

# **PALERMO COMMUNITY DEVELOPMENT DISTRICT**

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## **AGENDA**

MARCH 16, 2023

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PREPARED BY:

JPWARD & ASSOCIATES, LLC, 2301 NORTHEAST 37<sup>TH</sup> STREET, FORT LAUDERDALE, FL 33308

T: 954-658-4900 E: [JimWard@JPWardAssociates.com](mailto:JimWard@JPWardAssociates.com)

# PALERMO COMMUNITY DEVELOPMENT DISTRICT

March 9, 2023

Board of Supervisors

Palermo Community Development District

Dear Board Members:

The Regular Meeting of the Board of Supervisors of the Palermo Community Development District will be held on **Thursday, March 16, 2023, at 9:00 A.M.** at the offices of **Lennar Homes, LLC, 10461 Six Mile Cypress Parkway, Fort Myers, Florida 33966.**

WebEx link and telephone number:

<https://districts.webex.com/districts/j.php?MTID=m46b7dfe23761e1ad475e4e4e73e93631>

Access Code: **2334 645 7844**, Event password: **Jpward**

Phone: **408-418-9388** and enter the access code **2334 645 7844**, password **Jpward (579274)** to join the meeting.

## *Agenda*

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1. Call to Order & Roll Call.
2. Consideration of Minutes:
  - I. February 16, 2023, Regular Meeting.
3. Consideration of **Resolution 2023-7**, a resolution of the Board of Supervisors of Palermo Community Development District approving a proposed Fiscal Year 2024 Budget and setting the Public Hearing to be held on **Friday, July 21, 2023, at 9:00 A.M.** at the offices of **Lennar Homes LLC, 10461 Six Mile Cypress Parkway, Fort Myers, Florida 33966.**
4. Staff Reports.
  - I. District Attorney.
  - II. District Engineer.
  - III. District Manager.
    - a) **Important Board Meeting Dates for Balance of Fiscal Year 2023.**
      1. Public Hearings: Fiscal Year 2024 Budget Adoption – **Friday, July 21, 2023, 9:00 A.M.**
      - b) Financial Statement for period ending February 28, 2023 (unaudited).
5. Supervisor's Requests and Audience Comments.

6. Adjournment.

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The first order of business is the Call to Order & Roll Call.

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The second order of business is the consideration of the minutes from the December 15, 2022, Regular Meeting.

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The third order of business is the consideration of **Resolution 2023-7**, which approves a proposed Fiscal Year 2024 Budget and sets a Public Hearing date, time, and location.

The District's enabling legislation requires the District Manager to submit a Proposed Budget to the Board by June 15th of each year for your review and approval. The approval of the budget is only intended to permit the District to move through the process towards adopting the budget at a Public Hearing scheduled for the **Friday, July 21, 2023, at 9:00 A.M. at the offices of Lennar Homes LLC, 10461 Six Mile Cypress Parkway, Fort Myers, Florida 33966.**

The approval of the Budget does not bind the Board to any of the costs contained in the budget, any of the programs contained in the Budget and most importantly it does not bind the Board to the Assessment Rates for the general fund contemplated as a result of the preparation of the Budget.

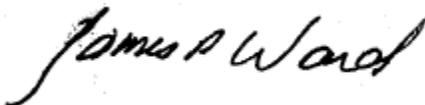
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The fourth order of business are staff reports by the District Attorney, District Engineer, and District Manager, including the unaudited Financial Statements for periods ending February 28, 2023.

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If you have any questions and/or comments before the meeting, please do not hesitate to contact me directly at (954) 658-4900.

Sincerely yours,  
Palermo Community Development District



James P. Ward  
District Manager

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**MINUTES OF MEETING  
PALERMO  
COMMUNITY DEVELOPMENT DISTRICT**

The Regular Meeting of the Board of Supervisors of the Palermo Community Development District was held on Thursday, February 16, 2023, at 9:00 a.m., at the offices of Lennar Homes, LLC, 10481 Six Mile Cypress Parkway, Ft. Myers, Florida 33966.

**Present:**

Scott Edwards	Chairperson
Dalton Drake	Vice Chairperson
Barry Ernst	Assistant Secretary
Zane Zeidan	Assistant Secretary
Ashley Kingston	Assistant Secretary

**Also present were:**

James P. Ward	District Manager
Greg Urbancic	District Attorney

**Audience:**

All resident's names were not included with the minutes. If a resident did not identify themselves or the audio file did not pick up the name, the name was not recorded in these minutes.

**PORTIONS OF THIS MEETING WERE TRANSCRIBED VERBATIM. ALL VERBATIM PORTIONS  
WERE TRANSCRIBED IN *ITALICS*.**

**FIRST ORDER OF BUSINESS**

**Call to Order**

Mr. James Ward called the meeting to order at approximately 9:00 a.m. He conducted roll call; all Members of the Board were present constituting a quorum. He indicated Zane Zeidan was present and was sworn in to serve.

**SECOND ORDER OF BUSINESS**

**Consideration of Resignation**

**Consideration of acceptance of the letter of resignation from Mr. Austin Borsos, from Seat 2 whose term is set to expire November 2024, effective February 8, 2023, of the Board of Supervisors of the Palermo Community Development District**

- I. **Appointment of an individual to fill Seat 1 whose term will expire November 2024**
- II. **Oath of Office**
- III. **Guide to the Sunshine Law and Code of Ethics for Public Employees**
- IV. **Form 1 – Statement of Financial Interests**

Mr. Ward called for a motion to accept the Letter of Resignation from Austin Borsos.

