

MAGNOLIA CREEK COMMUNITY DEVELOPMENT DISTRICT
District Office • 120 Richard Jackson Blvd • Suite 220 • Panama City Beach, FL 32407

September 3, 2014

City of Freeport
City Clerk
112 Florida 20
Freeport, FL 32439

Re: Magnolia Creek Community Development District
Final Adopted Fiscal Year 2014/2015 Budget

Dear Sir/Madam:

Enclosed please find the Fiscal Year 2014/2015 budget (the "Final Adopted Budget") approved by the Board of Supervisors of the Magnolia Creek Community Development District (the "Board"). Transmittal of the enclosed Final Adopted Budget is being made for purposes of disclosure and information and posting on the website of City Of Freeport (at least 30 days after adoption) pursuant to Section 189.016(4), *Florida Statutes*.

Should you have any questions, please do not hesitate to contact me at your earliest convenience.

Sincerely,

Debra Anderson

Debra Anderson
District Manager

cc: Tom Hidell, Chairman
Carl Eldred, District Counsel

Enclosure

RESOLUTION 2014-02

THE ANNUAL APPROPRIATION RESOLUTION OF THE MAGNOLIA CREEK COMMUNITY DEVELOPMENT DISTRICT (THE "DISTRICT") RELATING TO THE ANNUAL APPROPRIATIONS AND ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2014, AND ENDING SEPTEMBER 30, 2015

WHEREAS, the District Manager has, prior to the fifteenth (15th) day in June, 2014, submitted to the Board of Supervisors (the "Board") a proposed budget for the next ensuing budget year along with an explanatory and complete financial plan for each fund of the Magnolia Creek Community Development District, pursuant to the provisions of Section 190.008(2)(a), Florida Statutes; and

WHEREAS, at least sixty (60) days prior to the adoption of the proposed annual budget (the "Proposed Budget"), the District filed a copy of the Proposed Budget with the local governing authorities having jurisdiction over the area included in the District pursuant to the provisions of Section 190.008(2)(b), Florida Statutes; and

WHEREAS, the Board set August 14, 2014, as the date for a public hearing thereon and caused notice of such public hearing to be given by publication pursuant to Section 190.008(2)(a), Florida Statutes; and

WHEREAS, the District Manager posted the Proposed Budget on the District's website at least two days before the public hearing or transmitted the Proposed Budget to the manager or administrator of the City of Freeport and Walton County for posting on their websites; and

WHEREAS, Section 190.008(2)(a), Florida Statutes, requires that, prior to October 1st of each year, the District Board by passage of the Annual Appropriation Resolution shall adopt a budget for the ensuing fiscal year and appropriate such sums of money as the Board deems necessary to defray all expenditures of the District during the ensuing fiscal year; and

WHEREAS, the District Manager has prepared a Proposed Budget, whereby the budget shall project the cash receipts and disbursements anticipated during a given time period, including reserves for contingencies for emergency or other unanticipated expenditures during the fiscal year.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE MAGNOLIA CREEK COMMUNITY DEVELOPMENT DISTRICT:

Section 1. Budget

- a. That the Board of Supervisors has reviewed the District Manager's Proposed Budget, a copy of which is on file with the office of the District Manager and at the District's

Records Office, and hereby approves certain amendments thereto, as shown in Section 2 below.

- b. That the District Manager's Proposed Budget, attached hereto as Exhibit "A," as amended by the Board, is hereby adopted in accordance with the provisions of Section 190.008(2)(a), Florida Statutes, and incorporated herein by reference; provided, however, that the comparative figures contained in the adopted budget may be subsequently revised as deemed necessary by the District Manager to reflect actual revenues and expenditures for Fiscal Year 2014 and/or revised projections for Fiscal Year 2015.
- c. That the adopted budget, as amended, shall be maintained in the office of the District Manager and at the District's Records Office and identified as "The Budget for the Magnolia Creek Community Development District for the Fiscal Year Ending September 30, 2015," as adopted by the Board of Supervisors on August 14, 2014.
- d. The final adopted budget shall be posted by the District Manager on the District's official website within thirty (30) days after adoption or shall be transmitted to the manager or administrator of the City of Freeport and Walton County for posting on their websites.

