

LEE COUNTY HYACINTH CONTROL DISTRICT
TREASURER REPORT NOTES - Modified Accrual Basis of Accounting
Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance
For the Four Months Ended January 31, 2018

Balance Sheet Summary

Cash and Investments

Cash and investments of \$2,803,092 are comprised of the checking, money market accounts with PCB and FCB, Florida Prime, a master account, and a revolving PCB CD program (schedule included). Cash and investment balances at January 31, 2017 were \$3,583,805. The current month balance is \$780,713 lower than the prior year. The change in cash and investments is primarily due to managements intention to reduce fund balance to a level that meets policy and provides for the same service levels. LCHCD participates in all aspects of treasury management of surplus funds either with an account in its name or a shared account with LCMCD.

Revenues and Expenditures - Please see the LCHCD FS and the LCHCD Trail 12 Reports

Receipts - Please see the LCHCD GL Tax Receipts Report

Net taxes reported on the monthly financial statement are \$1,671,415. The amounts reported on the tax collections worksheets as net taxes collected (report included - "LCHCD Ad Valorem Tax Collections") include cumulative gross taxes, prior year taxes, penalties and refunds, discounts and commissions, and were \$1,685,944, (cash basis). Cash collections were \$51,185 higher than in the prior year. The difference between revenues and collections is the difference between the cash and modified accrual method of accounting. MTD and YTD differences are discussed as follows: Current year taxes will remain stable due to the District using the roll-back millage rate of .0248. MTD differences are normally due to the timing of collections and payment cut-off timing by the LCTC, improvements in the economy and increases in the amount levied year-over-year.

Expenditures - Please see the Trail 12 LCHCD report

Total expenditures for the month ended January 31, 2018 and January 31, 2017 were \$174,125 and \$118,100, respectively. YTD expenditures as of January 31, 2018 and January 31, 2017 were \$766,585 and \$572,912. The differences in operating results are discussed below:

MTD Variances explanations

Noteworthy changes are as follows: The MTD variance in Personnel Services is due to the allocation of shared costs for personnel between the Districts. The MTD variance in Benefits is due to the timing of insurance payments in the prior fiscal year. The MTD variance in Utility Services is due to a timing issue; the December bills were paid in January. The MTD variance in Repairs and Maintenance is due to computer repairs made in the prior fiscal year. The MTD variance in Chemicals is due to the purchase of herbicides for operations. In the prior two years existing stocks of herbicides were being used to adjust the inventory levels; going forward chemical purchases will be made throughout the year as they are needed. The MTD variance in Miscellaneous Supplies is due to the purchase of software. The MTD variance in Capital Outlay is due to the reclassification of Hurricane Irma roofing repairs to capital outlay from the repair and maintenance account.

YTD Variances explanations

Noteworthy changes are as follows: The YTD variances in Personnel Services and Benefits are due to the one-time buyout of Sick time from the employees during the District's conversion to the new PTO policy. There will be no more Sick time-off accruals or payouts going forward. The YTD variance in Operating Expense is due to fewer professional fees for surveying and fewer professional fees for actuarial analysis for the Other Post Employment Benefit liability. The YTD variance in Utility Services is due to increased electricity fees. The YTD variance in chemicals is due to the purchase of herbicides for operations. In the prior two years existing stocks of herbicides were being used to adjust the inventory levels; going forward chemical purchases will be made throughout the year as they are needed. The YTD variance in Miscellaneous Supplies is due to the purchase of software. The YTD variance in Capital Outlay is due to the reclassification of Hurricane Irma roofing repairs to capital outlay from the repair and maintenance account.

Budget Amendment

None for the January financial statements.