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**On MOTION made by Scott Edwards, seconded by Dalton Drake, and with all in favor, the Letter of Resignation from Austin Borsos was accepted for purposes of inclusion in the record.**

*Mr. Ward: The way this statute works is the balance of the remaining members of the Board can appoint someone to fill the unexpired term of Austin whose term was set to expire November 2024. All you have to do is discuss it and then appoint someone by motion and second.*

**On MOTION made by Scott Edwards, seconded by Dalton Drake, and with all in favor, Ashley Kingston was appointed to fill the unexpired term of Seat 2 set to expire November 2024.**

Mr. Ward, as a notary public, administered the Oath of Office to Ms. Ashley Kingston. Ms. Kingston signed and returned the Oath to Mr. Ward for purposes of inclusion in the record. Mr. Ward indicated Ms. Kingston was required to fill out and submit a Form 1 within 30 days to the County in which Ms. Kingston resided. He noted Ms. Kingston sat on other CDD Boards and was familiar with the Sunshine Law and Code of Ethics.

### **THIRD ORDER OF BUSINESS**

#### **Consideration of Minutes**

#### **December 15, 2022 – Regular Meeting**

Mr. Ward asked if there were any additions, corrections, or deletions for the Minutes; hearing none, he called for a motion.

**On MOTION made by Barry Ernst, seconded by Dalton Drake, and with all in favor, the December 15, 2022 Regular Meeting Minutes were approved.**

### **FOURTH ORDER OF BUSINESS**

#### **Consideration of Resolution 2023-4**

**Consideration of Resolution 2023-4, a resolution of the Board of Supervisors of Palermo Community Development District supplementing Resolution No. 2021-16 which Resolution previously Equalized, Approved, Confirmed, Imposed And Levied Special Assessments on and peculiar to property specially benefited (apportioned fairly and reasonably) by the District's projects; Approving and Adopting the Palermo Community Development District Final Supplemental Special Assessment Methodology– Series 2023 Bonds prepared by JPWard & Associates, LLC Dated February 8, 2023, which applies the Methodology previously adopted to Special Assessments reflecting the specific terms of the Palermo Community Development District Special Assessment Bonds, Series 2023 (2023 Project); providing for the update of the District's Assessment Records; and providing for severability, conflicts, and an effective date**

*Mr. Ward: The District has recently been successful in selling the Series 2023 bonds. They are in the par amount of \$11,540,000 dollars. They have interest rates between 4.125 and 5.25 percent in three*

96 sections depending upon the maturity date of the bond. The arbitrated yield on the bonds is 5.196  
97 percent. It's probably the lowest rate I've seen on a bond issue in the last six months, so your  
98 underwriter did a great job in marketing these bonds, and it's also a testament to Lennar's strength in  
99 this marketplace. But this Resolution is part of the final piece of the puzzle that we need to get adopted  
100 with respect to your bond issue. Resolution 2023-4 essentially approves, equalizes, confirms and imposes  
101 the special assessments which were previously levied by the Board, but are now conforming with the par  
102 amount of debt that has been issued by these bonds. It adopts the special assessment methodology and  
103 the assessment roll I had prepared as a result of the issuance of the bonds for you. Greg?

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105 Mr. Greg Urbancic: This is our bring down resolution which fixes the assessments on these specific  
106 properties based upon the actual terms of the bonds. As Jim said, the foundation is his final  
107 supplemental special assessment methodology, which is attached as an exhibit, which takes the par  
108 amount of the bonds and finalizes those assessments. This is all with respect to the Series 2023 project.  
109 This is a supplemental resolution to the final assessments that were previously fixed. This is the final  
110 resolution contemplated. We would come back for each bond issuance and do a supplement just so we  
111 can bring down the actual terms of the bond.

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113 Mr. Ward asked if there were any questions; hearing none, he called for a motion.

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115 **On MOTION made by Dalton Drake, seconded by Barry Ernst, and with**  
116 **all in favor, Resolution 2023-4 was adopted, and the Chair was**  
117 **authorized to sign.**

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## 120 FIFTH ORDER OF BUSINESS

## 120 Consideration of Resolution 2023-5

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122 **Consideration of Resolution 2023-5, a resolution of the Board of Supervisors of Palermo Community**  
123 **Development District authorizing the execution and delivery of (1) a Second Amended and Restated**  
124 **Acquisition Agreement, (2) Collateral Assignment, (3) a Completion Agreement, (4) a True-Up**  
125 **Agreement, (5) Lien of Record, (6) Notice of Series 2023 Special Assessments and other ancillary**  
126 **documents in connection with the Issuance and Delivery of the Series 2023 Bonds; Authorizing the**  
127 **proper officials to do all things deemed necessary in connection with the Execution of such**  
128 **documents; providing for miscellaneous matters and authority; and providing for severability,**  
129 **conflicts, and an effective date**

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131 Mr. Urbancic: With any financing, part of the underwriting requirements and part of the District  
132 requirements are that we have certain ancillary documents. I know some of you have been on these  
133 Boards and have seen these before, but there are six that apply for purposes of what we will be  
134 executing in connection with the closing. He reviewed the six ancillary documents: Second Amended  
135 and Restated Acquisition Agreement, Collateral Assignment, Completion Agreement, True-Up  
136 Agreement, Lien of Record, and Notice of Series 2023 Special Assessments.

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138 Mr. Ward asked if there were any questions; hearing none, he called for a motion.

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140 **On MOTION made by Scott Edwards, seconded by Dalton Drake, and**  
141 **with all in favor, Resolution 2023-5 was adopted, and the Chair was**  
142 **authorized to sign.**

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**SIXTH ORDER OF BUSINESS** **Consideration of Resolution 2023-6**

**Consideration of Resolution 2023-6, a resolution of the Board of Supervisors (the “Board”) of the Palermo Community Development District re-designating the officers of the Palermo Community Development District**

Mr. Ward indicated Scott Edwards served as Chairman, Dalton Drake served as Vice Chairman; with the remaining Board Members serving as Assistant Secretaries and himself, James Ward, as Secretary and Treasurer. He stated the Board could reassign the positions or simply add Ms. Kingston to serve as an Assistant Secretary.