Section 2. Appropriations

There is hereby appropriated out of the revenues of the Magnolia Creek Community Development District, for the fiscal year beginning October 1, 2014, and ending September 30, 2015, the sum of \$233,783.85 to be raised by the levy of assessments and otherwise, which sum is deemed by the Board of Supervisors to be necessary to defray all expenditures of the District during said budget year, to be divided and appropriated in the following fashion:

| | |
|-------------------------------------|----------------------|
| TOTAL GENERAL FUND | \$ <u>157,575.00</u> |
| DEBT SERVICE FUND SERIES 2007 A & B | \$ <u>76,208.85</u> |
| CAPITAL PROJECTS FUND | \$ <u>-</u> |
| TOTAL ALL FUNDS | \$ <u>233,783.85</u> |

Section 3. Supplemental Appropriations

Pursuant to Section 189.418(6), Florida Statutes, the following provisions govern amendments to the budget(s) for any particular fund(s) listed above:

- a. The Board may authorize an increase or decrease in line item appropriations within a fund by motion recorded in the minutes if the total appropriations of the fund do not increase.

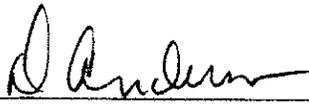
- b. The District Manager or Treasurer may authorize an increase or decrease in line item appropriations within a fund if the total appropriations of the fund do not increase and if the aggregate change in the original appropriation item does not exceed \$10,000 or 10% of the original appropriation.
- c. By resolution, the Board may increase any appropriation item and/or fund to reflect receipt of any additional unbudgeted monies and make the corresponding change to appropriations or the unappropriated balance.
- d. Any other budget amendments shall be adopted by resolution and consistent with Florida law.

The District Manager or Treasurer must establish administrative procedures to ensure that any budget amendments are in compliance with this Section 3 and Section 189.418 of the Florida Statutes, among other applicable laws.

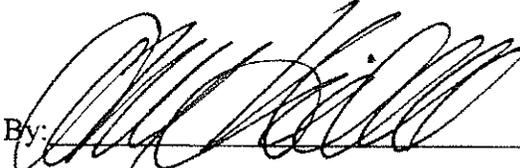
Introduced, considered favorably, and adopted this 14th day of August, 2014.

ATTEST:

**MAGNOLIA CREEK COMMUNITY
DEVELOPMENT DISTRICT**



~~Secretary~~ Assistant Secretary

By: 

Its: Chairman

EXHIBIT A
Budget Template
Magnolia Creek Community Development District
General Fund
Fiscal Year 2014/2015

| | Chart of Accounts Classification | Proposed FINAL Budget for 2014/2015 |
|----|--|--|
| 7 | | |
| 8 | REVENUES | |
| 9 | | |
| 20 | Special Assessments | |
| 21 | Tax Roll* | \$ 28,968 |
| 23 | Off Roll* | \$ 97,607 |
| 24 | Contributions & Donations from Private Sources | |
| 25 | Developer Contributions | \$ - |
| | SPE Contribution | \$ 31,000 |
| 28 | Other Miscellaneous Revenues | |
| 29 | Revenue for Foreclosure Expenses | \$ - |
| 30 | Foreclosure Penalties | \$ - |
| 31 | | |
| 32 | TOTAL REVENUES | \$ 157,575 |
| 33 | | |
| 34 | Balance Forward from Prior Year | \$ - |
| 35 | | |
| 36 | TOTAL REVENUES AND BALANCE FORWARD | \$ 157,575 |
| 37 | | |
| 38 | <i>*Allocation of assessments between the Tax Roll and Off Roll are estimates only and subject to change</i> | |
| 39 | | |
| 40 | EXPENDITURES - ADMINISTRATIVE | |
| 41 | | |
| 42 | Legislative | |
| 43 | Supervisor Fees | \$ 8,000 |
| 44 | Financial & Administrative | |
| 45 | Administrative Services | \$ 8,400 |
| 46 | District Management | \$ 25,000 |
| 47 | District Engineer | \$ 5,000 |
| 48 | Disclosure Report | \$ 1,500 |
| 49 | Trustees Fees | \$ 6,000 |
| 50 | Assessment Roll | \$ - |
| 51 | Financial Consulting Services | \$ 10,000 |
| 52 | Accounting Services | \$ 10,000 |
| 53 | Auditing Services | \$ 3,600 |
| 54 | Arbitrage Rebate Calculation | \$ 650 |
| 58 | Travel | \$ 500 |
| 59 | Public Officials Liability Insurance | \$ 6,000 |
| 60 | Legal Advertising | \$ 800 |
| 61 | Bank Fees | \$ 250 |
| 62 | Dues, Licenses & Fees | \$ 175 |
| 63 | Misc. Fees - Foreclosure Expenses (Non-Counsel) | \$ - |
| 64 | Tax Collector /Property Appraiser Fees | \$ - |
| 65 | Property Taxes | \$ - |

