

VASARI

Community Development District

Annual Operating and Debt Service Budget

Fiscal Year 2018

Version 5 - Final Budget
Adopted August 15, 2017

Prepared by:



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Vasari
Community Development District

Operating Budget
Fiscal Year 2018

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

ACCOUNT DESCRIPTION	ACTUAL	ADOPTED	ACTUAL	PROJECTED	TOTAL	ANNUAL
	FY 2016	BUDGET FY 2017	THRU APR-2017	MAY SEP-2017	PROJECTED FY 2017	BUDGET FY 2018
REVENUES						
Interest - Investments	\$ 1,012	\$ -	\$ 732	\$ 523	\$ 1,255	\$ -
Special Assmnts- Tax Collector	306,400	306,400	301,623	4,777	306,400	459,598
Special Assmnts- Delinquent	369	-	-	-	-	-
Special Assmnts- Discounts	(10,609)	(12,256)	(11,097)	-	(11,097)	(18,384)
TOTAL REVENUES	297,172	294,144	291,258	5,300	296,558	441,214
EXPENDITURES						
<i>Administrative</i>						
P/R-Board of Supervisors	11,600	12,000	6,600	5,000	11,600	12,000
FICA Taxes	887	918	505	383	888	918
ProfServ-Arbitrage Rebate	600	600	-	600	600	600
ProfServ-Engineering	1,451	5,000	963	4,037	5,000	5,000
ProfServ-Legal Services	15,245	9,041	5,184	5,184	10,368	10,000
ProfServ-Mgmt Consulting Serv	50,161	56,363	31,921	22,800	54,721	56,363
ProfServ-Property Appraiser	222	222	222	-	222	222
ProfServ-Special Assessment	4,677	4,817	2,728	1,949	4,677	4,817
ProfServ-Web Site Development	600	927	545	250	795	818
Auditing Services	5,250	5,250	5,250	-	5,250	5,273
Postage and Freight	1,372	1,325	788	563	1,351	1,400
Insurance - General Liability	7,670	8,437	7,730	-	7,730	8,503
Printing and Binding	1,303	2,000	740	1,000	1,740	2,000
Legal Advertising	1,738	1,500	939	799	1,738	1,800
Misc-Assessmnt Collection Cost	198	333	311	-	311	315
Misc-Contingency	657	829	336	3,535	3,871	829
Office Supplies	347	850	270	193	463	850
Annual District Filing Fee	175	175	175	-	175	175
Total Administrative	104,153	110,587	65,207	46,293	111,500	111,883
<i>Conservation and Resource Mgmt</i>						
Contracts-Preserve Maintenance	9,750	13,000	9,750	3,250	13,000	13,000
R&M-Preserves	5,887	5,000	3,500	1,500	5,000	5,000
Total Conservation and Resource Mgmt	15,637	18,000	13,250	4,750	18,000	18,000
<i>Field</i>						
ProfServ-Field Management	13,778	14,191	8,037	5,741	13,778	14,191
R&M-General	552	5,556	-	5,556	5,556	5,555
R&M-Renewal and Replacement	13,500	5,000	-	5,000	5,000	5,000
R&M-Perimeter	5,472	2,000	-	4,788	4,788	7,000
Total Field	33,302	26,747	8,037	21,085	29,122	31,746