The Board chose to add Ashley Kingston as an Assistant Secretary.

**On MOTION made by Scott Edwards, seconded by Dalton Drake, and with all in favor, Resolution 2023-6 was adopted, and the Chair was authorized to sign.**

**SEVENTH ORDER OF BUSINESS** **Staff Reports**

**I. District Attorney**

*Mr. Urbancic: We are working on collecting documents for the bond closing, and that will close next week.*

**II. District Engineer**

No report.

**III. District Manager**

- a) Important Board Meeting Dates for Balance of Fiscal Year 2023:**
  - 1. Proposed Fiscal Year 2024 Budget - April 20, 2023, at 9:00 A.M.**
  - 2. Public Hearings: Fiscal Year 2024 Budget Adoption – July 21, 2023, at 9:00 A.M.**
- b) Financial Statement for period ending December 31, 2022 (unaudited)**
- c) Financial Statement for period ending January 31, 2023 (unaudited)**

*Mr. Ward: I anticipate starting your budget for FY 2024 in April of this year which will now include the debt service related to the Series 2023 bonds.*

**EIGHTH ORDER OF BUSINESS** **Supervisor’s Requests and Audience Comments**

Mr. Ward asked if there were any Supervisor’s requests; there were none. He asked if there were any audience comments from audience members present in person, or via audio/video; there were none.

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**NINTH ORDER OF BUSINESS**

**Adjournment**

Mr. Ward adjourned the meeting at approximately 9:10 a.m.

**On MOTION made by Dalton Drake, seconded by Barry Ernst, and with all in favor, the Meeting was adjourned.**

Palermo Community Development District

\_\_\_\_\_  
James P. Ward, Secretary

\_\_\_\_\_  
Scott Edwards, Chairperson

DRAFT

**RESOLUTION 2023-7**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF PALERMO COMMUNITY DEVELOPMENT DISTRICT APPROVING A PROPOSED BUDGET FOR FISCAL YEAR 2024 AND SETTING A PUBLIC HEARING THEREON PURSUANT TO FLORIDA LAW; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICT AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the District Manager has heretofore prepared and submitted to the Board of Supervisors of Palermo Community Development District (the "Board") prior to June 15, 2023, a proposed Budget for Fiscal Year 2024; and

**WHEREAS**, the Board has considered the proposed Budget and desires to set the required public hearing thereon.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF PALERMO COMMUNITY DEVELOPMENT DISTRICT:**

**SECTION 1.** That the foregoing whereas clauses are true and correct and incorporated herein as if written into this Section.

**SECTION 2.** The proposed Budget submitted by the District Manager for Fiscal Year 2023 and attached hereto as **Exhibit A** is hereby approved as the basis for conducting a public hearing to adopt said budget.

**SECTION 3.** A public hearing on said approved budget is hereby declared and set for the following date, hour, and location:

<b>DATE:</b>	<b>Friday, July 21, 2023</b>
<b>HOUR:</b>	<b>9:00 A.M.</b>
<b>LOCATION:</b>	<b>Lennar Homes 10461 Six Mile Cypress Parkway Fort Myers, Florida 33966</b>

**SECTION 4.** The District Manager is hereby directed to submit a copy of the proposed budget to Lee County at least 60 days prior to the hearing set above.

**SECTION 5.** Notice of this public hearing on the budget shall be published in a newspaper of general circulation in the area of the district once a week for two (2) consecutive weeks, except that the first publication shall not be fewer than 15 days prior to the date of the hearing. The notice shall further contain a designation of the day, time, and place of the public hearing. At the time and place designated in the notice, the Board shall hear all objections to the budget as proposed and may make such changes as the board deems necessary.

**SECTION 6.** If any one of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contract to the policy of express law, but not expressly prohibited or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed

**RESOLUTION 2023-7**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF PALERMO COMMUNITY DEVELOPMENT DISTRICT APPROVING A PROPOSED BUDGET FOR FISCAL YEAR 2024 AND SETTING A PUBLIC HEARING THEREON PURSUANT TO FLORIDA LAW; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICT AND PROVIDING FOR AN EFFECTIVE DATE.**

separable from the remaining covenants, agreements or provisions and shall in no way effect the validity of the other provisions hereof.

**SECTION 7.** That all Sections or parts of Sections of any Resolutions, Agreements, or actions of the Board of Supervisors in conflict are hereby repealed to the extent of such conflict.

**SECTION 8.** This Resolution shall take effect immediately upon adoption.

**PASSED AND ADOPTED** this 16<sup>th</sup> day of March 2023

ATTEST:

**PALERMO COMMUNITY  
DEVELOPMENT DISTRICT**

\_\_\_\_\_  
James P. Ward, Secretary

\_\_\_\_\_  
Scott Edwards, Chairman

# **PALERMO COMMUNITY DEVELOPMENT DISTRICT**

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## **PROPOSED BUDGET**

FISCAL YEAR 2024

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**PREPARED BY:**

JPWARD & ASSOCIATES, LLC. 2301 NORTHEAST 37 STREET, FORT LAUDERDALE, FL. 33308

T: 954-658-4900 E: [JimWard@JPWardAssociates.com](mailto:JimWard@JPWardAssociates.com)

