

***HIGHLAND MEADOWS II  
COMMUNITY DEVELOPMENT DISTRICT***

***Advanced Meeting Package***

***Budget Workshop***

***Date/Time:***

***Tuesday, April 23, 2024***

***4:30 P.M.***

***Location:***

***Shamrock First Baptist Church***

***2661 Marshall Rd.***

***Haines City, Florida 33844***

***Note: The Advanced Meeting Package is a working document and thus all materials are considered DRAFTS prior to presentation and Board acceptance, approval, or adoption.***

**Highland Meadows II Community Development District**  
c/o Breeze  
1540 International Parkway, Suite 2000  
Lake Mary, FL 32746  
813-565-4663

Board of Supervisors  
**Highland Meadows II Community Development District**

Dear Supervisors:

A Budget Workshop Meeting of the Board of Supervisors of the Highland Meadows II Community Development District is scheduled for **Tuesday, April 23, 2024, at 4:30 P.M.** at the **Shamrock First Baptist Church, 2661 Marshall Rd., Haines City, Florida 33844.**

The advanced copy of the agenda for the meeting is attached along with associated documentation for your review and consideration. Any additional support material will be distributed at the meeting.

The agenda items are for immediate business purposes and for the health and safety of the community. Staff will present any reports at the meeting. If you have any questions, please contact me. I look forward to seeing you there.

Sincerely,

*Larry Krause*

Larry Krause  
District Manager  
813-565-4663

CC: Attorney  
Engineer  
District Records

**District:** HIGHLAND MEADOWS II COMMUNITY DEVELOPMENT DISTRICT

**Date of Meeting:** Tuesday, April 23, 2024

**Time:** 4:30 P.M.

**Location:** Shamrock First Baptist Church  
2661 Marshall Rd.  
Haines City, FL 33844

**Zoom:**

<https://us02web.zoom.us/j/88097558053?pwd=bWJqeVdKdm53UjZwaUtOMUY5WWZBdz09>

**Dial In:** +1-305-224-1968

**Meeting ID:** 880 9755 8053

**Passcode:** 12345

**Mute/Unmute:** \*6

## *Agenda*

*For the full agenda packet, please contact [Larry@breezehome.com](mailto:Larry@breezehome.com)*

### **I. Call to Order / Roll Call**

### **II. Business Items**

A. Budget Workshop

**Exhibit 1**

B. Fund Balance Analysis & Reserves Discussion

**Exhibit 2**

C. Budget Presentation: FY 2025

**Exhibit 3**

D. Discussion: Other Items such as Amenity Access Card Payment  
Options, etc.

### **III. Supervisor Requests**

### **IV. Adjournment**

# **EXHIBIT 1**

## **AGENDA**

## HIGHLAND MEADOWS II COMMUNITY DEVELOPMENT DISTRICT

### MID YEAR ANALYSIS & PRELIMINARY REVIEW OF FY 2025 BUDGET

	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 ADOPTED	FY 2024 MID YEAR	FY 2025 PROPOSED	VARIANCE 2024 TO 2025
<b>REVENUES</b>						
INTEREST EARNINGS	1,278	2,043	-	-	-	-
<b>SPECIAL ASSESSMENTS:</b>						
TAX ROLL	853,032	855,044	848,025	852,767	848,025	-
<b>OTHER MISC. REVENUES:</b>						
MISCELLANEOUS REVENUE	8,885	320	-	210	-	-
<b>TOTAL REVENUES</b>	<b>863,195</b>	<b>857,407</b>	<b>848,025</b>	<b>852,977</b>	<b>848,025</b>	<b>-</b>
<b>1 EXPENDITURES</b>						
<b>2 ADMINISTRATIVE EXPENSES</b>						
3    SUPERVISORS FEES	4,400	10,200	16,000	8,565	16,000	-
4    ADMINISTRATIVE SERVICE	-	-	-	-	-	-
5    DISTRICT MANAGEMENT		41,445	43,680	18,906	44,800	1,120
6    DISTRICT ENGINEER	16,463	6,775	10,000	29,380	18,000	8,000
7    ASSESSMENT ROLL	5,000	5,000	5,200	5,200	5,200	-
8    TAX COLLECTOR/ PROPERTY APPRAISER FEES			20,500	22,026	20,500	-
9    AUDITING SERVICES	3,685	-	4,000	-	4,000	-
10   POSTAGE & DELIVERY	549	82	1,000	-	1,000	-
11   PUBLIC OFFICIALS LIABILITY INSURANCE	2,692	2,566	2,823	2,656	2,922	99
12   LEGAL ADVERTISING	2,477	7,628	1,500	2,204	3,000	1,500
13   DUES, LICENSES & FEES	175	175	175	975	175	-
14   MISCELLANEOUS FEES	654	4,998	1,500	44	1,500	-
15   WEBSITE HOSTING, MAINTENANCE, BACKUP	1,100	5,045	2,738	2,059	2,015	(723)
16   INFORMATION TECHNOLOGY	1,800	600	-	-	-	-
17   DISTRICT COUNSEL	18,008	49,985	35,000	24,362	45,000	10,000
<b>18 TOTAL ADMINISTRATIVE EXPENDITURES</b>	<b>57,003</b>	<b>134,499</b>	<b>144,116</b>	<b>116,377</b>	<b>164,112</b>	<b>19,996</b>
<b>19</b>						
<b>20 DEBT ADMINISTRATION</b>						
21   DISSEMINATION AGENT	8,850	2,833	7,000	7,000	7,000	-
22   TRUSTEE FEES	26,469	22,890	25,000	18,591	24,000	(1,000)
23 <b>ARBITRAGE REBATE CALCULATION</b>	<b>2,700</b>	<b>2,700</b>	<b>2,700</b>	<b>450</b>	<b>2,700</b>	<b>-</b>
24						
<b>25 TOTAL DEBT ADMINISTRATION</b>	<b>38,019</b>	<b>28,423</b>	<b>34,700</b>	<b>26,041</b>	<b>33,700</b>	<b>(1,000)</b>
26						