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

ACCOUNT DESCRIPTION	ACTUAL FY 2016	ADOPTED BUDGET FY 2017	ACTUAL	PROJECTED	TOTAL	ANNUAL
			THRU APR-2017	MAY SEP-2017	PROJECTED FY 2017	BUDGET FY 2018
Lakes and Ponds						
Contracts-Fountain	3,080	3,080	1,797	1,283	3,080	3,080
Contracts-Water Mgmt Services	33,644	33,646	19,626	14,018	33,644	33,644
Contracts-Water Quality	4,652	5,000	3,396	1,604	5,000	4,570
Contracts-Aerator Maintenance	2,143	2,143	1,250	892	2,142	2,142
Electricity - Aerator	2,360	2,800	1,288	1,025	2,313	2,800
Property Insurance	4,780	4,673	4,673	-	4,673	5,140
R&M-Aquascaping	4,650	5,000	-	5,000	5,000	10,000
R&M - Irrigation	-	-	-	-	-	20,440
R&M-Lake	24,180	10,968	13,875	23,093	36,968	27,575
R&M - Stormwater System	18,031	15,000	12,550	2,450	15,000	15,000
R&M - Aeration & Fountains	-	-	8,545	3,928	12,473	15,000
R&M - Bulkhead	-	-	-	-	-	20,440
Total Lakes and Ponds	97,520	82,310	67,000	53,294	120,294	159,831
Capital Expenditures & Projects						
Capital Outlay - Bulkheads	63,398	-	-	-	-	-
Cap Outlay-Pump Station	-	9,500	10,290	-	10,290	-
Cap Outlay-Lake	-	-	-	-	-	10,000
Total Capital Expenditures & Projects	63,398	9,500	10,290	-	10,290	10,000
Reserves						
Reserve - Bulkheads	-	-	-	-	-	14,539
Reserve - Aeration & Fountains	47,945	13,000	-	-	-	23,395
Reserve - Irrigation	-	-	-	-	-	42,473
Reserve - Lakes	-	30,000	-	-	-	12,062
Reserves - Perimeter	-	4,000	-	-	-	6,861
Reserve - Stormwater System	-	-	-	-	-	10,424
Total Reserves	47,945	47,000	-	-	-	109,754
TOTAL EXPENDITURES	361,955	294,144	163,784	125,421	289,205	441,214
Excess (deficiency) of revenues Over (under) expenditures	(64,783)	-	127,474	(120,121)	7,353	-
Net change in fund balance	(64,783)	-	127,474	(120,121)	7,353	-
FUND BALANCE, BEGINNING	158,086	93,303	93,303	-	93,303	100,656
FUND BALANCE, ENDING	\$ 93,303	\$ 93,303	\$ 220,777	\$(120,121)	\$ 100,656	\$ 100,656

Budget Narrative
Fiscal Year 2018**Revenue****Interest – Investments**

The District earns interest on the monthly average collected balance of their money market account and a fixed rate certificate of deposit.

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. FY18 proposes a 50% increase to augment Assigned Reserves per the Reserve Study Report.

Special Assessment - Discounts

Per Section 197.162, Florida Statutes, discounts are allowed for early payment of CDD assessments. 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 a member of the Board of Supervisors to be compensated for a meeting attendance and to receive \$200 per meeting plus payroll taxes. The amount for the Fiscal Year is based upon all supervisors attending each of the twelve scheduled meetings.

FICA Taxes

Payroll taxes for supervisor salaries are calculated as 7.65% 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 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 prior year activity.

Professional Services-Legal Services

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 prior year legal expenses.

Professional Services-Management Consulting Service

The District receives Management, Accounting and Administrative services as part of a Management Agreement with Severn Trent Environmental Services, Inc. These services are further outlined in Exhibit "A" of the Management Agreement.

Misc-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 property appraiser cost was based on a unit price of \$1.00 per parcel and further prorated between O&M and Debt Service funds. There are 766 units in Vasari CDD.

Budget Narrative
Fiscal Year 2018Expenditures – Administrative (continued)**Professional Services-Special Assessment**

Administrative costs to put the District's assessments on the Tax Roll are prepared by *Severn Trent Services*. The costs were substantially reduced when Severn Trent assumed the responsibility from the former consultant. Services provided include preparation of the annual Assessment Roll for submittal to the County, preparing estoppel letters for sale of properties and responding to resident inquiries.

Professional Service-Web Site Development

Severn Trent Services administers and updates the District's website and email accounts. Additionally, annual website and email renewal fees are applied to this account.

Auditing Services

The District is required annually to conduct an audit of its financial records by an Independent Certified Public Accounting Firm.

Postage & Freight

Mailing of agenda packages, overnight deliveries, correspondence, etc

Insurance-General Liability

The District's General Liability & Public Officials Liability Insurance policy is with The Florida League of Cities, Inc. The Florida League of Cities, Inc. specializes in providing insurance coverage to governmental agencies through the *Florida Municipal Insurance Trust*. The amount is based upon actual amount plus a projected 10% increase.

Printing and Binding

Printing and 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.

Miscellaneous-Assessment Collection Fees

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 collection cost was based on a unit price of \$1.42 per parcel and further prorated between O&M and Debt Service Funds. There are 766 units in Vasari CDD.

Miscellaneous-Contingency

This represents any additional expenditure that may not have been provided for in the budget. An example would include bank fees, board of supervisor reimbursements, etc.

Office Supplies

Miscellaneous office supplies required to prepare agenda packages.

