

**LIVE OAK NO. 2  
COMMUNITY DEVELOPMENT DISTRICT**

**JULY 24, 2018**

**AGENDA PACKAGE**

# Live Oak No. 2 Community Development District

Inframark, Infrastructure Management Services

210 North University Drive Suite 702, Coral Springs, Florida 33071 Phone: 954-603-0033 Fax: 954-345-1292

July 17, 2018

Board of Supervisors  
Live Oak No. 2 Community  
Development District

Dear Board Members:

The meeting of the Board of Supervisors of the Live Oak No. 2 Community Development District will be held Wednesday, July 24, 2018 at 6:30 p.m. at the Live Oak Clubhouse, 9401 Oak Preserve Boulevard, Tampa, Florida. Following is the advanced agenda for the meeting:

1. **Call to Order and Roll Call**
2. **Public Comment on Agenda Items**
3. **Consent Agenda**
  - A. Approval of Minutes of the May 23, 2018 Meeting
  - B. Financial Report
  - C. Approval of the FY 2017 Audit Report
  - D. Proposed Meeting Dates for FY 2019
4. **Public Hearing to Consider Adoption of the budget for Fiscal Year 2019**
  - A. Consideration of Resolution 2018-03 Adopting the FY 2019 Budget
  - B. Consideration of Resolution 2018-04 Levy of Non-Ad Valorem Assessments
5. **Staff Reports**
  - A. Manager
  - B. Attorney
  - C. Engineer
6. **Supervisors' Requests**
7. **Audience Comments**
8. **Adjournment**

Any additional supporting material for the items listed above is enclosed or will be distributed at the meeting. The balance of the agenda is routine in nature. If you have any questions, please contact me.

Sincerely,

Andrew P. Mendenhall, PMP  
Manager

## **Third Order of Business**

**3A.**

**MINUTES OF MEETING  
LIVE OAK NO. 2  
COMMUNITY DEVELOPMENT DISTRICT**

A meeting of the Board of Supervisors of the Live Oak No. 2 Community Development District was held on Wednesday, May 23, 2018 at 6:30 p.m. in the Live Oak Clubhouse, 9401 Oak Preserve Boulevard, Tampa, Florida.

Present and constituting a quorum were:

Elizabeth Hubbard	Chairperson
Richard Thatcher	Vice Chairman
Kathleen Thatcher	Assistant Secretary
Ronald Dell	Assistant Secretary
David A. Steele	Assistant Secretary

Also present:

Andrew P. Mendenhall	District Manager
Vinney Galiano	District Engineer
One resident	

*The following is a summary of the minutes and actions taken.*

**FIRST ORDER OF BUSINESS**

**Call to Order and Roll Call**

Mr. Mendenhall called the meeting to order and all Board Members were present.

**SECOND ORDER OF BUSINESS**

**Public Comment on Agenda Items**

None.

**THIRD ORDER OF BUSINESS**

**Consent Agenda**

- A. Approval of Minutes of the January 16, 2018 Meeting**
- B. Financial Report Dated April 30, 2018**
- C. Report on the Number of Registered Voters (1,466)**

ON MOTION by Ms. Hubbard seconded by Mr. Thatcher with all in favor the Consent Agenda was approved as presented. 5-0
---

**FOURTH ORDER OF BUSINESS****Staff Reports****A. Manager****i. Consideration of Resolution 2018-01 Confirming the District's Use of the Hillsborough County Supervisor of Elections to Continue Conducting the District's Election of Supervisors in Conjunction with the General Election**

Mr. Mendenhall provided a brief explanation of the process.

ON MOTION by Mr. Thatcher seconded by Mr. Dell with all in favor Resolution 2018-01 Confirming the District's Use of the Hillsborough County Supervisor of Elections to Continue Conducting the District's Election of Supervisors in Conjunction with the General Election was adopted. 5-0

**ii. Consideration of Resolution 2018-02 Approving the Proposed Budget for Fiscal Year 2019 and Setting a Public Hearing**

Mr. Mendenhall reported there was no increase in assessments.

ON MOTION by Ms. Thatcher seconded by Ms. Hubbard with all in favor Resolution 2018-02 Approving the Proposed Budget for Fiscal Year 2019 and Setting a Public Hearing for September 18, 2018 at 6:30 p.m. was adopted. 5-0

**B. Attorney**

None.

**C. Engineer**

Mr. Galiano reported on the following:

- SWFWMD O&M inspection is scheduled for this week.
- Removal of the pine tree in the Live Oak Conservation Area requires a permit.
- Monitoring wells will be ongoing for six months.
- No Fishing signs were requested in Driftwood while the monitoring well is in progress.
- The Board recommended temporary construction fencing instead.

**A. Manager (Continued)**

Mr. Mendenhall recommended rescheduling the September 18, 2018 to September 11, 2018 at 6:30 p.m. in the same location.

Ms. Thatcher MOVED to amend Resolution 2018-02, Setting the Public Hearing on September 11, 2018 at 6:30 p.m., and Ms. Hubbard Seconded the motion.

Further discussion ensued regarding the schedule of meetings.

ON MOTION by Ms. Thatcher seconded by Ms. Hubbard with all in favor Amend Resolution 2018-02, Setting the Public Hearing on July 24, 2018 at 6:30 p.m. was approved. 5-0

**FIFTH ORDER OF BUSINESS**

None.

**Supervisors' Requests**

**SIXTH ORDER OF BUSINESS**

None.

**Audience Comments**

**SEVENTH ORDER OF BUSINESS**

**Adjournment**

On MOTION by Ms. Dell seconded by Mr. Steele with all in favor the meeting was adjourned. 5-0

---

Elizabeth Hubbard  
Chairperson

**3B.**



**LIVE OAK NO. 2**  
Community Development District

**Financial Report**

*June 30, 2018*

**Prepared by:**



## LIVE OAK NO. 2

Community Development District

---

### Table of Contents

#### FINANCIAL STATEMENTS

Balance Sheet ..... Page 1

Statement of Revenues, Expenditures and Changes in Fund Balances

General Fund ..... Page 2 - 3

Debt Service Fund ..... Page 4

#### SUPPORTING SCHEDULES

Non-Ad Valorem Special Assessments ..... Page 5

Cash & Investment Report ..... Page 6

SunTrust Bank Reconciliation ..... Page 7

Check Register ..... Page 8 - 9

---

**LIVE OAK NO. 2**  
Community Development District

**Financial Statements**

(Unaudited)

*June 30, 2018*

**Balance Sheet**  
June 30, 2018

ACCOUNT DESCRIPTION	GENERAL FUND	SERIES 2016 DEBT SERVICE FUND	TOTAL
<b><u>ASSETS</u></b>			
Cash - Checking Account	\$ 34,820	\$ -	\$ 34,820
Due From Other Funds	-	10,549	10,549
Investments:			
Certificates of Deposit - 12 Months	101,025	-	101,025
Money Market Account	337,798	-	337,798
Reserve Fund	-	275,999	275,999
Revenue Fund	-	164,777	164,777
<b>TOTAL ASSETS</b>	<b>\$ 473,643</b>	<b>\$ 451,325</b>	<b>\$ 924,968</b>
<b><u>LIABILITIES</u></b>			
Accounts Payable	\$ 529	\$ -	\$ 529
Due To Other Funds	10,549	-	10,549
<b>TOTAL LIABILITIES</b>	<b>11,078</b>	<b>-</b>	<b>11,078</b>
<b><u>FUND BALANCES</u></b>			
Restricted for:			
Debt Service	-	451,325	451,325
Assigned to:			
Operating Reserves	52,831	-	52,831
Reserves - Ponds	170,751	-	170,751
Unassigned:	238,983	-	238,983
<b>TOTAL FUND BALANCES</b>	<b>\$ 462,565</b>	<b>\$ 451,325</b>	<b>\$ 913,890</b>
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<b>\$ 473,643</b>	<b>\$ 451,325</b>	<b>\$ 924,968</b>

**Statement of Revenues, Expenditures and Changes in Fund Balances**  
For the Period Ending June 30, 2018

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE ACTUAL	YTD ACTUAL AS A % OF ADOPTED BUD	JUN-18 ACTUAL
<b><u>REVENUES</u></b>				
Interest - Investments	\$ -	\$ 2,511	0.00%	\$ 276
Interest - Tax Collector	-	545	0.00%	426
Special Assmnts- Tax Collector	256,049	256,049	100.00%	4,241
Special Assmnts- Discounts	(10,242)	(9,761)	95.30%	-
<b>TOTAL REVENUES</b>	<b>245,807</b>	<b>249,344</b>	<b>101.44%</b>	<b>4,943</b>
<b><u>EXPENDITURES</u></b>				
<b><u>Administration</u></b>				
P/R-Board of Supervisors	8,000	2,400	30.00%	-
FICA Taxes	612	184	30.07%	-
ProfServ-Arbitrage Rebate	600	-	0.00%	-
ProfServ-Dissemination Agent	1,000	1,000	100.00%	-
ProfServ-Engineering	15,000	8,050	53.67%	(233)
ProfServ-Legal Services	3,000	1,641	54.70%	529
ProfServ-Mgmt Consulting Serv	38,850	29,138	75.00%	3,238
ProfServ-Special Assessment	12,500	12,500	100.00%	-
ProfServ-Trustee Fees	3,717	3,971	106.83%	-
Auditing Services	3,500	3,500	100.00%	3,500
Postage and Freight	1,000	94	9.40%	28
Insurance - General Liability	9,141	8,310	90.91%	-
Printing and Binding	500	109	21.80%	14
Legal Advertising	900	1,113	123.67%	-
Misc-Bank Charges	600	183	30.50%	35
Misc-Assessmnt Collection Cost	5,121	4,928	96.23%	87
Misc-Web Hosting	775	-	0.00%	-
Office Supplies	100	-	0.00%	-
Annual District Filing Fee	175	175	100.00%	-
<b>Total Administration</b>	<b>105,091</b>	<b>77,296</b>	<b>73.55%</b>	<b>7,198</b>

**Statement of Revenues, Expenditures and Changes in Fund Balances**  
For the Period Ending June 30, 2018

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE ACTUAL	YTD ACTUAL AS A % OF ADOPTED BUD	JUN-18 ACTUAL
<b>Field</b>				
Contracts-Envirom'l Monitoring	3,200	3,200	100.00%	-
Contracts-Landscape	44,238	33,179	75.00%	3,687
Contracts-Lakes	16,596	12,447	75.00%	1,383
R&M-Fence	7,500	225	3.00%	-
R&M-Lake	5,000	13,244	264.88%	-
R&M-Wetland Monitoring	8,000	7,350	91.88%	-
Misc-Contingency	25,000	9,739	38.96%	950
Reserve - Ponds	31,182	-	0.00%	-
<b>Total Field</b>	<b>140,716</b>	<b>79,384</b>	<b>56.41%</b>	<b>6,020</b>
<b>TOTAL EXPENDITURES</b>	<b>245,807</b>	<b>156,680</b>	<b>63.74%</b>	<b>13,218</b>
Excess (deficiency) of revenues				
Over (under) expenditures	-	92,664	0.00%	(8,275)
Net change in fund balance	\$ -	\$ 92,664	0.00%	\$ (8,275)
<b>FUND BALANCE, BEGINNING (OCT 1, 2017)</b>	<b>369,901</b>	<b>369,901</b>		
<b>FUND BALANCE, ENDING</b>	<b>\$ 369,901</b>	<b>\$ 462,565</b>		

