

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 Nine Months Ended June 30, 2018

Balance Sheet Summary

Cash and Investments

Cash and investments of \$1,797,110 are comprised of checking, Florida Fixed Investment Trust, Florida Prime, a master account, and a revolving PCB CD program (schedule included). Cash and investment balances at June 30, 2017 were \$2,301,786. The current month balance is \$504,676 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. See the note in LCMCD FS for the PCB CD program.

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 \$1,911,951. 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 \$1,926,480, (cash basis). Cash collections were \$78,540 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 June 30, 2018 and June 30, 2017 were \$181,412 and \$162,985, respectively. YTD expenditures as of June 30, 2018 and June 30, 2017 were \$2,049,310 and \$2,089,531. 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 additional allocated expenditures from LCMCD for the month of June 2018. The MTD variance in Operating Expenses is due to the timing of payments in the prior year for auditing and for equipment maintenance contracts. The MTD variance in Chemicals is due to the purchase of additional 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 grass carp in June 2018.

YTD Variances explanations

Noteworthy changes are as follows: The YTD variance in Personnel Services is due to allocations for shared personnel between the districts and 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 Benefits is due to the timing of reimbursements from and payments to the Retiree Health Insurance Trust Fund (RHITF) for retiree health benefits payments. In May of 2017 a payment for \$750,000 was made to the RHITF and in 2018 the payment amount to the RHITF was \$500,000. The YTD variance in Operating Expenses is due to the timing of payments in the prior year for auditing and for equipment maintenance contracts. The YTD variance in Utility Services is due to the timing of electric bill payments. The YTD variance in Other Charges is due to a reimbursement to Mosquito Control for shared capital equipment purchases. 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 and grass carp. 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 and to the purchase of new computer equipment.

Budget Amendment

None for the June financial statements.

Receipts Operating Budget Comparison for Hyacinth Control District

Run Date: 7/9/2018

From: 6/1/2018

To: 6/30/2018

Receipts	Total Budget	This Mo Actual	Prior Yr Month	Variance	YTD Current	YTD Prior	Variance
Taxes	2,044,000.00	39,085.93	40,046.40	(960.47)	1,911,951.06	1,874,847.37	37,103.69
State Grant-General Government	-	-	-	-	-	-	-
Interest	15,000.00	2,429.07	1,137.55	1,291.52	15,055.98	10,210.47	4,845.51
Disposition of Capital Assets	1,000.00	2,548.38	1,027.68	1,520.70	3,086.56	1,027.68	2,058.88
Refunds	-	-	-	-	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	-	422.51	-	422.51	422.51	-	422.51
Transfer from Hyacinth	-	-	-	-	-	-	-
Other Misc Rev-Jet Fuel Sales	-	-	-	-	-	-	-
Proceeds from Capital lease	-	-	-	-	-	-	-
Insurance Recoveries	-	-	-	-	-	-	-
Total Receipts	2,061,000.00	44,485.89	42,211.63	2,274.26	1,930,956.81	1,886,085.52	44,871.29

