

**HARBOUR WATERWAY SPECIAL DISTRICT
RESOLUTION 2014-01**

A RESOLUTION REQUESTING THE CITY COUNCIL OF JACKSONVILLE TO APPROVE THE ANNUAL BUDGET OF THE HARBOUR WATERWAY SPECIAL DISTRICT FOR THE 2014-2015 FISCAL YEAR; PROVIDING AN EFFECTIVE DATE OF MARCH 31, 2014.

WHEREAS, the Harbour Waterway Special District (the "District") was established per City of Jacksonville Ordinance 2010-725 E and Section 189.4041, Florida Statutes; a dependent special district for the purpose of maintaining the system of canals located in the Harbour, Harbour North, Harbour Cay, and Harbour Island neighborhoods; and

WHEREAS, the Board is required to annually submit its budget to the City of Jacksonville for final approval or rejections pursuant to Section 2(6) of Chapter 86-392; and

WHEREAS, the Board of District Supervisors (the "Board"), the governing body of the District, has reviewed and approved the budget attached as Exhibit "A" to this Resolution for the 2014-2015 fiscal year.

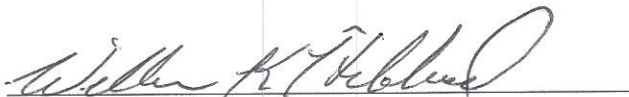
NOW THEREFORE BE IT RESOVED by the Board of the District as follows:

Section 1. The Board hereby approves the FY 2014 -2015 District Budget attached as Exhibit "A" to this Resolution for submission to the Jacksonville City Council.

Section 2. Effective Date. This Resolution shall become effective on March 31, 2014.


DULY ADOPTED AND APPROVED this 11th day of March, 2014, by the Board of the District.

BOARD OF SUPERVISORS FOR THE
HARBOUR WATERWAY SPECIAL DISTRICT



William Hibbard
Board Chair

Attest:



Stanley H. Pipes, Jr.

Board Secretary

HARBOUR WATERWAY SPECIAL DISTRICT
Dependent Special District

Proposed Budget
Fiscal Year 2014 / 2015

March 25, 2014

HARBOUR WATERWAY SPECIAL DISTRICT
Dependent Special District

11554 Starboard Drive, Jacksonville, Florida 32225-1015

March 25, 2014

Director / Council Secretary
Cheryl Brown
117 W. Duval Street, Suite 425
Jacksonville, FL. 32202

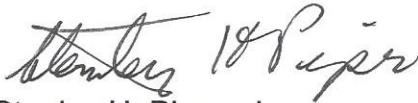
Office of the Council Auditor
Kirk Sherman
117 West Duval Street, Suite 200
Jacksonville, FL. 32202

Re: Harbour Waterway Special District Proposed Budget for Fiscal Year July 1,
2014 to June 30, 2015

Dear Ms. Brown and Mr. Sherman:

In accordance with Ordinance 2010 – 725 E, please find enclosed the District's proposed budget for Fiscal Year 2014 / 2015 for purposes of disclosure and information only. Should you have any questions regarding the enclosed, please contact me at (904) 642-0097.