**Statement of Revenues, Expenditures and Changes in Fund Balances**  
For the Period Ending June 30, 2018

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE ACTUAL	YTD ACTUAL AS A % OF ADOPTED BUD	JUN-18 ACTUAL
<b><u>REVENUES</u></b>				
Interest - Investments	\$ -	\$ 769	0.00%	\$ 93
Special Assmnts- Tax Collector	600,454	600,455	100.00%	9,945
Special Assmnts- Discounts	(24,018)	(22,891)	95.31%	-
<b>TOTAL REVENUES</b>	<b>576,436</b>	<b>578,333</b>	<b>100.33%</b>	<b>10,038</b>
<b><u>EXPENDITURES</u></b>				
<b><u>Administration</u></b>				
Misc-Assessmnt Collection Cost	12,009	11,557	96.24%	205
<b>Total Administration</b>	<b>12,009</b>	<b>11,557</b>	<b>96.24%</b>	<b>205</b>
<b><u>Debt Service</u></b>				
Principal Debt Retirement	315,000	315,000	100.00%	(5,000)
Principal Prepayments	-	5,000	0.00%	5,000
Interest Expense	238,324	238,324	100.00%	-
<b>Total Debt Service</b>	<b>553,324</b>	<b>558,324</b>	<b>100.90%</b>	<b>-</b>
<b>TOTAL EXPENDITURES</b>	<b>565,333</b>	<b>569,881</b>	<b>100.80%</b>	<b>205</b>
Excess (deficiency) of revenues Over (under) expenditures	11,103	8,452	76.12%	9,833
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Contribution to (Use of) Fund Balance	11,103	-	0.00%	-
<b>TOTAL FINANCING SOURCES (USES)</b>	<b>11,103</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>
Net change in fund balance	\$ 11,103	\$ 8,452	76.12%	\$ 9,833
<b>FUND BALANCE, BEGINNING (OCT 1, 2017)</b>	<b>442,873</b>	<b>442,873</b>		
<b>FUND BALANCE, ENDING</b>	<b>\$ 453,976</b>	<b>\$ 451,325</b>		

**LIVE OAK NO. 2**  
Community Development District

**Supporting Schedules**

*June 30, 2018*



Non-Ad Valorem Special Assessments  
(Hillsborough County Tax Collector - Monthly Collection Distributions)  
For the Fiscal Year Ending September 30, 2018

						ALLOCATION BY FUND	
Date Received	Net Amount Rcv'd	Discount / (Penalties) Amount	Tax Coll Cost	Prop Appr Cost	Gross Amount Received	General Fund	Debt Service Fund**
Assessments Levied FY '18					\$856,502	\$256,048	\$600,454
Allocation %					100%	30%	70%
11/07/17	\$ 7,749	\$ 400	\$ 158	\$ -	\$ 8,307	\$ 2,483	\$ 5,824
11/16/17	41,807	1,777	853	-	44,438	13,285	31,153
11/24/17	154,611	6,574	3,155	-	164,340	49,129	115,211
12/11/17	494,009	21,003	10,082	-	525,094	156,975	368,119
12/15/17	42,293	1,474	863	-	44,631	13,342	31,288
01/10/18	21,970	1,082	448	-	23,500	7,025	16,475
02/08/18	11,936	285	244	-	12,464	3,726	8,738
03/06/18	5,625	58	115	-	5,797	1,733	4,064
04/06/18	12,319	-	251	-	12,570	3,758	8,812
05/08/18	1,153	-	24	-	1,176	352	825
06/08/18	4,071	-	-	86	4,157	1,243	2,914
06/15/18	9,823	-	-	207	10,029	2,998	7,031
<b>TOTAL</b>	<b>\$ 807,366</b>	<b>\$ 32,653</b>	<b>\$ 16,193</b>	<b>\$ 292</b>	<b>\$ 856,504</b>	<b>\$ 256,049</b>	<b>\$ 600,455</b>
% COLLECTED					100%	100%	100%
TOTAL O/S					\$ (2)	\$ (1)	\$ (1)

**LIVE OAK NO. 2***All Funds*

Community Development District

**Cash and Investment Report***June 30, 2018***General Fund**

<u>Account Name</u>	<u>Bank Name</u>	<u>Investment Type</u>	<u>Maturity</u>	<u>Yield</u>	<u>Balance</u>
Checking Account Operating	SunTrust	Public Funds Analyzed Cking	n/a	0.00%	\$34,820 (1)
Certificate of Deposit	Florida Community Bank	12 MO CD - #2700	01/17/19	0.45%	101,025
MMA-0186	BankUnited	Money Market Account	n/a	0.78%	337,798
Total-GF					<u>\$473,643</u>

**Debt Service Funds**

<u>Account Name</u>	<u>Bank Name</u>	<u>Investment Type</u>	<u>Maturity</u>	<u>Yield</u>	<u>Balance</u>
Series 2016 Reserve Fund	US Bank	US Bank Open Ended CP	03/01/19	0.00%	275,999
Series 2016 Revenue Fund	US Bank	US Bank Open Ended CP	03/01/19	0.00%	164,777
Total-DS					<u>\$441,481</u>
Total					<u>\$915,125</u>

Note (1) - Transferring \$10K to the debt service in July.

**Live Oak No. 2 CDD**

## Bank Reconciliation

Bank Account No. 9534 SunTrust Bank N.A. - GF  
 Statement No. 06-18  
 Statement Date 6/30/2018

G/L Balance (LCY)	34,819.50	Statement Balance	39,519.61
G/L Balance	34,819.50	Outstanding Deposits	0.00
Positive Adjustments	0.00		
		Subtotal	39,519.61
Subtotal	34,819.50	Outstanding Checks	4,700.11
Negative Adjustments	0.00	Differences	0.00
Ending G/L Balance	34,819.50	Ending Balance	34,819.50
Difference	0.00		

Posting Date	Document Type	Document No.	Description	Amount	Cleared Amount	Difference
<b>Outstanding Checks</b>						
4/6/2018	Payment	003651	CREATIVE MAILBOX & SIGN DESIGNS	242.50	0.00	242.50
6/25/2018	Payment	003682	INFRAMARK, LLC	650.00	0.00	650.00
6/26/2018	Payment	003683	INFRAMARK, LLC	3,257.61	0.00	3,257.61
6/27/2018	Payment	003684	DRIGGERS ENGINEERING SERVICE	250.00	0.00	250.00
6/29/2018	Payment	003685	LANDSCAPE MAINTENANCE	300.00	0.00	300.00
<b>Total Outstanding Checks.....</b>				<b>4,700.11</b>		<b>4,700.11</b>

## LIVE OAK NO. 2

### Community Development District

Payment Register by Fund  
For the Period from 5/1/2018 to 6/30/2018  
(Sorted by Check / ACH No.)

Fund No.	Check / ACH No.	Date	Payee	Invoice No.	Payment Description	Invoice / GL Description	GL Account #	Amount Paid
<b>GENERAL FUND - 001</b>								
001	003657	05/03/18	AMERICAN ECOSYSTEMS, INC	1805211	MAY 18 WATER MGMT SVC	Contracts-Lakes	534084-53901	\$1,383.00
001	003658	05/03/18	CREATIVE MAILBOX & SIGN DESIGNS	18000443	NO TRESPASSING SIGN INSTALL	Misc-Contingency	549900-53901	\$485.00
001	003659	05/03/18	LANDSCAPE MAINTENANCE	132819	MAY 18 MAINTENANCE	Contracts-Landscape	534050-53901	\$3,686.50
001	003661	05/09/18	US BANK	4978153	4/1/18-3/31/19 TRUSTEE SERVICE	ProfServ-Trustee Fees	531045-51301	\$3,971.25
001	003662	05/17/18	TAMPA BAY TIMES	632468	NOTICE OF MTG 5/9/18	Legal Advertising	548002-51301	\$301.50
001	003663	05/24/18	BIG DOG FENCE	181505	6X8 WHITE VINYL FENCE REPAIR	R&M Fence	548025-53901	\$225.00
001	003664	05/24/18	FLORIDA NATIVES NURSERY, INC	15211	QUARTERLY MITIGATION MAINT	Contracts-Environl Monitoring	534017-53901	\$800.00
001	003665	05/24/18	KING ENGINEERING ASSOCIATES, I	101618	ENG'G SVC THRU APRIL 2018	ProfServ-Engineering	531013-51501	\$875.50
001	003671	06/01/18	AMERICAN ECOSYSTEMS, INC	1806212	WATER MGMT SVC JUNE 2018	Contracts-Lakes	534084-53901	\$1,383.00
001	003672	06/01/18	LANDSCAPE MAINTENANCE	133739	GRNDS MAINT JUNE 2018	Contracts-Landscape	534050-53901	\$3,686.50
001	003673	06/01/18	TIMES PUBLISHING	637734	BOARD CANDIDATES NOTICE	Legal Advertising	548002-51301	\$259.00
001	003674	06/06/18	INFRAMARK, LLC	30717	5/18 MANAGEMENT FEES	ProfServ-Mgmt Consulting Serv	53102751201	\$3,237.50
001	003674	06/06/18	INFRAMARK, LLC	30717	5/18 MANAGEMENT FEES	Postage and Freight	541006-51301	\$2.82
001	003674	06/06/18	INFRAMARK, LLC	30717	5/18 MANAGEMENT FEES	Printing and Binding	547001-51301	\$3.80
001	003675	06/08/18	STRALEY & ROBIN	15792	GEN MATTERS THRU MAY 2018	ProfServ-Legal Services	531023-51401	\$135.00
001	003676	06/14/18	FED EX	6-203-52801	JUNE POSTAGE	Postage and Freight	541006-51301	\$22.30
001	003677	06/15/18	BERGER TOOMBS ELAM	02116508	AUDIT SVC 9/30/17	Auditing Services	532002-51301	\$3,500.00
001	003678	06/15/18	DRIGGERS ENGINEERING SERVICE	TL12184	ENG'G SVC THRU MAY 2018	ProfServ-Engineering	531013-51501	\$250.00
001	003679	06/19/18	STRALEY & ROBIN	15685	GEN MATTERS THRU APRIL 2018	ProfServ-Legal Services	531023-51401	\$90.00
001	003680	06/21/18	KING ENGINEERING ASSOCIATES, I	101877	ENGINEER SERVICE MAY 2018	ProfServ-Engineering	531013-51501	\$2,446.50
001	003680	06/21/18	KING ENGINEERING ASSOCIATES, I	CM101877	TO CORRECT AMOUNT OF INV	ProfServ-Engineering	531013-51501	(\$232.50)
001	003682	06/25/18	INFRAMARK, LLC	31366	FACTORED CATCH BASIN	Misc-Contingency	549900-53901	\$650.00
001	003683	06/26/18	INFRAMARK, LLC	31827	JUNE 18 MANAGEMENT FEES	ProfServ-Mgmt Consulting Serv	531027-51201	\$3,237.50
001	003683	06/26/18	INFRAMARK, LLC	31827	JUNE 18 MANAGEMENT FEES	Postage and Freight	541006-51301	\$6.11
001	003683	06/26/18	INFRAMARK, LLC	31827	JUNE 18 MANAGEMENT FEES	Printing and Binding	547001-51301	\$14.00
001	003684	06/27/18	DRIGGERS ENGINEERING SERVICE	TL12127	SOIL INSPECTION 4/13/18	ProfServ-Engineering	531013-51501	\$250.00
001	003685	06/29/18	LANDSCAPE MAINTENANCE	134886	TREE REMOVAL	Misc-Contingency	549900-53901	\$300.00
001	003686	05/25/18	ELIZABETH J. HUBBARD	PAYROLL	May 25, 2018 Payroll Posting			\$184.70
001	003687	05/25/18	KATHLEEN M. THATCHER	PAYROLL	May 25, 2018 Payroll Posting			\$184.70
001	003688	05/25/18	CLIFFORD R. THATCHER	PAYROLL	May 25, 2018 Payroll Posting			\$183.87
001	003689	05/25/18	RONALD L. DELL	PAYROLL	May 25, 2018 Payroll Posting			\$184.70

**LIVE OAK NO. 2**  
**Community Development District**

Payment Register by Fund  
 For the Period from 5/1/2018 to 6/30/2018  
 (Sorted by Check / ACH No.)

