

POINCIANA

Community Development District

Annual Operating and Debt Service Budget

Fiscal Year 2018

Version 4 -Budget Amendment
(Printed 8/14/17)

Prepared by:



POINCIANA

Community Development District

Table of Contents

	<u>Page #</u>
<u>OPERATING BUDGET</u>	
General Fund	
Summary of Revenues, Expenditures and Changes in Fund Balances	1-2
Exhibit A - Allocation of Fund Balances	3
Budget Narrative	4-7
<u>DEBT SERVICE BUDGET</u>	
Series 2012A	
Summary of Revenues, Expenditures and Changes in Fund Balances	8
Amortization Schedules	9-10
Budget Narrative	11
<u>SUPPORTING BUDGET SCHEDULES</u>	
Comparison of Non-Ad Valorem Assessment Rates	12
Special Assessments - Developer	13

POINCIANA

Community Development District

Operating Budget

Fiscal Year 2018

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

ACCOUNT DESCRIPTION	ACTUAL FY 2016	BUDGET FY 2017	ACTUAL	PROJECTED	TOTAL	ANNUAL
			THRU MAY-2017	JUNE- SEP-2017	PROJECTED FY 2017	BUDGET FY 2018
REVENUES						
Interest - Investments	\$ 3,316	\$ 3,500	\$ 1,921	\$ 1,579	\$ 3,500	\$ 3,500
Interest - Tax Collector	57	-	584	-	584	-
Special Assmnts- Tax Collector	452,301	463,628	460,564	3,074	463,638	481,383
Special Assmnts- Prepayment	11,794	-	-	-	-	-
Special Assmnts- CDD Collected	97,772	87,338	87,338	-	87,338	71,073
Special Assmnts- Developer	84,977	84,974	84,974	-	84,974	84,960
Special Assmnts- Discounts	(16,716)	(18,546)	(17,230)	-	(17,230)	(19,255)
Other Miscellaneous Revenues	666	-	1,643	-	1,643	-
TOTAL REVENUES	634,167	620,894	619,794	4,653	624,447	621,661
EXPENDITURES						
<i>Administrative</i>						
P/R-Board of Supervisors	6,800	6,000	13,400	4,000	17,400	12,000
FICA Taxes	520	459	1,025	306	1,331	918
ProfServ-Arbitrage Rebate	600	600	-	600	600	600
ProfServ-Dissemination Agent	5,000	5,000	-	5,000	5,000	5,000
ProfServ-Engineering	20,335	18,000	22,985	11,493	34,478	18,000
ProfServ-Legal Services	29,933	30,000	15,467	14,533	30,000	30,000
ProfServ-Mgmt Consulting Serv	55,341	55,341	36,894	18,447	55,341	55,341
ProfServ-Property Appraiser	-	9,273	4,636	4,637	9,273	9,628
ProfServ-Special Assessment	11,365	11,365	11,365	-	11,365	11,365
ProfServ-Trustee Fees	6,981	6,789	3,191	3,809	7,000	7,000
ProfServ-Web Site Development	-	15	16	-	16	16
ProfServ-Legal Incorporation	5,179	-	-	-	-	-
Auditing Services	4,100	4,100	4,250	-	4,250	4,250
Postage and Freight	1,311	1,200	1,436	-	1,436	1,200
Insurance - General Liability	13,993	15,392	14,043	-	14,043	15,447
Printing and Binding	3,040	2,700	4,309	2,154.50	6,464	2,700
Legal Advertising	3,744	2,000	10,972	7,000	17,972	2,000
Misc-Assessmnt Collection Cost	7,749	9,273	8,867	61	8,928	9,628
Office Supplies	444	300	610	305	915	300
Annual District Filing Fee	175	175	175	-	175	175
Total Administrative	176,610	177,982	153,641	72,345	225,986	185,568
<i>Field</i>						
ProfServ-Field Management	14,000	14,000	9,333	4,667	14,000	14,000
Contracts-Landscape	143,645	143,645	95,763	47,882	143,645	143,645
Contracts-Aquatic Control	98,000	98,000	65,333	32,667	98,000	98,000