## HIGHLAND MEADOWS II COMMUNITY DEVELOPMENT DISTRICT

### MID YEAR ANALYSIS & PRELIMINARY REVIEW OF FY 2025 BUDGET

	FY 2022 ACTUAL	FY 2023 ACTUAL	FY 2024 ADOPTED	FY 2024 MID YEAR	FY 2025 PROPOSED	VARIANCE 2024 TO 2025
27 UTILITIES						
28 ELECTRIC UTILITY SERVICES	18,239	26,301	28,000	14,525	28,000	-
29 STREET LIGHTS	55,396	66,303	60,000	25,710	62,400	2,400
30 WATER-SEWER UTILITY SERVICES	5,237	5,821	6,000	1,408	6,000	-
31 <b>TOTAL UTILITIES</b>	<b>78,872</b>	<b>98,425</b>	<b>94,000</b>	<b>41,643</b>	<b>96,400</b>	<b>2,400</b>
32						
33 SECURITY OPERATIONS						
34 <b>SECURITY SERVICES AND PATROLS</b>	<b>15,382</b>	<b>43,631</b>	<b>38,000</b>	<b>21,004</b>	<b>55,536</b>	<b>17,536</b>
35 ACCESS CONTROL MAINTENANCE & REPAIR		7,303	5,000	275	5,000	
36 <b>TOTAL SECURITY OPERATIONS</b>	<b>15,382</b>	<b>50,934</b>	<b>43,000</b>	<b>21,279</b>	<b>60,536</b>	<b>17,536</b>
37						
38 OTHER PHYSICAL ENVIRONMENT						
39 PROPERTY INSURANCE	13,103	14,244	21,366	20,364	23,011	1,645
40 GENERAL LIABILITY INSURANCE	2,387	2,894	3,183	2,995	3,295	112
41 LANDSCAPE MAINTENANCE	192,000	227,462	192,000	95,270	192,000	-
42 IRRIGATION MAINTENANCE	9,181	11,786	16,000	3,183	16,000	-
43 SIDEWALK MAINTENANCE & REPAIR		3,991	8,000	2,790	8,000	-
44 LANDSCAPE- FERTILIZER	35,336	11,384	36,000	-	36,000	-
45 MAINTENANCE & REPAIR	5,216	12,401	10,000	8,880	10,000	-
46 LANDSCAPE REPLACEMENT-PLANTS, SHRUBS, TREES	13,604	1,050	30,000	-	30,000	-
47 FIELD SERVICES	15,450	5,408	5,160	6,020	-	(5,160)
48 MISCELLANEOUS EXPENSE/ CONTINGENCY	23,291	34,848	12,000	3,500	12,000	-
49 <b>TOTAL OTHER PHYSICAL ENVIRONMENT</b>	<b>309,568</b>	<b>325,468</b>	<b>333,709</b>	<b>143,002</b>	<b>330,306</b>	<b>(3,403)</b>
50						
51 PARK & RECREATION						
52 TELEPHONE, INTERNET, CABLE	2,166	2,484	3,000	939	3,000	-
53 POOL SERVICE CONTRACT	23,880	51,534	54,000	19,300	63,600	9,600
54 <b>MAINTENANCE &amp; REPAIRS</b>	<b>10,740</b>	<b>22,558</b>	<b>120,000</b>	<b>5,685</b>	<b>68,271</b>	<b>(51,729)</b>
55 AMENITY FACILITY JANITORIAL SERVICE	10,910	8,470	15,000	11,500	21,600	6,600
56 PEST CONTROL & TERMITE BOND	835	908	1,000	502	1,000	-
57 OFFICE SUPPLIES		3	500	-	500	-
58 MISCELLANEOUS EXPENSE	2,769	9,553	5,000	614	5,000	-
59	-	-	-	-	-	-
60 <b>TOTALPARK &amp; RECREATION</b>	<b>51,300</b>	<b>95,510</b>	<b>198,500</b>	<b>38,540</b>	<b>162,971</b>	<b>(35,529)</b>