Fund No.	Check / ACH No.	Date	Payee	Invoice No.	Payment Description	Invoice / GL Description	G/L Account #	Amount Paid
001	003670	05/25/18	DAVID A. STEELE	PAYROLL	May 25, 2018 Payroll Posting			\$184.70
Fund Total								<u>\$31,891.95</u>

**SERIES 2016 DEBT SERVICE FUND - 202**

202	003660	05/09/18	LIVE OAK 2 U.S. BANK, N.A. CDD	040618-2016	TRFR ASSESSMENTS TO US BANK	Due From Other Funds	131000	\$3,943.12
202	003681	08/21/18	LIVE OAK 2 U.S. BANK, N.A. CDD	061418-2016	TRFR FY18 ASSESSMENTS	Due From Other Funds	131000	\$2,636.18
Fund Total								<u>\$12,579.30</u>

Total Checks Paid	\$44,471.25
-------------------	-------------

**3C**

**Live Oak No. 2  
Community Development District  
ANNUAL FINANCIAL REPORT  
September 30, 2017**

**Live Oak No. 2 Community Development District**

**ANNUAL FINANCIAL REPORT**

**September 30, 2017**

**TABLE OF CONTENTS**

	<u>Page Number</u>
<b>FINANCIAL SECTION</b>	
REPORT OF INDEPENDENT AUDITORS	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-8
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements:	
Balance Sheet – Governmental Funds	11
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	12
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	15
Notes to Financial Statements	16-28
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	29-30
MANAGEMENT LETTER	31-32
INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES	33





Berger, Toombs, Elam,  
Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue  
Suite 200  
Fort Pierce, Florida 34950

772/461-6120 // 461-1155  
FAX: 772/468-9278

## REPORT OF INDEPENDENT AUDITORS

To the Board of Supervisors  
Live Oak No. 2 Community Development District  
Hillsborough County, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of Live Oak No. 2 Community Development District as of and for the year ended September 30, 2017, and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Accounting Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Fort Pierce / Stuart

- 1 -

Member AICPA

Member AICPA Division For CPA Firms  
Private Companies Practice Section

Member FICPA

To the Board of Supervisors  
Live Oak No. 2 Community Development District

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Live Oak No. 2 Community Development District, as of September 30, 2017, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### Other Matters

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated May 24, 2018 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations and contracts. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Live Oak No. 2 Community Development District's internal control over financial reporting and compliance.



Berger, Toombs, Elam, Gaines & Frank  
Certified Public Accountants PL  
Fort Pierce, Florida

May 24, 2018

**Live Oak No. 2 Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2017**

Management's discussion and analysis of Live Oak No. 2 Community Development District's (the "District") financial performance provides an objective and easily readable analysis of the District's financial activities. The analysis provides summary financial information for the District and should be read in conjunction with the District's financial statements.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

The District's basic financial statements comprise three components; 1) *Government-wide financial statements*, 2) *Fund financial statements*, and 3) *Notes to financial statements*. The *Government-wide financial statements* present an overall picture of the District's financial position and results of operations. The *Fund financial statements* present financial information for the District's major funds. The *Notes to financial statements* provide additional information concerning the District's finances.

The *Government-wide financial statements* are the **statement of net position** and the **statement of activities**. These statements use accounting methods similar to those used by private-sector companies. Emphasis is placed on the net position of governmental activities and the change in net position. Governmental activities are primarily supported by special assessments.

The **statement of net position** presents information on all assets and liabilities of the District, with the difference between assets and liabilities reported as net position. Net position are reported in three categories; 1) net investment in capital assets, 2) restricted, and 3) unrestricted. Assets, liabilities, and net position are reported for all Governmental activities.

The **statement of activities** presents information on all revenues and expenses of the District and the change in net position. Expenses are reported by major function and program revenues relating to those functions are reported, providing the net cost of all functions provided by the District. To assist in understanding the District's operations, expenses have been reported as governmental activities. Governmental activities financed by the District include general government and debt service.

*Fund financial statements* present financial information for governmental funds. These statements provide financial information for the major funds of the District. Governmental fund financial statements provide information on the current assets and liabilities of the funds, changes in current financial resources (revenues and expenditures), and current available resources.

**Live Oak No. 2 Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2017**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

*Fund financial statements* include a **balance sheet** and a **statement of revenues, expenditures and changes in fund balances** for all governmental funds. A **statement of revenues, expenditures, and changes in fund balances – budget and actual** is provided for the District's General Fund. *Fund financial statements* provide more detailed information about the District's activities. Individual funds are established by the District to track revenues that are restricted to certain uses or to comply with legal requirements.

The *government-wide financial statements* and the *fund financial statements* provide different pictures of the District. The government-wide financial statements provide an overall picture of the District's financial standing. These statements are comparable to private-sector companies and give a good understanding of the District's overall financial health and how the District paid for the various activities, or functions, provided by the District. All assets of the District, including land and improvements and construction in progress, are reported in the **statement of net position**. All liabilities, including principal outstanding on bonds are included. The **statement of activities** includes depreciation on all long lived assets of the District, but transactions between the different functions of the District have been eliminated in order to avoid "doubling up" the revenues and expenses. The *fund financial statements* provide a picture of the major funds of the District. In the case of governmental activities, outlays for long lived assets are reported as expenditures and long-term liabilities, such as general obligation bonds, are not included in the fund financial statements. To provide a link from the *fund financial statements* to the *government-wide financial statements*, a reconciliation is provided from the *fund financial statements* to the *government-wide financial statements*.

*Notes to financial statements* provide additional detail concerning the financial activities and financial balances of the District. Additional information about the accounting practices of the District, investments of the District, capital assets and long-term debt are some of the items included in the *notes to financial statements*.

**Financial Highlights**

The following are the highlights of financial activity for the year ended September 30, 2017.

- ◆ The District's total assets exceeded total liabilities by \$15,507,639 (net position). The District's net investment in capital assets was \$15,070,434. Restricted net position is \$67,305. Unrestricted net position is \$369,900.
- ◆ Governmental activities revenues totaled \$828,877 while governmental activities expenses totaled \$1,090,141.

**Live Oak No. 2 Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2017**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Financial Analysis of the District**

The following schedule provides a summary of the assets, liabilities and net position of the District and is presented by category for comparison purposes.

**Net Position**

	<b>Governmental Activities</b>	
	<b>2017</b>	<b>2016</b>
Current assets	\$ 378,510	\$ 365,379
Restricted assets	439,220	432,294
Capital assets	21,895,463	22,492,275
Total Assets	<u>22,713,193</u>	<u>23,289,948</u>
Deferred outflows of resources	<u>190,985</u>	<u>202,441</u>
Current liabilities	419,258	431,360
Non-current liabilities	6,977,281	7,292,126
Total Liabilities	<u>7,396,539</u>	<u>7,723,486</u>
Net position - net investment in capital assets	15,070,434	15,354,129
Net position - restricted	67,305	63,432
Net position - unrestricted	<u>369,900</u>	<u>351,342</u>
Total Net Position	<u>\$ 15,507,639</u>	<u>\$ 15,768,903</u>

The decrease in capital assets is due to depreciation in the current year.

The decrease in deferred outflows of resources is the result of current year amortization.

The decrease in non-current liabilities is the result of principal bond payments in the current year.

The decrease in net position – net investment in capital assets is primarily due to depreciation in excess of the reduction in long-term debt.

**Live Oak No. 2 Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2017**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Financial Analysis of the District (Continued)**

The following schedule provides a summary of the changes in net position of the District and is presented by category for comparison purposes.

**Change in Net Position**

	<b>Governmental Activities</b>	
	<b>2017</b>	<b>2016</b>
Revenues		
Charges for services	\$ 824,583	\$ 941,077
Miscellaneous revenues	1,667	-
Investment earnings	2,627	1,862
Total Revenues	<u>828,877</u>	<u>942,939</u>
Expenses		
General government	107,824	108,743
Physical environment	720,364	678,693
Interest on long-term debt	261,953	410,434
Total Expenses	<u>1,090,141</u>	<u>1,197,870</u>
Change in Net Position	(261,264)	(254,931)
Net Position - Beginning of Year	<u>15,768,903</u>	<u>16,023,834</u>
Net Position - End of Year	<u>\$ 15,507,639</u>	<u>\$ 15,768,903</u>

The decrease in charges for services is primarily due to an anticipated decrease in assessment collections.

The increase in physical environment is due to an increase in pond maintenance in the current year.

The decrease in interest on long-term debt is primarily the result of a bond refunding that occurred in the prior year.

**Live Oak No. 2 Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2017**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

**Capital Assets Activity**

The following schedule provides a summary of the District's capital assets as of September 30, 2017 and 2016.

<u>Description</u>	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
Land and improvements	\$ 7,616,900	\$ 7,616,900
Infrastructure	17,904,401	17,904,401
Less: accumulated depreciation	(3,625,838)	(3,029,026)
Total Capital Assets (Net)	<u>\$ 21,895,463</u>	<u>\$ 22,492,275</u>

Capital asset activity consisted of depreciation of \$596,812 in the current year.

**General Fund Budgetary Highlights**

Budgeted expenditures exceeded actual expenditures primarily because repair and maintenance and payroll expenditures were less than anticipated.

There were no amendments to the September 30, 2017 budget.

**Debt Management**

Governmental Activities debt includes the following:

- ◆ In March 2016, the District issued \$7,620,000 Series 2016 Special Assessment Refunding Bonds. These bonds were issued to refund and redeem the Series 2004A and Series 2004B Special Assessment Bonds. The balance outstanding at September 30, 2017 is \$7,295,000.

**Live Oak No. 2 Community Development District  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2017**

**Economic Factors and Next Year's Budget**

Live Oak No. 2 Community Development District does not expect any economic factors to have any significant effect on the financial position or results of operations of the District in fiscal year 2018.

