

**OPERATING GUIDE FOR
OSCEOLA COUNTY'S
COMMON FACILITIES DISTRICTS**

**PUBLISHED BY THE OSCEOLA COUNTY
OFFICE OF MANAGEMENT AND BUDGET
NOVEMBER 2008**

**OPERATING GUIDE
FOR OSCEOLA COUNTY'S
COMMON FACILITIES DISTRICTS**



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INTRODUCTION

This is the first edition of the Operating Guide for Osceola County's Common Facilities Districts. The Guide includes information and advice regarding District organization, operation, meetings and budgets. Each Supervisor should read this booklet fully and carefully. A District Board of Supervisors is referred to as a "Board" and the Board of County Commissioners is referred to as the "County Commission."

For Florida local governments, each fiscal year begins on October 1 and ends on the following September 30. Osceola County's Common Facilities Districts are no exception.

Each Board must take the following actions at the beginning of each fiscal year:

- set and advertise the regular meeting schedule for the new fiscal year (see PART II - DISTRICT BOARD MEETINGS - Annual Meeting Schedule);
- appoint the Registered Agent (see PART I - COMMON FACILITIES DISTRICT - Registered Agent); and
- prepare the financial statement for the prior fiscal year (see PART VI - PRIOR YEAR FINANCIAL STATEMENT).

To help keep track of what is needed and the deadlines, a Checklist for Beginning a New fiscal year is included with this booklet as Attachment A. Use it to get the new fiscal year off to the right start.

Timely and complete communications save you and the taxpayers a great deal of time and effort. That is why it is so important each District Board completes these actions and sends the documentation to the Osceola County Office of Management and Budget, the Supervisor of Elections Office and the State of Florida as soon as possible in the new fiscal year.

Please read the following sections carefully. They contain guidelines about the actions the Board needs to take soon. Also, please remember that all Supervisors are required to complete the State's Financial Disclosure Form.

Much of the information included in this booklet was adapted from Hillsborough County's Guide for Special Dependent Districts. Osceola County's Office of Management and Budget is indebted to the Hillsborough County staff for its invaluable assistance.

If there are any questions or suggestions about this booklet or other requirements not covered, please call (407) 742-1821 or fax information to (407) 742-1815. You may also send an e-mail to the County's Special Assessment Coordinator, at assessmentcoordinator@osceola.org.

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For more information, please call the Office of Management and Budget at
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PART I - COMMON FACILITIES DISTRICTS

General Description

Common Facilities Districts have been established by Osceola County to provide for the maintenance of common areas located in subdivisions that do not have "mandatory" homeowners' associations with the power to assess property to provide the necessary funding.



All Common Facilities Districts are governed by the Common Facilities District Master Ordinance (referred to as the Master Ordinance in this booklet), which was enacted by the Osceola County Commission in December 2006 and subsequent amendments to the Master Ordinance. Each District was created by a separate ordinance that included a description of the property to be included within the District and a list of the Common Facilities that can be maintained by the District.

Districts are governed by a three-member Board of Supervisors elected by the registered voters in the District. Information regarding the election and duties of the Board is included in the following sections.

Election and Replacement of Supervisors



Election of Supervisors - The Board for each District will consist of three persons elected to serve four-year terms by the registered voters residing within the District. Candidates for the office of Supervisor must also be registered voters residing within the District. Each Supervisor will be required to post a bond conditioned for the faithful performance of his or her duties. The premium of the bonds is paid from District funds.

Supervisors will be elected during the general elections and candidates will qualify through the Supervisor of Elections. In any year that more than one Supervisor will be elected, all candidates will run in a single group. The candidates receiving the greatest number of votes will be elected.

If there are not enough candidates qualifying for election to fill the vacant positions, the County Commission may either appoint any qualified elector residing within the County to replace the Supervisors whose term is scheduled to expire, or dissolve the District.

Once a Supervisor is elected, that person is a Supervisor until the term expires or until the Board or County Commission takes official action to remove that person from office.

Removal of Supervisors Due to Resignation or Non-Attendance - In many cases, the Supervisor submits a resignation letter. If the Board has received a resignation letter, it should take affirmative action at its next meeting to accept the resignation. This action must be recorded in the minutes of the meeting.

Sometimes a Supervisor stops attending meetings and doesn't bother to notify the Board in writing. The Master Ordinance gives the Board the ability to remove a Supervisor for missing three consecutive meetings. The Board may, but is not required, to accept "excused absences."

A person who moves out of the District is no longer qualified to be a Supervisor. A Supervisor who is not a U.S. citizen also is not qualified to serve. The Board should vote to remove that person on the grounds of not meeting qualifications.

The removal of a Supervisor must take place during a regular Board meeting, must be approved by both remaining Supervisors, and must be recorded in the minutes of the meeting. If there are not enough Supervisors to vote on removing a Supervisor, please notify the County's Special Assessment Coordinator immediately by telephone at (407) 742-1821 or by e-mail at assessmentcoordinator@osceola.org.

Unless the District sends in the proper documentation, the Supervisor of Elections, the Office of Management and Budget and the State of Florida will continue to list this person as a Supervisor. A resignation letter sent directly to the Supervisor of Elections or the Office of Management and Budget does not remove a Supervisor. Neither of these offices will take action on notices made verbally. The Board must take action in a meeting to remove the Supervisor.

Removal of Supervisors for Cause – The Master Ordinance permits the Board to remove a Supervisor for failing to discharge the duties of the position upon charges of malfeasance or misfeasance. The Supervisor must be provided with reasonable notice and an opportunity to address the charges. The removal of a Supervisor must take place during a regular meeting, must be approved by a vote of both of the other Supervisors and must be recorded in the minutes of the meeting.

Replacement of Supervisors – The appointment of a replacement Supervisor must take place during a regular Board meeting, must be approved by both of the remaining Supervisors and must be recorded in the minutes of the meeting. If the Board fails to fill a vacancy within ninety days, the County Commission may either appoint any registered voter in the County to fill such vacancy or dissolve the District. If there is only one remaining Supervisor, please notify the County's Special Assessment Coordinator immediately at (407) 742-1821 or assessmentcoordinator@osceola.org. The Special Assessment Coordinator can help your District by asking the County Commission to appoint replacements. Each replacement Supervisor will be

required to post a bond conditioned for the faithful performance of his or her duties. The premium of the bonds is paid from District funds.

Changing Officers – Sometimes it is necessary to change officers. This action must also take place at a regular advertised meeting, be approved by at least two Supervisors and be recorded in the minutes.

Who to Notify of Changes on the Board – It is very important that the Board quickly notify the Office of Management and Budget, Supervisor of Elections and State Special District Information Program whenever it removes a Supervisor, appoints a Supervisor or changes an officer. This can be done by taking the Special District Information Form prepared at the beginning of the last fiscal year, crossing out the name of the removed Supervisor and inserting the name, address and telephone number of the replacement Supervisor. You will also need to make two copies of the minutes of the meeting where the action took place. Then make four copies of the form and the minutes and send them to the parties listed on the bottom of the form. Be sure to keep a copy for the District's files.

State Financial Disclosure Form – All Supervisors who are on a Board as of December 31st are required to complete a State of Florida Financial Disclosure Form. The State Commission on Ethics sends the form to each Supervisor. If the Board has not taken formal action to remove a Supervisor, the State will still send that person a form and expect it to be returned. Failure to file this form may result in a fine. If you want more information on financial disclosure, go to the Florida Commission on Ethics web site at <http://www.ethics.state.fl.us/> and click on Financial Disclosure.

Duties and Responsibilities of Supervisors

The Board of Supervisors acts as the governing board of the District and may perform the following functions:

- lease and maintain the Common Facilities described in the District's Implementing Ordinance;
- provide security guard and/or guard gate services;
- make reasonable rules and regulations for use of the Common Facilities;
- adopt an annual budget for the District (see PART III - DEVELOPING THE BUDGET);
- impose special assessments to fund District services (see PART III - DEVELOPING THE BUDGET - Imposing Special Assessments);
- contract with accountants, attorneys and other agents; and
- purchase goods and services, as described in the following section.



For the next several years, the County intends to provide County staff to serve as the District Clerk. The District Clerk will assist the Supervisors with clerical and bookkeeping, but will not provide policy direction to the Board, communicate directly with property owners or residents of the District, solicit quotations or bids on behalf of the District, or become involved with policy decisions. See PART I - COMMON FACILITIES DISTRICTS - District Clerk.

Purchasing Requirements



The Master Ordinance includes the following minimum purchasing requirements:

- Category One - Purchases of goods or services with a value less than \$1,000 shall be made from vendors at reasonable prices, without a requirement for quotations or bids.
- Category Two - Purchases of goods or services with a value between \$1,000 and \$14,999, inclusive, shall require a minimum of three verbal quotations documented in writing.
- Category Three - Purchases of goods or services with a value of \$15,000 or more shall require sealed competitive bids. Notice of each invitation to submit competitive bids shall be published in a newspaper of general circulation at least 10 days prior to the bid opening and shall include the date and time of bid opening.

The Board may establish more stringent purchasing requirements.

The following purchases are exempt from the minimum purchasing requirements included in the Master Ordinance:

- legal, accounting and similar professional services;
- professional services within the scope of the practice of architecture, professional engineering, landscape architecture, or registered surveying and mapping, which must be procured pursuant to the Consultants' Competitive Negotiation Act, Section 287.055, Florida Statutes;
- sole source items, i.e., goods and services for which it is determined after conducting a diligent, good faith review of availability, that there is only one source; and
- emergency purchases, i.e., purchases necessitated by a threat to public health, welfare, or safety under emergency conditions, which includes those

situations where the operation of the District would be seriously impaired if immediate action is not taken.

Sole source and emergency purchases are discouraged and the justification for all such purchases **must** be documented in writing. Each District shall acquire its own taxpayer identification number and employer identification number.

The Board is required to faithfully represent the District and must develop efficient and fair policies and procedures to ensure a fair and competitive purchasing program. This implies open competition, adequate notice of opportunities to potential vendors and written standards for evaluating proposals from vendors. All Districts, regardless of size, must develop and adopt purchasing policies and procedures that conform to the Master Ordinance. The Board must adopt these policies and procedures in open meetings and record the policies and procedures in the minutes of that meeting.

Government in the Sunshine Law



General Description - Florida's Government in the Sunshine Law, commonly referred to as the Sunshine Law, provides a right of access to governmental proceedings at both the state and local levels. **The Board must comply with the Sunshine Law.** The law is applied to any gathering of two or more members subject to the Sunshine requirements to discuss some matter which will foreseeably come before the governing board for action. There are three basic requirements:

- all meetings of public boards or commissions must be open to the public;
- reasonable notice of such meetings must be given; and
- minutes of the meetings must be taken.

Application - Sunshine Law applies to any discussion, formal or casual, between two or more members of a Board when those two Supervisors are discussing some matter which will foreseeably come before the Board. The use of a telephone or a computer to conduct these discussions does not remove the conversation from the requirements of the Sunshine Law. In addition, Supervisors may not utilize a "go-between" to learn of the views of another Supervisor outside a properly noticed public meeting.

Failure to Comply - Failure to comply with the provisions of Florida's Sunshine Law can result in civil penalties up to \$500 against each participating Supervisor. Criminal penalties are specified against any Supervisor who knowingly attends such a meeting in violation of the statute. No resolution, rule, or formal action is binding on the District unless it is taken or made at a duly noticed meeting.

Additional information on the Sunshine Law can be obtained from the Florida Attorney General's website at: <http://myfloridalegal.com/sunshine>.

Public Records Act



Under Florida Law, a "public record" is defined as all documents, papers, letters, maps, books, tapes, photographs, films, sound recordings, data processing software, or other material regardless of physical form, characteristics, or means of transmission, made or received pursuant to law or ordinance or in connection with the transaction of official business of any agency (Chapter 119, Florida Statutes). The law further defines "agency" to include "district" among others. Therefore, any correspondence (including e-mails), letters, notes, tape recordings of meetings, etc. are considered District records and should be centrally filed with all other District records.

Every person who has custody of a public record must permit the record to be inspected and examined by any person desiring to do so, at any reasonable time, under reasonable conditions, and under supervision of the custodian of the public record. If the citizen wants a copy, the law also specifies how much the agency may charge for copying. Current law permits agencies to charge up to 15 cents per one-sided copy for duplicated copies of not more than 14 inches by 8 ½ inches and \$1 per copy for certified copies (Section 119.07(4)(a), Florida Statutes).

If the nature or volume of public records requested to be inspected or copied will require extensive use of information technology resources, extensive clerical or supervisory assistance, or both, an agency may charge, in addition to the actual cost of duplication, a special service charge which shall be reasonable and based on the actual cost incurred for such extensive use (Section 119.07(4)(d), Florida Statutes). Currently, courts have upheld agency rules that define extensive to mean it would take more than fifteen minutes to locate, review for confidential information, copy, and re-file the requested public record. Keep in mind, however, that a special service charge cannot be used to infringe upon a citizen's right of access to public records.

A citizen has the right to review any District record. The District cannot require a written request. No reason is needed to request the production of

the District's records. No one can deny the citizen this right. There are legal penalties for denying a citizen access to public records.

Districts are required by Florida law to follow the policies and procedures of the State regarding records management, retention, and disposal. Getting started will be the most difficult step, but once the records are sorted, inventoried and organized, the maintenance should be much less time consuming. District records may not be destroyed unless the records have been inventoried and the District has filed a request with the Clerk of the Board, as the Records Management Liaison Officer for the County, who then grants permission to destroy the records in accordance with the State approved retention schedules.

Here are some actions Districts can take to comply with Florida law and to put some order back into its records.

- Take advantage of records management training offered by the State of Florida. The State Library and Archives of Florida offers several classes on public records management throughout the state several times a year. Generally, these are one-day sessions. The cost can be paid by the District. The schedule for public records management seminars is located at <http://dlis.dos.state.fl.us/RecordsMgmt/workshops.cfm>.
- Have the Secretary/Treasurer attend the State Library and Archives of Florida's training program.
- Read the various manuals, use the forms, and submit the required schedules to the State of Florida. The manuals, forms, and instructions are available at these websites. You will need to have Adobe Acrobat Reader installed on your computer to read many of these manuals. The Adobe Acrobat Reader software is free and can be downloaded from the following site: <http://www.adobe.com/products/acrobat>.
- Here are the current websites:
 - Basics of Records Management: This contains the State's guidelines on inventorying and recording the District's records management program.

Read this manual before attempting to inventory the District records.
<http://dlis.dos.state.fl.us/barm/handbooks/basics.pdf>.

- Forms: Various other publications and forms for record management are at <http://dlis.dos.state.fl.us/recordsmgmt/publications.cfm>.
- Gather up all the District records, and following the instructions, categorize, inventory, and prepare the proper forms.

District Clerk



For the next several years, the County Commission intends to provide County staff to serve as District Clerk to the Common Facilities Districts. The District Clerk will provide services to each District under the direction of the President and Secretary/Treasurer. However, the District Clerk will not become involved with District management or policy decisions. Each District and its officers will remain responsible for compliance with Florida law.

The District Clerk will perform the following duties:

- publish notices and prepare agendas and other necessary documents for meetings of the Board;
- record meetings and prepare draft minutes for approval of the Board;
- maintain all District records in the County's administrative offices on behalf of the Board;
- coordinate with the County's Office of Risk Management to procure insurance for Common Facilities;
- prepare checks or drafts for signature by the President and Secretary/Treasurer, if requested by the Secretary/Treasurer;
- maintain financial records of the District;
- prepare quarterly and annual financial statements, which include all income and expenses and reflect the net cash position of the District;
- provide information to the independent certified public accountant selected by the Board to perform the District's annual audit; and
- prepare and provide required reports to the State of Florida Special District Information Program.