**HIGHLAND MEADOWS II COMMUNITY DEVELOPMENT DISTRICT**

**MID YEAR ANALYSIS & PRELIMINARY REVIEW OF FY 2025 BUDGET**

	<b>FY 2022 ACTUAL</b>	<b>FY 2023 ACTUAL</b>	<b>FY 2024 ADOPTED</b>	<b>FY 2024 MID YEAR</b>	<b>FY 2025 PROPOSED</b>	<b>VARIANCE 2024 TO 2025</b>	
01							
62	<b>TOTAL EXPENDITURES BEFORE THER FINANCING SOURCES/USES</b>	550,144	733,259	848,025	386,882	848,025	-
63							
64	<b>OTHER FINANCING SOURCES/USES</b>						
65	INTERFUND TRANSFER IN	98,820	-	-	2,136	-	-
66	CONTINGENCY		-	-	-	-	-
67	<b>TOTAL OTHER FINANCING USES</b>	98,820	-	-	2,136	-	-
68							
69	<b>TOTAL EXPENDITURES</b>	648,964	733,259	848,025	389,018	848,025	-
70							
71	NET CHANGE IN FUND BALANCE	214,231	124,148	-	463,959	-	-
72	FUND BALANCE - BEGINNING	412,510	588,102	712,250	712,250	712,250	-
73	INCREASE IN FUND BALANCE		-	-	-	-	-
74	FUND BALANCE ENDING	626,741	712,250	712,250	1,176,209	712,250	-
75							
76	FUND BALANCE USES:						
77	NonSpendable - Prepaids & Deposits			3,765	3,745	3,746	-
78	Assigned - Operating Reserve - from the FY 2021 audit			250,267	250,267	250,267	-
79	Unassigned Fund Balance	626,741	712,250	458,218	922,197	458,237	-
80	<b>TOTAL FUND BALANCE USE</b>	\$ 626,741	\$ 712,250	\$ 712,250	\$ 1,176,209	\$ 712,250	\$ -

# **EXHIBIT 2**

## **AGENDA**



# HIGHLAND MEADOWS II COMMUNITY DEVELOPMENT DISTRICT



## Analysis of Fund Balance & Capital Asset Reserves

## HIGHLAND MEADOWS II

### GASB 54 – WHAT IS FUND BALANCE?

The objective of GASB Statement 54 (established in 2009) is to enhance the usefulness of fund balance information by

- 1) Providing clearer fund balance classifications for the users of the financial statements
- 2) Improve financial reporting by establishing fund balance classifications that are easier to understand and apply.

The Major fund balance classifications for community development districts include

- Non-spendable
- Restricted
- Assigned
- Unassigned

# HIGHLAND MEADOWS II

## GASB 54 – WHAT IS FUND BALANCE?

Nonspendable - Legally or Contractually Required to be maintained (Amounts that cannot be spent due to constraints).

➤ Examples Include prepaids and deposits

Restricted Fund balance - should be reported as restricted when constraints placed on the use of resources are externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other government

➤ Examples – Debt Service Funds are Restricted for the payment of the Debt

Assigned Amounts - intended to be used for specific purposes. Intent (intended use) is expressed by the Governing body

➤ Examples – Amounts assigned for operating capital or asset reserves

Unassigned Fund Balance is the total fund balance in the general fund in excess of nonspendable, restricted, and assigned fund balance (i.e., surplus)  
Unassigned fund balances are technically available for any purpose

# Operating Reserves

## The Government Finance Officers Association (GFOA)

Recommends that local governments maintain operating reserves equal to two months of operating revenues or regular general fund operating expenditures

## Why – Sustainability & Cash Flow

The fiscal year of the local government – the CDD – operates on a fiscal year of October 1 – September 30.

Assessment revenues are distributed to the District beginning late November with the majority of assessments received late December thru the end of January

# Capital Reserves

**Highland Meadows II**  
Recommended Reserve Funding Table and Graph

Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)
2023	395,000	748,074	2033	557,100	5,022,684	2043	710,200	2,834,634
2024	408,800	1,158,323	2034	576,600	5,234,111	2044	735,100	3,592,149
2025	423,100	1,506,983	2035	596,800	4,562,483	2045	760,800	4,233,039
2026	437,900	1,683,255	2036	617,700	3,848,220	2046	787,400	4,969,308
2027	453,200	2,026,861	2037	639,300	685,743	2047	815,000	5,432,210
2028	469,100	2,511,791	2038	598,000	1,290,636	2048	843,500	6,316,688
2029	485,500	2,896,126	2039	618,900	1,719,083	2049	873,000	7,236,960
2030	502,500	3,332,486	2040	640,600	1,703,080	2050	903,600	7,393,970
2031	520,100	3,877,734	2041	663,000	2,176,711	2051	935,200	8,081,395
2032	538,300	4,432,606	2042	686,200	2,373,993	2052	967,900	8,753,210

**Capital Asset Reserves Suggested at 09.30.2024:**  
**\$1,158,323**  
*Based on Study*

# HIGHLAND MEADOWS II

## FUND BALANCE FOR THE GENERAL FUND

### As of September 30, 2020 (AUDITED)

<b>Nonspendable</b> for Prepaids & Deposits	\$45,131
<b>Assigned</b> for Capital Reserves	\$0
<b>Assigned</b> for Operating	\$0
<b>Unassigned</b> (available for any purpose)	<u>\$394,538</u>
TOTAL FUND BALANCE - see electronic page 12 of the audit)	<u>\$439,569</u>

Note – Excess Of Revenues over Expenditures was \$334,957 ( see electronic page 15 of the audit)