**Palermo Community Development District**  
**General Fund - Budget**  
**Fiscal Year 2024**

Description	Fiscal Year 2023 Budget	Actual at 12/31/2022	Anticipated Year End 09/30/2023	Fiscal Year 2024 Budget	Description
<b>Revenues and Other Sources</b>					
<b>Carryforward</b>	\$ -	\$ -	\$ -	\$ (46,385)	Negative Nbr. adds Funds for 1st Three (3) Months Operations
<b>Interest Income - General Account</b>	\$ -	\$ -	\$ -	\$ -	
<b>Assessment Revenue</b>					
Assessments - On-Roll	\$ -	\$ -	\$ -	\$ 231,923	Assessments on Tax Bills
Assessments - Off-Roll	\$ -	\$ -	\$ -	\$ -	Direct Billing to Developer Only
<b>Contributions - Private Sources</b>					
Lennar Homes	\$ 116,725	\$ 29,181	\$ 82,633		Developer Subsidized Funding (FY 2023)
<b>Total Revenue &amp; Other Sources</b>	<b>\$ 116,725</b>	<b>\$ 29,181</b>	<b>\$ 82,633</b>	<b>\$ 185,538</b>	

**Appropriations**

**Legislative**

Board of Supervisor's Fees	\$ -	\$ -	\$ -	\$ -	- Statutory Required Fees (Waived by Board)
Board of Supervisor's - FICA	\$ -	\$ -	\$ -	\$ -	- FICA (if applicable)

**Executive**

Professional - Management	\$ 41,000	\$ 10,250	\$ 41,000	\$ 42,000	District Manager
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**Financial and Administrative**

Audit Services	\$ 5,300	\$ -	\$ -	\$ 5,300	Statutory required audit yearly
Accounting Services	\$ 16,000	\$ 2,000	\$ 12,667	\$ 17,000	Accounting (all funds)
Assessment Roll Preparation	\$ 16,000	\$ 2,000	\$ 12,667	\$ 17,000	Tax Rolls preparation, yearly work with Appraiser & Tax Collector
Arbitrage Rebate Fees	\$ 500	\$ -	\$ -	\$ 500	IRS Required Calculation to insure interest on bond funds does not exceed interest paid on bonds

**Other Contractual Services**

Recording and Transcription	\$ -	\$ -	\$ -	\$ -	- Transcription of Board Meeting
Legal Advertising	\$ 2,000	\$ 282	\$ 1,500	\$ 1,750	Statutory Required Legal Advertising
Trustee Services	\$ 7,500	\$ -	\$ -	\$ 4,300	Trust Fees for Bonds
Dissemination Agent Services	\$ 5,000	\$ -	\$ -	\$ 5,000	Required SEC Reporting Bonds
Property Appraiser Fees	\$ -	\$ -	\$ -	\$ 1,841	Fees to place assessment on tax bills
Bank Service Fees	\$ 350	\$ 54	\$ 250	\$ 300	Bank Fees - Governmental Bank Account

**Palermo Community Development District**  
**General Fund - Budget**  
**Fiscal Year 2024**

Description	Fiscal Year 2023 Budget	Actual at 12/31/2022	Anticipated Year End 09/30/2023	Fiscal Year 2024 Budget	Description
<b>Travel and Per Diem</b>	\$ -	\$ -	\$ -	\$ -	N/A
<b>Communications and Freight Services</b>					
Telephone	\$ -	\$ -	\$ -	\$ -	N/A
Postage, Freight & Messenger	\$ 200	\$ -	\$ -	\$ 50	Agenda Mailings and other misc mail
<b>Rentals and Leases</b>					
Miscellaneous Equipment	\$ -	\$ -	\$ -	\$ -	
Computer Services (Web Site)	\$ 2,000	\$ -	\$ 1,500	\$ 1,500	Statutory Maintenance of District Web site
<b>Insurance</b>	\$ 5,500	\$ 5,375	\$ 5,375	\$ 5,600	General Liability and D&O Liability Insurance
<b>Subscriptions and Memberships</b>	\$ 175	\$ 175	\$ 175	\$ 175	Department of Economic Opportunity Fee
<b>Printing and Binding</b>	\$ 200	\$ -	\$ -	\$ 50	Agenda books and copies
<b>Office Supplies</b>	\$ -	\$ -	\$ -	\$ -	
<b>Legal Services</b>					
General Counsel	\$ 10,000	\$ -	\$ 5,000	\$ 7,500	District Attorney
Boundary Amendment	\$ -	\$ -	\$ -	\$ -	
<b>Other General Government Services</b>					
Engineering Services	\$ 5,000	\$ -	\$ 2,500	\$ 6,000	District Engineer
Contingencies	\$ -	\$ -	\$ -	\$ -	
Capital Outlay	\$ -	\$ -	\$ -	\$ -	
<b>Reserves and Contingencies</b>					
Reserve for Natural Disaster Cleanup & Restoration	\$ -	\$ -	\$ -	\$ 50,000	Long Term Capital Planning Tool - create a stable/equitable funding plan to offset deterioration resulting in sufficient funds for major common area expenditures.
Contingencies	\$ -	\$ -	\$ -	\$ 10,000	
<b>Other Fees and Charges</b>					
Discounts and Tax Collector Fee	\$ -	\$ -	\$ -	\$ 9,673	Discount permitted when paying taxes early and Tax Collector Fee
<b>Total Appropriations</b>	<b>\$ 116,725</b>	<b>\$ 20,136</b>	<b>\$ 82,633</b>	<b>\$ 185,538</b>	
<b>Fund Balances:</b>					
<b>Change from Current Year Operations</b>	\$ -	\$ 9,045	\$ -	\$ 46,385	Cash Over (short) at Fiscal Year End
<b>Fund Balance - Beginning</b>					