Annual District Filing Fee

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

Budget Narrative
Fiscal Year 2018**Expenditures – Conservation and Resource Management****Contracts-Preserve Maintenance Services**

Earth Balance will provide quarterly ongoing maintenance (4 events) on 72.22 acres of preserves within Phase 1 of Vasari CDD. Treatments will consist of selective treatment of all Category 1 and 2 species on the 2013 Florida Exotic Pest Plant Council's "List of Invasive Plant Species". All species will be killed-in-place with an approved herbicide. A qualified Project Manager licensed to apply herbicides will supervise all work. The cost for each event is \$3,250.

R&M – Preserves

Unanticipated expenses related to maintenance of the preserves such as for keeping the vegetation from expanding into non-conservation areas.

Expenditures –Field**Professional Services-Field Management**

This represents Field Management services for the District. This includes inspection of all the District's assets to insure that proper maintenance is being conducted. The monthly fee is paid to *Severn Trent Environmental Services*. A monthly inspection report is submitted and available for review on the District's website. Areas inspected includes water management structures, conservation areas, lakes, roads, sidewalks, perimeter structures, and all other assets for which the District is responsible.

R&M – General

This expense represents miscellaneous expenses that may arise during the year relating to the normal operations and maintenance of the District. Examples include any repairs or expenses related to the irrigation system, perimeter wall, landscaping on CDD property and other unforeseen maintenance needs not identified below.

R&M-Renewal and Placement

Includes costs associated with plant replacements throughout the District.

R&M-Perimeter

Includes costs associated with maintenance of perimeter walls throughout the District.

Expenditures – Lake & Ponds**Contracts -Fountain**

The District has contracted with *Collier Water Services* for monthly fountain management services at a cost of \$257/mo.

Contracts -Water Management Services

The District has contracted with *Lake and Wetland Management* for monthly water management services including algae & aquatic weed control of the 25 Lakes and littoral shelf maintenance at a cost of \$2,804/mo.

Contracts -Water Quality

Johnson Engineering provides groundwater quality monitoring at three monitor wells and surface water quality monitoring at two surface water sites. The contractual fee for monitoring is \$4,570/annually and subject to an increase.

Contracts –Aerator Maintenance

Semi annual aerator inspection and maintenance service of 11 air compressors and 42 diffusers which are a part of the aeration system within the lakes provided by *Collier Water Services* at a monthly cost of \$179/inspection.

Budget Narrative
Fiscal Year 2018Expenditures – Lake & Ponds (continued)**Electricity – Aerator**

This expense represents monthly services provided by FPL for aerators located at 12031 Toscana Way (meter # 7C54634) and 28590 Altessa Way (meter #7C07940).

Property Insurance

Billed to the CDD by the Vasari Country Club Master Association for the lake fountains that were conveyed to the CDD in January 2016.

R&M – Aquascaping

The condition of the lakes relies on the littoral plants that make up the littoral shelf for the lake and pond systems. The littoral plantings help to prevent erosion, washouts and improve water quality by absorbing nutrients from runoff.

R&M – Irrigation

Repair and maintenance of the irrigation system which supports the optimal performance of pumps, motors and system components.

R&M – Lakes

Funds are targeted to address the repair and maintenance of the lakes and ponds when washouts or other forms of erosion occur. Various repair methods are used including Geo Filter Tubes, basic restoration, bulkheads and rip rap. The process used is determined by the type and location of erosion or washout being addressed.

R&M – Stormwater Systems

Repair and maintenance of the stormwater system which includes lake interconnects, control structures, road drains and the other component of the drainage system. It also includes cleaning of the system.

R&M – Aeration & Fountains

Repairs and maintenance of the numerous aerators and fountains that are needed for the ponds throughout the District.

R&M – Bulkheads

The District's bulkheads occasionally require maintenance and/or repairs that are costly but do not qualify as capital improvements.

Expenditures – Capital Expenditures & Planning

A Capital or Beautification Plan was approved in 2009 and was proposed to be a two phase approach. With the completion of the golf course project, the BOS has directed capital funds to correcting erosion issues where restoration is needed. Other capital needs have been addressed and after further consideration the District contracted with *Florida Reserve Study and Appraisal, Inc.* to provide their assessment of the District's immediate and long-term needs by means of a Reserve Study Report. The report that was issued explains in detail the schedule of capital improvements and accrual of funds required to achieve those needs.

Capital Outlay - Lake

The cost of developing a boat launch at Lake 24 in FY18.