### As of September 30, 2021 (AUDITED)

<b>Nonspendable</b> for Prepaids & Deposits	\$42,513
<b>Assigned</b> for Capital Reserves	\$0
<b>Assigned</b> for Operating	\$0
<b>Unassigned</b> (available for any purpose)	<u>\$620,264</u>
TOTAL FUND BALANCE - see electronic page 13 of the audit)	<u>\$662,777</u>

Note – Excess Of Revenues over Expenditures was \$223,108 (see electronic page 15 of the audit)

### As of September 30, 2022 (AUDITED)

<b>Nonspendable</b> for Prepaids & Deposits	\$46,271
<b>Assigned</b> for Capital Reserves	\$0
<b>Assigned Budgeted</b> - Operating	\$250,267
<b>Unassigned</b> (available for any purpose)	<u>\$613,402</u>
TOTAL FUND BALANCE – (see electronic page 14 of the audit)	<u>\$909,940</u>

Note – Excess Of Revenues over Expenditures was \$247,163 (see electronic page 16 of the audit)

### As of September 30, 2023 (UN-AUDITED)

<b>Nonspendable</b> for Prepaids & Deposits	\$47,661
<b>Assigned</b> for Capital Reserves	\$0
<b>Assigned Budgeted</b> -Operating	\$262,849
<b>Unassigned</b> (available for any purpose)	<u>\$712,250</u>
TOTAL FUND BALANCE	\$975,101

Note – Unaudited excess of revenues over expenditures \$124,148

Note: Total excess for the three audited years is \$805,228. Total Excess for all 4 years = \$929,376

# Proposed for FY 2024

<b>Nonspendable</b> for Prepaids & Deposits	\$47,661
<b>Assigned</b> for Capital Reserves	\$500,000
<b>Assigned</b> for Operating	\$141,337
<b>Unassigned</b> (available for any purpose)	<u>\$286,103</u>
	\$975,101

## Discussion

- Assign & Establish an Operating Reserve – 2 months: \$141,337. A decrease in operating reserve of \$121,512
- Assign & Establish a Capital Reserve Fund: \$500,000
- Remaining Unassigned - \$286,103 -????