EXHIBIT A
Budget Template
Magnolia Creek Community Development District
General Fund
Fiscal Year 2014/2015

| | Chart of Accounts Classification | Proposed FINAL Budget for 2014/2015 |
|-----|---|--|
| 66 | Website Fees & Maintenance | \$ 2,700 |
| 67 | Legal Counsel | |
| 68 | District Counsel | \$ 15,000 |
| 69 | District Counsel Assessment Collections | \$ - |
| 70 | Foreclosure Expenses - OHD FY 09/10 | |
| 71 | Foreclosure Expenses - OHI FY 12/13 | |
| 74 | Foreclosure Expense - General | \$ 20,000 |
| 75 | | |
| 76 | Administrative Subtotal | \$ 123,575 |
| 77 | | |
| 78 | EXPENDITURES - FIELD OPERATIONS | |
| 79 | | |
| 92 | Electric Utility Services | |
| 93 | Utility Services | \$ 1,000 |
| 94 | Street Lights | \$ - |
| 113 | Stormwater Control | |
| 114 | Stormwater Assessment | \$ - |
| 115 | Aquatic Maintenance | \$ 5,000 |
| 117 | Lake/Pond Bank Maintenance | \$ 7,500 |
| 118 | Wetland Monitoring & Maintenance | \$ - |
| 119 | Mitigation Area Monitoring & Maintenance | \$ - |
| 120 | Aquatic Plant Replacement | \$ - |
| 121 | Stormwater System Maintenance | \$ - |
| 126 | Miscellaneous Expense | \$ - |
| 127 | Other Physical Environment | |
| 132 | General Liability Insurance | \$ 500 |
| 133 | Property Insurance | \$ - |
| 136 | Entry & Walls Maintenance | \$ - |
| 137 | Landscape Maintenance | \$ 15,000 |
| 139 | Well Maintenance | \$ - |
| 141 | Lift Station Maintenance | \$ - |
| 142 | Tree Trimming Services | \$ - |
| 146 | Irrigation Repairs | \$ 5,000 |
| 147 | Landscape - Mulch | \$ - |
| 148 | Landscape Miscellaneous | \$ - |
| 149 | Landscape Replacement Plants, Shrubs, Trees | \$ - |
| 152 | Miscellaneous Expense | \$ - |
| 154 | Road & Street Facilities | |
| 156 | Street/ Parking Lot Sweeping | \$ - |
| 157 | Street Light Decorative Light Maintenance | \$ - |
| 159 | Sidewalk Repair & Maintenance | \$ - |
| 161 | Street Sign Repair & Replacement | \$ - |
| 162 | Roadway Repair & Maintenance | \$ - |
| 219 | Contingency | |
| 220 | Miscellaneous Fees | \$ - |

EXHIBIT A
Budget Template
Magnolia Creek Community Development District
General Fund
Fiscal Year 2014/2015

| | Chart of Accounts Classification | Proposed FINAL Budget for 2014/2015 |
|-----|---|--|
| 221 | Miscellaneous Contingency | \$ - |
| 222 | Capital Reserves | \$ - |
| 223 | Capital Outlay | \$ - |
| 224 | | |
| 225 | Field Operations Subtotal | \$ 34,000 |
| 226 | | |
| 227 | Contingency for County TRIM Notice | |
| 228 | | |
| 229 | TOTAL EXPENDITURES | \$ 157,575 |
| 230 | | |
| 231 | EXCESS OF REVENUES OVER EXPENDITURES | \$ - |
| 232 | | |