**Request for Information**

The financial report is designed to provide a general overview of Live Oak No. 2 Community Development District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Live Oak No. 2 Community Development District, Inframark Infrastructure Management Services, 210 N. University Drive, Suite 702, Coral Springs, FL 33071e



**Live Oak No. 2 Community Development District**  
**STATEMENT OF NET POSITION**  
**September 30, 2017**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Current Assets	
Cash and cash equivalents	\$ 273,043
Investments at fair value	100,255
Due from other governments	5,210
Total Current Assets	<u>378,510</u>
Non-current Assets	
Restricted:	
Investments, at fair value	439,220
Capital assets, not being depreciated:	
Land and improvements	7,616,900
Capital assets, being depreciated:	
Infrastructure	17,904,401
Less: accumulated depreciation	<u>(3,625,838)</u>
Total Non-current Assets	<u>22,334,683</u>
Total Assets	<u>22,713,193</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred amount on refunding	<u>190,985</u>
Total Assets and Deferred Outflows of Resources	<u>22,904,178</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts payable	4,956
Accrued interest	99,302
Bonds payable, current portion	315,000
Total Current Liabilities	<u>419,258</u>
Non-current Liabilities	
Bonds payable, net	<u>6,977,281</u>
Total Liabilities	<u>7,396,539</u>
<b>NET POSITION</b>	
Net investment in capital assets	15,070,434
Restricted for debt service	67,305
Unrestricted	369,900
Total Net Position	<u><u>\$ 15,507,639</u></u>

*See accompanying notes to financial statements.*

**Live Oak No. 2 Community Development District**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2017**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues Charges for Services</b>	<b>Net (Expense) Revenues and Changes in Net Position Governmental Activities</b>
Governmental Activities			
General government	\$ (107,824)	\$ 32,093	\$ (75,731)
Physical environment	(720,364)	214,418	(505,951)
Interest on long-term debt	(261,953)	578,077	316,124
Total Governmental Activities	<u>\$ (1,090,141)</u>	<u>\$ 824,583</u>	<u>(265,558)</u>
<b>General revenues:</b>			
Miscellaneous revenues			1,667
Investment earnings			<u>2,627</u>
Total General Revenues			<u>4,294</u>
Change in Net Position			(261,264)
Net Position - October 1, 2016			<u>15,768,903</u>
Net Position - September 30, 2017			<u><u>\$ 15,507,639</u></u>

*See accompanying notes to financial statements.*

**Live Oak No. 2 Community Development District**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**September 30, 2017**

	<u>General</u>	<u>Series 2016 Debt Service</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 273,043	\$ -	\$ 273,043
Investments, at fair value	100,255	-	100,255
Due from other governments	1,558	3,654	5,212
Restricted assets:			
Investments, at fair value	-	439,220	439,220
Total Assets	<u>\$ 374,856</u>	<u>\$ 442,874</u>	<u>\$ 817,730</u>
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable and accrued liabilities	<u>\$ 4,956</u>	<u>\$ -</u>	<u>\$ 4,956</u>
 <b>Fund Balances</b>			
Restricted - debt service	-	442,874	442,874
Assigned:			
Pond maintenance	170,751	-	170,751
First quarter operations	52,831	-	52,831
Unassigned	146,318	-	146,318
Total Fund Balances	<u>369,900</u>	<u>442,874</u>	<u>812,774</u>
 Total Liabilities and Fund Balances	<u>\$ 374,856</u>	<u>\$ 442,874</u>	<u>\$ 817,730</u>

*See accompanying notes to financial statements.*

**Live Oak No. 2 Community Development District**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES**  
**TO NET POSITION OF GOVERNMENTAL ACTIVITIES**  
**September 30, 2017**

Total Governmental Fund Balances	\$ 812,774
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets not being depreciated, land and improvements, used in governmental activities are not current financial resources and therefore, are not reported at the governmental fund level.	7,616,900
Capital assets being depreciated, infrastructure, \$17,904,401 net of accumulated depreciation, \$(3,625,838), used in governmental activities are not current financial resources and therefore, are not reported at the governmental fund level.	14,278,563
Long-term liabilities, including bonds payable, \$(7,295,000), net of bond discounts, net, \$2,719, are not due and payable in the current period and therefore, are not reported at the governmental fund level.	(7,292,281)
Deferred outflows of resources are not current financial resources and therefore, are not reported at the governmental fund level.	190,985
Accrued interest expense for long-term debt is not a current financial use and therefore, is not reported at the governmental fund level.	(99,302)
Net Position of Governmental Activities	<u>\$ 15,507,639</u>

*See accompanying notes to financial statements.*

**Live Oak No. 2 Community Development District**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended September 30, 2017**

	<b>General</b>	<b>Series 2016 Debt Service</b>	<b>Total Governmental Funds</b>
Revenues			
Special assessments	\$ 246,506	\$ 578,077	\$ 824,583
Miscellaneous revenues	1,667	-	1,667
Investment earnings	1,761	866	2,627
Total Revenues	<u>249,934</u>	<u>578,943</u>	<u>828,877</u>
Expenditures			
Current			
General government	107,824	-	107,824
Physical environment	123,552	-	123,552
Debt Service			
Principal	-	325,000	325,000
Interest	-	245,548	245,548
Other	-	7,907	7,907
Total Expenditures	<u>231,376</u>	<u>578,455</u>	<u>809,831</u>
Net change in fund balances	18,558	488	19,046
Fund Balances - October 1, 2016	<u>351,342</u>	<u>442,386</u>	<u>793,728</u>
Fund Balances - September 30, 2017	<u>\$ 369,900</u>	<u>\$ 442,874</u>	<u>\$ 812,774</u>

*See accompanying notes to financial statements.*

**Live Oak No. 2 Community Development District**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended September 30, 2017**

Net Change in Fund Balances - Total Governmental Funds	\$ 19,046
--	-----------

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation. This is the amount of depreciation in the current period.	(596,812)
--	-----------

Repayments of bond principal are expenditures in the governmental funds, but the repayments reduce long-term liabilities in the Statement of Net Position.	325,000
--	---------

Deferred outflows of resources for refunding debt is recognized as a component of interest on long term debt in the Statement of Activities, but not in the governmental funds. This is the amount of interest in the current year period.	(16,456)
--	----------

Amortization of bond discount reported in the Statement of Activities does not require the use of current financial resources and therefore, is not reported as an expenditure in governmental funds.	(165)
---	-------

In the Statement of Activities, interest is accrued on outstanding bonds; whereas in governmental funds, interest expenditures are reported when due. This is the net amount between the prior year and current year accruals.	3,416
--	-------

Change in Net Position of Governmental Activities	\$ (261,264)
---	--------------

*See accompanying notes to financial statements.*

**Live Oak No. 2 Community Development District**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -**  
**GENERAL FUND**  
**For the Year Ended September 30, 2017**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>
Revenues				
Special assessments	\$ 245,807	\$ 245,807	\$ 246,506	\$ 699
Miscellaneous revenues	-	-	1,667	1,667
Investment earnings	-	-	1,761	1,761
Total Revenues	<u>245,807</u>	<u>245,807</u>	<u>249,934</u>	<u>4,027</u>
Expenditures				
Current				
General government	104,989	104,989	107,824	(2,835)
Physical environment	<u>140,818</u>	<u>140,818</u>	<u>123,552</u>	<u>17,266</u>
Total Expenditures	<u>245,807</u>	<u>245,807</u>	<u>231,376</u>	<u>14,431</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>18,558</u>	<u>18,558</u>
Fund Balances - October 1, 2016	<u>338,753</u>	<u>338,753</u>	<u>351,342</u>	<u>12,589</u>
Fund Balances - September 30, 2017	<u>\$ 338,753</u>	<u>\$ 338,753</u>	<u>\$ 369,900</u>	<u>\$ 31,147</u>

*See accompanying notes to financial statements.*

**Live Oak No. 2 Community Development District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2017**

**NOTE A – SUMMARY OF ACCOUNTING POLICIES**

The financial statements of Live Oak No. 2 Community Development District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's more significant accounting policies are described below.

**1. Reporting Entity**

The District was established on April 29, 2002, in Hillsborough County, pursuant to the Uniform Community Development District Act of 1980, Chapter 190, Florida Statutes, as amended (the "Act"), and Hillsborough County under County Ordinance 02-9, as a Community Development District. The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of the infrastructure necessary for community development within its jurisdiction. The District is authorized to issue bonds for the purpose, among others, of financing, funding, planning, establishing, acquiring, constructing or re-constructing, enlarging or extending, equipping, operating and maintaining water management, water supply, sewer and waste water management, bridges or culverts, district roads, landscaping, street lights and other basic infrastructure projects within or without the boundaries of the Live Oak No. 2 Community Development District. The District is governed by a five-member Board of Supervisors, who are elected for four year terms. The District operates within the criteria established by Chapter 190.

As required by GAAP, these financial statements present the Live Oak No. 2 Community Development District (the primary government) as a stand-alone government. The reporting entity for the District includes all functions of government in which the District's Board exercises oversight responsibility including, but not limited to, financial interdependency, selection of governing authority, designation of management, significant ability to influence operations and accountability for fiscal matters.

Based upon the application of the above-mentioned criteria as set forth by the Governmental Accounting Standards Board, the District has identified no component units.

**2. Measurement Focus and Basis of Accounting**

The basic financial statements of the District are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to financial statements



**Live Oak No. 2 Community Development District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2017**

**NOTE A – SUMMARY OF ACCOUNTING POLICIES (CONTINUED)**

**2. Measurement Focus and Basis of Accounting (Continued)**

**a. Government-wide Financial Statements**

Government-wide financial statements report all non-fiduciary information about the reporting government as a whole. These statements include all the governmental activities of the primary government. The effect of interfund activity has been removed from these statements.

Governmental activities are supported by special assessments and investment earnings. Program revenues include charges for services, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets, rather than reported as an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as an other financing source.

Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

**b. Fund Financial Statements**

The underlying accounting system of the District is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental funds are presented after the government-wide financial statements. These statements display information about major funds individually.

**Governmental Funds**

The District classifies fund balance according to Governmental Accounting Standards Board Statement 54 – Fund Balance Reporting and Governmental Fund Type Definitions. The Statement requires the fund balance for governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

**Live Oak No. 2 Community Development District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2017**

**NOTE A – SUMMARY OF ACCOUNTING POLICIES (CONTINUED)**

**2. Measurement Focus and Basis of Accounting (Continued)**

**b. Fund Financial Statements (Continued)**

**Governmental Funds (Continued)**

The District has various policies governing the fund balance classifications.

**Nonspendable Fund Balance** – This classification consists of amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

**Restricted Fund Balance** – This classification includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

**Assigned Fund Balance** – This classification consists of the Board of Supervisors' intent to be used for specific purposes, but are neither restricted nor committed. The assigned fund balances can also be assigned by the District's management company.

**Unassigned Fund Balance** – This classification is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. Unassigned fund balance is considered to be utilized first when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

**Fund Balance Spending Hierarchy** – For all governmental funds except special revenue funds, when restricted, committed, assigned, and unassigned fund balances are combined in a fund, qualified expenditures are paid first from restricted or committed fund balance, as appropriate, then assigned and finally unassigned fund balances.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collected within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Interest associated with the current fiscal period is considered to be an accrual item and so has been recognized as revenue of the current fiscal period.

**Live Oak No. 2 Community Development District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2017**

**NOTE A – SUMMARY OF ACCOUNTING POLICIES (CONTINUED)**

**2. Measurement Focus and Basis of Accounting (Continued)**

**b. Fund Financial Statements (Continued)**

**Governmental Funds (Continued)**

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of “available spendable resources”. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources are expended, rather than as fund assets. The proceeds of long-term debt are recorded as an other financing source rather than as a fund liability.

Debt service expenditures are recorded only when payment is due.

**3. Basis of Presentation**

**a. Governmental Major Funds**

General Fund – The General Fund is the District’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Series 2016 Debt Service Fund – Accounts for debt service requirements to retire the Series 2016 Special Assessments Refunding Bonds, which were used to refund the Series 2004 Special Assessment Bonds.

**Live Oak No. 2 Community Development District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2017**

**NOTE A – SUMMARY OF ACCOUNTING POLICIES (CONTINUED)**

**4. Assets, Liabilities, and Net Position or Equity**

**a. Non-current Governmental Assets/Liabilities**

GASB Statement 34 requires that non-current governmental assets, such as land and buildings, and non-current governmental liabilities, such as general obligation bonds, due to developer and accrued compensated absences be reported in the governmental activities column in the government-wide Statement of Net Position.