Sincerely,



Stanley H. Pipes, Jr.
Supervisor and Secretary/Treasurer

Enclosures

HARBOUR WATERWAY SPECIAL DISTRICT
FISCAL YEAR 2014 - 2015 BUDGET
CASH FLOW ANALYSIS

31-Mar-14

DESCRIPTION	FY 2013/14 ACTUAL (See Note 3)	PROPOSED FY 2014/15 BUDGET	VARIANCE
OPERATING REVENUES			
Carry Forward Surplus	\$ 344,685	\$ 52,653	\$ (292,032)
Net Assessments - 2013 (See Note 1)	\$ 196,588	\$ 197,500	\$ 911
Total Revenues	\$ 541,273	\$ 250,153	\$ (291,120)
EXPENDITURES			
Professional Services			
Legal Services	\$ 7,813	\$ 9,600	\$ 1,787
Administrative Services	\$ 1,100	\$ 1,200	\$ 100
Accounting & Audit Services	\$ 2,864	\$ 3,500	\$ 636
Administrative			
Office Supplies & Postage	\$ 68	\$ 240	\$ 172
Printing & Binding	\$ 107	\$ 240	\$ 133
Rental - Meeting Room	\$ 900	\$ 900	\$ -
Communication Services - Web Hosting	\$ 300	\$ 240	\$ (60)
Legal & Promotional Advertising	\$ 48	\$ 240	\$ 193
Other Administrative Expenses	\$ 126	\$ 180	\$ 54
Insurance - General Liability	\$ 4,271	\$ 4,300	\$ 29
Publications and Memberships	\$ 740	\$ 925	\$ 185
Interest Expense on Revenue Notes (See Note 2)	\$ 19,515	\$ 15,819	\$ (3,696)
Revenue Note Principal Payments	\$ 128,000	\$ 131,000	\$ 3,000
Total Expenditures	\$ 165,851	\$ 168,384	\$ 2,533
Canal Maintenance & Dredging Operations			
Dredging Contractor	\$ 308,431	\$ -	\$ (308,431)
Marine Surveyor	\$ 5,000	\$ 7,500	\$ 2,500
Dredging Consultant	\$ 1,317	\$ -	\$ (1,317)
Navigational Aids & Markers	\$ 8,021	\$ -	\$ (8,021)
Total Canal Maintenance & Dredging Operations	\$ 322,769	\$ 7,500	\$ (315,269)
TOTAL EXPENDITURES	\$ 488,620	\$ 175,884	\$ (312,736)
EXCESS REVENUES / (EXPENDITURES)	\$ 52,653	\$ 74,269	\$ 21,616

NOTES:

	Num	2013 / 2014 Actual	2014 / 2015 Projected
1 Non Ad-Valorem Assessment			
Residential Parcels	105	\$ 210,000	\$ 210,000
Marina - (Tax Exempt Organization)	1	\$ -	\$ -
Easements	7	\$ 5,000	\$ 5,000
TOTAL GROSS ASSESSMENTS	113	\$ 215,000	\$ 215,000
Less Early Payment Discount (avg 3.58%)		\$ (7,797)	\$ (7,800)
Less PA and TC Discount (3.5%)		\$ (7,125)	\$ (7,163)
Less Provision for Parcels in Default		\$ (3,490)	\$ (2,537)
TOTAL NET NON AD-VALOREM ASSESSMENTS		\$ 196,588	\$ 197,500

2 Series 2012 Revenue Note -\$350,000 at 2.80%
Series 2013 Revenue Note -\$326,000 at 2.98%

3 Actual expenses and revenue thru March 31, 2014, forecast
April thru June.

HARBOUR WATERWAY SPECIAL DISTRICT AMORTIZATION SCHEDULE

Principal Balance \$ 350,000 COUPON 2.800% Issue Date: 12-Dec-12
 Principal Balance \$ 326,000 COUPON 2.980% Issue Date: 15-Feb-13

		PAYMENT DATE	INTEREST	PAID PRINCIPAL	TOTAL LOAN PAYMENTS	OUTSTANDING BALANCE
FISCAL YEAR	1	12-Dec-12	-	-	-	\$ 676,000.00
2012 / 2013	2	01-May-13	(\$5,834.79)	-	(5,834.79)	676,000.00
FISCAL YEAR	3	01-Nov-13	(\$9,757.40)	-	(9,757.40)	676,000.00
2013 / 2014	4	01-May-14	(\$9,757.40)	(\$128,000.00)	(137,757.40)	548,000.00
FISCAL YEAR	5	01-Nov-14	(\$7,909.60)	-	(7,909.60)	548,000.00
2014 / 2015	6	01-May-15	(\$7,909.60)	(\$131,000.00)	(138,909.60)	417,000.00
FISCAL YEAR	12	01-Nov-15	(\$6,018.90)	-	(6,018.90)	417,000.00
2015 / 2016	13	01-May-16	(\$6,018.90)	(\$135,000.00)	(141,018.90)	282,000.00
FISCAL YEAR	16	01-Nov-16	(\$4,070.40)	-	(4,070.40)	282,000.00
2016 / 2017	17	01-May-17	(\$4,070.40)	(\$139,000.00)	(143,070.40)	143,000.00
FISCAL YEAR	20	01-Nov-17	(\$2,064.10)	-	(2,064.10)	143,000.00
2017 / 2018	21	01-May-18	(\$2,064.10)	(\$143,000.00)	(145,064.10)	-
			(65,475.59)	\$ (676,000.00)	\$ (741,475.59)	