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

ACCOUNT DESCRIPTION	ACTUAL FY 2016	BUDGET FY 2017	ACTUAL	PROJECTED	TOTAL	ANNUAL
			THRU MAY-2017	JUNE- SEP-2017	PROJECTED FY 2017	BUDGET FY 2018
Contracts-Aquatic Midge Mgmt	141,000	141,000	94,000	47,000	141,000	152,800
Electricity - General	1,146	1,500	897	449	1,346	1,500
R&M-Drainage	343	3,000	-	3,000	3,000	3,000
R&M-Mulch	-	4,500	-	4,500	4,500	4,500
R&M-Plant Replacement	4,583	4,060	-	4,060	4,060	4,060
Misc-Contingency	16,004	33,207	9,769	5,231	15,000	14,589
Total Field	418,721	442,912	275,095	149,456	424,551	436,094
TOTAL EXPENDITURES	595,331	620,894	428,736	221,801	650,537	621,662
Excess (deficiency) of revenues Over (under) expenditures	38,836	-	191,058	(217,148)	(26,090)	(1)
Net change in fund balance	38,836	-	191,058	(217,148)	(26,090)	(1)
FUND BALANCE, BEGINNING	489,199	528,035	528,035	-	528,035	501,945
FUND BALANCE, ENDING	\$ 528,035	\$ 528,035	\$ 719,093	\$ (217,148)	\$ 501,945	\$ 501,944

Exhibit "A"
Allocation of Fund Balances

AVAILABLE FUNDS

	<u>Amount</u>
Beginning Fund Balance - Fiscal Year 2018	\$ 501,945
Net Change in Fund Balance - Fiscal Year 2018	-
Reserves - Fiscal Year 2018 Additions	-
Total Funds Available (Estimated) - 9/30/18	501,945

ALLOCATION OF AVAILABLE FUNDS

<i>Assigned Fund Balance</i>	
Operating Reserve - First Quarter Operating Capital	\$ 155,416 ⁽¹⁾
Subtotal	<u>155,416</u>
Total Allocation of Available Funds	155,416

Total Unassigned (undesignated) Cash	<u><u>\$ 346,530</u></u>
---	---------------------------------

Notes

(1) Represents approximately 3 months of operating expenditures

Budget Narrative
Fiscal Year 2018

REVENUES

Interest-Investments

The District earns interest income on their operating accounts and other investments.

Special Assessments-Tax Collector

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

Special Assessments-CDD Collected

The District will levy a Non-Ad Valorem assessment on all the assessable property within the District that is not collected through the Tax Collector in order to pay for the operating expenditures during the Fiscal Year.

Special Assessments-Developer

Per the "Partial Budget Funding Agreement between Poinciana Community Development District and Avatar Properties Inc. D/B/A AV Homes for Operations and Maintenance Expenses" dated December 23, 2014, under Section 2 Provision of Operations and Maintenance Contributions, "The Developer hereby agrees to pay the District an annual O&M Contribution beginning with Fiscal Year 2015 - 2016 in addition to the operation and maintenance assessments and debt service assessments levied by the District." "...the Developer shall provide such payment by November 1 of each year. The Developer shall pay the annual O&M Contribution due to the District each year until the recordation of the final plat of any portion of the Undeveloped Lands within the District, at which the Developer's obligation to pay an O&M Contribution shall terminate beginning with the following fiscal year." (Section 2.B)

Special Assessments-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

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 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.

Budget Narrative
Fiscal Year 2018**Expenditures - Administrative (continued)****Professional Services-Arbitrage Rebate**

The District will contract with an independent certified public accountant to annually calculate the District's Arbitrage Rebate Liability on the Series 2012 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 will provide general engineering services to the District, i.e. attendance and preparation for monthly board meetings, review of invoices, and other specifically requested assignments. The budgeted amount for the fiscal year is based on prior year budget.