**b. Cash and Investments**

Florida Statutes require state and local governmental units to deposit monies with financial institutions classified as "Qualified Public Depositories," a multiple financial institution pool whereby groups of securities pledged by the various financial institutions provide common collateral from their deposits of public funds. This pool is provided as additional insurance to the federal depository insurance and allows for additional assessments against the member institutions, providing full insurance for public deposits.

The District is authorized to invest in those financial instruments as established by Section 218.415, Florida Statutes. The authorized investments consist of:

1. Direct obligations of the United States Treasury;
2. The Local Government Surplus Funds Trust or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperative Act of 1969;
3. Interest-bearing time deposits or savings accounts in authorized qualified public depositories; and
4. Securities and Exchange Commission, registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

Cash equivalents include certificates of deposit and all highly liquid debt instruments with original maturities of three months or less and held in a qualified public depository as defined by Florida Statute 280.02.

**c. Restricted Assets**

Certain assets of the District and a corresponding liability or portion of net position is classified as restricted on the statement of net position because their use is limited either by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors. In a fund with both restricted and unrestricted assets, qualified expenses are considered to be paid first from restricted net position and then from unrestricted net position.

**Live Oak No. 2 Community Development District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2017**

**NOTE A – SUMMARY OF ACCOUNTING POLICIES (CONTINUED)**

**4. Assets, Liabilities, and Net Position or Equity (Continued)**

**d. Capital Assets**

Capital assets, which include land and infrastructure, are reported in the applicable governmental activities column.

The District defines capital assets as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. The valuation basis for all assets is historical cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation of capital assets is computed and recorded by utilizing the straight-line method. The estimated useful life of depreciable capital assets, infrastructure, is 30 years.

**e. Deferred Outflows of Resources**

Deferred outflows of resources represent a consumption of net position/fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District only has one item that qualifies for reporting in this category. It is the deferred amount on refunding reported on the Statement of Net Position. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

**f. Budgets**

Budgets are prepared and adopted after public hearings for the governmental funds, pursuant to Chapter 190, Florida Statutes. The District utilizes the same basis of accounting for budgets as it does for revenues and expenditures in its various funds. The legal level of budgetary control is at the fund level. All budgeted appropriations lapse at year end. Formal budgets are adopted for the general and debt service funds. As a result, deficits in the budget columns of the accompanying financial statements may occur.

**Live Oak No. 2 Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2017**

**NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**1. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position**

“Total fund balances” of the District’s governmental funds, \$812,774, differs from “net position” of governmental activities, \$15,507,639, reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the current financial resources focus of the governmental fund balance sheet. The effect of the difference is illustrated as follows.

**Capital related items**

When capital assets (not being depreciated that are to be used in governmental activities) are purchased or constructed, the cost of those assets is reported as expenditures in governmental funds. However, the Statement of Net Position included those capital assets among the assets of the District as a whole.

Land and improvements	\$ 7,616,900
Infrastructure	17,904,401
Less: accumulated depreciation	<u>(3,625,838)</u>
Total	<u>\$ 21,895,463</u>

**Long-term debt transactions**

Long-term liabilities applicable to the District’s governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the Statement of Net Position. Balances at September 30, 2017 were:

Bonds payable	\$ (7,295,000)
Bond discount, net	2,719
Total	<u>\$ (7,292,281)</u>

**Deferred outflows of resources**

Deferred outflows of resources applicable to the District’s governmental activities are not financial resources, and therefore, are not recognized at the governmental fund level.

Deferred amount on refunding, net	<u>\$ 190,985</u>
-----------------------------------	-------------------

**Live Oak No. 2 Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2017**

**NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)**

**1. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position (Continued)**

**Accrued interest**

Accrued liabilities in the Statement of Net Position differ from the amount reported in governmental funds due to the accrued interest on bonds.

Accrued interest	\$ <u>(99,302)</u>
------------------	--------------------

**2. Explanation of Differences Between the Governmental Fund Operating Statements and the Statement of Activities**

The “net change in fund balances” for government funds, \$19,046, differs from the “change in net position” for governmental activities, \$(261,264), reported in the Statement of Activities. The difference arises primarily from the long-term economic focus of the Statement of Activities versus the current financial resources focus of the governmental funds. The effect of the difference is illustrated below.

**Capital related items**

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the Statement of Activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation. As a result, fund balances decrease by the amount of financial resources expended, whereas net position decrease by the amount of depreciation charged for the period.

Depreciation	\$ <u>(596,812)</u>
--------------	---------------------

**Long-term debt transactions**

Repayments of bond principal are reported as expenditures in the governmental funds and, thus, have the effect of reducing fund balance because current financial resources have been used.

Debt principal payments	\$ 325,000
Amortization of bond discount	<u>(165)</u>
Total	<u>\$ 324,845</u>

**Live Oak No. 2 Community Development District  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2017**

**NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)**

**2. Explanation of Differences Between the Governmental Fund Operating Statements and the Statement of Activities (Continued)**

**Long-term debt transactions (Continued)**

Some expenses reported in the Statement of Activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.

Net change in accrued interest payable	\$ 3,113
Decrease in deferred amount on refunding	(11,456)
Total	<u>\$ (8,343)</u>

**NOTE C – CASH AND INVESTMENTS**

All deposits are held in qualified public depositories and are included on the accompanying balance sheet as cash and investments.

**Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk; however, they follow the provisions of Chapter 280, Florida Statutes regarding deposits and investments. As of September 30, 2017, the District's bank balance was \$277,098 and the carrying value was \$273,043. Exposure to custodial credit risk was as follows. The District maintains all deposits in a qualified public depository in accordance with the provisions of Chapter 280, Florida Statutes, which means that all deposits are fully insured by Federal Depositors Insurance or collateralized under Chapter 280, Florida Statutes.



**Live Oak No. 2 Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2017**

**NOTE C – CASH AND INVESTMENTS (CONTINUED)**

As of September 30, 2017, the District had the following investments and maturities:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Commercial Paper	N/A	\$ 439,220
Certificate of Deposit	N/A	100,255
Total		<u>\$ 539,475</u>

The District categorizes its fair value measurements within the fair value hierarchy recently established by generally accepted accounting principles. The fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The District uses a market approach in measuring fair value that uses prices and other relevant information generated by market transactions involving identical or similar assets, liabilities, or groups of assets and liabilities.

Assets or liabilities are classified into one of three levels. Level 1 is the most reliable and is based on quoted price for identical assets, or liabilities, in an active market. Level 2 uses significant other observable inputs when obtaining quoted prices for identical or similar assets, or liabilities, in markets that are not active. Level 3 is the least reliable and uses significant unobservable inputs that use the best information available under the circumstances, which includes the District's own data in measuring unobservable inputs.

Based on the criteria in the preceding paragraph, the investments in Commercial Paper are Level 1 assets.

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The District's investments in treasury funds, commercial paper, and government loans are limited by state statutory requirements and bond compliance. The District has no investment policy that would further limit its investment choices. As of September 30, 2017, the District's investments in Commercial Paper were rated A-1+ by Standard & Poor's.

Concentration of Credit Risk

The District places no limit on the amount it may invest in any one fund. The investments in Commercial Paper are 81% and the certificate of deposit is 19% of the District's total investments.

The types of deposits and investments and their level of risk exposure as of September 30, 2017 were typical of these items during the fiscal year ended. The District considers any decline in fair value for certain investments to be temporary.

**Live Oak No. 2 Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2017**

**NOTE D – SPECIAL ASSESSMENT REVENUES**

Special assessment revenues recognized for the 2016-2017 fiscal year were levied in October 2016. All taxes are due and payable on November 1 or as soon as the assessment roll is certified and delivered to the Tax Collector. Per Section 197.162, Florida Statutes, discounts are allowed for early payment at the rate of 4% in November, 3% in December, 2% in January, and 1% in February. Taxes paid in March are without discount.

All unpaid taxes become delinquent as of April 1. Virtually all unpaid taxes are collected via the sale of tax certificates on or prior to, June 1; therefore, there were no material taxes receivable at fiscal year end.

**NOTE E – CAPITAL ASSETS**

Capital Asset activity for the year ended September 30, 2017 was as follows:

	October 1, 2016 Balance	Additions	Deletions	September 30, 2017 Balance
<u>Governmental Activities:</u>				
Capital assets, not being depreciated:				
Land and improvements	\$ 7,616,900	\$ -	\$ -	\$ 7,616,900
Capital assets, being depreciated:				
Infrastructure	17,904,401	-	-	17,904,401
Less accumulated depreciation for:				
Infrastructure	(3,029,026)	(596,812)	-	(3,625,838)
Total Capital Assets Depreciated, Net	14,875,375	(596,812)	-	14,278,563
Governmental Activities Capital Assets	<u>\$ 22,492,275</u>	<u>\$ (596,812)</u>	<u>\$ -</u>	<u>\$ 21,895,463</u>

Depreciation in the amount of \$596,812 was charged to physical environment.

**Live Oak No. 2 Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2017**

**NOTE F – LONG-TERM DEBT**

The following is a summary of activity in the long-term debt of the District for the year ended September 30, 2017:

	Balance October 1, 2016	Additions	Deletions	Balance September 30, 2017
Special Assessment Refunding Bonds, Series 2016	7,620,000	-	325,000	7,295,000

Long-term debt is comprised of the following:

**Special Assessment Refunding Bonds**

\$7,620,000 Series 2016 Special Assessment Refunding Bonds due in annual principal installments beginning May 2017. Interest at various rates between 2.25% and 4% is due May and November beginning May 2016. Current portion is \$325,000.

\$ 7,295,000

Bond discount, net (2,719)

Bonds Payable, Net \$ 7,292,281

The annual requirements to amortize the principal and interest of bonded debt outstanding as of September 30, 2017 are as follows:

Year Ending September 30,	Principal	Interest	Total
2018	\$ 315,000	\$ 238,324	\$ 553,324
2019	320,000	231,236	551,236
2020	330,000	224,036	554,036
2021	335,000	216,614	551,614
2022	345,000	209,914	554,914
2023-2027	1,875,000	908,366	2,783,366
2028-2032	2,220,000	571,095	2,791,095
2033-2035	1,555,000	126,201	1,681,201
Totals	<u>\$ 7,295,000</u>	<u>\$ 2,725,780</u>	<u>\$ 10,020,780</u>

**Live Oak No. 2 Community Development District**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2017**

**NOTE F – LONG-TERM DEBT (CONTINUED)**

Summary of Significant Bonds Resolution Terms and Covenants

Special Assessment Refunding Bonds, Series 2016

Depository Funds – The bond resolution establishes certain funds and determines the order in which revenues are to be deposited into these funds. A description of the significant funds, including their purposes, is as follows:

1. Reserve Fund – The Series 2016 Reserve Account is funded from the proceeds of the Bonds in an amount equal to fifty percent of the Maximum Annual Debt Service Requirement for all Outstanding Series 2016 Bonds. Monies held in the reserve accounts will be used only for the purposes established in the Trust Indenture.

	<u>Reserve Balance</u>	<u>Reserve Requirement</u>
Series 2016 Special Assessment Refunding Bonds	\$ 276,970	\$ 276,267

**NOTE G – RISK MANAGEMENT**

The government is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance.