# **EXHIBIT 3**

AGENDA



# HIGHLAND MEADOWS II COMMUNITY DEVELOPMENT DISTRICT

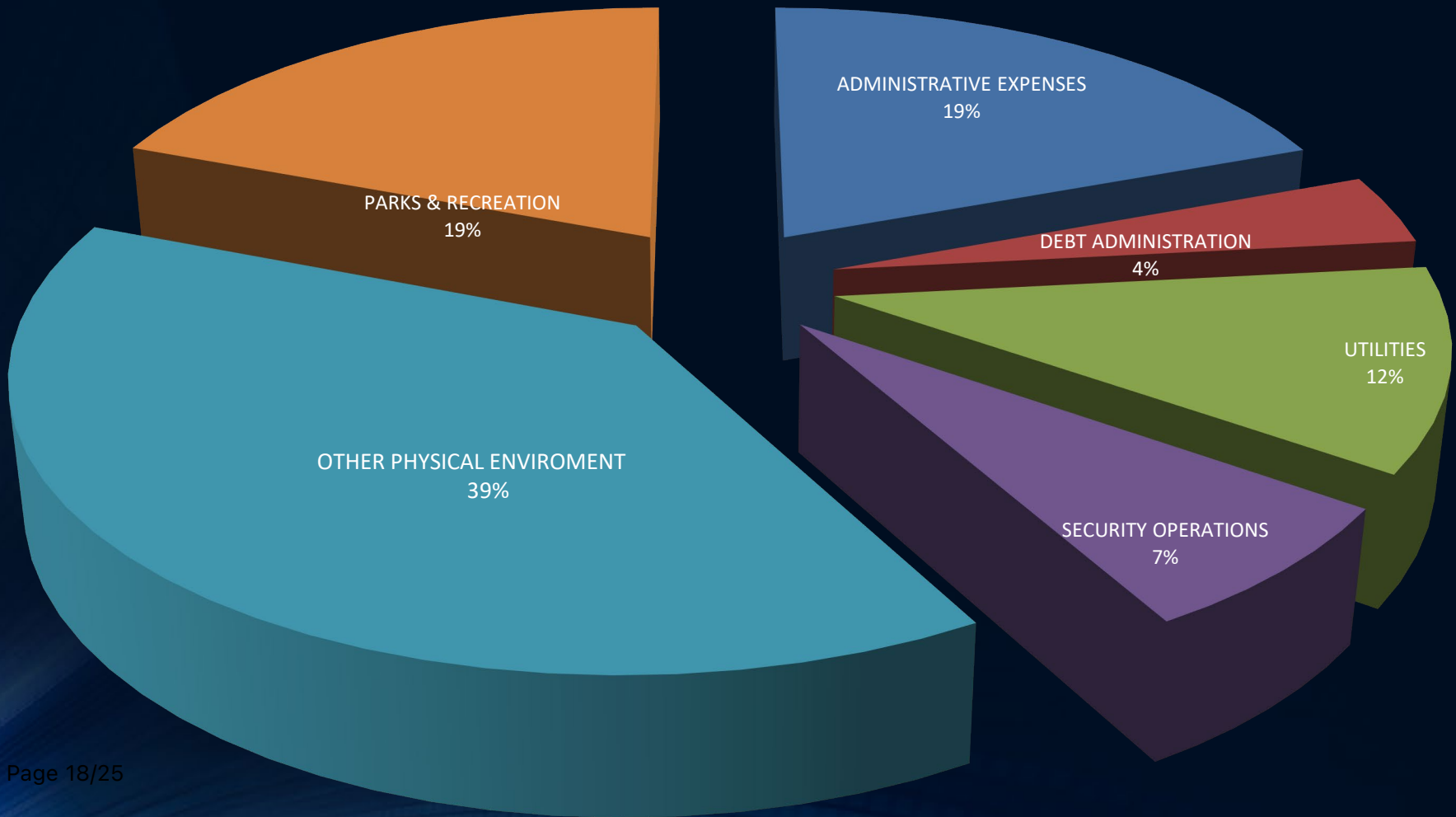


## **OPERATING BUDGET** **A Historical Review for Going Forward**

# HIGHLAND MEADOWS II

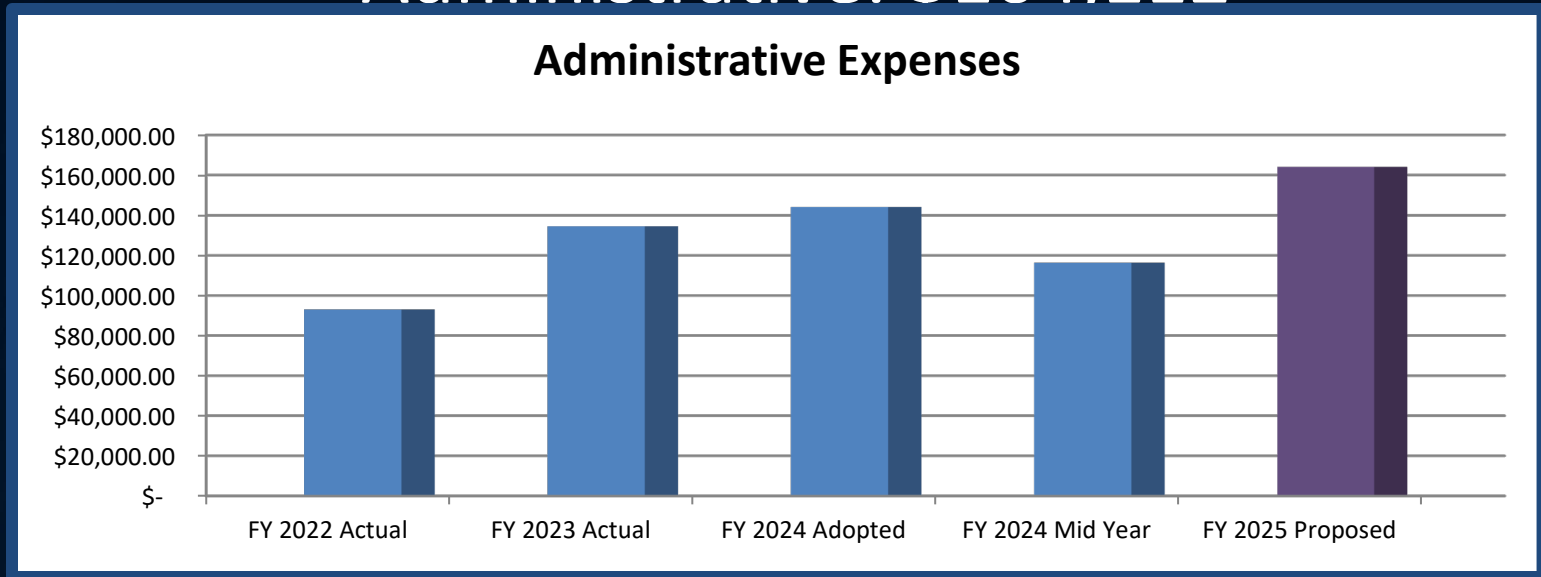
FY 2024 Expenditure Summary: \$848,025

No Change in Expenditure Summary for FY 2025



# HIGHLAND MEADOWS II CDD

## Administrative: \$164,112

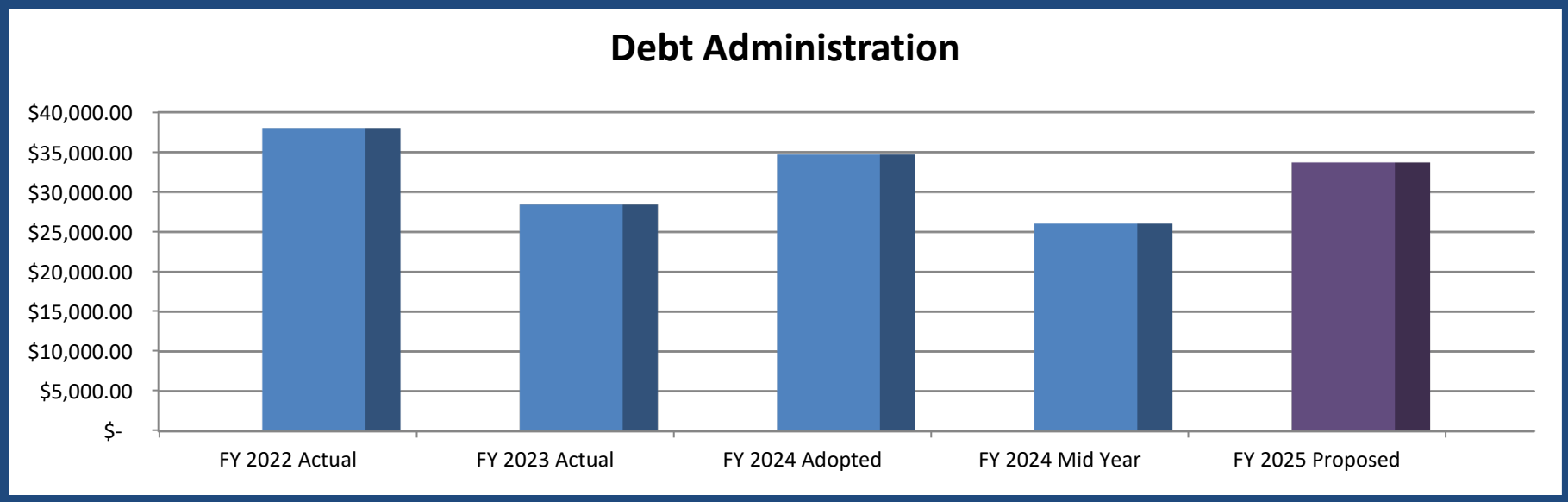