Professional Services-Legal Services

The District's legal counsel will provide general legal services to the District, i.e. attendance and preparation for monthly meetings, review of operating and maintenance contracts, and other specifically requested assignments.

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. The budgeted amount for the fiscal year is based on the contracted fees outlined in Exhibit "A" of the Management Agreement.

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 fiscal year budget for property appraiser costs was based on a unit price per parcel.

Professional Services-Special Assessment

Administrative costs to prepare the District's Special Assessment Roll.

Professional Services-Trustee Fees

The District pays US Bank an annual fee for trustee services on the Series 2012 Special Assessment Bond. The budgeted amount for the fiscal year is based on standard fees charged plus any out-of-pocket expenses.

Professional Services-Web Site Development

Website domain annual renewal.

Budget Narrative
Fiscal Year 2018**Expenditures - Administrative (continued)****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.

Postage and Freight

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 which specializes in providing insurance coverage to governmental agencies. The budgeted amount for the fiscal year is based on prior year premiums plus anticipated increases due to market uncertainty.

Printing & 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 Cost

The District reimburses the Polk County 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 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 Economic Opportunity.

Budget Narrative
Fiscal Year 2018**Expenditures - Field****Professional Services-Field Management**

This budget line is to review work by contractors and provide field management to coordinate engineering and contractors pertaining to issues that affect field operations.

Contracts-Landscape

The District has contracted with Mainscape, Inc for the lake bank maintenance; the monthly amount of the contract is \$11,970.45.

Contracts-Aquatic Control

Contract with Clarke Aquatic Service, Inc. for monthly treatment of aquatic weed control and lake maintenance for all phases. The monthly amount is \$8,166.66.

Contracts-Aquatic Midge Management

The District has a contract with Clarke Environmental Mosquito Management, Inc. for aquatic midge control (blind mosquitoes, weekly ATV aerosol & monthly aerial larva side). The monthly amount is \$11,750. Additional contract with Clarke Environmental Management include \$200 per month for Basin B-5 and \$783 per month for Midge Control.

Electricity-General

This represents electric charges for Duke Energy for 1051 Cypress Parkway, 9 & 33 Tunnel/Golf Lights.

R&M-Drainage

This represents drain structure repairs.

R&M-Mulch

This represents mulch for the District.

R&M-Plant Replacement

This represents any replacement for aquatic plants and tree replacement around the ponds.