Berger, Toombs, Elam,  
Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue  
Suite 200  
Fort Pierce, Florida 34950

772/461-6120 // 461-1155  
FAX: 772/468-9278

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Board of Supervisors  
Live Oak No. 2 Community Development District  
Hillsborough County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Live Oak No. 2 Community Development District, as of and for the year ended September 30, 2017, and the related notes to the financial statements, and have issued our report thereon dated May 24, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Live Oak No. 2 Community Development District's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Live Oak No. 2 Community Development District's internal control. Accordingly, we do not express an opinion on the effectiveness of Live Oak No. 2 Community Development District's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Board of Supervisors  
Live Oak No. 2 Community Development District  
Hillsborough County, Florida

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Live Oak No. 2 Community Development District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Berger, Toombs, Elam, Gaines & Frank  
Certified Public Accountants  
Fort Pierce, Florida

May 24, 2018



Berger, Toombs, Elam,  
Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue  
Suite 200  
Fort Pierce, Florida 34950

772/461-6120 // 461-1155  
FAX: 772/468-9278

## MANAGEMENT LETTER

To the Board of Supervisors  
Live Oak No. 2 Community Development District  
Hillsborough County, Florida

### Report on the Financial Statements

We have audited the financial statements of the Live Oak No. 2 Community Development District as of and for the year ended September 30, 2017, and have issued our report thereon dated May 24, 2018.

### Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the Florida Auditor General.

### Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and our Independent Auditor's Report on an examination conducted in accordance with AICPA Professionals Standards, AT-C Section 315 regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in that report, which is dated May 24, 2018, should be considered in conjunction with this Management Letter.

### Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been made to address findings and recommendations made in the preceding financial audit report. There were no findings or recommendations made in the preceding financial audit report.

### Financial Condition

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires us to apply appropriate procedures and communicate the results of our determination as to whether or not Live Oak No. 2 Community Development District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the Live Oak No. 2 Community Development District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

To the Board of Supervisors  
Live Oak No. 2 Community Development District

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial conditions assessment procedures as of September 30, 2017 for the Live Oak No. 2 Community Development District. It is management's responsibility to monitor the Live Oak No. 2 Community Development District's financial condition; our financial condition assessment was based in part on the representations made by management and the review of the financial information provided by the same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

### **Annual Financial Report**

Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, requires that we apply appropriate procedures and communicate the results of our determination as to whether the annual financial report for the Live Oak No. 2 Community Development District for the fiscal year ended September 30, 2017, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2017. In connection with our audit, we determined that these two reports were in agreement.

### **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

### **Purpose of this Letter**

Our Management Letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Supervisors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



Berger, Toombs, Elam, Gaines & Frank  
Certified Public Accountants PL  
Fort Pierce, Florida

May 24, 2018





Berger, Toombs, Elam,  
Gaines & Frank

Certified Public Accountants PL

600 Citrus Avenue  
Suite 200  
Fort Pierce, Florida 34950

772/461-6120 // 461-1155  
FAX: 772/468-9278

# **INDEPENDENT ACCOUNTANT'S REPORT/COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES**

To the Board of Supervisors  
Live Oak No. 2 Community Development District  
Hillsborough County, Florida

We have examined Live Oak No. 2 Community Development District's compliance with Section 218.415, Florida Statutes during the year ended September 30, 2017. Management is responsible for Live Oak No. 2 Community Development District's compliance with those requirements. Our responsibility is to express an opinion on Live Oak No. 2 Community Development District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about Live Oak No. 2 Community Development District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Live Oak No. 2 Community Development District's compliance with the specified requirements.

In our opinion, Live Oak No. 2 Community Development District complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2017.

*Berger Toombs Elam  
Gaines & Frank*

Berger, Toombs, Elam, Gaines & Frank  
Certified Public Accountants PL  
Fort Pierce, Florida

May 24, 2018

**3D.**

**Notice of Meetings – FY 2019  
Live Oak No. 2  
Community Development District**

The Board of Supervisors of Live Oak No. 2 Community Development District will hold their meetings for Fiscal Year 2019 at the Live Oak Clubhouse, 9401 Oak Preserve Boulevard, Tampa, Florida, as indicated below:

January 15, 2019 at 11:00 a.m.  
May 14, 2019 at 6:30 p.m.  
July 16, 2019 at 6:30 p.m.  
September 17, 2019 at 11:00 a.m.

Meetings may be continued to a date and time certain which will be announced at the meeting. There may be occasions when one or more Supervisors may participate by telephone. Any person requiring special accommodations at this meeting because of a disability or physical impairment should contact the District Office at (954) 603-0033 at least forty-eight (48) hours prior to the meeting. If you are hearing or speech impaired, please contact the Florida Relay Service by dialing 7-1-1, or 1-800-955-8771 (TTY) / 1-800-955-8770 (Voice), for aid in contacting the District Manager's Office.

Each person who decides to appeal any decision made by the Board with respect to any matter considered at the meeting is advised that person will need a record of the proceedings and that accordingly, the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

Andrew P. Mendenhall, PMP  
District Manager

## **Fourth Order of Business**

## **LIVE OAK NO. 2**

Community Development District

### ***Annual Operating and Debt Service Budget*** **Fiscal Year 2019**

Version 1 - Approved Tentative Budget

Prepared by:



**Table of Contents**

	<u>Page.#</u>
<b><u>OPERATING BUDGET</u></b>	
General Fund	
Summary of Revenues, Expenditures and Changes in Fund Balances .....	1
Budget Narrative .....	2-4
Exhibit A - Allocation of Fund Balances .....	5
<b><u>DEBT SERVICE BUDGET</u></b>	
Series 2016	
Summary of Revenues, Expenditures and Changes in Fund Balances .....	6
Amortization Schedule .....	7
<b><u>SUPPORTING BUDGET SCHEDULES</u></b>	
2018-2019 Non-Ad Valorem Assessment Summary .....	8

---

**Live Oak No. 2**  
Community Development District

**Operating Budget**  
Fiscal Year 2019

**Summary of Revenues, Expenditures and Changes in Fund Balances**  
Fiscal Year 2019 Approved Tentative Budget

ACCOUNT DESCRIPTION	ACTUAL FY 2016	ACTUAL FY 2017	ADOPTED BUDGET FY 2018	ACTUAL THRU MAR-2018	PROJECTED APRIL- SEP-2018	TOTAL PROJECTED FY 2018	ANNUAL BUDGET FY 2019
<b>REVENUES</b>							
Interest - Investments	\$ 1,321	\$ 1,761	\$ -	\$ 1,675	\$ 1,675	\$ 3,350	\$ 1,000
Interest - Tax Collector	-	-	-	105	-	105	-
Special Assmnts- Tax Collector	256,048	256,049	256,049	247,698	8,351	256,048	253,094
Special Assmnts- Discounts	(9,587)	(9,543)	(10,242)	(9,761)	(481)	(10,242)	(10,124)
Other Miscellaneous Revenues	-	1,667	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>247,782</b>	<b>249,934</b>	<b>245,807</b>	<b>239,717</b>	<b>9,545</b>	<b>249,261</b>	<b>243,970</b>
<b>EXPENDITURES</b>							
<i>Administrative</i>							
P/R-Board of Supervisors	4,600	3,200	8,000	1,400	6,600	8,000	6,000
FICA Taxes	352	245	612	107	505	611	459
ProfServ-Arbitrage Rebate	1,200	600	600	-	600	600	600
ProfServ-Dissemination Agent	5,000	-	1,000	1,000	-	1,000	1,000
ProfServ-Engineering	16,477	27,104	15,000	4,462	10,538	15,000	15,000
ProfServ-Legal Services	3,525	2,969	3,000	887	2,113	3,000	3,000
ProfServ-Mgmt Consulting Serv	38,850	38,850	38,850	19,425	19,425	38,850	40,000
ProfServ-Special Assessment	12,500	12,500	12,500	12,500	-	12,500	12,500
ProfServ-Trustee Fees	9,079	3,971	3,717	-	3,717	3,717	3,717
Auditing Services	3,500	3,500	3,500	-	3,500	3,500	3,500
Postage and Freight	95	70	1,000	48	952	1,000	500
Insurance - General Liability	8,217	8,310	9,141	8,310	-	8,310	9,141
Printing and Binding	171	125	500	91	250	341	300
Legal Advertising	379	1,762	900	552	348	900	900
Misc-Bank Charges - SunTrust	302	295	600	93	300	393	300
Misc-Assessmnt Collection Cost	3,456	3,372	5,121	4,759	362	5,121	5,062
Misc-Web Hosting	772	775	775	-	388	388	1,000
Office Supplies	94	-	100	-	50	50	100
Annual District Filing Fee	175	175	175	175	-	175	175
<b>Total Administrative</b>	<b>108,744</b>	<b>107,823</b>	<b>105,091</b>	<b>53,809</b>	<b>49,648</b>	<b>103,456</b>	<b>103,254</b>
<i>Field</i>							
Contracts-Envirom'l Monitoring	1,950	-	3,200	2,400	800	3,200	3,200
Contracts-Landscape	44,238	44,238	44,238	22,119	22,119	44,238	44,238
Contracts-Lakes	16,596	16,596	16,596	8,298	8,298	16,596	16,596
R&M-Fence	3,620	2,015	7,500	-	3,750	3,750	5,000
R&M-Lake	1,022	7,746	5,000	13,244	2,500	15,744	7,500
R&M-Wetland Monitoring	-	2,400	8,000	7,350	650	8,000	8,000
Misc-Contingency	25,004	26,125	25,000	8,304	12,500	20,804	25,000
Reserve - Ponds	-	24,432	31,182	-	-	-	31,182
<b>Total Field</b>	<b>92,430</b>	<b>123,552</b>	<b>140,716</b>	<b>61,715</b>	<b>50,617</b>	<b>112,332</b>	<b>140,716</b>
<b>TOTAL EXPENDITURES</b>	<b>201,174</b>	<b>231,375</b>	<b>245,807</b>	<b>115,524</b>	<b>100,265</b>	<b>215,788</b>	<b>243,970</b>
Net change in fund balance	46,608	18,559	-	124,193	(90,720)	33,474	-
<b>FUND BALANCE, BEGINNING</b>	<b>304,734</b>	<b>351,342</b>	<b>369,901</b>	<b>369,901</b>	<b>-</b>	<b>369,901</b>	<b>403,375</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ 351,342</b>	<b>\$ 369,901</b>	<b>\$ 369,901</b>	<b>\$ 494,094</b>	<b>\$ (90,720)</b>	<b>\$ 403,375</b>	<b>\$ 403,375</b>



**Live Oak No. 2**

Community Development District

*General Fund***Budget Narrative**  
Fiscal Year 2019**REVENUES****Special Assessment – Tax Collector**

The District will levy a Non-Ad Valorem assessment on all the assessable property within the District in order to pay for the operating expenditures during the Fiscal Year.

**Special Assessment – Discount**

Per Section 197.162, Florida Statutes, discounts are allowed for early payment of assessments. The budgeted amount for the fiscal year is calculated at 4% of the anticipated Non-Ad Valorem assessments.

**EXPENDITURES****ADMINISTRATIVE****P/R Board of Supervisor**

Chapter 190 of the Florida Statutes allows for a member of the Board of Supervisors to be compensated for a meeting attendance and to receive \$200 per meeting plus payroll taxes.

**FICA Taxes**

Payroll taxes for the Supervisors' salaries are calculated at 7.65% of gross payroll.

**Professional Services-Arbitrage Rebate Calculation**

The District will contract with an independent certified public account to annually calculate the District's Arbitrage Rebate Liability on the Series of Benefit Special Assessment Bonds. The budgeted amount for the fiscal year is based on standard fees charged for this service.

**Professional Services-Dissemination Agent**

The District is required by the Securities and Exchange Commission to comply with rule 15c2-12(b)(5), which relates to additional supporting requirements for unrelated bond issues. The budgeted amount for the fiscal year is based on the Series 2016 Continuing Disclosure Certificate found in the indenture.