### FY 2025 CONSIDER:

- Overall increase: \$19,996
- Increase in District Counsel of \$10,000
- Increase in District Engineer of \$8,000
- Increase in Legal Advertising of \$1,500
- Increase in Management Fees of \$1,120

# HIGHLAND MEADOWS II CDD

## DEBT ADMINISTRATION : \$33,700

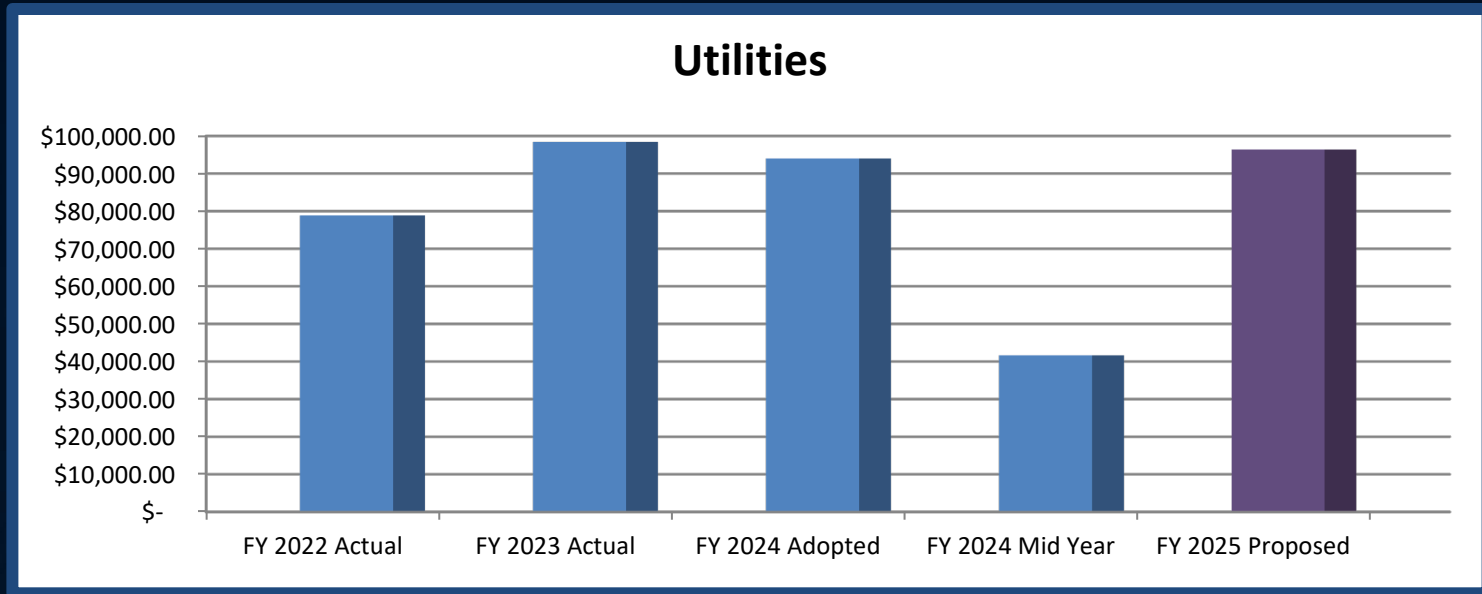


### FY 2025 CONSIDER:

- Overall decrease: \$1,000
- Decrease in Trustee Fees – confirmed with Trustee
- Trying to confirm arbitrage - awaiting response