Miscellaneous-Contingency

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

POINCIANA

Community Development District

Debt Service Budget

Fiscal Year 2018

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

ACCOUNT DESCRIPTION	ACTUAL FY 2016	ADOPTED BUDGET FY 2017	ACTUAL THRU MAY-2017	PROJECTED JUNE- SEP-2017	TOTAL PROJECTED FY 2017	ANNUAL BUDGET FY 2018
REVENUES						
Interest - Investments	\$ 1,468	\$ 500	\$ 1,457	\$ -	\$ 1,457	\$ 500
Interest - Tax Collector	161	-	-	-	-	-
Special Assmnts- Tax Collector	1,266,348	1,326,558	1,316,519	10,039	1,325,306	1,418,978
Special Assmnts- Prepayment	8,249	-	7,760	-	7,760	-
Special Assmnts- CDD Collected	526,780	470,580	470,580	-	470,580	382,908
Special Assmnts- Discounts	(46,717)	(53,062)	(49,253)	-	(49,253)	(56,759)
TOTAL REVENUES	1,756,289	1,744,576	1,747,063	10,039	1,755,850	1,745,627
EXPENDITURES						
<i>Administrative</i>						
ProfServ-Property Appraiser	-	26,531	13,266	13,265	26,531	28,380
Misc-Assessmnt Collection Cost	21,696	26,531	25,345	1,186	26,531	28,380
Total Administrative	21,696	53,062	38,611	14,451	53,062	56,759
<i>Debt Service</i>						
Principal Debt Retirement A-1	550,000	565,000	565,000	-	565,000	580,000
Principal Debt Retirement A-2	245,000	260,000	255,000	5,000	260,000	270,000
Prepayments Series A-2	30,000	-	205,000	(205,000)	-	-
Interest Expense Series A-1	466,388	452,638	452,638	-	452,638	437,100
Interest Expense Series A-2	379,575	364,450	358,519	5,931	364,450	337,563
Total Debt Service	1,670,963	1,642,088	1,836,157	(194,069)	1,642,088	1,624,663
TOTAL EXPENDITURES	1,692,659	1,695,150	1,874,768	(179,618)	1,695,150	1,681,422
Excess (deficiency) of revenues Over (under) expenditures	63,630	49,426	(127,705)	189,657	60,700	64,205
OTHER FINANCING SOURCES (USES)						
Balance	-	49,426	-	-	-	64,205
TOTAL OTHER SOURCES (USES)	-	49,426	-	-	-	64,205
Net change in fund balance	63,630	49,426	(127,705)	189,657	60,700	64,205
FUND BALANCE, BEGINNING	1,448,633	1,512,263	1,512,263	-	1,512,263	1,572,963
FUND BALANCE, ENDING	\$ 1,512,263	\$ 1,561,689	\$ 1,384,558	\$ 189,657	\$ 1,572,963	\$ 1,637,168

AMORTIZATION SCHEDULE

DATE	BALANCE	RATE	PRINCIPAL	PREPAYMENT	INTEREST	TOTAL
11/01/17	10,595,000	0.000%	-		218,550.00	
05/01/18	10,595,000	0.000%	580,000		218,550.00	1,017,100.00
11/01/18	10,015,000	0.000%	-		209,850.00	
05/01/19	10,015,000	0.000%	600,000		209,850.00	1,019,700.00
11/01/19	9,415,000	0.000%	-		200,100.00	
05/01/20	9,415,000	0.000%	620,000		200,100.00	1,020,200.00
11/01/20	8,795,000	0.000%	-		189,250.00	
05/01/21	8,795,000	0.000%	645,000		189,250.00	1,023,500.00
11/01/21	8,150,000	0.000%	-		177,156.25	
05/01/22	8,150,000	0.000%	670,000		177,156.25	1,024,312.50
11/01/22	7,480,000	0.000%	-		164,175.00	
05/01/23	7,480,000	0.000%	695,000		164,175.00	1,023,350.00
11/01/23	6,785,000	0.000%	-		150,275.00	
05/01/24	6,785,000	0.000%	725,000		150,275.00	1,025,550.00
11/01/24	6,060,000	0.000%	-		134,868.75	
05/01/25	6,060,000	0.000%	755,000		134,868.75	1,024,737.50
11/01/25	5,305,000	0.000%	-		118,353.13	
05/01/26	5,305,000	0.000%	790,000		118,353.13	1,026,706.25
11/01/26	4,515,000	0.000%	-		101,071.88	
05/01/27	4,515,000	0.000%	825,000		101,071.88	1,027,143.75
11/01/27	3,690,000	0.000%	-		83,025.00	
05/01/28	3,690,000	0.000%	860,000		83,025.00	1,026,050.00
11/01/28	2,830,000	0.000%	-		63,675.00	
05/01/29	2,830,000	0.000%	900,000		63,675.00	1,027,350.00
11/01/29	1,930,000	0.000%	-		43,425.00	
05/01/30	1,930,000	0.000%	945,000		43,425.00	1,031,850.00
11/01/30	985,000	0.000%	-		22,162.50	
05/01/31	985,000	0.000%	985,000		22,162.50	1,029,325.00
Total			\$ 10,595,000	\$ -	\$ 3,751,875	\$ 14,346,875