Budget Template
Magnolia Creek Community Development District
Debt Service
Fiscal Year 2014/2015

| Chart of Accounts Classification | Series 2007A | Series 2007B | Budget for 2014/2015 |
|---|--------------|--------------|----------------------|
| REVENUES | | | |
| Special Assessments | | | |
| Net Special Assessments (1) | \$ 76,208.85 | \$ - | \$ 76,208.85 |
| TOTAL REVENUES | \$ 76,208.85 | \$ - | \$ 76,208.85 |
| EXPENDITURES | | | |
| Administrative | | | |
| Financial & Administrative | | | |
| Bank Fees | | | |
| Debt Service Obligation | \$ 76,208.85 | \$ - | \$ 76,208.85 |
| Administrative Subtotal | \$ 76,208.85 | \$ - | \$ 76,208.85 |
| TOTAL EXPENDITURES | \$ 76,208.85 | \$ - | \$ 76,208.85 |
| EXCESS OF REVENUES OVER EXPENDITURES | 0 | 0 | 0 |

Collection and Discount % applicable to the county: 7.0%

Gross assessments \$ 81,945.00

Notes:

Tax Roll Collection Costs for Walton County are 7.0% of Tax Roll. Budgeted net of tax roll assessments. See Assessment Table.

(1) The above amounts do not include any debt service assessments which are the subject of Case No. 2010 CA 001562 currently pending in the First Judicial Circuit Court in and for Walton County, Florida.

Magnolia Creek Community Development District

FISCAL YEAR 2014/2015 O&M & DEBT SERVICE ASSESSMENT SCHEDULE

| | |
|--------------------------------|---------------------|
| 2014/2015 O&M Budget | \$126,575.00 |
| SPE FUNDING | (\$31,000.00) |
| O&M Assessment | \$95,575.00 |
| Walton Co. 7% Collection Cost: | <u>\$7,193.82</u> |
| 2014/2015 Total: | <u>\$102,768.82</u> |

| | |
|----------------------|-----------------------------|
| 2013/2014 O&M Budget | \$273,500.00 |
| 2014/2015 O&M Budget | \$126,575.00 |
| Total Difference: | <u><u>-\$146,925.00</u></u> |