# HIGHLAND MEADOWS CDD

Utilities: \$96,400

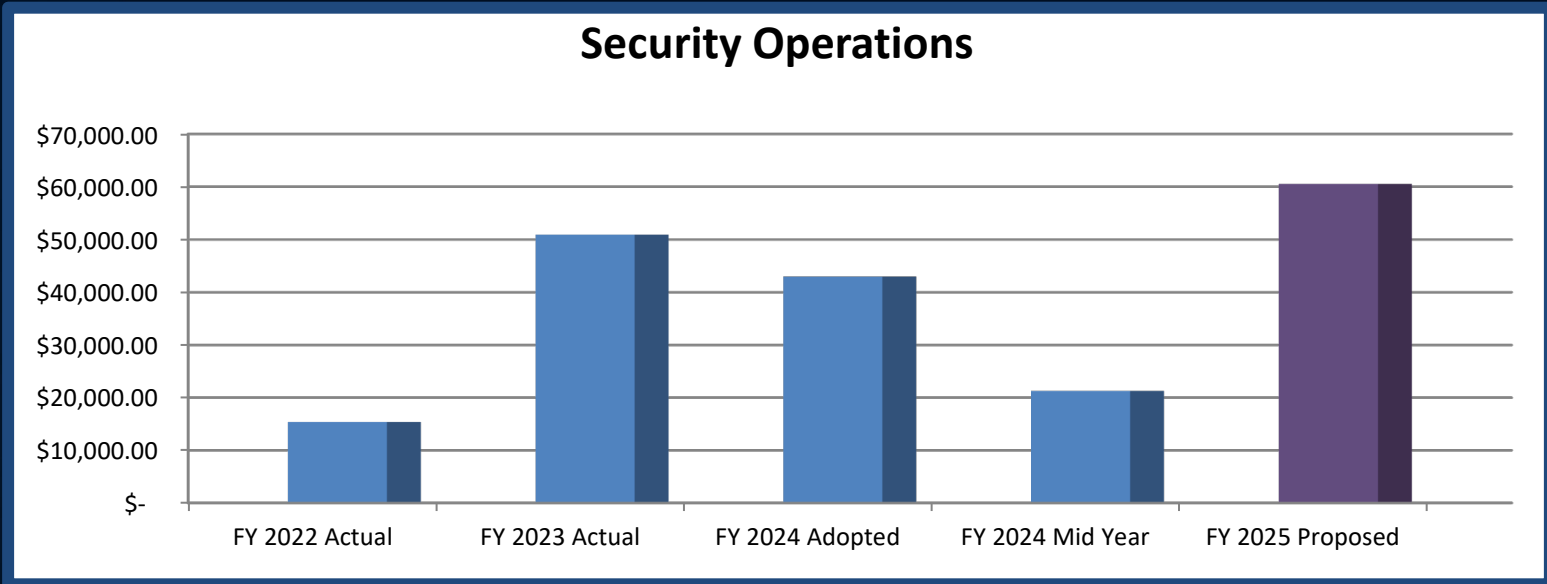


## FY 2025 CONSIDER:

- Overall Increase: \$2,400
- Increase in Streetlights: \$2,400 based on actual billings