Harbour Waterway Special District Profit & Loss Budget Overview July 2014 through June 2015

	Jul '14 - Jun 15
Income	
325.200 · Special Assessments - Serv Char	
325.212 · Non-Ad Valorem Tax 2012	0.00
325.213 · Non-Ad Valorem Tax 2013	0.00
325.214 · Non-Ad Valorem Tax 2014	197,500.00
Total 325.200 · Special Assessments - Serv Char	197,500.00
361.100 · Interest Income	0.00
389.400 · Proprietary - Other Donations	0.00
Total Income	197,500.00
Gross Profit	197,500.00
Expense	
537.30 · Conservation and Resource Mgt	
537.301 · Dredging Operations	0.00
537.302 · Marine Surveyor	7,500.00
Total 537.30 · Conservation and Resource Mgt	7,500.00
537.31 · Professional Services	
537.311 · Legal	9,600.00
537.312 · Administrative Services	1,200.00
Total 537.31 · Professional Services	10,800.00
537.32 · Accounting & Audit Services	3,500.00
537.41 · Communication Services	240.00
537.42 · Postage & Freight Services	240.00
537.44 · Rentals and Leases	900.00
537.45 · Insurance	4,181.49
537.47 · Printing & Binding	240.00
537.48 · Promotional & Legal Advertising	240.00
537.49 · Other Current Charges	
537.491 · Bank Fees & Charges	180.00
Total 537.49 · Other Current Charges	180.00
537.51 · Office Supplies	240.00
537.54 · Publications and Memberships	925.00
537.72 · Debt Serv - Interest	
537.721 · Interest Expense - Series 2012	7,633.06
537.722 · Interest Expense - Series 2013	7,548.28
Total 537.72 · Debt Serv - Interest	15,181.34
537.73 · Other Debt Service Costs	5,100.00
Total Expense	49,467.83
Net Income	148,032.17

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Accrual Basis

Harbour Waterway Special District
Profit & Loss
July 2013 through June 2014

	Jul '13 - Jun 14
Income	
325.200 · Special Assessments - Serv Char	
325.213 · Non-Ad Valorem Tax 2013	196,501.70
Total 325.200 · Special Assessments - Serv Char	196,501.70
Total Income	196,501.70
Gross Profit	196,501.70
Expense	
537.30 · Conservation and Resource Mgt	
537.301 · Dredging Operations	308,431.08
537.302 · Marine Surveyor	5,000.00
537.305 · Navigational Aids & Markers	8,020.88
537.306 · Dredging Consultant	1,316.80
Total 537.30 · Conservation and Resource Mgt	322,768.76
537.31 · Professional Services	
537.311 · Legal	8,088.40
537.312 · Administrative Services	1,200.00
Total 537.31 · Professional Services	9,288.40
537.32 · Accounting & Audit Services	3,463.79
537.41 · Communication Services	299.85
537.44 · Rentals and Leases	900.00
537.45 · Insurance	4,266.46
537.47 · Printing & Binding	106.90
537.48 · Promotional & Legal Advertising	47.50
537.49 · Other Current Charges	
537.491 · Bank Fees & Charges	126.00
Total 537.49 · Other Current Charges	126.00
537.51 · Office Supplies	68.46
537.54 · Publications and Memberships	740.00
537.72 · Debt Serv - Interest	
537.721 · Interest Expense - Series 2012	9,490.43
537.722 · Interest Expense - Series 2013	9,400.96
Total 537.72 · Debt Serv - Interest	18,891.39
537.73 · Other Debt Service Costs	5,100.00
Total Expense	366,067.51
Net Income	-169,565.81