Budget Narrative
Fiscal Year 2018

<i>Reserves - Planning and Allocation of Fund Balance (Exhibit A)</i>

The Budget maintains a Fund Balance in the General Fund which is a Governmental Fund that encompasses all of the District's operating funds. It is an accumulation of revenues left over from previous budget years and budgeted reserves to meet future funding obligations. The goal in this is to insure sufficient funding is available for asset replacement or to address maintenance and repair expenditures exceeding the current fiscal year appropriations. Those assets or situations that the CDD has set aside or designated within the Fund Balance are as follows:

Bulkheads – The bulkheads are employed to stabilize pond banks.

Aeration & Fountains – Vasari CDD has pond fountains and aerators which are in various phases of their lifespans many of which need to be replaced every three years.

Irrigation – The CDD owns the District's irrigation pumping and distribution system for all of the irrigation system except the golf course and residential systems on private property.

Lakes – Reserves set aside for the District's lakes.

Perimeter – The CDD is responsible for the perimeter of the community which includes the wall, fencing and ultimate responsibility for landscaping within the easement. The Vasari Master Association has an agreement with the CDD for the Association to maintain the landscaping in various areas.

Stormwater System – The CDD has ownership and maintenance responsibility for the water management system which includes the lakes and ponds used to retain and control storm water runoff from the community.

Exhibit "A"
Allocation of Fund Balances

AVAILABLE FUNDS

	<u>Amount</u>
Beginning Fund Balance - Fiscal Year 2018	\$ 100,656
Net Change in Fund Balance - Fiscal Year 2018	-
Reserves - Fiscal Year 2018 Additions	109,754
Total Funds Available (Estimated) - 9/30/2018	210,410

ALLOCATION OF AVAILABLE FUNDS

Assigned Fund Balance

Operating Reserve (1)		82,865 ⁽¹⁾
Reserves - Bulkheads (FY18)		14,539
Reserves - Aeration & Fountains (FY17 projected)	527	
Reserves - Aeration & Fountains (FY18)	23,395	23,922
Reserves - Irrigation (FY18)		42,473
Reserves - Lakes (FY17 projected)	4,000	
Reserves - Lakes (FY18)	12,062	16,062
Reserves - Perimeters-per balance sheet	5,000	
Reserves - Perimeters (FY17 projected)	1,212	
Reserves - Perimeters (FY18)	6,861	13,073
Reserves - Stormwater Systems (FY18)		10,424
	Subtotal	<u>203,358</u>
Total Allocation of Available Funds		203,358

Total Unassigned (undesignated) Cash \$ 7,052

Notes

(1) Represents approximately 3 months of operating expenditures

Vasari

Community Development District

Debt Service Budget

Fiscal Year 2018

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

ACCOUNT DESCRIPTION	ACTUAL	ADOPTED	ACTUAL	PROJECTED	TOTAL	ANNUAL
	FY 2016	BUDGET FY 2017	THRU APR-2017	MAY SEP-2017	PROJECTED FY 2017	BUDGET FY 2018
REVENUES						
Interest - Investments	\$ 21	\$ -	\$ 371	\$ -	\$ 371	\$ -
Special Assmnts- Tax Collector	748,990	748,990	737,312	11,678	748,990	748,990
Special Assmnts- Delinquent	901	-	-	-	-	-
Special Assmnts- Discounts	(25,933)	(29,960)	(27,126)	(117)	(27,243)	(29,960)
TOTAL REVENUES	723,979	719,030	710,557	11,561	722,118	719,030
EXPENDITURES						
<i>Administrative</i>						
ProfServ-Property Appraiser	544	544	544	-	544	544
ProfServ-Trustee Fees	3,717	3,717	-	3,717	3,717	3,800
Misc-Assessmnt Collection Cost	484	816	761	-	761	772
Total Administrative	4,745	5,077	1,305	3,717	5,022	5,116
<i>Debt Service</i>						
Principal Debt Retirement	515,000	525,000	-	525,000	525,000	540,000
Principal Prepayments	5,000	-	-	-	-	-
Interest Expense	200,880	186,372	93,186	93,186	186,372	171,725
Total Debt Service	720,880	711,372	93,186	618,186	711,372	711,725
TOTAL EXPENDITURES	725,625	716,449	94,491	621,903	716,394	716,841
Excess (deficiency) of revenues						
Over (under) expenditures	(1,646)	2,581	616,066	(610,342)	5,724	2,189
OTHER FINANCING SOURCES (USES)						
Contribution to (Use of) Fund Balance	-	2,581	-	-	-	2,189
TOTAL OTHER SOURCES (USES)	-	2,581	-	-	-	2,189
Net change in fund balance	(1,646)	2,581	616,066	(610,342)	5,724	2,189
FUND BALANCE, BEGINNING	204,543	202,897	202,897	-	202,897	208,621
FUND BALANCE, ENDING	\$ 202,897	\$ 205,478	\$ 818,963	\$ (610,342)	\$ 208,621	\$ 210,810