AMORTIZATION SCHEDULE

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
11/1/2017			168,781.25	168,781.25	599,893.75
5/1/2018	270,000	5.750%	168,781.25	438,781.25	
11/1/2018			161,018.75	161,018.75	599,800.00
5/1/2019	285,000	5.750%	161,018.75	446,018.75	
11/1/2019			152,825.00	152,825.00	598,843.75
5/1/2020	300,000	5.750%	152,825.00	452,825.00	
11/1/2020			144,200.00	144,200.00	597,025.00
5/1/2021	320,000	5.750%	144,200.00	464,200.00	
11/1/2021			135,000.00	135,000.00	599,200.00
5/1/2022	340,000	6.000%	135,000.00	475,000.00	
11/1/2022			124,800.00	124,800.00	599,800.00
5/1/2023	360,000	6.000%	124,800.00	484,800.00	
11/1/2023			114,000.00	114,000.00	598,800.00
5/1/2024	380,000	6.000%	114,000.00	494,000.00	
11/1/2024			102,600.00	102,600.00	596,600.00
5/1/2025	405,000	6.000%	102,600.00	507,600.00	
11/1/2025			90,450.00	90,450.00	598,050.00
5/1/2026	430,000	6.000%	90,450.00	520,450.00	
11/1/2026			77,550.00	77,550.00	598,000.00
5/1/2027	460,000	6.000%	77,550.00	537,550.00	
11/1/2027			63,750.00	63,750.00	601,300.00
5/1/2028	485,000	6.000%	63,750.00	548,750.00	
11/1/2028			49,200.00	49,200.00	597,950.00
5/1/2029	515,000	6.000%	49,200.00	564,200.00	
11/1/2029			33,750.00	33,750.00	597,950.00
5/1/2030	545,000	6.000%	33,750.00	578,750.00	
11/1/2030			17,400.00	17,400.00	596,150.00
5/1/2031	580,000	6.000%	17,400.00	597,400.00	
11/1/2031					597,400.00
Total	5,880,000		2,870,650	8,545,650	8,976,763

Budget Narrative
Fiscal Year 2018

REVENUES

Interest-Investments

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

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 debt service expenditures during the Fiscal Year.

Special Assessments-CDD Collected

The District will levy a Non-Ad Valorem assessment on all the assessable property within the District that is not On-Roll in order 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 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 fiscal year 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.

Principal Debt Retirement Series A-1 & A-2

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

Interest Expense Series A-1 & A-2

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

POINCIANA

Community Development District

Supporting Budget Schedules

Fiscal Year 2018

**Comparison of Non-Ad Valorem Assessment Rates
Fiscal Year 2018 vs. Fiscal Year 2017**

Products	General Fund			2012 Debt Service			2012 Revised Debt Service*			Total Assessments per Unit			Units
	FY 2018	FY 2017	Percent Change	FY 2018	FY 2017	Percent Change	FY 2018	FY 2017	Percent Change	FY 2018	FY 2017	Percent Change	
Single Family	\$151.18	\$151.17	0.0%	\$438.05	\$438.05	0.0%	\$0.00	\$0.00	n/a	\$589.23	\$589.22	0.0%	2,984
Single Family*	\$151.18	\$151.17	0.0%	\$0.00	\$0.00	n/a	\$814.49	\$814.49	0.0%	\$965.67	\$965.66	0.0%	711
													3,695

* The 2012 Revised Debt Service consists of the 711 units defined within the 2012A Supplemental Methodology dated Dec 23, 2014

Special Assessments - Developer

Total Expenditures	621,662
Interest Revenue	(3,500.00)
Prop Fees & Misc Collections	<u>(\$19,256.00)</u>
	\$598,906.00
Multiplier for all planned units + 92 prepaid units	3,695
Total for planned development	\$513,945.54
Total Expenditures	\$598,906.00
Total for planned development	<u>\$513,945.54</u>
Total Owed by developer	\$84,960.46