Harbour Waterway Special District
Balance Sheet
As of June 30, 2014

	Jun 30, 14
ASSETS	
Current Assets	
Checking/Savings	
BB&T Checking	52,652.96
Total Checking/Savings	52,652.96
Accounts Receivable	
121.000 · Assessments Receivable	2,017.00
Total Accounts Receivable	2,017.00
Other Current Assets	
155.000 · Prepaid Items	
155.001 · Prepaid Insurance	1,031.57
Total 155.000 · Prepaid Items	1,031.57
Total Other Current Assets	1,031.57
Total Current Assets	55,701.53
Other Assets	
156.900 · Assets - Non-Current	
156.901 · Amorization of Origination Fee	17,656.00
Total 156.900 · Assets - Non-Current	17,656.00
Total Other Assets	17,656.00
TOTAL ASSETS	73,357.53
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
202.000 · Accounts Payable	4,200.00
Total Accounts Payable	4,200.00
Other Current Liabilities	
203.000 · Notes & Loans Payable - Current	
203.001 · Revenue Note_2012 Series_Cur	68,000.00
203.002 · Revenue Note_Series 2013_Cur	63,000.00
Total 203.000 · Notes & Loans Payable - Current	131,000.00
215.000 · Accrued Interest Payable	
215.001 · Accrued Int Payable_Series 2012	1,332.02
215.002 · Accrued Int Payable_Series 2013	1,336.37
Total 215.000 · Accrued Interest Payable	2,668.39
Total Other Current Liabilities	133,668.39
Total Current Liabilities	137,868.39
Long Term Liabilities	
203.900 · Notes & Loans Payable - Long Te	
203.901 · Revenue Note - 2012 Series	216,000.00
203.902 · Revenue Note - 2013 Series	201,000.00
Total 203.900 · Notes & Loans Payable - Long Te	417,000.00
Total Long Term Liabilities	417,000.00
Total Liabilities	554,868.39
Equity	
320000 · Retained Earnings	-311,945.05
Net Income	-169,565.81
Total Equity	-481,510.86
TOTAL LIABILITIES & EQUITY	73,357.53

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Harbour Waterway Special District Statement of Cash Flows July 2013 through June 2014

	<u>Jul '13 - Jun 14</u>
OPERATING ACTIVITIES	
Net Income	-169,565.81
Adjustments to reconcile Net Income to net cash provided by operations:	
121.000 · Assessments Receivable	86.70
155.000 · Prepaid Items:155.001 · Prepaid Insurance	-4.54
202.000 · Accounts Payable	975.50
203.000 · Notes & Loans Payable - Current:203.001 · Revenue Note_2012 Series_Cur	2,000.00
203.000 · Notes & Loans Payable - Current:203.002 · Revenue Note_Series 2013_Cur	1,000.00
215.000 · Accrued Interest Payable:215.001 · Accrued Int Payable_Series 2012	-309.57
215.000 · Accrued Interest Payable:215.002 · Accrued Int Payable_Series 2013	-313.84
Net cash provided by Operating Activities	-166,131.56
INVESTING ACTIVITIES	
156.900 · Assets - Non-Current:156.901 · Amorization of Origination Fee	5,100.00
Net cash provided by Investing Activities	5,100.00
FINANCING ACTIVITIES	
203.900 · Notes & Loans Payable - Long Te:203.901 · Revenue Note - 2012 Series	-68,000.00
203.900 · Notes & Loans Payable - Long Te:203.902 · Revenue Note - 2013 Series	-63,000.00
Net cash provided by Financing Activities	-131,000.00
Net cash increase for period	-292,031.56
Cash at beginning of period	344,684.52
Cash at end of period	<u>52,652.96</u>

**HARBOUR WATERWAY SPECIAL DISTRICT
BUDGET SUPPLEMENT
FISCAL YEAR 2014/2015**

REVENUES

325.200 Special Assessments

The District will continue to levy a non ad-valorem assessment in the gross amount of \$215,000 on all taxable parcels within the District to fund General Operating Expenditures. From the Gross Amount of the non ad-valorem assessment the following amounts are deducted: (1) Duval County offers an early payment discount which averaged 3.58% for FY 2013 / 2014; (2) The Duval County Tax Collector and Property Assessor charges a fee for services rendered in the amount of 2.0% and 1.5%, respectively; and (3) a provision for non-collectible taxes due to parcels in bankruptcy or default. The parcel designated as the Marina within the District is a tax exempt entity.