**Refinancing Bonds, Debt Amortization
Series 2012**

Date	Principal	Extraordinary Redemption	Interest	Principal Balance
11/1/2017			\$85,862.25	\$6,155,000.00
5/1/2018	\$540,000.00		\$85,862.25	\$5,615,000.00
11/1/2018			\$78,329.25	\$5,615,000.00
5/1/2019	\$555,000.00		\$78,329.25	\$5,060,000.00
11/1/2019			\$70,587.00	\$5,060,000.00
5/1/2020	\$575,000.00		\$70,587.00	\$4,485,000.00
11/1/2020			\$62,565.75	\$4,485,000.00
5/1/2021	\$590,000.00		\$62,565.75	\$3,895,000.00
11/1/2021			\$54,335.25	\$3,895,000.00
5/1/2022	\$605,000.00		\$54,335.25	\$3,290,000.00
11/1/2022			\$45,895.50	\$3,290,000.00
5/1/2023	\$625,000.00		\$45,895.50	\$2,665,000.00
11/1/2023			\$37,176.75	\$2,665,000.00
5/1/2024	\$640,000.00		\$37,176.75	\$2,025,000.00
11/1/2024			\$28,248.75	\$2,025,000.00
5/1/2025	\$660,000.00		\$28,248.75	\$1,365,000.00
11/1/2025			\$19,041.75	\$1,365,000.00
5/1/2026	\$675,000.00		\$19,041.75	\$690,000.00
11/1/2026			\$9,625.50	\$690,000.00
5/1/2027	\$690,000.00		\$9,625.50	\$0.00
	\$6,155,000.00	\$0.00	\$983,335.50	

Vasari

Community Development District

Supporting Budget Schedule

Fiscal Year 2018

2017 - 2018 Summary of Assessments

2012 Series Refinancing Bond Issue

Neighborhoods	Bond Designation	Units	2018 O & M Per Unit	2017 O & M Per Unit	Percent Change	2018 Debt Svc Per Unit	2017 Debt Svc Per Unit	Percent Change	2018 Total Per Unit	2017 Total Per Unit	Percent Change
Arezzo (lots 62-106)	Single Family I	45.00	\$600.00	\$400.00	50.0%	\$1,478.52	\$1,478.52	0.0%	\$2,078.52	\$1,878.52	10.6%
Pienza (lots 1-61)	Villa I	61.00	\$600.00	\$400.00	50.0%	\$1,217.31	\$1,217.31	0.0%	\$1,817.31	\$1,617.31	12.4%
Cercina (lots 142-181)	Villa II	40.00	\$600.00	\$400.00	50.0%	\$1,391.83	\$1,391.83	0.0%	\$1,991.83	\$1,791.83	11.2%
Bellino (lots 182-229)	Villa II	48.00	\$600.00	\$400.00	50.0%	\$1,391.83	\$1,391.83	0.0%	\$1,991.83	\$1,791.83	11.2%
Altessa	Four-plex I	88.00	\$600.00	\$400.00	50.0%	\$1,087.26	\$1,087.26	0.0%	\$1,687.26	\$1,487.26	13.4%
Cassia	Four-plex I	68.00	\$600.00	\$400.00	50.0%	\$1,087.26	\$1,087.26	0.0%	\$1,687.26	\$1,487.26	13.4%
Toscana	Six-plex I	138.00	\$600.00	\$400.00	50.0%	\$783.85	\$783.85	0.0%	\$1,383.85	\$1,183.85	16.9%
Firenze	Six-plex II	42.00	\$600.00	\$400.00	50.0%	\$956.08	\$956.08	0.0%	\$1,556.07	\$1,356.08	14.7%
Trieste	Condo I	108.00	\$600.00	\$400.00	50.0%	\$609.34	\$609.34	0.0%	\$1,209.34	\$1,009.34	19.8%
Materra	Condo II	128.00	\$600.00	\$400.00	50.0%	\$869.38	\$869.38	0.0%	\$1,469.38	\$1,269.38	15.8%
		766.00									