Expenses Operating Budget for Hyacinth Control District

Run Date: 7/9/2018

From: 6/1/2018

To: 6/30/2018

Expenses	Total Budget	This Mo Actual	Prior Yr Month	Variance	YTD Current	YTD Prior	Variance
Personnel Services	1,059,000.00	117,897.34	108,031.00	(9,866.34)	836,573.48	703,153.40	(133,420.08)
Benefits	1,043,000.00	37,300.81	39,911.60	2,610.79	863,917.78	1,113,434.76	249,516.98
Operating Expenses	87,000.00	5,148.37	3,401.60	(1,746.77)	47,133.97	58,774.03	11,640.06
Travel & Per Diem	7,000.00	1,309.00	570.00	(739.00)	2,796.88	3,331.31	534.43
Communication Service	9,500.00	741.03	777.81	36.78	6,411.86	5,627.90	(783.96)
Freight Services	1,000.00	42.84	-	(42.84)	270.62	422.66	152.04
Utility Services	27,500.00	3,037.65	2,362.61	(675.04)	24,677.26	19,338.22	(5,339.04)
Rentals and Leases	4,500.00	107.88	64.31	(43.57)	1,142.08	4,286.02	3,143.94
Insurance	48,000.00	-	-	-	38,406.00	39,813.00	1,407.00
Repairs & Maintenance	61,500.00	3,738.75	2,731.87	(1,006.88)	27,390.73	26,250.20	(1,140.53)
Promotional Activities	-	-	-	-	-	412.44	412.44
Other Charges	26,700.00	37.78	907.03	869.25	14,665.94	10,029.35	(4,636.59)
Office Supplies	7,500.00	535.21	98.35	(436.86)	1,878.51	2,431.55	553.04
Gasoline/Oil/Lube	18,000.00	3,032.46	3,315.82	283.36	8,826.47	7,807.68	(1,018.79)
Chemicals	86,000.00	2,736.00	-	(2,736.00)	117,518.54	52,948.92	(64,569.62)
Protective Devices	5,000.00	1,643.72	18.84	(1,624.88)	1,930.40	830.61	(1,099.79)
Misc. Supplies	33,000.00	3,412.75	226.66	(3,186.09)	23,712.32	17,080.14	(6,632.18)
Small Tools	-	-	-	-	354.90	22.26	(332.64)
Tools & Implements	-	-	-	-	-	20.89	20.89
Publications & Dues	8,500.00	444.52	62.30	(382.22)	6,910.88	5,535.44	(1,375.44)
Training	8,000.00	17.50	438.50	421.00	3,481.66	4,699.49	1,217.83
Capital Outlay	20,000.00	-	67.02	67.02	21,081.35	13,052.34	(8,029.01)
Grants	-	-	-	-	-	-	-
Operating Transfer to Mosquito	-	-	-	-	-	-	-
Printing & Binding	-	228.00	-	(228.00)	228.00	228.68	0.68
Principal	-	-	-	-	-	-	-
Debt Service Interest	-	-	-	-	-	-	-
Total Expenditures	2,560,700.00	181,411.61	162,985.32	(18,426.29)	2,049,309.63	2,089,531.29	40,221.66

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

	Oct '17 - Jun 18	Budget	\$ Over Budget	% of Budget
Income				
3110000 · Ad Valorem Taxes	1,911,951.06	2,044,000.00	-132,048.94	93.5%
3611000 · Interest	15,055.98	15,000.00	55.98	100.4%
3640000 · Disposition of Capital Assets	3,086.56	1,000.00	2,086.56	308.7%
3650000 · Sale of Surplus Materials/Scrap	422.51			
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	1,930,956.81	3,911,000.00	-1,980,043.19	49.4%
Gross Profit	1,930,956.81	3,911,000.00	-1,980,043.19	49.4%
Expense				
5371000 · Personnel Services	836,573.48	1,059,000.00	-222,426.52	79.0%
5372000 · Benefits	863,917.78	1,043,000.00	-179,082.22	82.8%
5373100 · Operating Expenses	47,133.97	87,000.00	-39,866.03	54.2%
5374000 · Travel and Per Diem	2,796.88	7,000.00	-4,203.12	40.0%
5374100 · Communications Services	6,411.86	9,500.00	-3,088.14	67.5%
5374200 · Freight & Postage Services	270.62	1,000.00	-729.38	27.1%
5374300 · Utilities	24,677.26	27,500.00	-2,822.74	89.7%
5374400 · Rentals and Leases	1,142.08	4,500.00	-3,357.92	25.4%
5374500 · Insurance	38,406.00	48,000.00	-9,594.00	80.0%
5374600 · Repairs & Maintenance	27,390.73	61,500.00	-34,109.27	44.5%
5374700 · Printing & Binding	228.00	0.00	228.00	100.0%
5374800 · Promotional Activities	0.00	0.00	0.00	0.0%
5374900 · Other Current Charges	14,665.94	26,700.00	-12,034.06	54.9%
5375100 · Office Supplies	1,878.51	7,500.00	-5,621.49	25.0%
5375210 · Gasoline/Oil/Lube	8,826.47	18,000.00	-9,173.53	49.0%
5375220 · Chemicals	117,518.54	86,000.00	31,518.54	136.6%
5375230 · Protective Devices	1,930.40	5,000.00	-3,069.60	38.6%
5375240 · Miscellaneous Supplies	23,712.32	33,000.00	-9,287.68	71.9%
5375241 · Small Tools	354.90	0.00	354.90	100.0%
5375250 · Tools & Implements	0.00	0.00	0.00	0.0%
5375400 · Books-Pubs-Subs-Member	6,910.88	8,500.00	-1,589.12	81.3%
5375500 · Training	3,481.66	8,000.00	-4,518.34	43.5%
5376000 · Capital Outlay	21,081.35	20,000.00	1,081.35	105.4%
5629999 · Reserves - Budget Use Only	0.00	1,350,300.00	-1,350,300.00	0.0%
Total Expense	2,049,309.63	3,911,000.00	-1,861,690.37	52.4%
Net Income	-118,352.82	0.00	-118,352.82	100.0%