The District Clerk will be prohibited from performing any of the following services:

- provide policy direction, legal advice or other guidance to the Supervisors in the performance of their duties (except in connection with the duties described above);
- correspond or otherwise communicate with the owners or occupants of property within the District or others interested in the District's business, except to provide meeting information and copies of District records;
- solicit or accept quotations or bids for goods and services to be procured by the District, except to provide meeting information and copies of District records.

The County intends to allocate the cost to provide District Clerk services among the Districts receiving the service. The cost allocable to each District must be included in the District's annual budget and paid to the County on a quarterly basis, within 10 days following the end of each calendar quarter.

Registered Agent

The Registered Agent is the main contact person for the District's official correspondence. The Registered Agent may or may not be a Supervisor.



The Board may appoint the Registered Agent to serve until it appoints another Registered Agent. This means there is no limit on how long a person can serve as the Registered Agent. Again, the appointment must be approved by the Board at an advertised meeting and must be recorded in the minutes of the meeting.

If the Board decides to change the Registered Agent, it must vote to appoint a new one at a regular meeting and record the name of the new registered agent on the Special District Information Form. Be sure to include the District's official address and the Registered Agent's address and day time telephone number. Send the Special District Information Form to the four parties listed on the bottom of the form.

PART II - DISTRICT BOARD MEETINGS

Accessibility

Legal Requirements

Public access to meetings of public boards and commissions is a key element of Florida's Sunshine Law. Section 286.011(1), Florida Statutes provides that:

All meetings of any board or commission of any state agency or authority or of any agency or authority of any county, municipal corporation, or political subdivision, except as otherwise provided in the Constitution, at which official acts are to be taken are declared to be public meetings open to the public at all times, and no resolution, rule, or formal action shall be considered binding except as taken or made at such meeting. The board or commission must provide reasonable notice of all such meetings.



Districts may face potential liability for failure to ensure that its meetings are open to all persons, including those with disabilities.

There are also sections of the Americans with Disabilities Act (ADA) Title II that may also be applicable to the District's conduct since it defines a "public entity" to include any "special purpose district, or other instrumentality of State or States or local government."

The ADA prohibits discrimination against a qualified individual with a disability from participation in the benefits, services, or activities of a public entity. Therefore, Districts may also face potential liability under the ADA for failure to make its meetings accessible to individuals with disabilities.

It is important to keep in mind those methods of making services, programs, or activities accessible under the ADA include reasonable accommodations to

rules, policies, or practices; the removal of architectural, communication, or transportation barriers; or the provision of auxiliary aids and services. Examples of accommodation include:

- Accessible parking and meeting room space
- Providing written material in large print, on tape or disk, if requested as an accommodation
- Providing a sign language interpreter, if requested as an accommodation
- Allowing a service animal into the meeting or activity

Meeting notices should include a statement allowing a citizen to request a reasonable accommodation within a specified period of time prior to the date of the event. (Usual timeframes range from 48 hours to 7 days).

Section 286.26, Florida Statutes, includes the following additional requirements:

(1) Whenever any board or commission of any state agency or authority, or of any agency or authority of any county, municipal corporation, or other political subdivision, which has scheduled a meeting at which official acts are to be taken receives, at least 48 hours prior to the meeting, a written request by a physically handicapped person to attend the meeting, directed to the chairperson or director of such board, commission, agency, or authority, such chairperson or director shall provide a manner by which such person may attend the meeting at its scheduled site or reschedule the meeting to a site which would be accessible to such person.

(2) If an affected handicapped person objects in the written request, nothing contained in the provisions of this section shall be construed or interpreted to permit the use of human physical assistance to the physically handicapped in lieu of the construction or use of ramps or other mechanical devices in order to comply with the provisions of this section.

Districts must comply with Federal and State law whichever is stricter.

Guidelines

The following guidelines are provided to help District comply with the ADA and Florida law:

- Meetings must be held in a county courthouse, a public building located in the county in which the District is located, or in a building accessible to all the public. Osceola County encourages the District to meet in libraries or community buildings where possible. It may also be possible to schedule use of a room in the County Administration Building. Meeting rooms located in hotels or other buildings readily accessible to the public may also be appropriate. Meetings in private homes or restaurants are discouraged.
- Meetings must be held in a facility which does not restrict access or discriminate on the basis of sex, age, race, creed, color, origin, or economic status.
- Upon forty-eight (48) hours written notice, the Board must provide any physically-challenged person the means to attend the meeting. If this is not possible, the District must relocate the meeting to an accessible site.
- If the physically-challenged individual objects in the written notice to assistance from another person or persons, the Board must provide ramps or other suitable fabricated or mechanical devices.

Annual Meeting Schedule



The Master Ordinance requires the Board to adopt a regular quarterly meeting schedule at the first meeting of each fiscal year and then advertise the schedule. This must be done early in the fiscal year. The Board must approve the new meeting schedule at a regular meeting. This action must be recorded in the minutes and the minutes must reflect the place, date and time of the regular meetings. The schedule must be advertised in a newspaper of general circulation in the County, including the quarterly meeting date, time and place. Ads may be placed in the Orlando Sentinel (Osceola Section preferred) or the Osceola News-Gazette.

A sample advertisement is shown on the next page. Please use your individual District's information. The advertisement must include the second and third paragraphs.

If the District is considering using alternate wording, it **must** present a written draft of the proposed advertisement to the Office of Management and Budget and obtain written approval **before** placing the ad.

If the District uses alternate wording without getting prior approval and the wording is considered inappropriate or insufficient, it may be required to readvertise and incur an additional expense.

The **Safe Neighborhood Common Facilities District** will conduct its regular quarterly meetings for the fiscal year beginning October 1, 20__ at the Sunshine City Library, 222 Fantasy Lane, Sunshine City, Florida, beginning at 7:30 PM. These regular quarterly meetings will be held on the following dates in 20__: January 13, April 14, July 14 and October 13. All meetings are open to the public.

In accordance with Chapter 286, Florida Statutes, the public is advised that if a person decides to appeal any decision made by the Board of Supervisors with respect to any matter considered at this hearing, that person will need a record of the proceedings, and that, for such purpose, the person may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

All meeting facilities are accessible in accordance with the Americans with Disabilities Act. Any additional necessary accommodations will be provided with a 48 hour notice. For more information call (407) 555-5555.

Here are several important points to remember about the annual meeting schedule:

- The Board **must** adopt the annual meeting schedule at a regularly scheduled meeting. This action **must** be recorded in the minutes of the meeting. The minutes must specifically state the address of the place and the time of the meeting. For example, it is insufficient to state "the Board approved the regular meeting date and time." Sufficient minutes would say: "the Board approved setting the regular meeting schedule on January 13, April 14, July 14 and October 13 of 20__ at 7:30 PM at the Sunshine City Library, 222 Fantasy Lane, Sunshine City, Florida."
- The annual meeting schedule **must be** advertised in a newspaper of general circulation. Two newspapers meeting this requirement are the **Orlando Sentinel** (Osceola Section preferred) or the **Osceola News-Gazette**.
- The advertisement must disclose the regular quarterly meeting **dates, times and places**. It must also include the second and third paragraphs shown in the sample advertisement.

- The Master Ordinance and Florida law do not require this advertisement be a legal advertisement. However, like the budget hearing advertisement, the District may want to place a legal advertisement in the regular classified advertising section in order to ensure adequate distribution and timeliness of the notice. The District may also wish to consider an additional advertisement in a Spanish-language newspaper.
- The only minimum notice requirement is that the notice not be advertised on the day of the first regular meeting. At least seven days prior to the first meeting is preferred. Special meetings may be held if notice is published at least seven days prior to such meeting.
- In addition to adopting a regular meeting schedule, each District is also required by Chapter 189 of the Florida Statutes to file this schedule annually with the local governing authority. In Osceola County, the schedule should be filed with the Office of Management and Budget.
- After publishing the regular meeting schedule, if the Board decides to adopt a new meeting schedule, it **must** readvertise the schedule and send a copy of the ad to the Office of Management and Budget.
- Although not required, Osceola County encourages the Board to post notices at entrances, send announcements, put announcements in the homeowners' association's newsletter or weekly newspapers, etc. to remind the residents of upcoming meetings. These types of notices only supplement the annual publication of the regular meeting schedule in a newspaper of general circulation and **do not** substitute for the legal advertising requirements.
- Any Board meetings held on a date, time or location other than what has been advertised in the regular meeting schedule **must be separately advertised** in a newspaper of general circulation. The advertisement must be retained in the District's official records as evidence of compliance.
- The annual budget hearing, a special hearing to readopt the budget or a public hearing to initially impose special assessments or increase the maximum rate each have separate advertising requirements.

- Remember, any action or decision of the Board taken in a meeting which has not been advertised is considered invalid.
- Complying with the Government in the Sunshine Laws is an important responsibility of each Supervisor.

All meetings of the District Board should be tape recorded to ensure that a proper record is made. The tapes are public records and must be retained by the District.

Agendas



Creating an effective agenda is the first step to conducting a productive meeting. An agenda is basically a list of items that need to be raised and discussed during the meeting. The Secretary/Treasurer is responsible for preparation of the agendas with assistance from the District Clerk. Agendas are not set in stone and may be changed at the meeting. See Attachment B - Sample Meeting Agenda.

A copy of the agenda for each meeting and a copy of the draft minutes from the prior meeting should be distributed to each Supervisor a week or two before each meeting. Remember, once an agenda and draft minutes are prepared and distributed to the Supervisors, they become public records.

Board meetings can be frustrating and a gigantic waste of time if not run properly. Here are a few tips on running a successful meeting.

Keep the meeting on track - Your agenda is the tool you use to make sure you're on time and on the right topic. When side issues come up, the President should help the Board get back on track. If the issue sounds important, check with the other Supervisors. "We're talking about a new issue—is this something important that we should take time to discuss?"

Stay on schedule - Every minute a Supervisor, resident or property owner spends in a Board meeting, they could be doing other things, so treat them like their time is important. Start on time and end on time!

Pay attention to what's important - Set a certain amount of time for each item on the agenda, based on how important it is. If the Board starts spending a lot of time on details, ask them "Is this what we want to spend our time talking about?" A lot of details can be worked out by individuals or committees -meetings are for the decisions that need to involve the whole Board. **Remember, all committee meetings must comply with the Sunshine Law.**

Make sure people participate – People think a meeting is useful based on one simple thing: whether or not they talked. So everybody should have a chance to share their ideas. It's okay to ask specific people what they think! The President should also be prepared to gently remind people when they're talking too much.

Put decisions to the group – All three Supervisors own the meeting. Let them add items to the agenda when you begin. If decisions need to be made about the process (whether to end a discussion that's going too long, for example) the President should ask that question to the Board.

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Minutes

The Secretary/Treasurer for each District must maintain a book of meeting minutes. This can be a loose leaf binder. The important thing to remember is that all minutes are to be kept together so Supervisors and the public can reference them in the future. Keeping them in a binder helps keep all the minutes in one place.



Meeting minutes are important for two reasons. First, the minutes provide a written record of what takes place at a Board meeting. Second, the minutes provide Supervisors (current as well as future) and the public with documentation of Board decisions and actions. Florida law requires that all records of the District be made open to any member of the public. Public records are governed by Chapter 119 of the Florida Statutes.

What are adequate meeting minutes? Meeting minutes can be as long or as short as a Board wants to make them, but there are minimum criteria.

- Meeting minutes must state the date of the meeting, the physical location of the meeting, and what time the meeting started and ended.
- Meeting minutes must state the purpose of the meeting such as "regular meeting," "workshop," "budget hearing" or "emergency meeting."
- Meeting minutes must disclose the names of the Supervisors in attendance. Absent Supervisors are also noted. It is not necessary to state the names of any other persons attending the meeting unless they actually are recognized to speak during the meeting.
- Meeting minutes must disclose the reading and approval of the minutes of the previous meeting and the Secretary/Treasurer's financial report. If a Supervisor notes any error in the minutes or the Secretary/Treasurer's report, the minutes will show the nature of the error and the Board's direction to the Secretary/Treasurer to correct the error. Ideally, the Secretary/Treasurer's report should be included or attached to the meeting minutes.

- Meeting minutes must record the language of each motion in its entirety, which Supervisor made the motion, who seconded the motion, who voted yes or no on the motion, and the vote on the motion.
- Meeting minutes must be typewritten with enough margins allowing for corrections. Meeting minutes are never handwritten and never written in pencil.
- Meeting minutes will contain a summary of a discussion on a point or motion. Verbatim minutes are unnecessary.
- If the Board allows public comment, it can decide if the minutes should reflect the full comments of each resident attending the meeting. At a minimum, meeting minutes state who spoke and a very short summary of the person's comments. Each Board should adopt a written policy about when it takes public comment and how much comment it will put into the minutes.
- Approved meeting minutes are always signed by the President and the Secretary/Treasurer.
- Meeting minutes should be written in an expository style and should contain language that does not espouse the position of any Supervisor. Remember, this is a written representation of an event. No editorial comments. Just the facts.
- The minutes should reflect the individual vote of each Supervisor by name. For example, if a motion is approved by a vote of 2 to 1, the minutes should show the names of the two Supervisors who voted in favor of the motion and the name of the Supervisor who voted against the motion. If a motion is voted on unanimously, the Secretary/Treasurer is not required to name the individual Supervisors.

See Attachment C – Sample Meeting Minutes.

PART III - DEVELOPING THE BUDGET

Introduction

A budget is a plan for showing how a District intends to use its financial resources in the next fiscal year. Preparing such a plan may not be the easiest task, but it can be done with careful planning and thought.



The authority for formulating and approving the District's budget rests solely with the Board. Individual Supervisors should read the Master Ordinance and the ordinance creating their specific District to become familiar with the District's authorized activities. They should also review the present year's budget, an interim financial statement prepared by the Secretary/Treasurer to become familiar with the year's financial history, and read this booklet.

Please remember that the Master Ordinance requires the Board to approve a budget by July 1st. It is important to honor this deadline so plan all the District's budget activities with the goal of having the Board approve the budget before July 1st. A special assessment and budget calendar is included with this booklet as Attachment D.

In addition to this booklet and a set of forms, each District will also receive a disk containing budget and special assessment forms. The computer files on this disk cannot be used in Microsoft Works. Due to security issues and the need for original signatures, we cannot accept any budget packages on computer disk or by e-mail.

The Office of Management and Budget may require the District to supply the following information before distributing the budget package to a District or before accepting a budget package from a District.

- Legally sufficient and current Public Official Bonds for the President and Secretary/Treasurer on file with the Clerks to the Board's Office;

- Previous Financial Statement prepared in accordance with the Florida law and the Master Ordinance;
- Items required at the beginning of the fiscal year, as described in the INTRODUCTION to this booklet, including the advertisement of the meeting schedule and minutes of any meeting where the schedule was approved by the Board;
- Fulfillment of legal obligations such as payment of the State of Florida Special District Information Program Fee, completion of Oaths of Office and payment to the County for insurance and services provided to the District; and
- Submission of a plan for implementing corrective action in response to any audit findings from the prior fiscal year to the Office of Management and Budget.

Developing a budget for a District is a challenge. There are competing interests and there is never enough revenue to fund all the projects. No one wants to help, but every one wants to criticize. However, it is a process that can be successfully tackled by taking one step at a time.