**Palermo Community Development District**  
**General Fund - Budget**  
**Fiscal Year 2024**

Description	Fiscal Year 2023 Budget	Actual at 12/31/2022	Anticipated Year End 09/30/2023	Fiscal Year 2024 Budget	Description
Extraordinary Capital/Operations	\$ -	\$ -	\$ -	\$ 50,000	Long Term Capital Planning - Balance of Funds
1st Three (3) Months of Operations	\$ -	\$ -	\$ -	\$ 46,385	Required to meet Cash Needs until Assessment Rec'd.
<b>Total Fund Balance</b>	<u>\$ -</u>	<u>\$ 9,045</u>	<u>\$ -</u>	<u>\$ 96,385</u>	
<b>Assessment Rate</b>	\$ -			\$ <b>189.02</b>	Year over Year Assessment Rate
<b>Total Number of Units</b>	N/A			<b>1227</b>	Total Anticipated Units
<b>Proposed Cap Rate</b>	\$ -			\$ <b>226.82</b>	Cap Rate if Proposed Budget Adopted

**Palermo Community Development District**  
**Debt Service Fund - Series 2023 Bonds - Budget**  
**Fiscal Year 2024**

Description	Fiscal Year 2023 Budget	Actual at 12/31/2022	Anticipated Year End 09/30/2023	Fiscal Year 2024 Budget
<b>Revenues and Other Sources</b>				
<b>Carryforward</b>	\$ -	\$ -	\$ -	\$ -
<b>Interest Income</b>				
Revenue Account	\$ -	\$ -	\$ -	\$ -
Reserve Account	\$ -	\$ -	\$ -	\$ -
Interest Account	\$ -	\$ -	\$ -	\$ -
Prepayment Account	\$ -	\$ -	\$ -	\$ -
Capitalized Interest Account	\$ -	\$ -	\$ -	\$ -
<b>Special Assessment Revenue</b>				
Special Assessment - On-Roll	\$ -	\$ -	\$ -	\$ 815,596
Special Assessment - Off-Roll	\$ -	\$ -	\$ -	\$ -
Principal Due - 12/15/2024				\$ 185,000
Interest Due - 12/15/2024				\$ 285,900
Special Assessment - Prepayment	\$ -	\$ -	\$ -	\$ -
<b>Bond Proceeds</b>				
Capitalized Interest Fund Deposit	\$ -	\$ 180,203	\$ 180,203	\$ -
Reserve Fund Deposit	\$ -	\$ 377,788	\$ 377,788	\$ -
<b>Total Revenue &amp; Other Sources</b>	<b>\$ -</b>	<b>\$ 557,991</b>	<b>\$ 557,991</b>	<b>\$ 1,286,496</b>
<b>Expenditures and Other Uses</b>				
<b>Debt Service</b>				
Principal Debt Service - Mandatory	\$ -	\$ -	\$ -	\$ 180,000
Principal Debt Service - Early Redemptions				
<b>Interest Expense</b>				
	\$ -	\$ -	\$ 180,203	\$ 579,225
<b>Other Fees and Charges</b>				
Discounts for Early Payment	\$ -	\$ -	\$ -	\$ 56,371
Operating Transfers Out	\$ -	\$ -	\$ -	\$ -
<b>Total Expenditures and Other Uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 180,203</b>	<b>\$ 815,596</b>
<b>Net Increase/(Decrease) in Fund Balance</b>	\$ -	\$ 557,991	\$ 377,788	\$ 470,900
<b>Fund Balance - Beginning</b>	\$ -	\$ -	\$ -	\$ 377,788
<b>Fund Balance - Ending</b>	<b>\$ -</b>	<b>\$ 557,991</b>	<b>\$ 377,788</b>	<b>\$ 848,688</b>

**Restricted Fund Balance:**

Reserve Account Requirement	\$ 377,788
Restricted for December 15, 2024 Principal & Interest Payment	\$ 470,900
<b>Total - Restricted Fund Balance:</b>	<b>\$ 848,688</b>

Description of Product	Number of Units	Rate	Rate
Townhouse 20-29'	156	N/A	\$ 646.39
Single Family 40'-49'	120	N/A	\$ 1,074.44
Single Family 50'-59'	265	N/A	\$ 1,343.05
SF - 50' (LOTS 58/104 only)	47	N/A	\$ 538.66
Single Family 60'-69'	125	N/A	\$ 1,611.64
<b>Total:</b>	<b>713</b>		