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

As of June 30 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	2,038,380.44	2.16%	1,036.02	(1,706.13)	(72,099.44)	(39,130.47)	1,926,480.42	2.03%	2,044,000	94.25%
Net increase year-over-year (cash basis)							78,540.43			
2017 Actual	1,955,324.79	8.05%	1,083.38	(918.05)	(70,021.94)	(37,528.19)	1,847,939.99	7.93%	1,885,000	98.03%
2016 Actual	1,809,723.85	1.73%	1,815.22	(265.86)	(64,400.39)	(34,739.59)	1,712,133.23	1.71%	1,745,600	98.08%
2015 Actual	1,778,925.46	1.41%	1,415.91	215.48	(62,952.87)	(34,179.09)	1,683,424.89	1.26%	1,721,000	97.82%
2014 Actual	1,754,186.82	1.02%	2,553.33	1,403.44	(61,894.17)	(33,735.64)	1,662,513.78	1.02%	1,700,238	97.78%
2013 Actual	1,736,546.27	-3.75%	3,595.93	(118.89)	(60,861.93)	(33,366.84)	1,645,794.54	-3.88%	1,690,101	97.38%

Comments:

COMPARISON OF ANNUAL GROSS COLLECTIONS TO DR-420 BUDGET AMOUNT

	<u>Dr-420 Amount</u>	<u>Actual</u>	<u>Difference</u>	<u>Millage Rate</u>
2018 @	2,028,263.00	2,038,380.44	10,117.44	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	72,754.15	139.37	(1,701.93)	106.07	-	(1,427.47)	(151.57)	-	-	-	69,718.62
3/14/2018	7	38,627.22	153.65	(438.07)	103.30	-	(769.04)	(268.38)	-	-	-	37,408.68
4/15/2018	8	67,820.58	150.96	(27.15)	132.40	-	(1,362.48)	(336.57)	-	-	-	66,377.74
5/15/2018	9	28,003.74	98.44	(5.65)	658.36	-	(575.18)	(234.55)	-	-	-	27,945.16
6/14/2018	10	38,811.27	95.61	(0.28)	1,195.87	-	(802.04)	(214.50)	-	-	-	39,085.93
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		\$ 2,023,913.42	\$ 975.27	\$ (72,099.31)	\$ 2,683.14	\$ -	\$ (39,128.41)	\$ (4,393.05)	\$ -	\$ -	\$ -	\$ 1,911,951.06

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
		14,467.02	60.75	(0.13)	40.99	-	(2.06)	(37.21)	-	-	-	14,529.36
Ad Valorem Tax Revenue		\$ 2,038,380.44	\$ 1,036.02	\$ (72,099.44)	\$ 2,724.13	\$ -	\$ (39,130.47)	\$ (4,430.26)	\$ -	\$ -	\$ -	\$ 1,926,480.42

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

June 30, 2018

Account	LCMCD	LCHCD	Total	ECR Accounts	Earnings rate (Basis Points -BP)
SunTrust Operating	\$ 177,330.36	\$ 16,913.39	\$ 194,243.75	Yes	ECR and BP - 25
SunTrust Master 2397	3,828,137.39	278,396.38	4,106,533.77	Yes	ECR and BP - 25
SBA 322630	3,037,770.12	-	3,037,770.12	No	BP - 211
SBA 322640	-	463,785.36	463,785.36	No	BP - 211
FL-FIT	5,251,631.45	807,662.75	6,059,294.20	No	BP - 220
PCB CD Program	1,306,889.67	230,352.42	1,537,242.09	No	BP - 35 to BP - 105
	<u>13,601,758.99</u>	<u>1,797,110.30</u>	<u>15,398,869.29</u>		

SunTrust Equipment
Leasing Corporation
Escrow Account 209,486.09

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 has released \$15,004,705 to Airbus as of May 31st for the delivery of five of the six helicopters.

The District has begun making quarterly debt service payments of \$644,754.62 on the lease. 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%

FL-FIT - Florida Fixed Income Trust
PCB - Preferred Community Bank
SBA - State Board of Administration (Local Government Surplus Funds Trust Fund)