**Professional Services-Engineering**

The District's engineer will be providing general engineering services to the District, i.e. attendance and preparation for monthly board meetings, review invoices, etc. Fees are based on estimated activity.

**Professional Services-Legal**

The District's legal counsel will be providing general legal services to the District, i.e. attendance and preparation for monthly meetings, review operating and maintenance contracts, etc. Fees are based on estimated activity.

**Professional Services-Management Consulting**

The District receives Management, Accounting, IT and Administrative services as part of a Management Agreement with Inframark - Infrastructure Management Services. The fees are related to the current contracted fees in the Management Agreement.

**Professional Services-Special Assessments**

The District has contracted with Inframark - Infrastructure Management Services for the collection of assessments, updating the District's tax roll and levying the annual assessment.

**Live Oak No. 2**

Community Development District

*General Fund***Budget Narrative**  
Fiscal Year 2019**EXPENDITURES****ADMINISTRATIVE (CONTINUED)****Professional Services-Trustee**

The District pays US Bank an annual fee for trustee services on the Series 2016 Special Assessments Refunding Bond. The budgeted amount was provided by the Trustee.

**Auditing Services**

The District is required annually to conduct an audit of its financial records by an Independent Certified Public Accounting Firm. The fee is based on existing year's engagement letter.

**Postage & Freight**

Mailing of agenda packages, overnight deliveries & correspondence

**Insurance – General Liability**

The District has general liability insurance. These insurance policies are held with Public Risk Insurance. Public Risk Insurance specializes in providing insurance coverage to governmental agencies. The amount is based upon historical expenses with a projected 10% increase.

**Printing & Binding**

Printing & binding agenda packages for board meetings, printing of computerized checks, stationary, envelopes etc.

**Legal Advertising**

The District is required to advertise various notices for monthly Board meetings, public hearings, etc. in a newspaper of general circulation.

**Misc- Bank Charges**

Bank Fees charged by SunTrust on the main operating account.

**Misc-Assessment Collection Fee**

The District reimburses the Tax Collector for necessary administrative costs. Per the Florida Statutes, administrative costs shall include, but not be limited to, those costs associated with personnel, forms, supplies, data processing, computer equipment, postage, and programming. The District also compensates the Tax Collector for the actual cost of collection or 2% on the amount of special assessments collected and remitted, whichever is greater. The budget for collection costs was based on a maximum of 2% of the anticipated assessment collections.

**Misc-Web Hosting**

The District will create and maintain a website for public access to the District's activities.

**Office Supplies**

Miscellaneous office supplies required to prepare agenda packages.

**Annual District Filing Fee**

The District is required to pay an annual fee to the Department of Economic Opportunity Division of Community Development for \$175.

**Live Oak No. 2**

Community Development District

*General Fund***Budget Narrative**  
Fiscal Year 2019**EXPENDITURES****OPERATIONS & MAINTENANCE****Contracts – Envirom'l Monitoring**

The District will contract with Florida Native Nursery to remove and maintain the overgrown weeds and brush in 3 flood compensation areas. The ongoing quarterly maintenance for mitigation of the area is \$800 per quarter.

**Contracts - Landscape**

The District currently has a contract with Landscape Maintenance Professionals, Inc. to maintain the landscaping and irrigation system of the common areas within the District. The contract amount is \$3,687 per month.

**Contracts-Lakes**

The District has a contract with American EcoSystems to provide lake spray services to 27 ponds for \$1,383/mo.

**R&M - Fence**

The District anticipates fence repair expenses.

**R&M – Lake**

The District expects to incur minor lake maintenance expenditures.

**R&M-Wetland Monitoring**

Monitoring and reporting services for the District's lakes will be provided by Driggers & King Engineering.

**Misc-Contingency**

This category represents miscellaneous expenditures incurred during the year that cannot be otherwise classified.

**Reserves-Ponds**

This represents reserves the district has budgeted and intends to designate as funds to set aside to cover future capital expenditures which may require substantial cash use.

**Exhibit "A"**  
Allocation of Fund Balances

**AVAILABLE FUNDS**

	<u>Amount</u>
Beginning Fund Balance - Fiscal Year 2019	\$ 403,375
Net Change in Fund Balance - Fiscal Year 2019	(0)
Reserves - Fiscal Year 2019 Additions	31,182
<b>Total Funds Available (Estimated) - 9/30/2019</b>	<b>434,557</b>

**ALLOCATION OF AVAILABLE FUNDS*****Assigned Fund Balance***

Operating Reserve - First Quarter Operating Capital		53,197 <sup>(1)</sup>
Reserves - Ponds	170,751	
Reserves - Ponds - FY18 (Projected)	31,182	
Reserves - Ponds - FY19 (Proposed)	31,182	233,115
	Subtotal	286,312
<b>Total Allocation of Available Funds</b>		<b>286,312</b>

<b>Total Unassigned (undesignated) Cash</b>	<b>\$ 148,245</b>
---	-------------------

**Notes**

(1) Represents approximately 3 months of operating expenditures

**Live Oak No. 2**  
Community Development District

**Debt Service Budget**  
Fiscal Year 2019

**Summary of Revenues, Expenditures and Changes in Fund Balances**  
Fiscal Year 2019 Approved Tentative Budget

ACCOUNT DESCRIPTION	ACTUAL FY 2016	ACTUAL FY 2017	ADOPTED BUDGET FY 2018	ACTUAL THRU MAR-2018	PROJECTED APRIL- SEP-2018	TOTAL PROJECTED FY 2018	ANNUAL BUDGET FY 2019
<b>REVENUES</b>							
Interest - Investments	\$ 198	\$ 866	\$ -	\$ 363	\$ 363	\$ 726	\$ -
Special Assmnts- Tax Collector	30,587	600,455	600,454	580,873	19,581	600,454	600,454
Special Assmnts- Prepayment	8,841	-	-	-	-	-	-
Special Assmnts- Discounts	339	(22,379)	(24,018)	(22,891)	(1,127)	(24,018)	(24,018)
<b>TOTAL REVENUES</b>	<b>39,965</b>	<b>578,942</b>	<b>576,436</b>	<b>558,345</b>	<b>18,817</b>	<b>577,162</b>	<b>576,436</b>
<b>EXPENDITURES</b>							
<i>Administrative</i>							
Misc-Assessmnt Collection Cost	(3,481)	7,907	12,009	11,160	849	12,009	\$ 12,009
<b>Total Administrative</b>	<b>(3,481)</b>	<b>7,907</b>	<b>12,009</b>	<b>11,160</b>	<b>849</b>	<b>12,009</b>	<b>12,009</b>
<i>Debt Service</i>							
Principal Debt Retirement	25,854	310,000	315,000	-	315,000	315,000	320,000
Prepayments Series	-	15,000	-	-	5,000	5,000	-
Interest Expense Series	30,042	245,548	238,324	119,162	119,162	238,324	231,036
<b>Total Debt Service</b>	<b>55,896</b>	<b>570,548</b>	<b>553,324</b>	<b>119,162</b>	<b>439,162</b>	<b>558,324</b>	<b>551,036</b>
<b>TOTAL EXPENDITURES</b>	<b>52,415</b>	<b>578,455</b>	<b>565,333</b>	<b>130,322</b>	<b>440,010</b>	<b>570,333</b>	<b>563,044</b>
Excess (deficiency) of revenues Over (under) expenditures	(12,450)	487	11,103	428,023	(421,193)	6,829	13,391
<b>OTHER FINANCING SOURCES (USES)</b>							
Interfund Transfer - In	889,193	-	-	-	-	-	-
Proceeds of Refunding Bonds	7,620,000	-	-	-	-	-	-
Pymt to Escrow Acct-Refunding	(7,826,788)	-	-	-	-	-	-
Contribution to (Use of) Fund Balance	-	-	11,103	-	-	-	13,390
<b>TOTAL OTHER SOURCES (USES)</b>	<b>682,405</b>	<b>-</b>	<b>11,103</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,390</b>
Net change in fund balance	669,955	487	11,103	428,023	(421,193)	6,829	13,390
<b>FUND BALANCE, BEGINNING</b>	<b>(227,568)</b>	<b>442,386</b>	<b>442,873</b>	<b>442,873</b>	<b>-</b>	<b>442,873</b>	<b>449,702</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ 442,387</b>	<b>\$ 442,873</b>	<b>\$ 453,976</b>	<b>\$ 870,896</b>	<b>\$ (421,193)</b>	<b>\$ 449,702</b>	<b>\$ 463,093</b>

**AMORTIZATION SCHEDULE**  
**SPECIAL ASSESSMENT BONDS SERIES 2016A**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
11/1/2018			115,518	115,518	
5/1/2019	320,000	2.250%	115,518	435,518	551,036
11/1/2019			111,918	111,918	
5/1/2020	330,000	2.250%	111,918	441,918	553,836
11/1/2020			108,206	108,206	
5/1/2021	335,000	2.000%	108,206	443,206	551,411
11/1/2021			104,856	104,856	
5/1/2022	345,000	2.250%	104,856	449,856	554,711
11/1/2022			100,974	100,974	
5/1/2023	355,000	2.600%	100,974	455,974	556,949
11/1/2023			96,359	96,359	
5/1/2024	360,000	2.750%	96,359	456,359	552,719
11/1/2024			91,409	91,409	
5/1/2025	375,000	3.125%	91,409	466,409	557,819
11/1/2025			85,550	85,550	
5/1/2026	385,000	3.200%	85,550	470,550	556,100
11/1/2026			79,390	79,390	
5/1/2027	400,000	3.300%	79,390	479,390	558,780
11/1/2027			72,790	72,790	
5/1/2028	415,000	3.700%	72,790	487,790	560,580
11/1/2028			65,113	65,113	
5/1/2029	430,000	3.700%	65,113	495,113	560,225
11/1/2029			57,158	57,158	
5/1/2030	445,000	3.700%	57,158	502,158	559,315
11/1/2030			48,925	48,925	
5/1/2031	450,000	3.700%	48,925	498,925	547,850
11/1/2031			40,600	40,600	
5/1/2032	480,000	4.000%	40,600	520,600	561,200
11/1/2032			31,000	31,000	
5/1/2033	500,000	4.000%	31,000	531,000	562,000
11/1/2033			21,000	21,000	
5/1/2034	515,000	4.000%	21,000	536,000	557,000
11/1/2034			10,700	10,700	
5/1/2035	535,000	4.000%	10,700	545,700	556,400
11/1/2035					
<b>Totals</b>	<b>6,975,000</b>		<b>2,482,931</b>	<b>9,457,931</b>	<b>9,457,931</b>

## **Live Oak No. 2**

Community Development District

### **Supporting Budget Schedules**

Fiscal Year 2019



**Comparison of Assessment Rates  
Fiscal Year 2019 vs. Fiscal Year 2018**

Product	General Fund 001			Debt Service			Total Assessments per Unit			Total Units
	FY 2019	FY 2018	Percent Change	FY 2019	FY 2018	Percent Change	FY 2019	FY 2018	Percent Change	
45'	\$328.69	\$332.53	-1.2%	\$632.86	\$632.86	0.0%	\$961.55	\$965.39	-0.4%	191
50'	\$328.69	\$332.53	-1.2%	\$717.24	\$717.24	0.0%	\$1,045.93	\$1,049.77	-0.4%	328
60'	\$328.69	\$332.53	-1.2%	\$843.81	\$843.81	0.0%	\$1,172.50	\$1,176.34	-0.3%	134
75'	\$328.69	\$332.53	-1.2%	\$1,096.95	\$1,096.95	0.0%	\$1,425.64	\$1,429.48	-0.3%	74
80'	\$328.69	\$332.53	-1.2%	\$1,181.33	\$1,181.33	0.0%	\$1,510.02	\$1,513.86	-0.3%	43
										<b>770</b>