| | PER UNIT ANNUAL ASSESSMENT | | Proposed Increase / Decrease | |
|---|----------------------------|--------------------|------------------------------|----------------|
| | 2013/2014 | 2014/2015 | \$ | % |
| Debt Service - Cottage/Small House ⁽¹⁾ | \$1,215.00 | \$1,215.00 | \$0.00 | 0.00% |
| Admin Operations/Maintenance - Cottage/Small House | \$97.91 | \$47.21 | -\$50.70 | -51.78% |
| Field Operations/Maintenance - Cottage/Small House | \$181.44 | \$75.69 | -\$105.75 | -58.28% |
| Total | \$1,494.35 | \$1,337.90 | -\$156.45 | -10.47% |
| Debt Service - Rowhouse/Townhouse ⁽¹⁾ | \$1,215.00 | \$1,215.00 | \$0.00 | 0.00% |
| Admin Operations/Maintenance - Rowhouse/Townhouse | \$97.91 | \$47.21 | -\$50.70 | -51.78% |
| Field Operations/Maintenance - Rowhouse/Townhouse | \$181.44 | \$75.69 | -\$105.75 | -58.28% |
| Total | \$1,494.35 | \$1,337.90 | -\$156.45 | -10.47% |
| Debt Service - House ⁽¹⁾ | \$1,350.00 | \$1,350.00 | \$0.00 | 0.00% |
| Admin Operations/Maintenance - House | \$108.79 | \$52.45 | -\$56.34 | -51.79% |
| Field Operations/Maintenance - House | \$201.60 | \$84.10 | -\$117.50 | -58.28% |
| Total | \$1,660.39 | \$1,486.55 | -\$173.84 | -10.47% |
| Debt Service - Side Yard ⁽¹⁾ | \$1,350.00 | \$1,350.00 | \$0.00 | 0.00% |
| Admin Operations/Maintenance - Side Yard | \$108.79 | \$52.45 | -\$56.34 | -51.79% |
| Field Operations/Maintenance - Side Yard | \$201.60 | \$84.10 | -\$117.50 | -58.28% |
| Total | \$1,660.39 | \$1,486.55 | -\$173.84 | -10.47% |
| Debt Service - Live/Work Unit ⁽¹⁾ | \$2,025.00 | \$2,025.00 | \$0.00 | 0.00% |
| Admin Operations/Maintenance - Live/Work Unit | \$163.19 | \$78.68 | -\$84.51 | -51.79% |
| Field Operations/Maintenance - Live/Work Unit | \$302.40 | \$126.15 | -\$176.25 | -58.28% |
| Total | \$2,490.59 | \$2,229.83 | -\$260.76 | -10.47% |
| Parcel: 25-1N-19-17000-001-0000 ⁽²⁾ | | | | |
| Admin Operations/Maintenance - Unplatted | \$67,668.89 | \$32,626.65 | -\$35,042.24 | -51.78% |
| Field Operations/Maintenance - Unplatted | \$35,640.02 | \$14,868.14 | -\$20,771.88 | -58.28% |
| Total | \$103,308.91 | \$47,494.79 | -\$55,814.12 | -54.03% |
| Net Collection Cost | | \$44,170.16 | | |
| Parcel: 25-1N-19-17000-001-0020 ⁽²⁾ | | | | |
| Admin Operations/Maintenance - Unplatted | \$104,974.43 | \$50,613.57 | -\$54,360.86 | -51.78% |
| Field Operations/Maintenance - Unplatted | \$802.23 | \$334.67 | -\$467.56 | -58.28% |
| Total | \$105,776.66 | \$50,948.24 | -\$54,828.42 | -51.83% |
| Net Collection Cost | | \$47,381.86 | | |
| Parcel: 25-1N-19-17000-001-0040 ⁽²⁾ | | | | |
| Admin Operations/Maintenance - Unplatted | \$8,993.30 | \$4,336.13 | -\$4,657.17 | -51.78% |
| Field Operations/Maintenance - Unplatted | \$5,207.91 | \$2,172.61 | -\$3,035.30 | -58.28% |
| Total | \$14,201.22 | \$6,508.75 | -\$7,692.47 | -54.17% |
| Net Collection Cost | | \$6,053.13 | | |

⁽¹⁾ Some lots are subject to acceleration of debt service assessments.

⁽²⁾ Amounts are per acre

MAGNOLIA CREEK COMMUNITY DEVELOPMENT DISTRICT

FISCAL YEAR 2014/2015 O&M & DEBT SERVICE ASSESSMENT SCHEDULE

| | | | |
|-------------------------|-------------|-------------------------|-------------|
| TOTAL ADMIN O&M BUDGET | \$92,575.00 | TOTAL FIELD O&M BUDGET | \$34,000.00 |
| COLLECTION COSTS @ 7.0% | \$6,968.01 | COLLECTION COSTS @ 7.0% | \$2,559.14 |
| TOTAL O&M ASSESSMENT | \$99,543.01 | TOTAL O&M ASSESSMENT | \$36,559.14 |

| LOT SIZE PLATTED PARCELS | UNITS ASSESSED | | SERIES 2007A DEBT SERVICE (1) |
|-----------------------------|----------------|-----------|-------------------------------------|
| | O&M | DEBT | |
| COTTAGE/SMALL HOUSE | 73 | 28 | |
| ROWHOUSE/TOWNHOUSE HOUSE | 26 | 5 | |
| SIDE YARD | 84 | 9 | |
| LIVESTOCK UNIT | 52 | 22 | |
| | 2 | 0 | |
| Total Platted | 237 | 64 | |