Receipts Operating Budget Comparison for Hyacinth Control District

Run Date: 2/5/2018

From: 1/1/2018

To: 1/31/2018

Receipts	Total Budget	This Mo Actual	Prior Yr Month	Variance	YTD Current	YTD Prior	Variance
Taxes	2,044,000.00	75,085.68	66,903.08	8,182.60	1,671,414.93	1,621,619.79	49,795.14
State Grant-General Government	-	-	-	-	-	-	-
Interest	15,000.00	532.72	1,174.23	(641.51)	2,211.96	3,536.26	(1,324.30)
Disposition of Capital Assets	1,000.00	-	-	-	10.00	-	10.00
Refunds	-	440.70	-	440.70	440.70	-	440.70
Other Miscellaneous Revenue	1,000.00	-	-	-	-	-	-
Service Charge - Mosquito Cont	-	-	-	-	-	-	-
Other Charges for Svcs Pub Safe	-	-	-	-	-	-	-
Sale of Surplus Materials/Scrap	-	-	-	-	-	-	-
Transfer from Hyacinth	-	-	-	-	-	-	-
Other Misc Rev-Jet Fuel Sales	-	-	-	-	-	-	-
Total Receipts	2,061,000.00	76,059.10	68,077.31	7,981.79	1,674,077.59	1,625,156.05	48,921.54

Expenses Operating Budget for Hyacinth Control District

Run Date: 2/5/2018

From: 1/1/2018

To: 1/31/2018

Expenses	Total Budget	This Mo Actual	Prior Yr Month	Variance	YTD Current	YTD Prior	Variance
Personnel Services	1,059,000.00	80,880.01	73,101.40	(7,778.61)	409,300.53	305,500.91	(103,799.62)
Benefits	1,043,000.00	50,731.39	27,765.50	(22,965.89)	201,299.70	155,114.34	(46,185.36)
Operating Expenses	87,000.00	5,264.68	6,429.38	1,164.70	16,122.66	23,700.58	7,577.92
Travel & Per Diem	7,000.00	-	206.00	206.00	504.00	1,005.64	501.64
Communication Service	9,500.00	1,107.93	442.18	(665.75)	2,648.46	1,956.94	(691.52)
Freight Services	1,000.00	42.84	-	(42.84)	42.84	225.68	182.84
Utility Services	27,500.00	4,375.24	103.62	(4,271.62)	11,375.70	7,239.53	(4,136.17)
Rentals and Leases	4,500.00	98.05	-	(98.05)	626.54	1,140.16	513.62
Insurance	48,000.00	-	-	-	38,406.00	39,163.00	757.00
Repairs & Maintenance	61,500.00	213.47	5,386.67	5,173.20	12,572.11	13,408.69	836.58
Promotional Activities	-	-	-	-	-	-	-
Other Charges	26,700.00	720.22	677.84	(42.38)	6,438.80	3,503.71	(2,935.09)
Office Supplies	7,500.00	129.70	390.95	261.25	271.66	1,105.46	833.80
Gasoline/Oil/Lube	18,000.00	360.32	35.99	(324.33)	2,617.17	1,362.90	(1,254.27)
Chemicals	86,000.00	9,450.00	-	(9,450.00)	34,400.90	6,030.52	(28,370.38)
Protective Devices	5,000.00	27.67	17.70	(9.97)	73.86	297.39	223.53
Misc. Supplies	33,000.00	10,641.76	1,955.80	(8,685.96)	16,865.70	8,029.64	(8,836.06)
Small Tools	-	-	4.79	4.79	-	4.79	4.79
Tools & Implements	-	-	-	-	-	-	-
Publications & Dues	8,500.00	1,560.47	1,214.00	(346.47)	1,983.27	3,029.58	1,046.31
Training	8,000.00	325.78	305.00	(20.78)	885.76	1,030.03	144.27
Capital Outlay	20,000.00	8,195.60	-	(8,195.60)	10,148.92	-	(10,148.92)
Grants	-	-	-	-	-	-	-
Operating Transfer to Mosquito	-	-	-	-	-	-	-
Printing & Binding	-	-	62.70	62.70	-	62.70	62.70
Total Expenditures	2,560,700.00	174,125.13	118,099.52	(56,025.61)	766,584.58	572,912.19	(193,672.39)

Lee County Hyacinth Control District
Profit & Loss Budget vs. Actual
October 2017 through January 2018

