Projections Through 09/30/17	Over/(Under) Budget Through 09/30/17	Proposed Fiscal Year 2018 Operating Budget	Increase / (Decrease) from FY 2017 to FY 2018
REVENUES					
SPECIAL ASSESSMENTS					
Operations & Maintenance Assmts-Tax Roll	17,596.00	70,042.98	52,446.98	17,596.00	0.00
Operations & Maintenance Assmts-Off Roll	66,299.00	59,006.43	(7,292.57)	66,299.00	0.00
TOTAL SPECIAL ASSESSMENTS	\$83,895.00	\$129,049.41	\$45,154.41	\$83,895.00	\$0.00
TOTAL REVENUES	\$83,895.00	\$129,049.41	\$45,154.41	\$83,895.00	\$0.00
EXPENDITURES					
LEGISLATIVE					
Supervisor Fees	1,600.00	0.00	(1,600.00)	1,600.00	0.00
TOTAL LEGISLATIVE	\$1,600.00	\$0.00	(\$1,600.00)	\$1,600.00	\$0.00
FINANCIAL & ADMINISTRATIVE					
District Management	12,000.00	12,000.00	0.00	12,000.00	0.00
District Engineer	2,500.00	2,500.00	0.00	2,500.00	0.00
Disclosure Report	5,000.00	1,750.00	(3,250.00)	5,000.00	0.00
Trustees Fees	3,500.00	5,919.20	2,419.20	3,500.00	0.00
Auditing Services	3,400.00	0.00	(3,400.00)	3,400.00	0.00
Arbitrage Rebate Calculation	650.00	0.00	(650.00)	650.00	0.00
Postage, Phone, Faxes, Copies	0.00	123.75	123.75	0.00	0.00
Public Officials Liability Insurance	3,774.00	3,190.94	(583.06)	3,774.00	0.00
Legal Advertising	500.00	1,893.53	1,393.53	500.00	0.00
Bank Fees	310.00	294.04	(15.96)	310.00	0.00
Dues, Licenses & Fees	175.00	423.00	248.00	175.00	0.00
TOTAL FINANCIAL & ADMINISTRATIVE	\$31,809.00	\$28,094.47	(\$3,714.53)	\$31,809.00	\$0.00
LEGAL COUNSEL					
District Counsel	4,000.00	48,320.83	44,320.83	4,000.00	0.00
TOTAL LEGAL COUNSEL	\$4,000.00	\$48,320.83	\$44,320.83	\$4,000.00	\$0.00
ELECTRIC UTILITY SERVICES					
Street Lights	16,525.00	34,225.96	17,700.96	16,525.00	0.00
TOTAL ELECTRIC UTILITY SERVICES	\$16,525.00	\$34,225.96	\$17,700.96	\$16,525.00	\$0.00
STORMWATER CONTROL					
Aquatic Contract	904.00	4,310.52	3,406.52	904.00	0.00
TOTAL STORMWATER CONTROL	\$904.00	\$4,310.52	\$3,406.52	\$904.00	\$0.00
OTHER PHYSICAL ENVIRONMENT					
General Liability Insurance	549.00	444.00	(105.00)	549.00	0.00
Entry & Walls Maintenance	600.00	513.04	(86.96)	600.00	0.00
Landscape Maintenance	16,908.00	12,821.59	(4,086.41)	16,908.00	0.00
Irrigation Repairs & Maintenance	3,500.00	113.12	(3,386.88)	3,500.00	0.00
Landscape Replacement Plants, Trees, Mulch	5,000.00	205.88	(4,794.13)	5,000.00	0.00
Inter Local Agreement	0.00	0.00	0.00	0.00	0.00
TOTAL OTHER PHYSICAL ENVIRONMENT	\$26,557.00	\$14,097.63	(\$12,459.37)	\$26,557.00	\$0.00
CONTINGENCY					
Miscellaneous Contingency	2,500.00	0.00	(2,500.00)	2,500.00	0.00
TOTAL CONTINGENCY	\$2,500.00	\$0.00	(\$2,500.00)	\$2,500.00	\$0.00
TOTAL EXPENDITURES	\$83,895.00	\$129,049.41	\$45,154.41	\$83,895.00	\$0.00
EXCESS OF REVENUES OVER/(UNDER) EXPENDITURES	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

FISCAL YEAR 2018
PROPOSED ANNUAL OPERATING BUDGET

SOUTHERN HILLS PLANTATION II COMMUNITY DEVELOPMENT DISTRICT

GENERAL FUND 002

	Fiscal Year 2017 Operating Budget	Proposed Fiscal Year 2018 Operating Budget	Increase / (Decrease) from FY 2017 to FY 2018
REVENUES			
SPECIAL ASSESSMENTS			
Operations & Maintenance Assmts-Tax Roll	50,000.00	50,000.00	0.00
TOTAL SPECIAL ASSESSMENTS	\$50,000.00	\$50,000.00	\$0.00
TOTAL REVENUES	\$50,000.00	\$50,000.00	\$0.00
EXPENDITURES			
LEGAL COUNSEL			
District Counsel -- Foreclosure Fees	50,000.00	50,000.00	0.00
TOTAL LEGAL COUNSEL	\$50,000.00	\$50,000.00	\$0.00
TOTAL EXPENDITURES	\$50,000.00	\$50,000.00	\$0.00
EXCESS OF REVENUES OVER/(UNDER) EXPENDITURES	\$0.00	\$0.00	\$0.00

**FISCAL YEAR 2018
PROPOSED ANNUAL OPERATING BUDGET**

SOUTHERN HILLS PLANTATION II COMMUNITY DEVELOPMENT DISTRICT

GENERAL FUND 001

Financial & Administrative

District Manager

The District retains the services of a consulting manager, who is responsible for the daily administration of the District's business, including any and all financial work related to the Bond Funds and Operating Funds of the District, and preparation of the minutes of the Board of Supervisors. In addition, the District Manager prepares the Annual Budget(s), implements all policies of the Board of Supervisors, and attends all meetings of the Board of Supervisors.