# HIGHLAND MEADOWS II CDD

## Security Operations - \$60,536

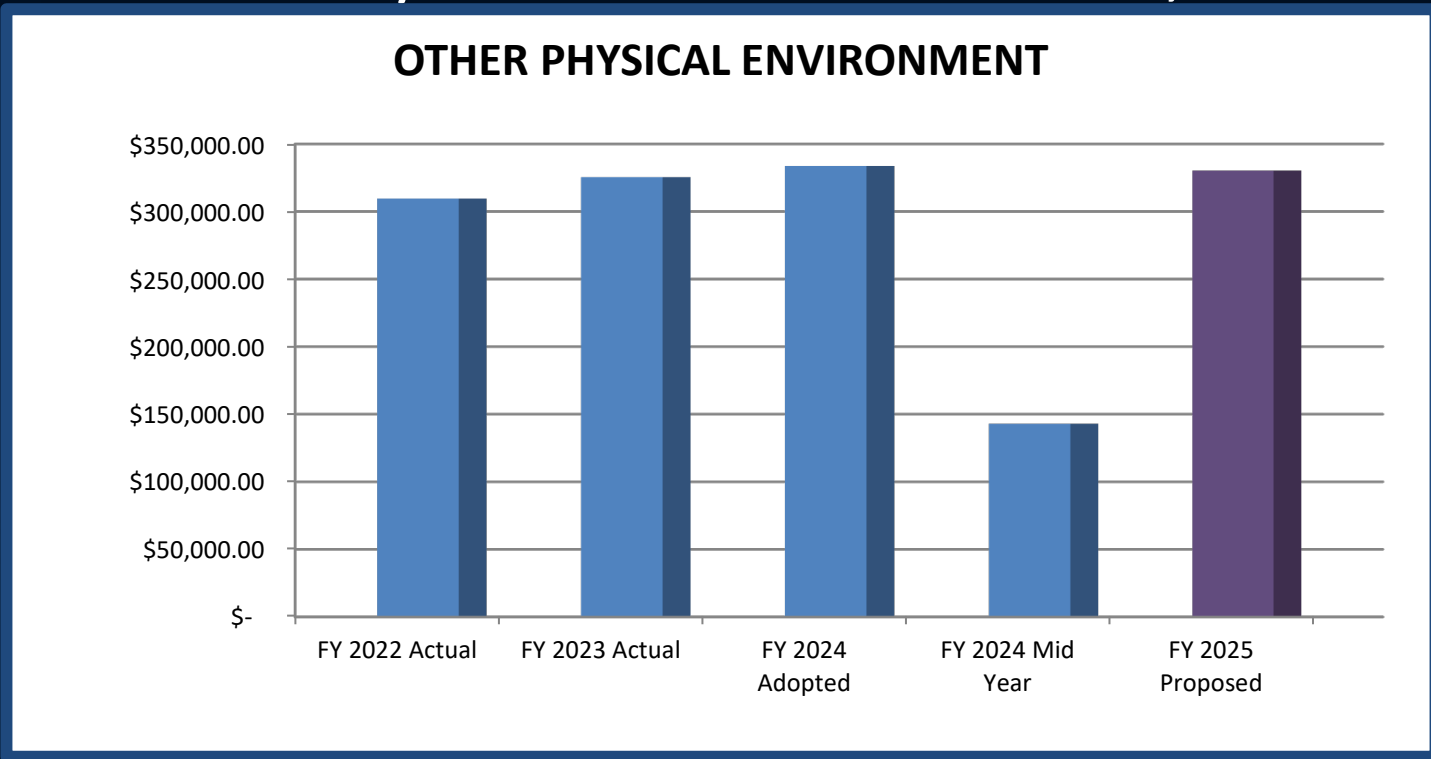


### FY 2025 CONSIDER:

- Overall Increase: \$127,536
- Increase in Patrols: \$17,536 based on actual billings of a weekly amount of \$1,068

# HIGHLAND MEADOWS II CDD

Other Physical Environment: \$330,306

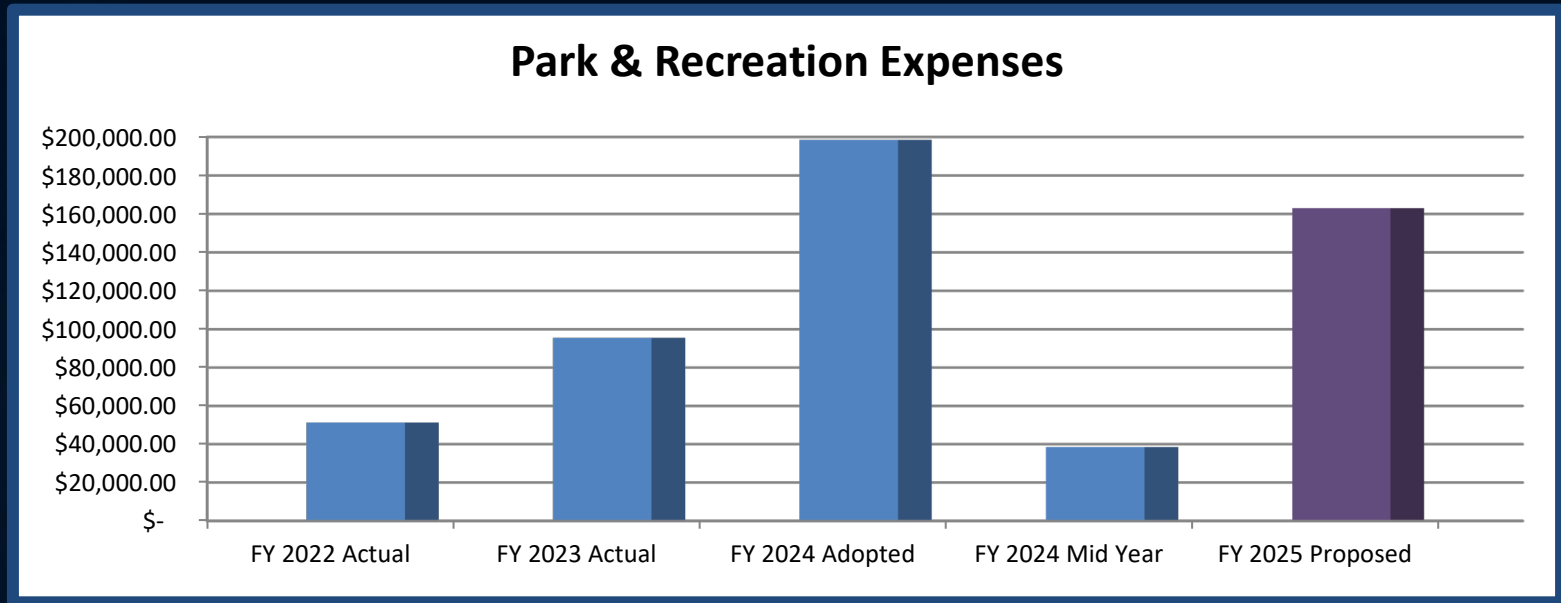


**FY 2025 CONSIDER:**

- Overall Decrease: \$3,403
- Field Services Decrease: \$5,160
- Increase in Insurances: \$1,757

# HIGHLAND MEADOWS II CDD

Parks & Recreation: \$162,971



## FY 2025 CONSIDER:

- Overall Decrease: \$35,529
- Decrease in Maintenance & Repairs: \$51,729
- Increase in Pool Service Contract : \$9,600 Based on weekly service of \$5,300 weekly
- Increase in Janitorial Service \$6,600 of \$1,800 monthly



# QUESTIONS/COMMENTS