	Oct '17 - Jan 18	Budget	\$ Over Budget	% of Budget
Income				
3110000 · Ad Valorem Taxes	1,671,414.93	2,044,000.00	-372,585.07	81.8%
3611000 · Interest	2,211.96	15,000.00	-12,788.04	14.7%
3640000 · Disposition of Capital Assets	10.00	1,000.00	-990.00	1.0%
3699000 · Other Miscellaneous Revenue	0.00	1,000.00	-1,000.00	0.0%
3699200 · Refunds	440.70			
4210000 · Beginning Fund Balance	0.00	1,850,000.00	-1,850,000.00	0.0%
Total Income	<u>1,674,077.59</u>	<u>3,911,000.00</u>	<u>-2,236,922.41</u>	<u>42.8%</u>
Gross Profit	1,674,077.59	3,911,000.00	-2,236,922.41	42.8%
Expense				
5371000 · Personnel Services	409,300.53	1,059,000.00	-649,699.47	38.6%
5372000 · Benefits	201,299.70	1,043,000.00	-841,700.30	19.3%
5373100 · Operating Expenses	16,122.66	87,000.00	-70,877.34	18.5%
5374000 · Travel and Per Diem	504.00	7,000.00	-6,496.00	7.2%
5374100 · Communications Services	2,648.46	9,500.00	-6,851.54	27.9%
5374200 · Freight & Postage Services	42.84	1,000.00	-957.16	4.3%
5374300 · Utilities	11,375.70	27,500.00	-16,124.30	41.4%
5374400 · Rentals and Leases	626.54	4,500.00	-3,873.46	13.9%
5374500 · Insurance	38,406.00	48,000.00	-9,594.00	80.0%
5374600 · Repairs & Maintenance	12,572.11	61,500.00	-48,927.89	20.4%
5374700 · Printing & Binding	0.00	0.00	0.00	0.0%
5374800 · Promotional Activities	0.00	0.00	0.00	0.0%
5374900 · Other Current Charges	6,438.80	26,700.00	-20,261.20	24.1%
5375100 · Office Supplies	271.66	7,500.00	-7,228.34	3.6%
5375210 · Gasoline/Oil/Lube	2,617.17	18,000.00	-15,382.83	14.5%
5375220 · Chemicals	34,400.90	86,000.00	-51,599.10	40.0%
5375230 · Protective Devices	73.86	5,000.00	-4,926.14	1.5%
5375240 · Miscellaneous Supplies	16,865.70	33,000.00	-16,134.30	51.1%
5375241 · Small Tools	0.00	0.00	0.00	0.0%
5375250 · Tools & Implements	0.00	0.00	0.00	0.0%
5375400 · Books-Pubs-Subs-Member	1,983.27	8,500.00	-6,516.73	23.3%
5375500 · Training	885.76	8,000.00	-7,114.24	11.1%
5376000 · Capital Outlay	10,148.92	20,000.00	-9,851.08	50.7%
5629999 · Reserves - Budget Use Only	0.00	1,350,300.00	-1,350,300.00	0.0%
Total Expense	<u>766,584.58</u>	<u>3,911,000.00</u>	<u>-3,144,415.42</u>	<u>19.6%</u>
Net Income	<u>907,493.01</u>	<u>0.00</u>	<u>907,493.01</u>	<u>100.0%</u>

January 31, 2018					
Account	LCMCD	LCHCD	Total	ECR Accounts	Earnings rate (Basis Points -BP)
SunTrust Operating	\$ 2,029,929.86	\$ 233,019.15	\$ 2,262,949.01	Yes	ECR and BP - 01
SunTrust Master 2397	15,395,468.38	2,238,062.39	17,633,530.77	Yes	ECR and BP - 01
Fla Community Bank	77.92	102.83	180.75	No	BP - 49
SBA 322630	11,933.37	-	11,933.37	No	BP - 159
SBA 322640	-	10,647.79	10,647.79	No	BP - 159
PCB MM	258,699.72	46,018.10	304,717.82	No	BP - 53
PCB CD Program	<u>1,561,263.47</u>	<u>275,241.92</u>	<u>1,836,505.39</u>	No	BP - 35 to BP - 105
	<u>19,257,372.72</u>	<u>2,803,092.18</u>	<u>22,060,464.90</u>		

SunTrust Equipment
Leasing Corporation
Escrow Account 15,200,000.00

During the summer of 2017, the Lee County Mosquito Control District entered into an agreement to purchase six new Airbus helicopters directly from Airbus

The negotiated purchase price of all six helicopters is \$19,000,000.