The first step is to estimate how much the District will have left over at the end of the current fiscal year. This exercise will be documented on a separate form. This estimated amount can then become a resource for next year's budget. Then, the booklet suggests preparing the budget using the standard budget form. The booklet outlines the mandatory expenditures. The Board then decides how it wants to estimate its resources and then allocate them to various uses and the budget is documented on a form along with schedules showing what the District included in the calculations. The Board will then present the budget to its constituents at a public hearing for comments. The budget may be revised at this public hearing. Ultimately, the Board will adopt the budget, the assessment rate that will generate the assessment revenue in the budget and the budget resolution at the public hearing.

If there are questions about the budget process, amending a budget, re-adopting a budget, or any of the forms in this booklet please contact the County's Special Assessment Coordinator immediately at (407) 742-1821 or

assessmentcoordinator@osceola.org or fax the information to (407) 742-1815.

The deadline date for submitting an adopted budget package to the Office of Management and Budget is July 15. If a District cannot comply with this deadline, immediately call the County's Special Assessment Coordinator at (407) 742-1821 as soon as the problem arises.

DO NOT DELAY

Imposing Special Assessments



The District's budget will be funded from the proceeds of special assessments imposed by the Board. The process for imposing special assessments is summarized briefly below.

Notice of Intent - The District must take steps almost a full year before it intends to use the ad valorem tax bill to collect special assessments by adopting a resolution expressing its intent to do so. The resolution must be adopted prior to January 1 or, if the Property Appraiser and Tax Collector agree to an extension, March 1. The resolution of intent cannot be adopted until a public hearing is held by the Board. Notice must be published weekly for 4 consecutive weeks prior to the hearing. Copies of the resolution must be sent to the Property Appraiser, the Tax Collector, and the Department of Revenue by January 10 or, if the Property Appraiser and Tax Collector agree to an extension, March 10.

Agreement with Property Appraiser and Tax Collector - The District must have an agreement with the Property Appraiser and Tax Collector providing for reimbursement of necessary administrative expenses.

Initial Assessment Resolution - Adoption of the "Initial Assessment Resolution" begins the assessment process. This action does not require a public hearing. The Initial Assessment Resolution describes the assessment program details, including how the assessment will be computed for each parcel of property. It also directs preparation of the assessment roll and the provision of notice, as described below.

Published and Mailed Notice - Notice of the public hearing must be published in a newspaper of general circulation in the County. In addition, an individual notice must be sent by first class mail to the owner of each parcel of property to be assessed. The mailed notice must include the total amount of the assessment to be levied against the property. **There are specific requirements for these notices in Section 197.3632, Florida Statutes.**

Public Hearing - On the date and at the time specified in the notices, the Board must conduct a public hearing. The hearing is typically held in conjunction with the annual budget hearing. The Board may limit the time granted to each speaker, but should make every effort to allow public input.

Final Assessment Resolution - Following the public hearing, the Board will adopt the "Final Assessment Resolution," which imposes the assessments.

Annual Assessment Resolutions - After the first year, the Board will adopt an "Annual Assessment Resolution" to approve the assessment roll for each fiscal year. **New published and mailed notices are required only if the amount of the assessment will be increased.**

Special assessment resolution forms are included on the Budget Disk provided by the Office of Management and Budget.

Chart of Accounts

Each District will use the code structure and definitions found in the State of Florida Uniform Accounting System Manual for preparing its budget, for maintaining its financial records and for preparing and presenting its financial statement. This system uses standardized categories for revenue and expenditures. It is the same system that Osceola County and all other local units of government in Florida use to report financial transactions.



The appropriate categories and definitions for classifying revenue and expenditures are included in Attachment E - Uniform Accounting Categories. Please carefully read these definitions so revenue and expenditures are properly categorized. The uniform code numbers and titles facilitate review, compilation and comparisons. If for some reason during the budget year, these do not meet your District's needs, call the County's Special Assessment Coordinator at (407) 742-1821 for further information.

If technical assistance is needed before presenting the budget to a District's residents at the public hearing, please contact the County's Special Assessment Coordinator at (407) 742-1821.

Step 1 - Estimating Fund Balance

In order to know where you are going, you must know where you've been. This is why a District should start to prepare a budget by looking at the present fiscal year's financial activities in relation to the budget. This process is called Estimating Beginning Fund Balance and it is documented on the Estimating Beginning Fund Balance Form. See Attachment F - Sample Estimated Beginning Fund Balance for an example.



As part of the developing the budget, Districts are required to estimate revenue and expenditures that may remain from the prior fiscal year. This is in order to estimate the amount of beginning fund balance (carry-over) the District will have at the beginning of the new fiscal year. This exercise will help the District evaluate its resources for the remainder of the fiscal year and, more importantly, assure District residents they are not being assessed more than necessary.

A good point to start estimating the beginning fund balance is the District's financial statement for the prior fiscal year and the amount of the District's actual fund balance as presented in this statement. Insert this number into the cell on the form corresponding to the Beginning Fund Balance for the current fiscal year. Then, using the revenue and expenditure categories in the District's current fiscal year budget, the District's current fiscal year expenditure and revenue history to date and projections of the District's financial activity for the remainder of the fiscal year, the Supervisors calculate a reasonable projection of the current fiscal year's ending fund balance. The form is included in a separate form package on the Budget Disk provided by the Office of Management and Budget. If you use the form on the Budget Disk, the calculations are already entered in the cells. Both also contain specific instructions for using the form.

If, after the current fiscal year's financial statement is completed, there is a larger than budgeted fund balance, the District is not allowed to spend the difference between the budgeted and actual fund balance unless the budget for the new fiscal year is re-adopted and the actual fund balance is reallocated.

Step 2 - Revenue



The revenue section of the budget includes all resources the District expects to receive or have available for use during the next fiscal year. For example, if the District expects to get donations, contributions, grants, fees, or even insurance settlements these must be included in the Revenue Section and be shown by category. The Revenue Section must also include any interest earnings from funds on deposit or invested as well as funds estimated to be carried over from the current fiscal year and the proceeds from any loans.

Attachment E - Uniform Accounting Categories defines the various revenue categories and Attachment G - Sample Budget, contains the revenue categories most frequently used by Districts. A District is required to show how it calculates the revenue from various sources in a supplemental schedule to the revenue section of the budget.

Calculating Special Assessment Revenue

To determine the estimated amount of revenue to be received from the assessment, multiply the rate of assessment for an individual parcel (for example \$18) by the number of parcels to be assessed in the District (for example, 100 parcels). If there are questions regarding the number of parcels that can be assessed, consult your subdivision's plat map or contact the Property Appraiser's Office at (407) 742-5000. Please remember that the assessment rate may not be increased unless the District has published and individually mailed notices, as required by Section 197.3632, Florida Statutes.

Limitation on Budgeting Revenue

Florida law requires that revenue from special assessments and interest be budgeted at 95% of the estimated amount. This is done on the budget form on the line labeled "5% Reduction" The amount entered on this line must equal 5% or more. The Budget Form on the budget disk will automatically calculate the 5% and deduct the amount from the total. The revenue sources not subject to the 95% rule are loan proceeds, grants, contributions from private sources

and estimated fund balance. Both these types of revenue may be budgeted at 100%.

A Special Note on Budgeting Loan Proceeds

If the District is considering borrowing funds for any reason from any source, the proceeds from the loan or bond issue must be included in the budget. Remember, the District may only borrow money if it receives prior written authorization from the County Commission. The District must present a written financial proposal or pro forma to the Office of Management and Budget before the Board approaches a financial institution or individual for financing or approves the borrowing. This is so the County has the opportunity to review the conditions of the financing, advise the District on financing and borrowing issues and confirm that the borrowing is being performed in accordance with Florida law. The District must also provide a copy of the loan documents for a review before signing and a copy of the executed loan documents to the Office of Management and Budget.

Step 3 - Expenditures



The expenditures section of the budget includes all expenditures, operating and non-operating, the District expects to incur and not just those paid from the money received from proceeds of the special assessments. Again, the State's Uniform Accounting System expenditure categories are used. Be sure to check the definitions in Attachment E before trying to categorize future expenditures.

Operating Expenditures Series

This is the series on the Budget Form with *30.00*, *40.00* and *50.00* category codes. The sample budget in Attachment G illustrates some subsidiary accounts the hypothetical District used.

To support the information on the budget form, the District will supply schedules and explanations showing how the amounts were estimated. These can be relatively simple, as Attachment G illustrates.

When budgeting, there are certain types of expenditures the District must include. These are:

Expense of Insurance and Public Official Bonds. This is the cost of property and general liability insurance and the public official bonds for the Supervisors. These costs are shown in expenditure category *45.00 Insurance*.

Cost of Services Provided by the Property Appraiser and Tax Collector. This is 5% of the special assessment revenue and is shown in expenditure category *31.10 Property Appraiser Fees* and *31.20 Tax Collector Fees*. Again, the Budget Form on the disk will automatically calculate this amount.

Professional Fees. Professional Fees for a Certified Public Accountant to prepare the audited financial statement for the current fiscal year are shown in expenditure category *32.00 Accounting and Auditing Services*.

Fee for the Special District Information Program. As required by the Uniform Special District Accountability Act of 1989, each special district must pay a fee of \$175 to the Florida Department of Community Affairs. This expense is shown in expenditure category *49.00 - Other Charges and Obligations*.

Supervisor Commission Fees. When a Supervisor is elected, the Department of State charges a \$10 Commission Fee. This fee can either be paid directly by the District or the District can reimburse the Supervisor. This expense is shown in expenditure category *49.00 - Other Charges and Obligations*.

Cost of Advertising Meetings. This expense is shown in expenditure category *49.00 - Other Charges and Obligation*.

Capital Outlay Series

This is the series on the Budget Form with *60.00* category codes, where the District budgets for improvements, buildings and equipment valued over \$1,000 and which has a useful life over 1 year. Please read Attachment E carefully in order to categorize the proposed expenditures correctly. Each item in this category must be shown on Attachment H - Sample Capital Project Information Form.

There may be confusion on when to budget something under *46.00 Repairs and Maintenance* and when to budget it under *63.00 Improvements Other Than Buildings*. Unless the District is expanding the capacity of an existing structure or system, any repair or replacement regardless of the cost is budgeted under *46.00 Repairs and Maintenance*. This also includes replacing plant materials or repairing a sprinkler system.

Debt Service Series

This is the series on the Budget Form with *70.00* category codes. This is where the District budgets for repayment of loans and bonds approved by the District. **Remember, the District can only borrow money with prior authorization from the Board of County Commissioners.** Do not use this series or its categories to budget reimbursements to an individual or organization for operating expenditures. If the budget shows budgeted

revenue in Revenue Category *384.00 Loan Proceeds*, it must show the repayment of the debt in the Debt Service category codes.

Non-Operating Accounts

These are accounts not related to the operating, debt service or capital outlay expenditures. They do not represent any addition to District assets, reduction of District liabilities or fund day-to-day activities. However, they must be budgeted in order to show all District financial uses of resources.

Reserves. These are non-expenditure accounts for setting aside or reserving funds or for future purchases, acquisitions, construction projects or improvements of a capital nature, contingencies or debt service. Very simply, they are restricted self-imposed savings accounts. State law and government accounting practices prohibit a District from expending funds directly from any reserve account. The reserve categories are:

- *99-01 - Reserve for Cash* - The purpose of this reserve is to provide cash flow during the months prior to receipt of special assessment revenue from the Tax Collector. The amount is limited to **20%** of appropriated revenue.
- *99-02 - Reserve for Contingency* - This reserve cannot, by law, exceed **10%** of the total budgeted revenue. If a District budgets more than 10%, the Office of Management and Budget will require that the District revise its budget to reduce this amount.
- *99-03 - Reserve for Debt* - This reserve is used to accumulate funds for the payment of debt service.
- *99-04 - Reserve for Future Capital Outlay* - This reserve is used to accumulate funds for a designated future project to avoid borrowing. Funds allocated to this account may be used only for the project specified in the budget and supported by a Capital Project Information Form. A sample of this form is in this booklet as Attachment H. A blank form is included in the separate form package. **In order to budget funds to this account, the District must specifically identify individual projects and amounts to be allocated to each.**

The Board may reallocate the funds in one reserve account to another reserve account or a non-reserve account during the fiscal year but it must do this by amending the budget. See Part V - Budget Management for further guidance.

Step 4 - Balance

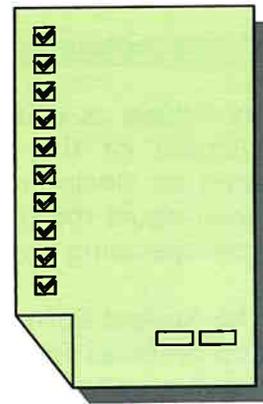
As simple as this may seem, this is the most important element of the budget: by law, the total anticipated revenue (including the fund balance brought forward) must equal the total of expenditures, reserves and other non-operating appropriations.



The Budget Form on the budget disk will automatically subtract expenditures and reserves from revenue and calculate the difference. If the amount is any number except \$0, check the amounts in each line item cell and reduce or increase until the amount equals \$0.

Budget Forms

Each District is given a package of forms to use in this process. The forms are on paper and on a computer disk. The disk uses Excel spreadsheets and Word documents that the District can use in preparing and documenting its budget. These standard forms will simplify the District's budget preparation. Please use the forms on the computer disk to compile and present the District's budget to the public. When presenting the data on the forms, please round to the nearest dollar. **Do not use cents.**



Handwritten schedules or meeting minutes or schedules and forms filled out in pencil and signatures in pencil are unacceptable. All documents in the package must be typewritten and all signatures must be in ink.

Estimating Fund Balance Form

This is the form on which the District shows how it estimated the amount of the current year's ending fund balance. The form is called Estimating Fund Balance.xls and is included in the forms package.

The computerized spreadsheet contains formulae in certain cells that will automatically calculate certain amounts. Cells containing these formulae have "\$0" in them. The spreadsheet will also automatically add the columns and determine if the budget is in balance. When completed, the Estimated Fund Balance Form is printed and included in the total budget package. For a completed sample, see Attachment F.

Budget Form

Each District will use the standard Budget Form to present the budget to its constituents. An Excel spreadsheet with the form (Budget.xls) is included on the disk in the forms package. This spreadsheet contains formulae in certain cells that will automatically calculate certain amounts. Cells containing these formulae have "\$0" in them. The spreadsheet will also automatically add the columns and determine if the budget is in balance. When completed, the

budget should be printed out and included in the total budget package. The file should be saved for future reference. Be sure to keep a copy of the official budget in the District's official records.

The Budget Form also contains a part called "Backup Schedules." This is where the District shows how it calculated each line item and justified the proposed expenditures. It is extremely important that the District complete this part very thoroughly. Please see Attachment G - Sample Budget for an example of a completed budget form.

Capital Outlay and Project Information Form

If the District budgets funds in categories *62.00 Buildings*, *63.00 Improvements Other Than Buildings*, or *64.00 Machinery and Equipment*, the District is required to complete Capital Outlay and Project Information Form. This form will also be needed if a District is saving-up for future project and budgeting in *99.02 - Reserve for Future Capital Projects*. For a completed sample, see Attachment H - Sample Capital Project Information Form.

If the District has purchased capital equipment such as computers, lawn mowers, etc. costing \$1,000 or more and with the normal expected life of one year or more, the District must maintain inventory records on this equipment and ensure the equipment is being used solely for District activities. We encourage Boards of Supervisors to develop and adopt policies and procedures regarding the security, use, and purchase of capital equipment. See PART V - BUDGET MANAGEMENT - Asset Management.