District Engineer

Consists of attendance at scheduled meetings of the Board of Supervisors, offering advice and consultation on all matters related to the works of the District, such as bids for yearly contracts, operating policy, compliance with regulatory permits, etc.

Disclosure Reporting

On a quarterly and annual basis, disclosure of relevant district information is provided to the Muni Council, as required within the bond indentures.

Trustees Fees

This item relates to the fee assessed for the annual administration of bonds outstanding, as required within the bond indentures.

Auditing Services

The District is required to annually undertake an independent examination of its books, records and accounting procedures. This audit is conducted pursuant to State Law and the Rules of the Auditor General.

Public Officials Insurance

The District carries Public Officials Liability in the amount of \$1,000,000.

Legal Advertising

This is required to conduct the official business of the District in accordance with the Sunshine Law and other advertisement requirements as indicated by the Florida Statutes.

Bank Fees

The District operates a checking account for expenditures and receipts.

Dues, Licenses & Fees

The District is required to file with the County and State each year.

Miscellaneous Fees

To provide for unbudgeted administrative expenses.

Investment Reporting Fees

This is to provide an investment report to the District on a quarterly basis.

Office Supplies

Cost of daily supplies required by the District to facilitate operations.

SOUTHERN HILLS PLANTATION II COMMUNITY DEVELOPMENT DISTRICT

GENERAL FUND 001

Legal Counsel

District Counsel

Requirements for legal services are estimated at an annual expenditures on an as needed and also cover such items as attendance at scheduled meetings of the Board of Supervisor's, Contract preparation and review, etc.

Electric Utility Services

Electric Utility Services

This item is for street lights, pool, recreation facility and other common element electricity needs.

Stormwater Control

Aquatic Maintenance

This item is for maintenance of stormwater facilities within the District.

Other Physical Environment

Waterway Management System

This item is for maintaining the multiple waterways that compose the District's waterway management system and aids in controlling nuisance vegetation that may otherwise restrict the flow of water.

Property & Casualty Insurance

The District carries \$1,000,000 in general liability and also has sovereign immunity.

Entry & Walls Maintenance

This item is for maintaining the main entry feature and other common area walls.

Landscape Maintenance

The District contracts with a professional landscape firm to provide service through a public bid process. This fee does not include replacement material or irrigation repairs.

Miscellaneous Landscape

This item is for any unforeseen circumstances that may effect the appearance of the landscape program.

Plant Replacement Program

This item is for landscape items that may need to be replaced during the year.

Irrigation Maintenance

Repairs necessary for everyday operation of the irrigation system to ensure its effectiveness.

SOUTHERN HILLS PLANTATION II COMMUNITY DEVELOPMENT DISTRICT

DEBT SERVICE FUND

REVENUES

CDD Debt Service Assessments	\$	253,389
TOTAL REVENUES	\$	253,389

EXPENDITURES

Series 2004 May Bond Principal Payment	\$	95,000
Series 2004 May Bond Interest Payment	\$	80,584
Series 2004 November Bond Interest Payment	\$	77,805
TOTAL EXPENDITURES	\$	253,389
EXCESS OF REVENUES OVER EXPENDITURES	\$	-

ANALYSIS OF BONDS OUTSTANDING

Bonds Outstanding - Period Ending 11/1/2017	\$	2,755,000
Principal Payment Applied Toward Series 2004 Bonds	\$	95,000
Bonds Outstanding - Period Ending 11/1/2018	\$	2,660,000

FISCAL YEAR 2018
PROPOSED ANNUAL OPERATING BUDGET

SOUTHERN HILLS PLANTATION II COMMUNITY DEVELOPMENT DISTRICT

SCHEDULE OF ANNUAL ASSESSMENTS

GENERAL FUND 001

		FISCAL YEAR 2017			FISCAL YEAR 2018			Increase / (Decrease) from FY 2017 to FY 2018
Unit Count - Debt Service	Unit Count - O&M	O&M Per Unit	Debt Service Per Unit	TOTAL Annual CDD	O&M Per Unit	Debt Service Per Unit	TOTAL Annual CDD ⁽¹⁾	
899	925	\$98.58	\$303.51	\$402.09	\$98.58	\$303.51	\$402.09	\$0.00

GENERAL FUND 002

		FISCAL YEAR 2018		
Parcel ID	Acreage	O&M Per Unit	Debt Service Per Unit ⁽²⁾	TOTAL Annual CDD ⁽¹⁾
00381287	203.7	\$42,794.12	\$0.00	\$42,794.12
01563007	11.5	\$2,415.97	\$0.00	\$2,415.97
00382749	22.8	\$4,789.92	\$0.00	\$4,789.92

⁽¹⁾ Amounts shown include costs associated with collection on the Hernando County Tax Roll and discounts offered for early payment.

⁽²⁾ Subject to Accelerated Principal.

FISCAL YEAR 2018 PROPOSED ANNUAL OPERATING BUDGET