**4A.**

## RESOLUTION 2018-03

### A RESOLUTION OF THE LIVE OAK NO. 2 COMMUNITY DEVELOPMENT DISTRICT (THE "DISTRICT") RELATING TO THE ANNUAL APPROPRIATIONS OF THE DISTRICT AND ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2018, AND ENDING SEPTEMBER 30, 2019; AND REFERENCING THE OPERATIONS AND MAINTENANCE SPECIAL ASSESSMENTS TO BE LEVIED BY THE DISTRICT FOR SAID FISCAL YEAR

WHEREAS, the District Manager has, prior to the fifteenth (15th) day in June, 2018, 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 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 and any proposed long-term financial plan or program of the District for future operations and maintenance (the "Proposed Budget") the District did file a copy of the Proposed Budget with the general purpose 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 July 24, 2018, 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, Section 190.008(2)(a), Florida Statutes requires that, prior to October 1 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 the Proposed Budget on a cash flow budget basis, 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; and

WHEREAS, Section 190.021, Florida Statutes provides that the Annual Appropriation Resolution shall also fix the Operations and Maintenance Special Assessments upon each piece of property within the boundaries of the District benefited, specifically and peculiarly, by the operations and maintenance and/or capital improvement programs of the District, such levy representing the amount of District assessments necessary to provide for payment during the ensuing budget year of all properly authorized expenditures to be incurred by the District, including principal and interest of special revenue, capital improvement and/or benefit assessment bonds, in order for the District to exercise its various general and special powers to implement its single and specialized infrastructure provision purpose; and

WHEREAS, the Board finds and determines that the non-ad valorem special assessments it imposes and levies by this Resolution for operations and maintenance on the parcels of property

involved will constitute a mechanism by which the property owners lawfully and validly will reimburse the District for those certain special and peculiar benefits the District has determined are received by, and flow to, the parcels of property from the systems, facilities and services being provided, and that the special and peculiar benefits are apportioned in a manner that is fair and reasonable in accordance with applicable assessment methodology and related case law; and

WHEREAS, the Chair of the Board of Supervisors may designate the District Manager or other person to certify the non-ad valorem assessment roll to the Tax Collector in and for Hillsborough County political subdivision (the "Tax Collector") on compatible electronic medium tied to the property identification number no later than August 31, 2018 so that the Tax Collector may merge that roll with others into the collection roll from which the November tax notice is to be printed and mailed; and

WHEREAS, the proceeds from the collections of these imposed and levied non-ad valorem assessments shall be paid to the District; and

WHEREAS, the Tax Collector, under the direct supervision of the Florida Department of Revenue performs the state work in preparing, mailing out, collecting and enforcing against delinquency the non-ad valorem assessments of the District using the Uniform Collection Methodology for non-ad valorem assessments; and

WHEREAS, if the Hillsborough County Property Appraiser (the "Property Appraiser") and the Tax Collector have adopted a different technological procedure for certifying and merging the rolls, then that procedure must be worked out and negotiated with Board approval through the auspices of the District Manager before there are any deviations from the provisions of Section 197.3632, Fla. Stat., and Rule 12D-18, Florida Administrative Code.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF  
SUPERVISORS OF THE LIVE OAK NO. 2 COMMUNITY  
DEVELOPMENT DISTRICT;**

**Section 1.** The recitals set forth above are true and correct and are incorporated herein by this reference.

**Section 2. 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 Treasurer and the office of the Recording Secretary, and is hereby attached to this resolution, and hereby approves certain amendments thereto, as shown in Section 3 below.
- b. That the District Manager's Proposed Budget, as amended by the Board, is adopted hereby 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 revised subsequently as deemed necessary by the District Manager to reflect actual revenues and expenditures for the Fiscal Year 2017/2018 and/or revised projections for Fiscal Year 2018/2019.

- c. That the adopted budget, as amended, shall be maintained in the office of the District Treasurer and the District Recording Secretary and identified as "The Budget for the Live Oak No. 2 Community Development District for the Fiscal Year Ending September 30, 2019, as Adopted by the Board of Supervisors on July 24, 2018."

### Section 3. Appropriations

That there be, and hereby is appropriated out of the revenues of the Live Oak No. 2 Community Development District, for the Fiscal Year beginning on October 1, 2018, and ending September 30, 2019, the sum of \_\_\_\_\_ dollars (\$ \_\_\_\_\_) to be raised by the applicable imposition and levy by the Board of applicable non-ad valorem special 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	\$
DEBT SERVICE FUND	\$
CAPITAL PROJECTS FUND	\$
ENTERPRISE FUNDS	\$
Total All Funds	\$

### Section 4. Budget Amendments

Pursuant to Section 189.016, Florida Statutes, the District at any time within the fiscal year or within 60 days following the end of the fiscal year may amend its budget for that fiscal year as follows:

- 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 189.016 of the Florida Statutes, among other applicable laws. Among other procedures, the District Manager or Treasurer must ensure that any amendments to budget(s) under subparagraphs c. and d. above are posted on the District's website within 5 days after adoption.

**Section 5.** **Effective Date.** This Resolution shall take effect immediately upon adoption.

Introduced, considered favorably, and adopted this 24<sup>th</sup> day of July, 2018.

Live Oak No. 2 Community Development  
District

---

Chairman

Attest:

---

Andrew P. Mendenhall, PMP  
Secretary

**4B**

# **RESOLUTION 2018-04**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE LIVE OAK NO. 2 COMMUNITY DEVELOPMENT DISTRICT LEVYING AND IMPOSING SPECIAL ASSESSMENTS; PROVIDING FOR COLLECTION AND ENFORCEMENT OF SPECIAL ASSESSMENTS; ADOPTING AND CERTIFYING AN ASSESSMENT ROLL; PROVIDING FOR AMENDMENT OF THE ASSESSMENT ROLL; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, the Live Oak No. 2 Community Development District (the “District”) is a local unit of special-purpose government established pursuant to Chapter 190, Florida Statutes for the purpose of providing, operating and maintaining infrastructure improvements, facilities and services to the lands within the District; and

**WHEREAS**, the District is located in Hillsborough County, Florida (the “County”); and

**WHEREAS**, the District owns and operates various infrastructure improvements and provides certain services in accordance with Chapter 190, Florida Statutes; and

**WHEREAS**, the Board of Supervisors (the “Board”) of the District hereby determines to undertake various operations and maintenance activities described in the District’s budget for fiscal year 2018/2019 (“Operations and Maintenance Budget”), attached hereto as **Exhibit “A”** and incorporated as a material part of this Resolution by this reference; and

**WHEREAS**, the District must obtain sufficient funds to provide for the operation and maintenance services and facilities provided by the District as described in the District’s Operation and Maintenance Budget; and

**WHEREAS**, the provision of such services, facilities, and operations is a benefit to lands within the District; and

**WHEREAS**, the Board finds that the District's total General Fund operation and maintenance assessments, taking into consideration other revenue sources during Fiscal Year 2018/2019 for operations and maintenance programs, will amount to \_\_\_\_\_; and

**WHEREAS**, the Board finds the District’s Debt Service Fund Assessment during Fiscal Year 2018/2019 will amount to \_\_\_\_\_; and

**WHEREAS**, Chapter 190, Florida Statutes, provides that the District may impose special assessments on benefitted lands within the District; and



**WHEREAS**, Chapter 197, Florida Statutes, provides a mechanism pursuant to which such special assessments may be placed on the County Tax Roll and collected by the County Tax Collector (“Uniform Method”); and

**WHEREAS**, the District has, by resolution and public notice, previously evidenced its intention to utilize the Uniform Method; and

**WHEREAS**, the District has approved an agreement with the Hillsborough County Property Appraiser (the “Property Appraiser”) and Hillsborough County Tax Collector (the “Tax Collector”) to provide for the collection of special assessments under the Uniform Method; and

**WHEREAS**, it is in the best interests of the District to proceed with the imposition of the special assessments on all assessable lands for operations and maintenance in the amount contained in the Operation and Maintenance Budget; and

**WHEREAS**, the District desires to levy and collect special assessments reflecting each parcel’s portion of the District’s Operations and Maintenance Budget; and

**WHEREAS**, it is in the best interests of the District to adopt the Assessment Roll of the District (the “Assessment Roll”) attached to this Resolution as **Exhibit “B”** and incorporated as a material part of this Resolution by this reference, and to certify the Assessment Roll in **Exhibit “B”** to the Tax Collector pursuant to the Uniform Method; and

**WHEREAS**, it is in the best interests of the District to permit the District Manager to amend the Assessment Roll adopted herein, including that portion certified to the Tax Collector by this Resolution, as the Property Appraiser updates the property roll for the County, for such time as authorized by Florida law.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE LIVE OAK NO. 2 COMMUNITY DEVELOPMENT DISTRICT:**

**SECTION 1. BENEFIT.** The provision of the services, facilities and operations as described in **Exhibit “A”** confer a special and peculiar benefit to the lands within the District, which benefits exceed or equal the costs of the assessments. The allocation of the costs to the specially benefited lands is shown in **Exhibits “A”** and **“B”**.

**SECTION 2. ASSESSMENT IMPOSITION.** Pursuant to Chapter 190 of the Florida Statutes, and using procedures authorized by Florida law for the levy and collection of special assessments, a special assessment for operation and maintenance is hereby imposed and levied on benefited lands within the District in accordance with **Exhibits “A”** and **“B”**. The lien of the special assessments for operations and maintenance imposed and levied by this Resolution shall be effective upon passage of this Resolution.

**SECTION 3. COLLECTION AND DUE DATE.** The collection of the previously levied debt service assessments and operation and maintenance special assessments on the platted lots and developed lands shall be at the same time and in the same manner as County taxes in accordance with the Uniform Method, as set forth in **Exhibits “A” and “B.”** The District certifies all assessments for debt service and operations and maintenance for collection pursuant to Chapters 190 and 197, Florida Statutes. All assessments collected by the Tax Collector shall be due and payable as provided in Chapter 197, Florida Statutes.

**SECTION 4. ASSESSMENT ROLL.** The District's Assessment Roll, attached to this Resolution as **Exhibit “B”**, is hereby certified and adopted.

**SECTION 5. ASSESSMENT ROLL AMENDMENT.** The District Manager shall keep apprised of all updates made to the County property roll by the Property Appraiser after the date of this Resolution, and shall amend the District's Assessment Roll in accordance with any such updates, for such time as authorized by Florida law. After any amendment of the Assessment Roll, the District Manager shall file the updates to the tax roll in the District records.

**SECTION 6. SEVERABILITY.** The invalidity or unenforceability of any one or more provisions of this Resolution shall not affect the validity or enforceability of the remaining portions of this Resolution, or any part thereof.

**SECTION 7. EFFECTIVE DATE.** This Resolution shall take effect upon the passage and adoption of this Resolution by the Board of Supervisors of the Live Oak No. 2 Community Development District.

**PASSED AND ADOPTED** this 24<sup>th</sup> day of July, 2018.

**ATTEST:**

**LIVE OAK NO. 2 COMMUNITY  
DEVELOPMENT DISTRICT**

By: \_\_\_\_\_  
Andrew P. Mendenhall  
Secretary

By: \_\_\_\_\_  
Chair of the Board of Supervisors

**Exhibit “A” – Fiscal Year 2018/2019 Budget  
Exhibit “B” – Assessment Roll**