Budget Resolution Form

The package will contain a completed version of this form. It is found on the computer disk as Budget Resolution.doc. Be sure the District president signs this form and the Secretary/Treasurer attests to his signature after approval by the Board of Supervisors. For a completed sample, see Attachment I - Sample Budget Resolution.

Minutes of the Budget Hearing

Be sure these are signed by the President and the Secretary/Treasurer. For an example, see Attachment J – Sample Budget Hearing Minutes.

PART IV – BUDGET HEARING

Advertising the Hearing

This is a very important step in the process. The advertisement is how the District informs the people who pay the assessment where and when the Board is discussing and voting on the next year's budget. The public hearing gives the people in the District the opportunity to tell the Supervisors what they think of the proposed budget and offer the Board any suggestions. Please remember that the Master Ordinance requires that the public hearing be held prior to July 1st. Each District is responsible for scheduling the public hearing to meet this time frame and other legal requirements.



The budget must be approved at a public hearing that is advertised in accordance with the Master Ordinance and State law. The requirements for advertising the public hearing are as follows:

- Schedule a public hearing for residents of the District to review and comment on the budget and for the Supervisors to adopt the budget and the assessment rate. It may not be held as part of any other meeting such as a regularly scheduled District meeting or homeowners association meeting.
- Advertise the public hearing in a newspaper of general circulation one time at least twenty-one (21) days before the date of the hearing not including the date of the hearing.

**THE 21 DAY MINIMUM DOES NOT INCLUDE
THE DAY OF THE HEARING.**

Ads may be placed in the Orlando Sentinel (Osceola Section preferred) or the Osceola News-Gazette. Be sure to get a copy of the proof of publication from the newspaper for the District's files.

Advertisement of the Budget Hearing

This can be the affidavit from the newspaper or a copy of the advertisement from the newspaper. If it is a copy of the newspaper page, be sure to include two copies of the entire page.

The text of the advertisement must contain the name of the District, the purpose of the hearing, the time the hearing will begin and address of place where the hearing will be held. The District must also include the second paragraph shown in the sample advertisement.

The **Safe Neighborhood Common Facilities District** is conducting a public hearing for the purpose of hearing public comment regarding its proposed special assessment rate and budget for next fiscal year. The public hearing will be conducted at the Sunshine City Library, 222 Fantasy Lane, Sunshine City, Florida, on June 24, 20__, beginning at 7:30 PM.

In accordance with Chapter 286, Florida Statutes, the public is advised that if a person decides to appeal any decision made by the Board of Supervisors with respect to any matter considered at this hearing, that person will need a record of the proceedings, and that, for such purpose, the person may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. All meeting facilities are accessible in accordance with the Americans with Disabilities Act. Any additional necessary accommodations will be provided with a 48 hour notice. For more information call (407) 555-5555.

THERE ARE ADDITIONAL ADVERTISING REQUIREMENTS TO IMPOSE SPECIAL ASSESSMENTS FOR THE FIRST TIME OR TO INCREASE THE ASSESSMENT RATES. See PART III - DEVELOPING THE BUDGET - Imposing Special Assessments.

Conducting the Hearing



General Information

The budget hearing is where the property owners have an opportunity to react to the Supervisors' proposal for the budget. This is a very important step in the process.

- The budget hearing **must** be conducted separately from any other meeting of the District or any other entity.
- There must be a quorum of the Board at this meeting. A quorum consists of two members of the Board. At least two Supervisors must be physically present at the meeting and vote on the action to approve the assessment rate and budget.
- The only business to be conducted at the budget hearing is the taking of public comment, discussion about the budget, and, if all goes well, the adoption of the assessment rate and approval of the budget. **No other type of business may be conducted. The District cannot appoint Supervisors, elect officers, approve contracts, amend the budget, etc. at this hearing.**
- Supervisors may not vote on the budget and the assessment rate at any meeting other than a properly advertised and conducted budget and assessment hearing.
- The budget hearing must begin at the time advertised or later. The Board may limit the time granted to each speaker, but should make every effort to allow public input. See Attachment J for an example of budget hearing minutes.
- In order for a Supervisor to participate in a meeting or hearing and be noted as in attendance, he or she must be physically present at the meeting place. There are no telephone conferences, no proxies, no Supervisor alternates, and no vote casting before a question is brought before the Board at a publically advertised meeting or hearing. All Supervisors in

attendance must vote on the issue. The only exception is if a Supervisor declares a specific conflict of interest before the vote is taken. The minutes of the meeting must disclose the vote of each Supervisor and the specific conflict of interest.

- To help the hearing attendees understand the budget, it would be very helpful if the District distributed copies of the proposed budget before or at the hearing.

At this hearing, the Board **must** approve the resolution adopting the assessment rate and, in a separate action, approve the resolution adopting the budget by a majority vote of a quorum of Supervisors. Only the Board votes on the resolution and the budget. The action approving the Budget Resolution must be included in the hearing minutes. See Attachment I for a sample of the Budget Resolution.

Budget Resolution

The Budget Resolution is a very important document. It is adopted by the Board as a separate motion at the budget hearing. A sample of a completed Budget Resolution is included in this booklet as Attachment I. The Board should use the Word file on the disk named budget resolution.doc to prepare the resolution included in the forms package given to each District.

- The tax year and fiscal year refer to two distinctly different periods of time and should never be used interchangeably. For example, fiscal year 2009 (beginning October 1, 2008 and ending on September 30, 2009) corresponds with tax year 2008 (beginning January 1, 2008 and ending on December 31, 2008). Do not change their designations in the Budget Resolution.
- Do not change any of the text in the Budget Resolution. Use the form on the disk in the forms package. This document was prepared by the County Attorney's Office and is legally sufficient as it is written.

Minutes of the Budget Meeting

Taking clear and accurate minutes is very important. It is the District's official record of the Board's actions and deliberations. Although the following are guidelines for recording and preparing the minutes of the budget hearing, many of the points are applicable to minutes of the Board's other meetings.

The minutes of the budget hearing must include the following:

- The date on which the hearing was conducted, the time the hearing began, and address of the place of the hearing.
- The names of the Supervisors in attendance and the names of Supervisors absent.
- The verbatim language of any motions made during the hearing and the results of votes by Supervisor's name on these motions.
- The names of Supervisors making and seconding the motions.
- How each Supervisor present at the hearing voted on each motion.
- A statement that the Board solicited public comment at the hearing.
- Condensed but representative comments from all persons who give public comments or testimony. Persons making comments should be identified by name and address in the minutes. There is no requirement that the minutes be verbatim minutes except for the language of the motions.
- A motion that the Board adopted the assessment resolution (including the amount of the approved assessment) and a separate motion that the Board adopted the budget resolution and the vote of each Supervisor on each motion.
- The minutes must be typed and must be signed by the President and Secretary/Treasurer.

Government in the Sunshine

Some Districts like to have workshops before the budget hearing where the Supervisors can discuss the budget. This allows them to concentrate on discussing priorities and plans. Please remember, according to Florida Law, any time two or more Supervisors meet to discuss District business, the meeting must be advertised, must be open to the public and have a record kept. This means all meetings including those of sub-committees or workshops, etc, must be advertised, be open to the public, and have minutes recorded.

Common Mistakes

The following list illustrates some mistakes that may require a District to readvertise and repeat the public hearing:

- The time between the date the budget hearing is advertised and the date of the hearing is less than 21 days.
- The budget hearing is not advertised in a newspaper of general circulation in Osceola County.
- The budget hearing is conducted as part of a non-Board meeting such as a homeowners association meeting or is conducted during a regular Board meeting.
- The hearing and the adoption of the budget are not conducted on the date, location or time advertised.
- A quorum of properly elected or appointed Supervisors is not in attendance at the hearing.
- The advertisement of the public hearing is not worded as required and alternate wording of the advertisement was not approved by the Office of Management and Budget before the advertisement was published. This includes not using the required second and third paragraphs.

- The assessment rate has been increased and the procedure outlined in PART III - DEVELOPING THE BUDGET - Imposing Special Assessments has not been followed.
- The budget is not approved by a majority of a quorum of properly appointed or elected Supervisors.
- The budget is adopted in the same motion as the special assessment rate - separate votes must be taken.
- The budget does not include or incorrectly calculates legal obligations such as the Special District Information Program Fee, cost of annual financial statement, etc.
- The budget is based on revenue sources which require previous County review of the documents; for example, proceeds from loans or bonds, or donations supported by agreements with the District.

Submitting the Budget Package



The Office of Management and Budget gives each District a copy of a Budget Review Sheet to use in checking the various documents for compliance to standards. It also gives each District a Budget Package Cover Page so the District ensures that all the required documents are sent to the County. See Attachment K - Sample Budget Package Cover Sheet. We urge you to use these two forms to check your work and package. The completed package must include the following components:

- Budget Package Cover Page
- Copy of the advertisement of the budget hearing
- Budget Form with supporting schedules
- Capital Outlay and Project Information Form
- Estimating Fund Balance Form
- Minutes of the Budget Hearing
- Budget Resolution

The Office of Management and Budget gives each District an envelope containing a CD with electronic files containing these forms. The District should keep a file copy of the package for future reference. We are also giving each District a self-addressed stamped envelope in which to send the District budget package.

Send or deliver one copy of the package to the County's Special Assessment Coordinator, at 1 Courthouse Square, Suite 2100, Kissimmee FL, 34741. The deadline is July 15.

The District is solely responsible for the timely delivery of the complete budget package to the Office of Management and Budget. Feel free to call the

County's Special Assessment Coordinator at (407) 742-1821 to make sure your budget was received.

The Property Appraiser's Office and the Tax Collector's Office will not accept an individual District's certified assessment roll until the Office of Management and Budget has received a copy of the budget package.

PART V – BUDGET MANAGEMENT

General Information

The following general fiscal and budget information is provided so each Supervisor has a clear understanding of some pertinent policies and procedures. If there are any questions, please call the Office of Management and Budget at (407) 742-1821.



- The modified accrual basis of accounting is used to measure financial position and operating results. This means that revenue is recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the liability is incurred.
- According to Florida law, the fiscal year for local government begins on October 1st and ends September 30th.
- The District has legal authority to spend up to the total amount of the budget. For example, if the total budgeted revenue or expenditures for the fiscal year is \$32,065, the District **may not** expend more than \$32,065 without readopting its budget. If there are circumstances where it is necessary to increase this authority, please see the section titled "Readopting the Present Year's Budget" for further instructions.
- Within the total amount, the District's budget is divided into "categories." Following the State of Florida's classification, the District will define categories at the object level: *Personal Services (10-29)*, *Operating Expenditures/Expenses (30-59)*, *Capital Outlay (60-69)*, *Debt Service (70-79)*, *Grants and Aids (80-89)* and *Other Uses (90-99)*. Each category is further classified into accounts which define activities such as 34-00 - *Contract Services*, 46-00 - *Repair and Maintenance*, 52-00 *Operating Supplies* etc.

- Each account should detail anticipated expenses. For example, a *46-00 - Repair and Maintenance* account might reflect the detailed expenses for Wall Repair \$6,000 and Playground Maintenance \$4,000 that makes up the account total of \$10,000. Districts are required to budget at this line item detail and are expected to practice budgetary control within the line items.
- The District has the legal authority to spend up to the total of each category (Personal Services, Operating Expenditures, etc.). For example, if the District has budgeted \$5,000 for *43-00 Utility Services* but the District needs to expend \$6,000, there would be a shortage of \$1,000. However, \$10,000 was budgeted in *46-00 Repair and Maintenance*, but actual repairs cost only \$8,000 so the \$2,000 surplus can offset the \$1,000 shortage. In this case, the District will not need to do a transfer because the Operating category as a whole is not negative. If there aren't accounts within a category to cover the negative; however, a transfer would be needed. This is called "amending the budget" and is covered in Part V - BUDGET MANAGEMENT - Amending or Readopting the Budget.
- Please remember the District may not expend funds directly from any reserve account (expenditure code series *90.00* in the Uniform Accounting System). The Board must approve a budget amendment moving funds from the reserve account to an operating account (expenditure code series *30.00, 40.00, 50.00, 60.00* or *70.00* in the Uniform Accounting System). See the section of this Part V entitled "Amending or Readopting the Budget" for further instructions.
- All contracts and disbursements must be approved by a majority of a quorum at a Board meeting. All authorizations of disbursements must be recorded in detail in the minutes of the meeting.
- Generally, it is the responsibility of the Secretary/Treasurer to maintain the financial records. However, the Secretary/Treasurer may be assisted by the District Clerk. All financial activity must be supported by records such as receipts, minutes of the meetings authorizing expenditure of funds, budget amendment resolutions, canceled checks, invoices, receipts, etc. It is very important that the records be kept in an organized and consistent fashion. Do not throw the bills, canceled checks and deposit slips in a shoebox and wait until September 30th to organize these records. All these records will

be subject to audit and may also be reviewed by the public upon demand pursuant to Florida's Public Records Act (Chapter 119, Florida Statutes). Well-organized records will also facilitate the preparation of the audited financial statement and could help reduce the cost of the accountant.

- The Secretary/Treasurer, with the assistance of the District Clerk, is also responsible for preparing interim financial statements and reports of financial position, operating results, and other pertinent information for review by the Board. This will help maintain management control of the District's financial operations.
- The checking account must be in the District's name and separate from any other organization. This also applies to Certificates of Deposit, savings accounts and other District accounts and investments. **District funds may not be used to assist the homeowners' association.**

The Master Ordinance requires that there must be two authorized signatures on each check: the President and the Secretary/Treasurer. Remember to change authorization cards and the public official bonds after the election of officers. **The President and Secretary/Treasurer should never sign blank checks.**

Asset Management



A fixed asset, also known as capital, is a piece of property, equipment or facility purchased by the District that costs \$1,000 or more and will last longer than one year. A simple "tagging" system (when appropriate) should be established by the District for keeping track of purchased items. Tracking assets not only ensures District funds are accounted for in a responsible manner, but is also information needed by the independent auditor. Assets are capitalized at the purchase price and depreciate over time.

A straight-line depreciation is a method that can be used to determine when the asset will no longer have value. As a result, the end of the "useful life" time period can be as detailed below:

| ASSET TYPE: | USEFUL LIFE: |
|--|---------------------|
| Temporary Buildings (shed, portable, etc.) | 10 Years |
| Miscellaneous Equipment | 5 - 10 Years |
| Vehicles | 5 Years |
| Office Furniture | 5 Years |
| Computers | 4 Years |

The "useful life" time frame is not necessarily absolute. If the District has substantial repairs done to an asset, the useful life may be extended.

The District Clerk will assist the Secretary/Treasure in establishing a system to maintain and tag the asset inventory. A sample list is included in this booklet as Attachment L - Sample Capital Asset Inventory List. Periodically, a physical inventory should be done. The timing of such inventory will be dependent on the policies established by the District. The inventory will simply be looking to ensure that the item is still tagged, where it is located, and the overall condition.

When the asset is no longer needed or no longer has a useful life, it will be necessary to dispose of the asset. When this occurs, the disposition should be

approved by the Board and recorded in the minutes. The disposition plan for the item (sale, donation to non-profit agency, destruction, etc.) should also be noted in the minutes.

Exemption from Sales Tax



Exemption from Florida sales and use tax is granted only to certain political subdivisions and nonprofit organizations that meet the criteria set forth in sections 212.08(6), 212.08(7) and 213.12(2), Florida Statutes. Qualifying entities would be exempt from purchases and leases, when payment is made directly to the selling dealer by the governmental entity. This means payment would have to be made with a District check or credit card.