Revenue Notes

The HWSD issued two Revenue Notes totaling \$676,000, which were purchased by BB&T to assist in funding the 2013 Dredging Project. The total fees and legal expenses associated with issuing the Revenue Notes totaled \$25,500.

361.100 Interest Income

Excess Funds will be invested in an interest bearing checking account at BB&T, Branch Banking & Trust Company.

Carry Forward Surplus

Excess Funds from prior years. The Carry Forward Surplus from FY 2013/2014 is projected to be \$52,653.

EXPENDITURES

PROFESSIONAL:

537.311 Legal Services

The District's legal counsel, Lewis, Longman, & Walker, will provide general legal services to the District, including attendance of monthly meetings, review of agreements, contracts, and resolutions.

537.312 Administrative Services

Other Administrative Expenses include fees charged to the HWSD to record, document, and publish all Board of Supervisor meetings and public hearings held by the District.

537.32 Accounting and Audit Services

The District is required by Florida Statutes to conduct an independent audit of its financial records by an Independent Certified Public Accounting Firm. The District has contracted with Roy Miller & Associates to conduct the FY 2013/2014 financial audit.

ADMINISTRATIVE:

537.41 Communication Services

Communication Services include fees required to host, develop, and maintain the HWSD.org website which provides online access to the District's official documents, including meeting minutes, agendas, reports, resolutions, etc.

537.42 Postage & Freight Services

Postage includes mailing of notices to the District, overnight deliveries, correspondence, etc.

537.44 Rentals and Leases

Rentals are fees associated with renting public meeting rooms to hold public hearings, committee meetings, and general meetings as required by the District.

537.45 Insurance – General Liability

The District's General Liability & Public Officials Errors and Omission Liability Insurance policy is with Florida Municipal Insurance Trust (FMIT) a service provided by the Florida League of Cities, Inc.

537.47 Printing and Binding

Printing and Binding include fees to print and bind the District's official documents, including meeting minutes, agendas, reports, resolutions, contracts, etc.

537.48 Promotional & Legal Advertising

The District is required to advertise monthly Board of Supervisor Meetings, public hearings, and any services required to be advertised for public bidding, i.e. dredging contracts and other advertising that may be required in a newspaper of general circulation.

537.49 Other Current Charges

This item includes any expenses not included in other categories including Bank Fees & Charges

537.51 Office Supplies

This item includes any supplies required during the fiscal year, i.e. paper, file folders, labels, etc.

537.54 Publications & Memberships

Other Expenses include membership fees, dues and registrations for government agencies, i.e. Florida Department of Economic Development.

537.72 Debit Service Interest Expense

Interest charges on the Revenue Notes secured for the HWSD 2013 Dredging Project, for budget purposes the projected maximum outstanding balance for 2014/2015 FY is \$548,000. Semi-annual interest payments equal to a total of \$15,819 for 2014/2015 FY are scheduled. (See Amortization Schedule)

203.900 Revenue Notes & Loans Payable

Principal Payments on the revenue notes are on a (5) five year term with the first annual payment due on May 1, 2014. Refer to the Amortization Schedule for future payment schedule.

CANAL MAINTENANCE & DREDGING OPERATIONS:

537.301 Dredging Contractor

The HWSD 2013 Dredging Project began on February 1, 2013 and was completed on August 10, 2013. The District has no current plans to perform dredging operations during FY 2014 – 2015.

537.302 Marine Surveyor

The District contracts with marine surveyors to determine the amount of silting occurring in the canal system and approach channels.

537.303 Dredging Permits

In order to perform dredging operations, the District is required to secure permits from the U.S. Army Corp of Engineers and the Florida Department of Environmental Protections.

537.304 Spoil Site Fees

During dredging operations, silt is removed from the channel bottom and pumped to an upland spoil site. Fees to deposit the spoil are included in this item.

537.305 Navigational Aids & Markers

The HWSD maintains channel markers along our approach channel to mark the dredged channel for boaters.

537.306 Dredging Consultant

The District utilizes consultants to advise the Board on soliciting bids for dredging services and dredging technology.