**Palermo Community Development District  
Debt Service Fund - Series 2023**

Description	Principal Prepayments	Principal	Coupon Rate	Interest	Annual Debt Service	Par Outstanding
Par Amount Issued:		\$ 11,540,000	Varies			
6/15/2023				\$ 180,203.33	\$ 180,203	
12/15/2023		\$ 180,000	4.125%	\$ 289,612.50		
6/15/2024				\$ 289,612.50	\$ 759,225	\$ 11,360,000
12/15/2024		\$ 185,000	4.125%	\$ 285,900.00		
6/15/2025				\$ 285,900.00	\$ 756,800	\$ 11,175,000
12/15/2025		\$ 195,000	4.125%	\$ 282,084.38		
6/15/2026				\$ 282,084.38	\$ 564,169	\$ 10,980,000
12/15/2026		\$ 200,000	4.125%	\$ 278,062.50		
6/15/2027				\$ 278,062.50	\$ 556,125	\$ 10,780,000
12/15/2027		\$ 210,000	4.125%	\$ 273,937.50		
6/15/2028				\$ 273,937.50	\$ 547,875	\$ 10,570,000
12/15/2028		\$ 220,000	4.125%	\$ 269,606.25		
6/15/2029				\$ 269,606.25	\$ 539,213	\$ 10,350,000
12/15/2029		\$ 230,000	4.125%	\$ 265,068.75		
6/15/2030				\$ 265,068.75	\$ 530,138	\$ 10,120,000
12/15/2030		\$ 240,000	4.125%	\$ 260,325.00		
6/15/2031				\$ 260,325.00	\$ 520,650	\$ 9,880,000
12/15/2031		\$ 250,000	5.000%	\$ 254,325.00		
6/15/2032				\$ 254,325.00	\$ 508,650	\$ 9,630,000
12/15/2032		\$ 265,000	5.000%	\$ 248,075.00		
6/15/2033				\$ 248,075.00	\$ 496,150	\$ 9,365,000
12/15/2033		\$ 275,000	5.000%	\$ 241,450.00		
6/15/2034				\$ 241,450.00	\$ 482,900	\$ 9,090,000
12/15/2034		\$ 290,000	5.000%	\$ 234,575.00		
6/15/2035				\$ 234,575.00	\$ 469,150	\$ 8,800,000
12/15/2035		\$ 305,000	5.000%	\$ 227,325.00		
6/15/2036				\$ 227,325.00	\$ 454,650	\$ 8,495,000
12/15/2036		\$ 320,000	5.000%	\$ 219,700.00		
6/15/2037				\$ 219,700.00	\$ 439,400	\$ 8,175,000
12/15/2037		\$ 340,000	5.000%	\$ 211,700.00		
6/15/2038				\$ 211,700.00	\$ 423,400	\$ 7,835,000
12/15/2038		\$ 355,000	5.000%	\$ 203,200.00		
6/15/2039				\$ 203,200.00	\$ 406,400	\$ 7,480,000
12/15/2039		\$ 375,000	5.000%	\$ 194,325.00		
6/15/2040				\$ 194,325.00	\$ 388,650	\$ 7,105,000
12/15/2040		\$ 395,000	5.000%	\$ 184,950.00		
6/15/2041				\$ 184,950.00	\$ 369,900	\$ 6,710,000
12/15/2041		\$ 415,000	5.000%	\$ 175,075.00		
6/15/2042				\$ 175,075.00	\$ 350,150	\$ 6,295,000
12/15/2042		\$ 435,000	5.000%	\$ 164,700.00		
6/15/2043				\$ 164,700.00	\$ 329,400	\$ 5,860,000
12/15/2043		\$ 460,000	5.000%	\$ 153,825.00		
6/15/2044				\$ 153,825.00	\$ 307,650	\$ 5,400,000
12/15/2044		\$ 480,000	5.250%	\$ 141,750.00		
6/15/2045				\$ 141,750.00	\$ 283,500	\$ 4,920,000
12/15/2045		\$ 510,000	5.250%	\$ 129,150.00		
6/15/2046				\$ 129,150.00	\$ 258,300	\$ 4,410,000
12/15/2046		\$ 535,000	5.250%	\$ 115,762.50		
6/15/2047				\$ 115,762.50	\$ 231,525	\$ 3,875,000
12/15/2047		\$ 565,000	5.250%	\$ 101,718.75		
6/15/2048				\$ 101,718.75	\$ 203,438	\$ 3,310,000
12/15/2048		\$ 595,000	5.250%	\$ 86,887.50		
6/15/2049				\$ 86,887.50	\$ 173,775	\$ 2,715,000
12/15/2049		\$ 625,000	5.250%	\$ 71,268.75		
6/15/2050				\$ 71,268.75	\$ 142,538	\$ 2,090,000

**Palermo Community Development District  
Debt Service Fund - Series 2023**

Description	Principal Prepayments	Principal	Coupon Rate	Interest	Annual Debt Service	Par Outstanding
12/15/2050		\$ 660,000	5.250%	\$ 54,862.50		
6/15/2051				\$ 54,862.50	\$ 109,725	\$ 1,430,000
12/15/2051		\$ 695,000	5.250%	\$ 37,537.50		
6/15/2052				\$ 37,537.50	\$ 75,075	\$ 735,000
12/15/2052		\$ 735,000	5.250%	\$ 19,293.75		
6/15/2023				\$ 19,293.75	\$ 38,588	\$ -
		<b>\$ 11,540,000</b>		<b>\$ 11,532,309.59</b>	<b>\$ 11,858,722</b>	

# **PALERMO COMMUNITY DEVELOPMENT DISTRICT**

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## **FINANCIAL STATEMENTS - FEBRUARY 2023**

FISCAL YEAR 2023

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**PREPARED BY:**

JPWARD & ASSOCIATES, LLC, 2301 NORTHEAST 37<sup>TH</sup> STREET, FORT LAUDERDALE, FL 33308

T: 954-658-4900 E: [JimWard@JPWardAssociates.com](mailto:JimWard@JPWardAssociates.com)

*Palermo Community Development District*

*Table of Contents*

<i>Balance Sheet – All Funds</i>	<i>1-2</i>
<i>Statement of Revenue, Expenditures and Changes in Fund Balance</i>	
<i>General Fund</i>	<i>3-4</i>
<i>Debt Service Fund</i> <i>Series 2023</i>	<i>5</i>
<i>Capital Project Fund</i> <i>Series 2023</i>	<i>6</i>

*JPWard & Associates, LLC*

2301 NORTHEAST 37 STREET  
FORT LAUDERDALE,  
FLORIDA 33308

**Palermo Community Development District  
Balance Sheet  
for the Period Ending February 28, 2023**

	Governmental Funds						Totals (Memorandum Only)
	Debt Service Funds		Capital Project Fund		Account Groups		
	General Fund	Series 2023	Series 2023	General Long Term Debt	General Fixed Assets		
<b>Assets</b>							
<b>Cash and Investments</b>							
General Fund - Invested Cash	\$ 385,254	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 385,254
Debt Service Fund							
Interest Account		180,203				-	\$ 180,203
Sinking Account						-	\$ -
Reserve Account		377,788					\$ 377,788
Revenue Account						-	\$ -
Capitalized Interest						-	\$ -
Prepayment Account						-	\$ -
Construction Account				10,433,910			\$ 10,433,910
Cost of Issuance Account				50			\$ 50
<b>Due from Other Funds</b>							
General Fund	-	-	-	-	-	-	-
Debt Service Fund(s)	-	-	-	-	-	-	-
<b>Accounts Receivable</b>							
Assessments Receivable	-	-	-	-	-	-	-
<b>Amount Available in Debt Service Funds</b>							
Amount Available in Debt Service Funds	-	-	-	557,991	-	-	557,991
<b>Amount to be Provided by Debt Service Funds</b>							
Amount to be Provided by Debt Service Funds	-	-	-	(557,991)	-	-	(557,991)
<b>Total Assets</b>	<b>\$ 385,254</b>	<b>\$ 557,991</b>	<b>\$ 10,433,960</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,377,206</b>