An application package can be obtained from the Florida Department of Revenue's website, <http://dor.myflorida.com/dor/>. Click on "Forms" on the left side of the page. Then on the Forms page, go to "download forms," "Taxes." That will take you to another page. On that page, there is a drop down box for "Choose Category." Select "Sales and Use Tax," and click on "Get Forms." Go down the list and find Form DR-5 Application for Consumer's Certificate of Exemption & Instructions R.11/03 and download it with Adobe Acrobat. The completed form is sent to the Department of Revenue in Tallahassee. The exemption certificate must be renewed every five years. For questions contact the Department of Revenue, Orlando Service Center, Regions Bank Building, 5th Floor, 5401 S. Kirkman Road, Orlando, FL 32819-7911, 407-903-7350 (ET).

Investments



Investment Policy

It is the Board's legal and ethical responsibility to protect assets of the District. Florida law requires that every unit of local government, including the District, adopt an investment policy. This requirement is stated in Section 218.415, Florida Statutes. Among other things, the investment policy must describe the investment objectives of the unit of local government, which must include safety of capital, liquidity of funds, and investment income, in that order. All Florida Statutes are available at the Florida Legislature's website at <http://www.leg.state.fl.us/Statutes/>.

Each District will need to develop an investment policy or review its investment policy to be consistent with this statute. A sample investment policy is included with this booklet as Attachment M. A copy of the adopted policy should be sent to the Office of Management and Budget at 1 Courthouse Square, Suite 2100, Kissimmee FL, 34741. This letter should include one or all of the following:

- If the District has investments which are covered in section 218.415(15), be sure to describe into what instruments the District is investing and the name of the institution.
- If the District has adopted investment policies as defined in section 218.415(1)-(14), these policies should be included.
- If the District is investing its excess funds in the Local Government Surplus Funds Trust Funds, that should be indicated in the letter.

All investment instruments and accounts made with District funds must be in the name of the District and putting public funds into such must be specifically authorized by the Board in an advertised meeting. The vote authorizing an investment must be recorded in the minutes.

Many Districts have noticed that their local banks are either not paying interest on the District's checking accounts or that the interest rates are very low. As custodians of the public's money, the Board is obligated to obtain the maximum amount of earnings on the District's funds while assuring the funds are secure.

Public Depository Report

Each District is required to annually file a Public Depositor Annual Report to the Chief Financial Officer. Information about this requirement and the forms can be found at <http://www.fltreasury.org/treasury/> On this webpage, follow the link marked *Collateral Management*. At the Collateral Management webpage, use the link to *Governmental Units*. Read the Responsibilities of Government Units carefully and select the proper form. Be sure to keep a copy of the form for future use.

Local Government Investment Pool

This is a way special districts can place their surplus funds in secure accounts where they will earn interest at very attractive rates. As a unit of local government, special districts are eligible to participate in a State-regulated investment pool. This is authorized by Chapter 218, Part IV, Florida Statutes, known as the "Investment in Local Government Surplus Funds Act." The purpose of this act is to promote, through state assistance, the maximization of net interest earnings on invested surplus funds of local units of government, thereby reducing the need of imposing additional taxes. Special districts may participate.

If your District is interested in more information about this program, please contact the Florida State Board of Administration, PO Box 13300, Tallahassee, Florida 32317-3300 or call 850-488-7311 or go to their website at <http://www.sbafla.com/>. There is a package describing the program and the procedures a District needs to follow in order to participate.

Amending or Readopting the Budget



Upon final adoption of the District's budget by the Board, this adopted budget controls the revenue and expenditures of the District for the fiscal year. The amount appropriated in each State of Florida Uniform Accounting System expenditure category in the adopted budget is considered a fixed appropriation unless properly amended by the Board.

A "Simple Budget Amendment"

This type of budget amendment allows the increase or decrease between operating and non-operating accounts. A simple budget amendment is made as follows:

The Secretary/Treasurer analyzes the budget using the Budget Amendment Form to show the proposed amended budget. Be sure to show the budgeted amounts of all line items and not just those amended. Be sure the budget balances, i.e. the total amount of revenue equals the total amount of expenditure.

At a regular meeting, the Board reviews the proposed amendment. If it decides to amend the budget, a Supervisor makes a motion, another seconds it, and the Board votes to adopt the amendment. The motion must state the line items being increased and decreased and the amounts of each.

The Secretary/Treasurer sends a copy of the amended budget and the minutes of the meeting where the amendment was approved to the Office of Management and Budget at 1 Courthouse Square, Suite 2100, Kissimmee FL, 34741. Be sure to include a short cover letter with the name and address of a District contact.

A "Less-simple Budget Amendment"

This type is called "less simple" because Florida law requires an additional step. This procedure applies only when a District is amending *99.02 - Reserve for Future Capital Projects* line item.

The Board may change the amount of funds appropriated in *99.02 Reserve for Future Projects* only for the purpose of increasing the expenditure category that appropriates the actual construction costs for the project for which the reserve was established. This line item may only be decreased by moving money from it to a Capital Projects line item (codes *61.00*, *62.00* or *63.00*) to the project for which the money is reserved. For example, a District can decrease the *99.02 Reserve for Future Projects - Install a Sprinkler System* by \$2,000 only if it increases *63.00 Improvements Other Than Buildings - Install Sprinkler System* by \$2,000.

- The Secretary/Treasurer analyzes the budget using the Budget Amendment Form to show the proposed amended budget. Be sure to show the budgeted amounts of all line items and not just those being amended. Be sure the budget balances, i.e. the total amount of revenue equals the total amount of expenditures. See Attachment N - Sample Budget Amendment.
- At a regular meeting, the Board reviews the proposed amendment. If it decides to amend the budget, a Supervisor makes a motion to adopt a resolution amending the budget, another seconds it, and the Board votes to adopt the amendment. The resolution must state the line items being increased and decreased, the amounts, and the project name. See Attachment O - Sample Budget Amendment Resolution for an example.
- The Secretary/Treasurer sends a copy of the amended budget, the signed resolution, the minutes of the meeting where the amendment was approved (see Attachment P - Sample Budget Amendment Meeting Minutes), and a revised Capital Outlay and Project Information Form if the budget amendment is modifying project timetables, changing project boundaries, changing project costs or adding or deleting a project, to the County's Special Assessment Coordinator. Be sure to include a short cover letter with the name and address of a District contact.

If there are any questions about this process, please contact the County's Special Assessment Coordinator at (407) 742-1821 or fax a copy of the proposed amendment to (407) 742-1815. We encourage each Secretary/Treasurer to discuss a proposed budget amendment with the Office of Management and Budget before taking the amendment to the Board for approval.

Importance of Carefully Estimating Carryover Fund Balance

The amount of Budgeted Fund Balance or Carry-Over the District estimated as part of the budget process is very important. Once the budget is adopted, the District may not change the budgeted Fund Balance revenue line item or use the positive difference between the budgeted and the actual amount of the Fund Balance unless the District readopts its budget by readvertising and conducting a new public budget hearing.

This means if the District adopted a budget with a low Fund Balance amount and then the financial statement for the year shows a higher amount, the District cannot expend the difference between the two amounts for any purpose until the next fiscal year or until the District readopts its current budget, as described below.

Readopting the Current Year's Budget

There may be times during a fiscal year when a District experiences a major change in its financial resources. If actual revenue and expenditures are less than what is contained in the budget, the District does not need to amend or readopt its budget because the budget represents the District's maximum budgetary authority. However, if the amount of actual revenue will appear to exceed the amount of budgeted revenue, the District may want to consider readopting its budget if it wishes to expend those "extra" funds during the current fiscal year. A situation where this could happen is securing unbudgeted bank loans to accomplish a project or having an actual fund balance from a previous fiscal year exceed the budgeted estimated fund balance.

For most Districts, it is the positive difference between the actual and budgeted fund balance, which may prompt the District to consider readopting

its current fiscal year's budget. For example, our mythical Safe Neighborhood Common Facilities District has budgetary authority of \$21,938 (total amount of budgeted revenue - \$21,938). It budgeted the revenue side of the budget based on a budgeted fund balance of \$4,250 but after the preparation of the financial statement it found out it had an actual fund balance of \$15,000. It now has an "extra" \$10,750 in resources but it can't use the "extra" \$10,750 because it only has budgetary authority to expend \$21,938 not \$32,688.

A District can handle this situation in one of two ways: it can make a decision not to use the "extra" resources during that budget year and then include it in the next year's budget or it can decide to readopt the current fiscal year's budget by increasing the total amount of budgeted revenue and expenditures. Any time there is a change in the amount of total budgetary authority, the process is called readoption of the budget.

If a District decides to readopt the budget, it cannot use the budget amendment procedures outlined in the previous section. The procedures for readopting the budget include certain advertising requirements, a public budget hearing. See PART IV - BUDGET HEARING - Advertising the Hearing. The resolution will be similar to Attachment O and the minutes will be similar to Attachment P. Please consult the Office of Management and Budget before taking any action on readopting the budget.

PART VI – FINANCIAL STATEMENT

Each District that adopts a budget is required to submit an ***Audited Annual Financial Report or Statement*** prepared by an independent certified public accountant. The District pays for the cost of the preparing the audited financial statement.

Once an independent certified public accountant has been secured, give the accountant copies of the Master Ordinance, the ordinance creating the District, the current fiscal year's budget, as approved and amended by the Board, and the financial records and minutes of the District's meetings. The District should also tell the auditor to use the State of Florida Uniform Accounting Classifications to categorize the expenditures.

The audited financial statement gives the Board and the residents of the District a picture of the financial status of the District. It also assures that revenue and expenditures have been legally collected and disbursed and that financial checks and balances are in place. Even major governmental entities such as Osceola County have audited financial statements prepared.

The Board should review the completed financial statement and present it for review at a public meeting. It should be made part of the District's records. This encourages checks and balances and public comment.

The Board is also encouraged to formulate and adopt a plan to remedy any findings or recommendations made by the District's auditor. Such action assures District residents the Supervisors are wisely managing the District's affairs.

Send two copies of the audited financial statement to the County's Special Assessment Coordinator. If there are questions, please contact the Special Assessment Coordinator at (407) 742-1821.

Audited financial statements must be filed by January 15.

List of Auditors Previously Used by Districts – The following audit firms have prepared audited financial statements for dependent districts in Osceola

County. District Supervisors are encouraged to contact Supervisors of other Districts to discuss auditors and prices charged for their services. **This does not constitute an endorsement by Osceola County of any firm. Osceola County has not verified addresses and qualifications.**

| Name | Main Address | City, State, Zip | Phone |
|--|--------------------------------|-------------------------|--------------|
| Norwalk Garrison & Associates, LLC CPA's | 3365 W. Vine Street, Suite 207 | Kissimmee, FL 34741 | 407-847-9272 |
| Arrington & Company CPA's | 2487 Aloma Avenue | Winter Park, FL 32792 | 407-677-7372 |

State Annual Financial Report - Each District **is required** to independently complete an Annual Financial Report and send it to the State of Florida. Failure to do so may result in legal action by the State and possible dissolution of the District.

PART VII – FREQUENTLY ASKED QUESTIONS

What is considered a public record? According to Chapter 119 of the Florida Statutes, a "public record" is defined as all documents, papers, letters, maps, books, tapes, photographs, films, sound recordings, data processing software, or other material regardless of physical form, characteristics, or means of transmission, made or received pursuant to law or ordinance or in connection with the transaction of official business of any agency. The Statutes further define "agency" to include "district" among others.

Therefore, any correspondence, letters, e-mail, notes, tape recordings of meetings, etc. are considered District records and should be centrally filed with all other District records.

I just received a request from a citizen who wants to review the financial records of the District. Am I required to show him everything or just the financial statement and deny him access to the canceled checks? Again, according to Chapter 119, all documents are considered public records. Section 119.07, Florida Statutes, also states every person who has custody of a public record shall permit the record to be inspected and examined by any person desiring to do so, at any reasonable time, under reasonable conditions, and under supervision of the custodian of the public record. If the citizen wants a copy, the law also specifies how much the agency may charge for copying. Current law permits agencies to charge up to 15 cents per one-sided copy for duplicated copies of not more than 14 inches by 8 ½ inches and \$1 per copy for a certified copies (Section 119.07(4)(a), Florida Statutes).

A citizen has the right to review any District record. The District cannot require a written request. No reason is needed to request the production of the District's records. No one can deny the citizen this right. There are legal penalties for denying a citizen access to public records.

What do I do with District records if I resign as a Supervisor? Again, according to Chapter 119, whoever has custody of any public records shall, at the expiration of his or her term of office, deliver them to his or her successor or to the District's official records custodian. If there is no successor, the Office of Management and Budget will receive the records for proper storage.

Can we pay our Supervisors? No, the Master Ordinance requires Supervisors to serve without compensation, but permits reimbursement for travel in amounts authorized by Chapter 112, Florida Statutes, and other authorized expenses.

Can we reimburse a Supervisor for using his/her own money to pay some District expenses such as buying stamps or making copies? Yes, the Board may authorize the reimbursement to Supervisors of expenses made on behalf of the District if proper documentation is presented and the Board specifically approves the expenditure. The Board should strive to make this kind of transaction the exception rather than the normal practice of District business.

We have a very small budget and don't have many transactions. Are we required to have purchasing policies and procedures? Yes, but the complexity of the procedures depends on the size of the budget and the size of potential purchases. What really matters is that the District has some adopted policies and procedures, that the policies and procedures are included in the District's records and that the Board follows their own policies and procedures. Districts risk having dissatisfied vendors filing suit because the District arbitrarily awards contracts and bids without policies and procedures or because it didn't follow its own policies and procedures. The policies and procedures must comply with the minimum standards described in this Guide (Part I - COMMON FACILITIES DISTRICTS - Purchasing Requirements).

We had two Supervisors who abstained from voting on a motion and they wouldn't say why. Is this OK? No, this is not OK. According to Section 112.3143, Florida Statutes, a public official (which each Supervisor is) must vote on each motion unless he or she has declared a conflict of interest to the assembly before the vote is cast. He or she must state for the record and the record must reflect this fact and what the conflict is. Therefore, if a Supervisor abstains from voting without stating the conflict of interest, the vote is not valid and must be retaken.

What is a "conflict of interest" under Florida law? If I own a lawn maintenance company and it is one of three bidders being considered for a District contract, can I vote to award the contract to me? These issues are governed by Florida's Code of Ethics for Public Officers and Employees,

adopted by the Legislature as Part III of Chapter 112, Florida Statutes. The law is interpreted and applied by the Florida Commission on Ethics, which maintains a comprehensive website at <http://www.ethics.state.fl.us/> and issues legally binding advisory opinions interpreting the ethics laws.

As to the second question, Section 112.3143(3)(a), Florida Statutes, states that "No county, municipal, or other local public official shall vote in an official capacity upon any measure which would inure to his or her special private gain or loss . . ." Based on that statute, it would appear you have a conflict of interest and should not vote on the matter. However, the County does not issue opinions regarding ethics and you are directed to the Florida Commission on Ethics website for further guidance.

We don't want to hurt anyone's feelings. Can Supervisors vote on a District issue by secret ballot? No, there are no secret ballots. One of the obligations of being a public official is to do all business in the "Sunshine", i.e. that is, in full public view and fully accountable to the public. Therefore, any votes of the Board are done openly and the minutes will reflect the vote of each Supervisor by name.