In October 2017, the District paid a down payment of \$3,800,000 to Airbus to initiate the construction of the helicopters pending financing with SunTrust.

On December 28, 2017, the District closed on an eight-year lease with SunTrust Equipment Leasing Corporation to lease all six new helicopters. The closing transferred \$3,263,600 to the Districts and \$15,200,000 to the SunTrust Equipment Leasing Corporation Escrow Account.

Of the initial \$3,800,000 payment to Airbus by the District, SunTrust reimbursed a total of \$3,263,600. SunTrust did not reimburse the remaining \$536,400 since this amount represented spare parts and continuing training costs of eight pilots and eight mechanics over the next four years.

The District will release the \$15,200,000 from the escrow account to Airbus as the helicopters arrive in the spring of 2018.

The District will begin making quarterly debt service payments of \$644,754.62 on the lease beginning in March 2018. The last payment on the lease is due in December of 2025. Total principal paid on the lease will be \$18,463,600 and total interest paid on the lease will be \$2,168,547.79. There is an early pay off option on the lease beginning in March 2018. The interest rate on the lease is 2.75%.

100 Basis Points equal 1%

PCB - Preferred Community Bank
SBA - State Board of Administration (Local Government Surplus Funds Trust Fund)

**Lee County Hyacinth Control District
AD VALOREM TAX COLLECTIONS 2017 - 2018 FISCAL YEAR
CURRENT AND LAST 5 FISCAL YEARS COLLECTION ANALYSIS**

As of January 31 of each year

Fiscal Year	Gross Ad Valorem Taxes Collected	% Change in Gross Ad Valorem Taxes Collected Increase/-Decrease	Prior Year Ad Valorem Taxes	Penalties, Refunds & Corrections and Other	Discounts	Commissions	Net Ad Valorem Taxes Collected	% Change in Net Ad Valorem Taxes Collected Increase/-Decrease	Budget (Net)	% of Net Collections to Budget
2018 Actual	1,792,363.48	3.29%	397.99	(2,696.56)	(69,926.36)	(34,194.26)	1,685,944.29	3.13%	2,044,000	82.48%
Net increase year-over-year (cash basis)							51,185.48			
2017 Actual	1,735,290.70	8.68%	741.59	(309.29)	(67,819.57)	(33,144.62)	1,634,758.81	8.63%	1,885,000	86.72%
2016 Actual	1,665,223.92	2.12%	1,476.43	(101.68)	(63,810.78)	(31,836.50)	1,570,951.39	2.10%	1,745,600	89.99%
2015 Actual	1,630,688.14	1.57%	995.32	558.25	(62,373.25)	(31,196.78)	1,538,671.68	1.48%	1,721,000	89.41%
2014 Actual	1,605,416.27	1.44%	1,924.32	983.39	(61,377.02)	(30,732.97)	1,516,213.99	1.44%	1,700,238	89.18%
2013 Actual	1,582,650.06	-3.19%	2,518.08	162.71	(60,330.67)	(30,254.35)	1,494,745.83	-3.10%	1,690,101	88.44%

Comments:

COMPARISON OF ANNUAL GROSS COLLECTIONS TO DR-420 BUDGET AMOUNT

	Dr-420 Amount	Actual	Difference	Millage Rate
2018 @	2,028,263.00	1,792,363.48	(235,899.52)	0.0248
2017	1,984,022.00	1,995,855.23	11,833.23	0.0263
2016	1,837,460.00	1,847,244.65	9,784.65	0.0263
2015	1,812,083.00	1,817,818.99	5,735.99	0.0277
2014	1,789,724.00	1,796,324.17	6,600.17	0.0291
2013	1,779,054.00	1,782,151.01	3,097.01	0.0291

2018 @ - The actual amount represents taxes collected through the month of the report.

Differences in budgeted gross taxes and actual gross tax collected are primarily due to the following:

The Property Appraiser may adjust the final taxable value. The DR-420 includes the taxable value through July 1 of each year. The Property Appraiser may adjust, up or down, the final taxable value. The District receives a DR-422 after the trim process that documents the change, if any.