**Palermo Community Development District  
Balance Sheet  
for the Period Ending February 28, 2023**

	Governmental Funds					Totals (Memorandum Only)	
	Debt Service Funds		Capital Project Fund		Account Groups		
	General Fund	Series 2023	Series 2023	General Long Term Debt	General Fixed Assets		
<b>Liabilities</b>							
<b>Accounts Payable &amp; Payroll Liabilities</b>	\$ 327,538	\$ -	\$ -	\$ -	\$ -	\$ 327,538	
<b>Due to Fiscal Agent</b>							
<b>Due to Other Funds</b>	-					-	
General Fund	-	-	-	-	-	-	
Debt Service Fund(s)	-	-	-	-	-	-	
<b>Due to Developer</b>			\$ -			-	
<b>Bonds Payable</b>							
Current Portion					-	-	
Long Term					-	-	
Unamortized Prem/Discount on Bds Pyb		(98,324)	-			(98,324)	
<b>Total Liabilities</b>	<b>\$ 327,538</b>	<b>\$ (98,324)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 229,214</b>	
<b>Fund Equity and Other Credits</b>							
<b>Investment in General Fixed Assets</b>	-	-	-	-	-	-	
<b>Fund Balance</b>							
<b>Restricted</b>							
Beginning: October 1, 2022 (Unaudited)	-	-	-	-	-	-	
Results from Current Operations	-	656,315	10,433,960	-	-	11,090,275	
<b>Unassigned</b>							
Beginning: October 1, 2022 (Unaudited)	30,374			-	-	30,374	
Results from Current Operations	27,343			-	-	27,343	
<b>Total Fund Equity and Other Credits</b>	<b>\$ 57,717</b>	<b>\$ 656,315</b>	<b>\$ 10,433,960</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,147,992</b>	
<b>Total Liabilities, Fund Equity and Other Credits</b>	<b>\$ 385,254</b>	<b>\$ 557,991</b>	<b>\$ 10,433,960</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,377,206</b>	

**Palermo Community Development District**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Through February 28, 2023**

Description	October	November	December	January	February	Year to Date	Total Annual Budget	% of Budget
<b>Revenue and Other Sources</b>								
<b>Carryforward</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
<b>Interest</b>								
Interest - General Checking	-	-	-	-	-	-	-	N/A
<b>Special Assessment Revenue</b>								
Special Assessments - On-Roll	-	-	-	-	-	-	-	N/A
Special Assessments - Off-Roll	-	-	-	-	-	-	-	N/A
<b>Developer Contribution</b>	-	29,181	-	29,181	-	58,363	116,725	50%
<b>Total Revenue and Other Sources:</b>	<b>\$ -</b>	<b>\$ 29,181</b>	<b>\$ -</b>	<b>\$ 29,181</b>	<b>\$ -</b>	<b>\$ 58,363</b>	<b>\$ 116,725</b>	<b>N/A</b>
<b>Expenditures and Other Uses</b>								
<b>Legislative</b>								
Board of Supervisor's Fees	-	-	-	-	-	-	-	N/A
<b>Executive</b>								
Professional Management	3,417	3,417	3,417	3,417	3,417	17,083	41,000	42%
<b>Financial and Administrative</b>								
Audit Services	-	-	-	500	-	500	5,300	9%
Accounting Services	667	667	667	667	667	3,333	16,000	21%
Assessment Roll Preparation	667	667	667	667	667	3,333	16,000	21%
Arbitrage Rebate Services	-	-	-	-	-	-	500	0%
<b>Other Contractual Services</b>								
Legal Advertising	282	-	-	-	-	282	2,000	14%
Trustee Services	-	-	-	-	-	-	7,500	0%
Dissemination Agent Services	-	-	-	-	-	-	5,000	0%
Property Appraiser Fees	-	-	-	214	-	214	-	N/A
Bank Service Fees	17	18	19	-	-	54	350	15%
<b>Travel and Per Diem</b>	-	-	-	-	-	-	-	N/A

**Palermo Community Development District**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Through February 28, 2023**