Can a Supervisor have an alternate or vote by proxy? Can a Supervisor vote by telephone? No, the only persons with the ability to vote on District matters are properly elected or appointed Supervisors. There is no provision for alternates and proxies are not allowed. Votes or participation by telephone are only permitted in extremely limited circumstances. Please contact the County's Special Assessment Coordinator, at (407) 742-1821 or assessmentcoordinator@osceola.org well in advance, so the County Attorney's office can evaluate the specific circumstances.

I believe the District Supervisors are doing something illegal or unethical. With whom do I file a complaint or a report? If you suspect the Supervisors are doing something illegal or unethical, you can file a complaint with the Commission on Ethics and the State Attorney's Office. You can obtain a form by going to the Florida Commission on Ethics web site at <http://www.ethics.state.fl.us/>. The State Attorney can be contacted at (407) 742-5200. These offices can initiate investigations that may lead to civil or criminal penalties. Supervisors can also be removed from office by the County Commission.

How can we raise the amount of our District's special assessment? The amount of a District's annual special assessment can only be increased if the District publishes and mails notices and conducts a new public hearing while adopting the budget, using the procedure it followed when the assessment was first imposed.

Can we use District funds to pay for security guards? Yes, the Board may use District funds to pay for security guard and/or guard gate service for the protection of property located within the District. The cost of these services must be included in the District's budget. The District may employ deputies for such purposes through the Sheriff's off-duty program, but may not contract for increased patrols provided by the Sheriff's on-duty deputies.

Can our District enforce deed restrictions? No, the District cannot enforce deed restrictions. Deed restrictions are agreements between landowners. The government does not have the power to enforce agreements between private parties like landowners. The County Commission cannot enforce deed restrictions, nor can it authorize the Districts to do so. If the enforcement of deed restrictions is important to your community, we suggest the community establish or retain its homeowners' association. Generally, under the deed restrictions, the homeowners' association represents the property owners and does have the power to enforce deed restrictions. If the homeowners' association has further questions, we suggest it obtain competent legal counsel.

Can we use District funds to enforce deed restrictions or help the homeowners' association enforce deed restrictions? No, the District may not use District funds to enforce deed restrictions. The District's authority does not extend beyond the Common Facilities identified in the ordinance creating the District and the provision of security services.

Can we use District funds to pay for an attorney to revise deed restrictions? No. The District's authority does not extend beyond the Common Facilities identified in the ordinance creating the District.

Can we use District funds to pay for the Homeowners' Association's State Registration Fees? No. The homeowners' association is a private entity.

Can we use District funds to reward people who turn in vandals or damage to District property? No, District funds may only be used for the operation, maintenance and improvement of the Common Facilities identified in the ordinance creating the District and the provision of security services.

We received a letter from the State Department of Community Affairs saying the District did not comply with Chapter 218.32 of the Florida Statutes. The letter says the District didn't file an Annual Financial Report. I thought the County took care of this for us? Should we respond to the letter? First, the District should respond to the letter as soon as possible. As explained in the letter, failure to respond could result in the District being declared inactive and being dissolved. The reason the District received the letter is that Osceola County does not include the District's financial statement in the County's Annual Financial Report and the District did not file the report with the State after the State sent it the form.

We used to receive a notebook from the State called the Florida Special District Handbook. Is this still available and how do we get a copy? The Florida Special District Handbook is now available only online at www.floridaspecialdistricts.org/.

Can the Board have joint meetings with the homeowners' association? Joint meetings are not appropriate. While members of the homeowners' association are welcome to attend meetings of the Board, it is important to distinguish the two organizations. Meetings of the Board should be limited to District business and conducted as public meetings.

Can we have our meetings in a restaurant? Meetings must be held in a public building located in Osceola County or in a building accessible to all the public. Osceola County encourages the District to meet in libraries or community buildings where possible. Meeting rooms located in hotels or other buildings readily accessible to the public are also appropriate. Meetings in private homes or restaurants are discouraged. If a meeting must be held in a restaurant, the meeting should take place in a "banquet-type" room and not involve the purchasing or consuming of meals, so members of the public who cannot afford to purchase a meal feel the meeting is accessible to them. A

meeting in a private home can also qualify under these regulations but only if the home is effectively open to all members of the public.

We meet in a room that is accessible only by stairs. Are we required to meet in facilities that are handicap accessible? Yes, a District Board is required to meet in a facility that is handicap accessible. A meeting place that is accessible only by stairs does not meet the definition. Please see PART II – DISTRICT BOARD MEETINGS – Accessibility for a discussion of the provisions of the Americans with Disabilities Act and pertinent Florida law.

There are several properties in our District owned by private non-profit organizations that don't pay property taxes. Should we be assessing them with the District's non-ad valorem assessment? If a parcel meets the criteria for assessment found in the Master Ordinance, the District must levy the assessment regardless of ownership or the status of the organization owning the property. For example, if the District ordinance says the assessment will be levied on all improved residential parcels, the assessment must be imposed against a parcel with a home owned by a church or non-profit corporation.

Why does the District need a public official bond? The Master Ordinance requires the President and Secretary/Treasurer of each District, who sign checks, to post a surety bond in the sum of \$25,000 with a qualified corporate surety conditioned to faithfully perform their duties. This is very common for public officials (County Commissioners post similar bonds) and protects the District against misappropriation of funds.

We have a lot of old District records. Can we just throw them away? How can we manage our records? District records are public information and cannot be destroyed unless the District has complied with Florida law. You can find information about State requirements, records management guidelines and forms in Part I – COMMON FACILITIES DISTRICTS – Public Records Act.

How do we keep track of capital equipment or facilities that cost more than \$1,000? These are referred to as "capital assets." The values of the assets are used to prepare the annual financial statement. The Secretary/Treasurer should track these items and create a Capital Asset Log. In this log, the Secretary/Treasurer will record a description of the asset, a unique sequential number for the asset, the acquisition date, the acquisition

cost, the useful life of the asset, who has physical custody of the asset, and the date of the last time someone located the asset during the annual inventory. If there is a change in the person who has physical custody of the asset, record the date of the change and the new name.

The depreciation of the asset will be considered when preparing the financial statement. If the asset is lost or destroyed before its useful life ends, the Board will need to approve a motion removing the asset from the asset inventory. A copy of the minutes of the meeting should be included with the Capital Asset Log.

The Board may want to consider adopting a policy about the use of capital assets to assure they are not used inappropriately.

One of our Supervisors received a Statement of Financial Interests Form from the State. What is this and is he or she required to fill it out and return it? Florida law requires all persons who fall within the categories of "state officers," "local officers/employees," "specified state employees," as well as candidates for elective local office, to file this form. The form is sent from the Commissions on Ethics. Supervisors of Osceola County's Common Facilities Districts fall within these definitions. If a Supervisor receives a form, he or she is required to complete and return it. There are penalties for non-compliance. If you want more information on financial disclosure, go to the Florida Commission on Ethics web site at <http://www.ethics.state.fl.us/> and click on Financial Disclosure.

We have a Supervisor who has moved out of the District, but will be renting out the house. Can he or she still be a Supervisor? No, the Master Ordinance requires that Supervisors be registered voters in the District. As soon as that person moves her residence from the District, she is required by law to immediately contact the Supervisor of Elections Office and change her address for reassignment.

Regardless of what the person does, the Board has an obligation to the residents of the District to comply with the law. The Board should take action to immediately remove the person as a Supervisor on the grounds that she is no longer qualified to be a Supervisor.

Is our District exempt from paying sales tax on purchases? As a unit of local government, the District can be exempted from paying state sales taxes. However, the District must apply for a sales tax exemption certificate from the State Department of Revenue. Information on filing the application can be found in this booklet under PART V - BUDGET MANAGEMENT - Exemption from Sales Tax.

ATTACHMENT A - CHECKLIST FOR BEGINNING A NEW FISCAL YEAR

Use this checklist to make sure your District sends the necessary documents to the proper places. Do not send this document. Keep it for the District's records.

Checklist for the Beginning a New Fiscal Year

| Action | Date Completed |
|--|----------------|
| Approve the regular meeting schedule by a majority of a quorum at the first meeting after October 1. | |
| Using the standard ad wording, advertised the regular meeting schedule in a newspaper of general circulation immediately after the Board approved the dates | |
| Appointed a registered agent, if needed | |
| Sent a copy of the advertisement of the regular meeting schedule and minutes of the meeting at which the schedule was adopted to the Office of Management and Budget. Do by November 30. | |
| Sent a copy of the minutes of the meeting at which the new registered agent was appointed, if done, to the Office of Management and Budget. | |
| Sent two copies of the audited financial statement for prior fiscal year to the County's Special Assessment Coordinator by January 15. | |

ATTACHMENT B – SAMPLE MEETING AGENDA

Call to Order – The President calls the meeting to order.

Reading and Approval of Minutes – The Secretary/Treasurer reads the minutes (reading is unnecessary if the minutes have been provided to the Board prior to the meeting). The President asks if there are any corrections. The minutes are approved "as read" or "as corrected."

Requests to Address the Board – At this point in the meeting, members of the public may address the Supervisors on any District issue. Time for each speaker may be limited.

Note: Additional comments from the public may be permitted when other issues are discussed. **The County encourages all Districts to welcome public participation during the discussion of District issues.** If public comment is taken on any issue, the President should announce when the opportunity for public comment is over. The Board should then discuss the issue among themselves without further public participation.

Secretary/Treasurer's Report – The Secretary/Treasurer makes a brief report on the financial condition of the District. No motion is needed for adoption unless it is the report of the completed audit.

Communications – Communications to the District are read or summarized by the Secretary/Treasurer and are acted on as they are read if action is required.

Reports – The Supervisors may report on District activities since the last meeting. Recommendations should be voted upon one at a time.

Unfinished Business – Minutes of the previous meeting will indicate any unfinished business.

New Business – Supervisors may introduce new business. Action on each item should be taken separately.

Announcements – The date of the next meeting and important activities should be announced.

Adjournment – Any Supervisor may move to adjourn the meeting.

ATTACHMENT C - SAMPLE MEETING MINUTES

SAFE NEIGHBORHOOD COMMON FACILITIES DISTRICT MINUTES OF OCTOBER 1, 20__ REGULAR MEETING

The regular quarterly meeting of the Safe Neighborhood Common Facilities District was convened by President Teresa Hallam at 7:30 PM at the Sunshine City Public Library, 222 Fantasy Lane, Sunshine City, Florida. In attendance were the following Supervisors: Teresa Hallam (President), Mary Alberte (Secretary/Treasurer) and Barbara Dodson. This comprised a quorum. No Supervisors were absent.

President Hallam asked the Secretary/Treasurer to read the minutes of the previous meeting. Secretary/Treasurer Mary Alberte read the minutes of the meeting. President Hallam inquired if there were any changes to be made. Since no changes were requested, Mary Alberte made a motion to accept the minutes and Barbara Dodson seconded the motion. The motion was approved by a vote of 3-0.

Stuart Albertson requested to address the Board and complained that of dead flowers along Beautiful Boulevard. The Board requested President Hallam to review the situation and report at the next meeting.

President Hallam asked for the Secretary/Treasurer's Report. Secretary/Treasurer, Mary Alberte, stated there was \$15,000 in the checking account. A copy of the treasurer's report is attached to the minutes of the meeting. President Hallam moved acceptance of the report, Barbara Dodson seconded the motion and the motion passed 3-0. Ms. Alberte also announced that she is forwarding the appropriate District records to the accountant performing the audit, Garafolo and Associates, as soon as the fiscal year ends and that we have the September bank statement.

The Secretary/Treasurer reported that no communications had been received since the last meeting.

President Hallam reported that the contractor selected at the July meeting to repair the subdivision wall along Beautiful Boulevard will begin work next week. Repairs should be completed in 30 days.

President Hallam asked if there was any unfinished business to consider and there was none.

Under New Business:

President Hallam noted that the Master Ordinance requires the Board to set and advertise its regular meeting schedule annually and suggested the Board continue to have the regular meetings on the second Tuesday of each calendar quarter at 7:30 PM at the Sunshine City Public Library, 222 Fantasy Lane, Sunshine City, Florida. Mary Alberte moved that this be adopted as the regular meeting schedule for the upcoming fiscal year. Barbara Dodson seconded the motion. The motion was approved by a vote of 3-0.

Secretary/Treasurer Mary Alberte noted that according to the ordinance, this schedule would have to be advertised in a newspaper of general circulation at the first opportunity. She suggested the ad be placed in the legal notices section and be worded as follows:

The Safe Neighborhood Common Facilities District will conduct its regular quarterly meetings for the next fiscal year at the Sunshine City Library, 222 Fantasy Lane, Sunshine City, Florida, beginning at 7:30 PM. These regular quarterly meetings will be held on the following dates in 20__ : January 13, April 14, July 14 and October 13. All meetings are open to the public.

In accordance with Chapter 286, Florida Statutes, the public is advised that if a person decides to appeal any decision made by the Board of Supervisors with respect to any matter considered at this hearing, that person will need a record of the proceedings, and that, for such purpose, the person may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

All meeting facilities are accessible in accordance with the Americans with Disabilities Act. Any additional necessary accommodations will be provided with a 48 hour notice. For more information call 555-5555.

Barbara Dodson moved to advertise in the Orlando Sentinel legal notices section using the wording suggested by Mary Alberte. Ms. Alberte seconded the motion and the motion was approved by a 3-0 vote.

President Hallam announced that the Board's next meeting will be held at the Sunshine City Library on December 11 at 7:30 p.m. She also announced that the Safe Neighborhood Homeowners' Association has schedule a pot-luck picnic on Saturday, October 21st at the community park. Activities will begin at 11:30 a.m.

There being no further business, President Hallam entertained a motion to adjourn the meeting. Mary Alberte moved to adjourn and Barbara Dodson seconded. The motion was approved by a vote of 3-0. The meeting was adjourned at 8 PM.

Secretary/Treasurer: _____

President: _____

ATTACHMENT D – SPECIAL ASSESSMENT AND BUDGET CALENDAR

FISCAL YEAR: OCTOBER 1ST - SEPTEMBER 30TH

October - December:

- Establish quarterly meeting schedule for the following calendar year
- Newly established Districts must adopt a resolution to use the uniform method collection of special assessments at a public hearing (not annual requirement). This requires advertisement in a newspaper of general circulation weekly for 4 consecutive weeks prior to the date the resolution is to be adopted.
- Copies must then be sent to the Property Appraiser, Tax Collector, State and Special Assessments prior to January 10th.

January - March:

- Present Secretary/Treasurer's report

February - April:

- Tentative budget preparation and presentation by Secretary/Treasurer
- Establish preliminary assessment rate
- Set dates for public hearings to adopt the assessment rate and budget for the new fiscal year

May - July:

- Assessment Coordinator sends spreadsheets with current, updated information and legal descriptions to Secretary/Treasurer no later than May 10th
- If special assessments are being imposed for the first time or there is a proposed rate increase, a "Notice to Property Owner" must be mailed to each parcel owner 21 calendar days prior to public hearings
- Advertisement in newspaper of general circulation must be placed 21 calendar days prior to public hearings

- Hold public hearing to adopt special assessment rate prior to July 1st
- Hold public hearing to adopt budget prior to July 1st (subsequent to adoption of rate)
- Board members must file Form 1, Statement of Financial Interests prior to June 30th
- Send certified assessment roll in electronic file and required hard copy documentation to the County's Special Assessment Coordinator prior to July 15th

July - September:

- District special assessment roll sent to Special Assessment Coordinator prior to August 31st (Notification of actual date will be sent via mail)
- Certification of non-ad valorem assessment roll to Tax collector by September 15th

NOTE: All Districts must comply with this calendar for adoption of the budget. Under the Master Ordinance, Districts are required to hold quarterly meetings. Proper notification of meetings is required to comply with the Government in the Sunshine Law.