| ALLOCATION OF O&M ASSESSMENT | | | | | | | | | |
|------------------------------|-----------------|-------------------------|----------------------|-----------------|-------------------------|----------------------|---------------|---------------|---------------|
| EAU FACTOR | % TOTAL EAU% | ADMIN O&M PER PARCEL | ADMIN O&M PER LOT | % TOTAL EAU% | FIELD O&M PER PARCEL | FIELD O&M PER LOT | TOTAL EAU% | TOTAL EAU% | TOTAL EAU% |
| 0.90 | 3.46% | \$3,446.26 | \$47.21 | 15.11% | \$5,625.50 | \$75.69 | 65.70 | 15.11% | \$1,215.00 |
| 0.90 | 1.23% | \$1,227.44 | \$47.21 | 5.38% | \$1,967.99 | \$75.69 | 23.40 | 5.38% | \$1,215.00 |
| 1.00 | 4.43% | \$4,408.18 | \$52.45 | 19.32% | \$7,064.57 | \$84.10 | 84.00 | 19.32% | \$1,350.00 |
| 1.00 | 2.74% | \$2,727.64 | \$52.45 | 11.96% | \$4,373.30 | \$84.10 | 52.00 | 11.96% | \$1,350.00 |
| 1.50 | 0.18% | \$157.36 | \$78.68 | 0.69% | \$252.31 | \$126.15 | 3.00 | 0.69% | \$2,025.00 |
| 228.10 | 12.02% | \$11,964.68 | | 52.47% | \$19,183.67 | | 228.10 | 52.47% | |

| PER LOT ANNUAL ASSESSMENT | | PER ACRE ASSESSMENTS - UNPLATTED | |
|---------------------------|---------------------------|----------------------------------|---------------|
| Admin. & Field O&M | 2007A DEBT SERVICE (1) | Admin O&M (6) | Field O&M (6) |
| \$122.90 | \$1,215.00 | \$120.75 | \$548.64 |
| \$122.90 | \$1,215.00 | \$120.75 | \$548.64 |
| \$136.55 | \$1,350.00 | \$120.75 | \$548.64 |
| \$136.55 | \$1,350.00 | \$120.75 | \$548.64 |
| \$204.83 | \$2,025.00 | \$120.75 | \$548.64 |

| TOTAL | ADMIN O&M PER PARCEL | ADMIN O&M PER ACRE | FIELD O&M PER PARCEL | FIELD O&M PER ACRE |
|---------------|-------------------------|-----------------------|-------------------------|-----------------------|
| 270.20 | \$32,627.31 | \$120.75 | \$14,868.18 | \$548.64 |
| 419.16 | \$50,614.60 | \$120.75 | \$334.67 | \$548.64 |
| 35.91 | \$4,336.22 | \$120.75 | \$2,172.62 | \$548.64 |
| 725.27 | \$87,578.13 | | \$17,375.47 | |

| | | |
|---|------|--------------|
| Total Community | 2025 | \$99,543.01 |
| LESS: Walton County Collection Costs and Early Payment Discount Costs | | (\$6,968.01) |
| Net Revenue to be Collected | | \$92,575.00 |

(1) Reflects the number of total lots/acres with Series 2007A debt outstanding. Some lots are subject to acceleration of debt service assessments.

(2) The District has determined that only lots situated within Phase I of the development receive special benefit from the field operations portion of the budget. Therefore, these expenses are being allocated among the 484 platted and/or planned units in Phase I. The administrative expenses of the District are allocated among all units within the District.

(3) Annual debt service assessment per lot adopted in connection with the Series 2007A bond issue. Annual assessment includes principal, interest, Walton County collection costs and early payment discount costs.

(4) Annual assessment that will appear on November 2014 Walton County property tax bill. Amount shown includes all applicable collection costs. Property owner is eligible for a discount of up to 4% if paid early.

(5) Unplatted acreage is subject to acceleration of debt service assessments. Debt service assessments have been prepaid on Parcel: 25-1N-19-17000-001-0020.

(6) Admin O&M applies to all unplatted acreage within the District. Field O&M only applies to the 31.67 unplatted developable acres within the District.