Taxes may not be paid. Normally the District collects unpaid taxes through an annual tax certificate sale. However, unsold tax certificates become property of the Board of County Commissioners (BoCC). The District will not collect until the taxes are paid or the BoCC calls for a tax deed sale.

Property values may change through the Property Appraiser's "Value Adjustment Board." A taxpayer may protest the assessed taxable value and a change may occur.

MODIFIED ACCRUAL BASIS

Date	Dist #	Taxes 311100-000-0	Prior Year Taxes 311200.000-0	Discounts 000-0	311140- 311120-000-0	Penalties 311120-000-0	Interest 361110-000-0	Commission 000-0	522340- 311150-000-0	Refunds and Corrections 311150-000-0	Other 311160-000-0	Total Net Distribution
11/15/2017	1	27,037.01	94.07		(1,262.90)	60.94	-	(531.00)	-	-	-	25,398.12
11/30/2017	2	495,277.61	37.68		(19,757.70)	95.06	-	(9,513.03)	(3,137.55)	-	-	463,002.07
12/16/2017	3	962,753.06	66.72		(38,439.45)	187.62	-	(18,493.03)	(11.53)	-	-	906,063.39
12/30/2017	4	213,991.32	40.05		(8,116.14)	90.34	-	(4,121.87)	(18.03)	-	-	201,865.67
1/15/2018	5	78,837.46	98.72		(2,350.04)	53.18	-	(1,533.27)	(20.37)	-	-	75,085.68
2/15/2018	6	-	-	-	-	-	-	-	-	-	-	-
3/14/2018	7	-	-	-	-	-	-	-	-	-	-	-
4/15/2018	8	-	-	-	-	-	-	-	-	-	-	-
5/15/2018	9	-	-	-	-	-	-	-	-	-	-	-
6/14/2018	10	-	-	-	-	-	-	-	-	-	-	-
7/12/2018	11	-	-	-	-	-	-	-	-	-	-	-
8/9/2018	12	-	-	-	-	-	-	-	-	-	-	-
9/13/2018	13	-	-	-	-	-	-	-	-	-	-	-
10/11/2017	14	-	-	-	-	-	-	-	-	-	-	-
10/31/2017	15	-	-	-	-	-	-	-	-	-	-	-
	16	-	-	-	-	-	-	-	-	-	-	-
	17	-	-	-	-	-	-	-	-	-	-	-
	Excess fees	-	-	-	-	-	-	-	-	-	-	-
Total Modified Accrual		\$ 1,777,896.46	\$ 337.24	\$ (69,926.23)	\$ 487.14	\$ -	\$ (34,192.20)	\$ (3,187.48)	\$ -	\$ -	\$ -	\$ 1,671,414.93

Conversion to Cash Basis (Ad Valorem Taxes)

Reductions												
Distribution 14	10/10/2016	-	-	-	-	-	-	-	-	-	-	-
Excess Fees	10/31/2016	-	-	-	-	-	-	-	-	-	-	-
Sub-total		-	-	-	-	-	-	-	-	-	-	-
Additions												
Distribution 14	10/14/2017		60.75		(0.13)	40.99			(2.06)	(37.21)		62.34
Excess Fees	10/28/2017	14,467.02										14,467.02
		<u>14,467.02</u>	<u>60.75</u>	<u>(0.13)</u>	<u>40.99</u>	<u>-</u>	<u>(2.06)</u>	<u>(37.21)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,529.36</u>
Ad Valorem Tax Revenue		\$ 1,792,363.48	\$ 397.99	\$ (69,926.36)	\$ 528.13	\$ -	\$ (34,194.26)	\$ (3,224.69)	\$ -	\$ -	\$ -	\$ 1,685,944.29

Conversion to Cash Basis (Interest)

Reductions												
Distribution 15	10/15/2017	-	-	-	-	-	-	-	-	-	-	-
Additions												
Distribution 15	10/15/2017					553.47		(27.66)				525.81
Tax Collector Interest Revenue		\$ -	\$ -	\$ -	\$ -	\$ 553.47	\$ (27.66)	\$ -	\$ -	\$ -	\$ -	\$ 525.81