Description	October	November	December	January	February	Year to Date	Total Annual Budget	% of Budget
<b>Communications &amp; Freight Services</b>								
Postage, Freight & Messenger	-	-	-	-	-	-	200	0%
<b>Rentals and Leases</b>								
Miscellaneous Equipment	-	-	-	-	-	-	-	N/A
Website Services	-	-	-	-	-	-	2,000	0%
<b>Insurance</b>	-	5,375	-	-	-	5,375	5,500	98%
<b>Printing &amp; Binding</b>	-	-	-	-	-	-	200	0%
<b>Subscription &amp; Memberships</b>	-	175	-	-	-	175	175	100%
<b>Legal Services</b>								
Legal - General Counsel	-	-	-	670	-	670	10,000	7%
<b>Other General Government Services</b>								
Engineering Services	-	-	-	-	-	-	5,000	0%
Contingencies	-	-	-	-	-	-	-	N/A
Capital Outlay	-	-	-	-	-	-	-	N/A
<b>Other Fees and Charges</b>	-	-	-	-	-	-	-	N/A
Discounts/Collection Fees	-	-	-	-	-	-	-	-
<b>Sub-Total:</b>	<b>5,049</b>	<b>10,318</b>	<b>4,769</b>	<b>6,134</b>	<b>4,750</b>	<b>31,020</b>	<b>116,725</b>	<b>N/A</b>
 <b>Total Expenditures and Other Uses:</b>	<b>\$ 5,049</b>	<b>\$ 10,318</b>	<b>\$ 4,769</b>	<b>\$ 6,134</b>	<b>\$ 4,750</b>	<b>\$ 31,020</b>	<b>\$ 116,725</b>	<b>N/A</b>
 Net Increase/ (Decrease) in Fund Balance	(5,049)	18,863	(4,769)	23,048	(4,750)	27,343	-	
Fund Balance - Beginning	30,374	25,324	44,187	39,419	62,467	30,374	-	
<b>Fund Balance - Ending</b>	<b>\$ 25,324</b>	<b>\$ 44,187</b>	<b>\$ 39,419</b>	<b>\$ 62,467</b>	<b>\$ 57,717</b>	<b>57,717</b>	<b>\$ -</b>	

**Palermo Community Development District**  
**Debt Service Fund - Series 2023**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Through February 28, 2023**

Description	February	Year to Date	Total Annual Budget	% of Budget
<b>Revenue and Other Sources</b>				
Carryforward	\$ -	-	-	N/A
<b>Interest Income</b>				
Interest Account		-	-	N/A
Sinking Fund Account	-	-	-	N/A
Reserve Account	-	-	-	N/A
Prepayment Account		-	-	N/A
Revenue Account		-	-	N/A
Capitalized Interest Account	-	-	-	N/A
<b>Special Assessments - Prepayments</b>				
Special Assessments - On Roll		-	-	N/A
Special Assessments - Off Roll		-	-	N/A
Special Assessments - Prepayments		-	-	N/A
<b>Debt Proceeds</b>	887,115	887,115	-	N/A
<b>Intragovernmental Transfer In</b>	-	-	-	N/A
<b>Total Revenue and Other Sources:</b>	<b>\$ 887,115</b>	<b>\$ 887,115</b>	<b>\$ -</b>	<b>N/A</b>
<b>Expenditures and Other Uses</b>				
<b>Debt Service</b>				
<b>Principal Debt Service - Mandatory</b>				
Series 2019	-	-	-	N/A
<b>Principal Debt Service - Early Redemptions</b>				
Series 2019	-	-	-	N/A
<b>Interest Expense</b>				
Series 2019	-	-	-	N/A
<b>Underwriter's Discount</b>	230,800	230,800	-	N/A
<b>Operating Transfers Out (To Other Funds)</b>	-	-	-	N/A
<b>Total Expenditures and Other Uses:</b>	<b>\$ 230,800</b>	<b>230,800</b>	<b>\$ -</b>	<b>N/A</b>
Net Increase/ (Decrease) in Fund Balance	656,315	656,315	-	
Fund Balance - Beginning	-	-	-	
<b>Fund Balance - Ending</b>	<b>\$ 656,315</b>	<b>656,315</b>	<b>\$ -</b>	

Prepared by:

**JPWARD and Associates, LLC**

**Palermo Community Development District**  
**Capital Projects Fund - Series 2023**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Through February 28, 2023**

Description	February	Year to Date	Total Annual Budget	% of Budget
<b>Revenue and Other Sources</b>				
Carryforward	-	-	\$ -	N/A
<b>Interest Income</b>				
Construction Account	-	-	\$ -	N/A
Cost of Issuance	-	-	\$ -	N/A
<b>Debt Proceeds</b>				
Developer Contributions	10,652,885	10,652,885	\$ -	N/A
Operating Transfers In (From Other Funds)	-	-	\$ -	N/A
<b>Total Revenue and Other Sources:</b>	<b>\$ 10,652,885</b>	<b>\$ 10,652,885</b>	<b>\$ -</b>	<b>N/A</b>
<b>Expenditures and Other Uses</b>				
<b>Executive</b>				
Professional Management	\$ 50,000	\$ 50,000	\$ -	N/A
<b>Other Contractual Services</b>				
Trustee Services	\$ 6,125	\$ 6,125	\$ -	N/A
<b>Legal Services</b>				
Printing & Binding	\$ 1,750	\$ 1,750	\$ -	N/A
<b>Other General Government Services</b>				
Engineering Services		\$ -		
<b>Capital Outlay</b>				
Electrical		\$ -		
Water-Sewer Combination	\$ -	\$ -	\$ -	N/A
Stormwater Management	\$ -	\$ -	\$ -	N/A
Landscaping	\$ -	\$ -	\$ -	N/A
Roadway Improvement	\$ -	\$ -	\$ -	N/A
<b>Cost of Issuance</b>				
Legal - Series 2019 Bonds	\$ -	\$ -	\$ -	N/A
<b>Underwriter's Discount</b>				
Operating Transfers Out (To Other Funds)	\$ -	\$ -	\$ -	N/A
<b>Total Expenditures and Other Uses:</b>	<b>\$ 218,925</b>	<b>\$ 218,925</b>	<b>\$ -</b>	<b>N/A</b>
Net Increase/ (Decrease) in Fund Balance	\$ 10,433,960	\$ 10,433,960	-	
Fund Balance - Beginning	\$ -	\$ -	\$ -	
<b>Fund Balance - Ending</b>	<b>\$ 10,433,960</b>	<b>\$ 10,433,960</b>	<b>\$ -</b>	

Prepared by:

**JPWARD and Associates, LLC**