

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

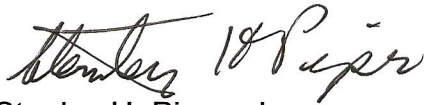
Office of the Council Auditor
Kirk Sherman
117 West Duval Street, Suite 200
Jacksonville, FL. 32202

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
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.