ATTACHMENT E - UNIFORM ACCOUNTING CATEGORIES

CATEGORIES MOST FREQUENTLY USED BY COMMON FACILITIES DISTRICTS

REVENUE ACCOUNTS:

- 325.110 *Special Assessments for Capital Improvements* - Collections resulting from compulsory levies against certain properties to defray the cost of specific capital improvements presumed to be of general benefit to the public and special benefit to the assessed properties.
- 325.120 *Special Assessments for Service Charges* - Collections resulting from compulsory levies against certain properties to defray the cost of specific services presumed to be of general benefit to the public and special benefit to the assessed properties.
- 361.100 *Interest and Other Earnings* - All interest earned on investments, contracts, and notes.
- 366.000 *Contributions/Donations from Private Sources* - Gifts, pledges, grants or bequests from private (non-governmental) sources.
- 384.000 *Debt Proceeds* - Records the sale of bonds or other loan proceeds where such proceeds are deposited into governmental fund.
- 389.001 *5% Reduction* - Pursuant to Florida Statutes, anticipated revenue to be received due to Interest and Special Assessments revenues must be reduced by 5%.
- 389.002 *Fund Balance* - Beginning of year or fund balance brought forward. Sometimes called a carry-forward.

EXPENDITURE ACCOUNTS:

Operating Expenditures/Expenses (30 - 59): Includes expenditures for all goods and services which benefit the current operating period (fiscal year) and are not defined as personal services or capital outlays.

- 31.00 *Professional Services* - Legal, clerk services, medical, public relations, engineering, architectural, lobbying, and other services procured as independent professional assistance, etc. other than accounting and auditing.
- 31.10 *Property Appraiser Fees* - Fees collected by the Property Appraiser for their services; budgeted at 2% of anticipated Special Assessments (actual calculation based on state formula).
- 31.20 *Tax Collector Fees* - Fees collected by the Property Appraiser for their services; budgeted at 3% of anticipated Special Assessments (actual calculation based on state formula).
- 32.00 *Accounting and Auditing* - Includes all services from independent certified public accountants.
- 34.00 *Other Contractual Services* - Janitorial, temporary labor and other services procured independently by contract or agreement with individuals, outside firms or other governmental units. Does not include contracts or services defined under Professional Services, Accounting and Auditing, Repair and Maintenance Services and Printing and Binding.
- 40.00 *Travel & Per Diem* - This includes the cost of public transportation, reimbursements for use of private vehicles, per diem charges, meals and incidental travel expenses.
- 41.00 *Communications* - Telephone, cellular telephone, radio and other communications expenses.
- 41.00 *Postage & Freight* - Freight and express charges, drayage, postage and messenger services.
- 43.00 *Utility Services* - Electricity, gas, water, sewer, waste disposal, stormwater fees and other public utility services.

- 44.00 *Rentals and Leases* - All amounts paid for the lease or rent of land, buildings or equipment. This would also include the leasing of vehicles.
- 45.00 *Insurance* - This includes all insurance carried for the protection of the local government such as fire, theft, casualty, general and professional liability, automobile coverage, surety bonds, etc.
- 46.00 *Repairs and Maintenance* - The costs incurred for repair and maintenance of buildings and equipment, including all maintenance and service contracts not including janitorial services are budgeted here.
- 47.00 *Printing and Binding* - The cost of printing, binding and other reproductive services which are contracted for or purchased from outside vendors are to be budgeted here.
- 48.00 *Promotional Activities* - Includes any type of promotional advertising or activities on behalf of the local government.
- 49.00 *Other Charges and Obligations* - Includes current charges and obligations which can not otherwise be classified, such as legal advertisements, witness fees (expert or ordinary), etc.
- 51.00 *Office Supplies* - This object includes materials and supplies such as stationary, preprinted forms, paper, charts and maps. Also included are equipment items under \$1,000 in unit value.
- 52.00 *Operating Supplies* - All types of supplies consumed in the conduct of operations. This category may include food, fuel, lubricants, chemicals, laboratory supplies, household items, institutional supplies and uniforms and other clothing. Also includes recording tapes and transcript production supplies. Do not include materials and supplies unique to construction or repair of roads and bridges.
- 54.00 *Books, Publications, Subscriptions and Memberships* - Includes books, or sets of books if purchased by set, and not purchases for use by libraries, educational institutions, and other institutions

where books and publications constitute capital outlay. This object also includes subscriptions, memberships and professional data costs.

55.00 *Training* - Includes training and educational costs.

Capital Outlay (60 - 69): Outlays to be made during the present fiscal year for the acquisition of or additions to fixed assets with a purchase price of \$1,000 or more.

61.00 *Land* - Land acquisition costs, easement and right-of-way purchases.

62.00 *Buildings* - Construction, including architectural fees, of office buildings, fire and police stations, garages, jails, parks and recreational buildings fall in this category.

63.00 *Improvements Other Buildings* - Construction of structures and facilities other than buildings, such as fences, lighting systems, curbs, sidewalks, parking areas, storm drains and utility infrastructure.

64.00 *Equipment* - All equipment with a unit cost of \$1,000 or more such as heavy machinery and equipment, computer equipment, and vehicles should be budgeted under this account.

Debt Service (70 - 79): Outlays for the payment of debt.

71.00 *Principal Payment* - Repayment of principal.

72.00 *Interest Payment* - Repayment of interest.

73.00 *Other Debt Service Costs* -Any debt related expense not included in the prior.

Other Uses (90): Outlays for all other uses that do not meet the criteria of any of the other categories such as interfund transfers.

- 99.01 *Reserve for Cash* - Maximum limited to 20% of appropriated revenue.
- 99.02 *Reserve for Contingency* - Maximum limited to 10% of appropriated revenue.
- 99.03 *Reserve for Debt* - Used to accumulate funds for the payment of debt service.
- 99.04 *Reserve for Capital* - Used to accumulate funds for a designated future capital project to avoid borrowing.

ATTACHMENT F - SAMPLE ESTIMATED BEGINNING FUND BALANCE

DISTRICT: Safe Neighborhood Common Facilities District PERIOD ENDING: April 30, 20__

| BUDGET CATEGORIES | CURRENT BUDGET | ACTUAL | PROJECT | TOTAL |
|----------------------------------|-----------------|-----------------|--------------|-----------------|
| REVENUE | | | | |
| 325.120 SPECIAL ASSESSMENTS (A) | \$17,460 | 16,000 | 500 | 16,500 |
| 366.00 DONATIONS | 475 | 350 | 0 | 350 |
| 361.00 INTEREST | 400 | 150 | 150 | 300 |
| TOTAL GROSS REVENUE | 18,335 | 0 | 0 | 0 |
| MINUS 5% | (917) | | | |
| PLUS: | | | | |
| 389.00 BEGINNING FUND BALANCE(B) | 4,520 | 6,000 | 0 | 6,000 |
| TOTAL REVENUE | \$21,938 | \$22,500 | \$650 | \$23,150 |

| EXPENDITURES: | CURRENT BUDGET | ACTUAL | PROJECT | TOTAL |
|-------------------------------------|----------------|--------------|--------------|--------------|
| 32.00 ACCOUNTING AND AUDITING | 600 | 600 | 0 | 600 |
| 43.00 UTILITY SERVICES | 660 | 330 | 400 | 730 |
| 45.00 INSURANCE | 150 | 150 | 0 | 150 |
| 46.00 REPAIR AND MAINTENANCE | 3,560 | 300 | 600 | 3,600 |
| 47.00 PRINTING AND BINDING | 700 | 50 | 225 | 275 |
| 49.00 OTHER CHARGES AND OBLIGATIONS | 175 | 175 | 0 | 175 |
| 52.00 OPERATING SUPPLIES | 175 | 200 | 0 | 200 |
| TOTAL OP EXPENDITURES | 6,069 | 4,500 | 1,225 | 5,755 |

| CAPITAL OUTLAY | CURRENT BUDGET | ACTUAL | PROJECT | TOTAL |
|-----------------------------|----------------|------------|------------|------------|
| 63.00 IMPROVEMENTS | 550 | 600 | 100 | 700 |
| TOTAL CAPITAL OUTLAY | 550 | 600 | 100 | 700 |

| DEBT SERVICE | CURRENT BUDGET | ACTUAL | PROJECT | TOTAL |
|---------------------------|----------------|--------------|----------|--------------|
| 71.00 PRINCIPAL | 1,808 | 1,808 | 0 | 1,808 |
| 72.00 INTEREST | 240 | 240 | 0 | 240 |
| TOTAL DEBT SERVICE | 2,048 | 2,048 | 0 | 2,048 |

| NON-OPERATING | PRIOR YR BUDGET | ACTUAL | PROJECT | TOTAL |
|---------------------------------------|----------------------------|---------------|----------------|--------------|
| 99.01 BUDGET TRANSFERS (C) | 1,248 | | | |
| 99.02 RESERVE FOR FUTURE CAPITAL(D) | 11,689 | | | |
| 99.03 RESERVE FOR CONTINGENCY(D) | 326 | | | |
| TOTAL NON-OPERATING | 13,272 | | | |
| TOTAL EXPEND AND NON-OPERATING | \$21,939 | \$7,178 | \$1,325 | \$8,503 |

SUMMARY OF PRIOR FISCAL YEAR FUND BALANCE

| | |
|---|-----------|
| PRIOR FISCAL YEAR REVENUE: TOTAL = | \$23,1500 |
| MINUS: PRIOR FISCAL YEAR EXPENDITURES: TOTAL = | \$8,503 |
| ESTIMATED FUND BALANCE to Carry Forward= | \$14,647 |

NOTES:

- (A) In "ACTUAL" column, use actual amount deposited to District account by Tax Collector's Office.
- (B) In "ACTUAL" column, use total fund balance amount from prior fiscal year's audited financial statement. This includes all amounts even those reserved for capital projects.
- (C) For "ACTUAL" and "PROJECTED" columns, do not show transfers to Tax Collector and Property Appraiser. Show only funds paid to Supervisor of Elections Office.
- (D) "TOTAL" column will always be zero.

ATTACHMENT G - SAMPLE BUDGET

SAFE NEIGHBORHOOD COMMON FACILITIES DISTRICT

| BUDGET CATEGORIES | BUDGET |
|---|-----------------|
| REVENUE | |
| 325.120 SPECIAL ASSESSMENTS | \$18,000 |
| 361.00 INTEREST | 335 |
| TOTAL GROSS REVENUE | \$18,335 |
| MINUS 5% | (917) |
| PLUS: | |
| 389.90 ESTIMATED BEGINNING FUND BALANCE | \$14,647 |
| TOTAL REVENUE | \$32,065 |

| EXPENDITURES | BUDGET |
|-------------------------------------|----------------|
| 32.00 ACCOUNTING AND AUDITING | 600 |
| 43.00 UTILITY SERVICES | 1,230 |
| 45.00 INSURANCE | 150 |
| 46.00 REPAIR AND MAINTENANCE | 4,110 |
| 47.00 PRINTING AND BINDING | 100 |
| 49.00 OTHER CHARGES AND OBLIGATIONS | 205 |
| 52.00 OPERATING SUPPLIES | 224 |
| TOTAL OP EXPENDITURES | \$6,559 |

| CAPITAL OUTLAY | BUDGET |
|---|----------|
| 63.00 IMPROVEMENTS OTHER THAN BUILDINGS | 0 |
| TOTAL CAPITAL OUTLAY | 0 |

| DEBT SERVICE | BUDGET |
|---------------------------|--------------|
| 71.00 PRINCIPAL | 1,808 |
| 72.00 INTEREST | 240 |
| TOTAL DEBT SERVICE | 2,048 |

| NON-OPERATING | BUDGET |
|---------------------------------------|-----------------|
| 99.01 BUDGET TRANSFERS | 1,248 |
| 99.02 RESERVE FOR FUTURE CAPITAL | 21,825 |
| 99.03 RESERVE FOR CONTINGENCY | 325 |
| TOTAL NON-OPERATING | \$23,398 |
| TOTAL EXPEND AND NON-OPERATING | \$32,065 |

**SAFE NEIGHBORHOOD COMMUNITY FACILITIES DISTRICT
BUDGET BACKUP SCHEDULE**

REVENUE

325.120 Special Assessment Revenue \$18 per unit X 1000 Units
361.000 Interest: Based on 4%

EXPENDITURES

32.00 Accounting: To prepare the FY 07 audited financial statement
43.00 Utilities: See Schedule #1
45.00 Bonds: 3 Officers @ \$50 each
46.00 Repairs: See Schedule #2
47.00 Printing: Minutes of meetings for residents
49.00 Obligations: Special District Fees and Commissions
52.00 Operating Supplies: light bulbs and fuses for lights at entrances
63.00 See Schedule #3

99.02 Reserve for Future Capital: See Schedule #4

SCHEDULE #1

Utilities: Water Service at Grumpy \$30 X 12 months
Electric Service: Grumpy entrance at \$25 X 12 months
Electric Service: Sleepy entrance at \$25 X 12 months

SCHEDULE #2

46.00 Repairs: Mowing of right-of-way on Snow White = 5 miles X once a week for 8 weeks
= \$650
Mowing of right-of-way on Grumpy = 4 miles X once a week for 8 weeks = \$550
Edging of Right-of-way on Snow White = 5 miles bimonthly = \$560
Mowing of right-of-way on Goofy = 5 miles X once a week for 8 weeks = \$650
Lawn and Plant Maintenance = spraying of medians on Sleepy and Doc = 28,000 SF X
\$0.50 per SF X 4 times per year = \$1,200
Sprinkler system for Goofy 30 ft. = \$550
TOTAL REPAIR AND MAINTENANCE = \$3,560

ATTACHMENT H - SAMPLE CAPITAL PROJECT INFORMATION FORM

| | |
|--|------------------------------|
| NAME OF DISTRICT: Safe Neighborhood Common Facilities District | DATE: May 21, 20__ |
|--|------------------------------|

INSTRUCTIONS: Please complete this form and submit with budget package for all capital projects or equipment either underway or planned for implementation and acquisition.

=====

NAME OF PROJECT OR EQUIPMENT:

DESCRIPTION:

EXPENSE CATEGORY:

IS PROJECT UNDERWAY: YES ____ NO ____ IF YES, BEGINNING DATE _____
ESTIMATED END DATE _____
% COMPLETE _____

IF NO, EST BEGINNING DATE _____ ESTIMATED END DATE _____

TOTAL ESTIMATED COST: _____

=====

NAME OF PROJECT OR EQUIPMENT: Security Wall Phase I

DESCRIPTION: Concrete block wall 6 feet high by 1,000 feet on Sleepy Drive

EXPENSE CATEGORY: 99.02 Reserve for Future Capital Outlay

IS PROJECT UNDERWAY: YES ____ NO ____ IF YES, BEGINNING DATE _____
ESTIMATED END DATE _____
% COMPLETE _____

IF NO, EST BEGINNING DATE 10/___ ESTIMATED END DATE 12/___

TOTAL ESTIMATED COST: \$21,000

ATTACHMENT I - SAMPLE BUDGET RESOLUTION

RESOLUTION NO. ___-__

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE SAFE NEIGHBORHOOD COMMON FACILITIES DISTRICT APPROVING THE BUDGET FOR FISCAL YEAR 20__-20__; PROVIDING FOR CONFLICTS AND SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Board of Supervisors (the "Board") of the Safe Neighborhood Common Facilities District (the "District") approved the tentative budget and special assessment rate for fiscal year 20__-20__ on May 30, 20__; and

WHEREAS, following approval of the tentative budget, the Board prepared and advertised a statement summarizing all of the adopted tentative budget; and

WHEREAS, the Board has conducted a public hearing to consider adoption of its final budget for fiscal year 20__-20__ and the special assessment rate necessary to fund the final budget;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE SAFE NEIGHBORHOOD COMMON FACILITIES DISTRICT:

SECTION 1. ADOPTION OF FINAL BUDGET. The final District budget for fiscal year 20__-20__ attached hereto as Schedule A, is hereby approved and adopted. There are hereby appropriated out of anticipated revenue and balances brought forward, all funds and monies necessary to meet the appropriations and reserves stipulated by and in said budget

SECTION 2. CONFLICTS AND SEVERABILITY. All sections or parts of section of all resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict. If any section, subsection, sentence, clause or provisions of this Resolution is held unconstitutional, inoperative, or void by a court of competent jurisdiction, such holding shall not affect the remainder of the Resolution.

SECTION 3. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

DULY ADOPTED this 30th day of June, 20__.

**SAFE NEIGHBORHOOD COMMON
FACILITIES DISTRICT**

By: _____
President
Board of Supervisors

ATTEST:

Secretary/Treasurer

ATTACHMENT J - SAMPLE BUDGET HEARING MINUTES

SAFE NEIGHBORHOOD COMMON FACILITIES DISTRICT MINUTES OF BUDGET HEARING

The budget hearing of the Safe Neighborhood Common Facilities District was convened by President Teresa Hallam at 7:30 PM at the Sunshine City Public Library, 222 Fantasy Lane, Sunshine City, Florida. In attendance were: Teresa Hallam (President), Mary Alberte (Secretary/Treasurer) and Barbara Dodson. This comprised a quorum. No Supervisors were absent.

President Hallam called the hearing to order at 7:30 p.m. Secretary/Treasurer Mary Alberte presented the budget for discussion.

Barbara Dodson asked why the assessment rate was remaining at \$18. Ms. Alberte replied that we have projected a fund balance from last fiscal year of \$14,647, which keeps the assessment down. The fund balance was high because of the Reserve for the Wall Project and because of anticipated under-expenditure.

President Hallam asked for public comment. Margaret Uelmen of 513 Happy Lane, stated she thought the budget was prudent and said she appreciated keeping the assessment rate low without sacrificing the District's work program. No other residents offered comments. President Hallam moved to close public comment. The motion was seconded by Barbara Dodson and approved by the Board unanimously.

Mary Alberte moved to set the 20__-20__ assessment rate at \$18 and adopt the assessment resolution. Barbara Dodson seconded the motion, which was approved 3 to 0. Mary Alberte then moved to adopt the budget resolution. Barbara Dodson seconded the motion, which was approved 3 to 0. Barbara Dodson then moved to adjourn the Hearing. Mary Alberte seconded the motion and the motion was approved unanimously.

The hearing adjourned at 8 PM.

Secretary/Treasurer: _____

President: _____

ATTACHMENT K - SAMPLE BUDGET PACKAGE COVER SHEET

When submitting the District Budget Package, please use this form as a cover sheet. Be sure to put a check mark beside each item included in the package:

- Copy of ADVERTISEMENT OF NOTICE OF THE PUBLIC BUDGET HEARING** with the date of the advertisement and the name of the publication.
- MINUTES FROM THE PUBLIC BUDGET HEARING** where the budget and assessment rate were reviewed by the public and approved by the Board of Supervisors
- BUDGET RESOLUTION** from the Board of Supervisors establishing the assessment rate and approving the budget
- DISTRICT BUDGET** as approved at the public hearing.
- CAPITAL OUTLAY AND PROJECT INFORMATION FORM**
- ESTIMATING THE BEGINNING FUND BALANCE FORM**

SEND ONE COPY OF THE DOCUMENTATION CHECKLIST AND THE BUDGET PACKAGE AS REQUIRED IN THE CHECKLIST BY JULY 15, 20__, 5:00 PM

MAIL TO:

Special Assessment Coordinator
Office of Management and Budget
1 Courthouse Square, Suite 2100
Kissimmee, FL 34741

OR HAND DELIVER TO:

Office of Management and Budget
1 Courthouse Square, Suite 2100
Kissimmee, FL 34741

| | |
|--|---|
| DISTRICT NAME Safe Neighborhood Common Facilities District | |
| CONTACT PERSON Mary Alberte, Secretary/Treasurer | DAYTIME PHONE NUMBER 555-0472 |

ATTACHMENT L - SAMPLE CAPITAL ASSET INVENTORY LIST

| | | |
|-----------------------------|---------------|---------------|
| Tag No. | 2008-01 | 2008-02 |
| Description | Dell Computer | Shed |
| Asset Type | Computer | Temp Building |
| Purchase Price/Value | \$1,257 | \$4,500 |
| Date Purchased/Built | 1/25/2008 | 6/22/2008 |
| "Useful Life" Date | 1/25/2012 | 6/22/2018 |
| Entered By: | D.Rowe | D. Rowe |

Date "Useful Life" Extended
Revised "Useful Life" Date
Entered By

Date Disposed
Entered By

ATTACHMENT M – SAMPLE INVESTMENT POLICY

The Board has a responsibility to protect District funds and to prudently manage investments. District funds in excess of the amount needed to meet current expenditures should be invested. While it is not the Board's policy to routinely collect more funds than are needed to support current expenditures, there are times when this may occur. Examples include:

- A budgeted and planned repair costs less than the original estimate resulting in additional funds;
- District is planning a very large project (new playground equipment, new wall, etc.) and the Board determines that it would be cost-prohibitive to try and fund the project in one year. Needed funding is divided over two years and the first year's proceeds are invested until ready to proceed.

All investments should be held by a third party. It is the District's policy to invest funds in a manner that is based on low risk and sufficient liquidity. The rate of return on an investment is important, but is the last criteria to be considered. When choosing the appropriate investment plan, safety of the funds and the ability to quickly access funds when needed are more important. Appropriate options for the investing include the following:

- Interest-bearing checking or savings accounts in a qualified public depository;
- Certificate of Deposit (CD) in a federally insured bank or savings and loan association;
- Money Market accounts with the highest credit quality rating from a nationally recognized rating agency; or
- Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized by the Florida Interlocal Cooperation Act.

When surplus funds are identified, the Board must discuss the plan to invest the funds during a public meeting. The investment plan must receive a majority vote.

While funds are invested, the Secretary/Treasurer shall present to the Board periodic reports identifying the beginning investment value, current market value and income earned. Also, the investments will be included in the annual independent financial audit as they are assets of the District. All records/reports shall be available to the public.

There will be a point in time when the invested funds will be needed. The decision to move funds out of an investment, whether in whole or in part must be presented and discussed in a public meeting. Upon approval, the funds shall be placed in the proper District account.

ATTACHMENT N - SAMPLE BUDGET AMENDMENT

DISTRICT: Safe Neighborhood CFD

FISCAL YEAR:

| BUDGET CATEGORIES | ORIGINAL BUDGET | AMENDED BUDGET | INCREASE/DECREASE |
|-------------------------------------|-----------------|----------------|-------------------|
| REVENUE | | | |
| 325.120 SPECIAL ASSESSMENT | 17,460 | 17,460 | 0 |
| 366.000 DONATIONS | 475 | 475 | 0 |
| 361.000 INTEREST | 400 | 400 | 0 |
| GROSS REVENUE | 18,335 | 18,335 | 0 |
| MINUS: 5% REQUIRED BY LAW | (917) | (917) | 0 |
| PLUS: | | | |
| 389.900 EST. BEGINNING FUND BALANCE | 4,250 | 4,250 | 0 |
| TOTAL REVENUE | \$21,938 | \$21,938 | 0 |

| EXPENDITURES: | ORIGINAL BUDGET | AMENDED BUDGET | INCREASE/DECREASE |
|-----------------------------------|-----------------|----------------|-------------------|
| 32.00 ACCOUNTING AND AUDITING | 600 | 600 | 0 |
| 43.00 UTILITY SERVICES | 660 | 660 | 0 |
| 45.00 INSURANCE | 150 | 150 | 0 |
| 46.00 REPAIR AND MAINTENANCE | 4,110 | 4,110 | 0 |
| 47.00 PRINTING AND BINDING | 700 | 700 | 0 |
| 49.00 OTHER CHARGES & OBLIGATIONS | 175 | 175 | 0 |
| 52.00 OPERATING SUPPLIES | 224 | 224 | 0 |
| TOTAL OP EXPENDITURES | 6,559 | 6,559 | 0 |

| CAPITAL OUTLAY: | ORIGINAL BUDGET | AMENDED BUDGET | INCREASE/DECREASE |
|-----------------------------|-----------------|----------------|-------------------|
| 63.00 IMPROVEMENTS | 0 | 2,000 | 2,000 |
| TOTAL CAPITAL OUTLAY | 0 | 2,000 | 2,000 |

| DEBT SERVICE: | ORIGINAL BUDGET | AMENDED BUDGET | INCREASE/DECREASE |
|---------------------------|-----------------|----------------|-------------------|
| 71.00 PRINCIPAL | 1,808 | 1,808 | 0 |
| 72.00 INTEREST | 240 | 240 | 0 |
| TOTAL DEBT SERVICE | 2,048 | 2,048 | 0 |

| NON-OPERATING: | ORIGINAL BUDGET | AMENDED BUDGET | INCREASE/ DECREASE |
|---------------------------------------|----------------------------|---------------------------|-------------------------------|
| 99.01 BUDGET TRANSFERS | 1,247 | 1,247 | 0 |
| 99.02 RESERVE FOR FUTURE CAPITAL | 11,698 | 9,698 | (2,000) |
| 99.03 RESERVE FOR CONTINGENCY | 326 | 326 | 0 |
| TOTAL NON-OPERATING | \$13,271 | 11,271 | (2,000) |
| TOTAL EXPEND AND NON-OPERATING | \$21,938 | \$21,938 | 0 |

ATTACHMENT O – SAMPLE BUDGET AMENDMENT RESOLUTION

RESOLUTION NO. ___-__

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE SAFE NEIGHBORHOOD COMMON FACILITIES DISTRICT TRANSFERRING FUNDS FROM ACCOUNT 90.02, RESERVE FOR FUTURE CAPITAL OUTLAY ACCOUNT - CONSTRUCT BUFFER WALL TO ACCOUNT 63.00 IMPROVEMENTS - CONSTRUCT BUFFER WALL; PROVIDING FOR CONFLICTS AND SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Board of Supervisors (the "Board") of the Safe Neighborhood Common Facilities District (the "District") has adopted a budget for the current fiscal year which includes Account 99.02 Reserve for Future Capital Outlay account - Construction of Buffer/Security Wall account and Account 63.00 - Improvements Other Than Buildings - Construction of a Buffer/Security Wall account; and

WHEREAS, the Board desires to amend the budget by transferring funds from Account 99.02 Reserve for Future Capital Outlay - Construction of Buffer/Security Wall to Account 63.00 - Improvements Other Than Buildings - Construction of a Buffer/Security Wall account;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE SAFE NEIGHBORHOOD COMMON FACILITIES DISTRICT:

SECTION 1. BUDGET AMENDMENT. The District's budget for the current fiscal year is hereby amended by decreasing Account 99.02 - Reserve for Future Capital Outlay is hereby by \$2,000 and increasing Account 63.00 - Improvements Other Than Buildings - Construction of a Buffer/Security Wall by \$2,000.

SECTION 2. CONFLICTS AND SEVERABILITY. All sections or parts of section of all resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict. If any section, subsection, sentence, clause or provisions of this Resolution is held unconstitutional, inoperative, or

void by a court of competent jurisdiction, such holding shall not affect the remainder of the Resolution.

SECTION 3. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

DULY ADOPTED this 4th day of April, 20__.

**SAFE NEIGHBORHOOD COMMON
FACILITIES DISTRICT**

By: _____
President
Board of Supervisors

ATTEST:

Secretary/Treasurer

ATTACHMENT P - SAMPLE BUDGET AMENDMENT MEETING MINUTES

SAFE NEIGHBORHOOD COMMON FACILITIES DISTRICT MINUTES OF APRIL 4, 20__ REGULAR MEETING

The regular quarterly meeting of the Safe Neighborhood Common Facilities District was convened by President Theresa Hallam at 7:30 PM at the Sunshine City Public Library, 222 Fantasy Lane, Sunshine City, Florida. In attendance were the following Supervisors: Teresa Hallam (President), Mary Alberte (Secretary/Treasurer) and Barbara Dodson. This comprised a quorum. No Supervisors were absent.

President Hallam asked the Secretary/Treasurer to read the minutes of the previous meeting. Secretary/Treasurer Mary Alberte read the minutes of the meeting. President Hallam asked if there were any changes. Since none were requested, Mary Alberte made a motion to accept the minutes and Barbara Dodson seconded the motion. The motion was approved by a vote of 3-0.

President Hallam asked for the Secretary/Treasurer's Report. Secretary/Treasurer, Mary Alberte, stated there was \$8,500 in the checking account. A copy of the treasurer's report is attached to the minutes of the meeting. President Hallam moved acceptance of the report, Barbara Dodson seconded the motion and the motion passed 3-0.

The Secretary/Treasurer reported that no communications had been received since the last meeting.

President Hallam asked if there was any unfinished business to consider and there was none.

Under New Business, Barbara Dodson brought up of the design of the buffer wall. Although construction will not start until August 20__, Ms. Dodson thought it would be good to start with the preliminary legal documents and design now. She thought we should spend about \$2,000 this year and get a head start. Mary Alberte made a motion to decrease from Reserve for Future Capital - Construction of Buffer/Security Wall by \$2,000 and to increase 60.63 Improvements Other Than Buildings - Construction of Buffer Wall by \$2,000. Barbara Dodson seconded the motion, which was approved 3-0.

Secretary/Treasurer Mary Alberte stated that a resolution is required because we are decreasing a reserve account and presented a resolution to memorialize the action. Barbara Dodson made a motion to adopt the resolution, which was seconded by Ms. Alberte. The resolution was approved by a 3-0 vote.

President Hallam then directed the Secretary/Treasurer to amend the budget accordingly and to send a copy of these minutes, a copy of the signed Budget Resolution, a copy of an amended CAPITAL OUTLAY AND PROJECT INFORMATION FORM and a copy of the amended budget to the County's Office of Management Budget.

Secretary/Treasurer Alberte then presented three District expenses and requested the Board approved these disbursements. The expenses, vendors and checks are as follows:

| Check # | Vendor and Purpose | Amount |
|-------------|---|--------|
| Check #2522 | A Plus Lawn Service - for landscape maintenance for month of March 20__ at agreed to monthly price of \$200 | \$200 |
| Check #2523 | KUA - for electricity for front entrance during month of March 20__ | \$75 |
| Check #2524 | Toho Water Authority - for water for front entrance during month of March 20__ | \$55 |

Ms. Alberte moved approval and Barbara Dodson seconded. The motion passed 3-0.

There being no further business, President Hallam entertained a motion to adjourn the meeting. Mary Alberte moved to adjourn and Barbara Dodson seconded. The motion was approved by a vote of 3-0. The meeting was adjourned at 8 PM.

Secretary/Treasurer: _____

President: _____

