

HERITAGE SPRINGS
Community Development District

Annual Operating and Debt Service Budget
Fiscal Year 2015

Version 1 - Approved Tentative Budget
(approved at 5/19/14 Mtg)

Prepared by:



HERITAGE SPRINGS

Community Development District

Table of Contents

	<u>Page #</u>
<u>OPERATING BUDGET</u>	
General Fund	
Summary of Revenues, Expenditures and Changes in Fund Balances	1
Budget Narrative	2-4
Exhibit A - Allocation of Fund Balances	5
<u>DEBT SERVICE BUDGETS</u>	
Series 2006	
Summary of Revenues, Expenditures and Changes in Fund Balances	6
Amortization Schedule	7
Series 2008	
Summary of Revenues, Expenditures and Changes in Fund Balances	8
Amortization Schedule	9
<u>SUPPORTING BUDGET SCHEDULES</u>	
2014-2015 Non-Ad Valorem Assessment Summary	10

Heritage Springs
Community Development District

Operating Budget
Fiscal Year 2015

Summary of Revenues, Expenditures and Changes in Fund Balances

Fiscal Year 2015 Proposed Budget

ACCOUNT DESCRIPTION	ADOPTED		ACTUAL	PROJECTED	TOTAL	ANNUAL
	ACTUAL	BUDGET	THRU	MAY-	PROJECTED	BUDGET
	FY 2013	FY 2014	APR-2014	SEP-2014	FY 2014	FY 2015
REVENUES						
Interest - Investments	\$ 3,296	\$ 1,000	\$ 1,452	\$ 1,037	\$ 2,489	\$ 1,000
Net Incr (Decr) In FMV-Invest	74	-	-	-	-	-
Special Assmnts- Tax Collector	395,547	399,429	395,498	3,931	399,429	399,429
Special Assmnts- CDD Collected	2,689	-	-	-	-	-
Special Assmnts- Discounts	(14,693)	(15,977)	(14,751)	-	(14,751)	(15,977)
TOTAL REVENUES	386,913	384,452	382,199	4,968	387,167	384,451
EXPENDITURES						
<i>Administrative</i>						
P/R-Board of Supervisors	5,400	9,000	4,000	2,000	6,000	9,000
FICA Taxes	413	689	306	153	459	689
ProfServ-Dissemination Agent	1,000	1,000	1,000	-	1,000	1,000
ProfServ-Engineering	14,360	20,000	20,553	20,553	41,106	46,000
ProfServ-Legal Services	3,203	5,000	2,580	2,580	5,160	5,000
ProfServ-Mgmt Consulting Serv	34,166	34,166	19,930	14,236	34,166	34,166
ProfServ-Property Appraiser	150	150	150	-	150	150
ProfServ-Special Assessment	7,500	7,500	7,500	-	7,500	7,500
ProfServ-Trustee	7,402	9,916	3,631	3,771	7,402	8,513
Auditing Services	8,000	8,000	5,500	-	5,500	5,500
Communication - Telephone	18	50	2	-	2	-
Postage and Freight	276	400	145	104	249	400
Insurance - General Liability	4,380	5,037	4,418	-	4,418	4,860
Printing and Binding	558	800	291	208	499	800
Legal Advertising	1,436	1,500	94	1,342	1,436	1,500
Miscellaneous Services	542	520	171	122	293	520
Misc-Assessmnt Collection Cost	5,440	7,989	7,615	79	7,694	7,989
Office Supplies	165	150	111	55	166	175
Annual District Filing Fee	175	175	175	-	175	175
Total Administrative	94,584	112,042	78,172	45,202	123,374	133,935
<i>Field</i>						
Electricity - Streetlighting	57,900	60,000	34,563	24,774	59,337	60,000
R&M-Aquascaping	-	5,000	-	-	-	5,000
R&M-Aquatic Weed Control	34,800	40,000	20,300	14,500	34,800	40,000
R&M-Ponds	90,323	75,000	59,606	15,000	74,606	75,000
R&M-Stormwater System	-	15,000	4,940	-	4,940	15,000
Misc-Contingency	2,357	10,000	466	2,100	2,566	10,000
Impr - Bridge	25,000	-	-	-	-	-
Reserve - Other	-	67,410	-	-	-	45,516
Total Field	210,380	272,410	119,875	56,374	176,249	250,516
TOTAL EXPENDITURES	304,964	384,452	198,047	101,576	299,623	384,451
Net change in fund balance	81,949	-	184,152	(96,608)	87,544	-
FUND BALANCE, BEGINNING	682,236	764,185	764,185	-	764,185	851,729
FUND BALANCE, ENDING	\$ 764,185	\$ 764,185	\$ 948,337	\$ (96,608)	\$ 851,729	\$ 851,729

Budget Narrative
Fiscal Year 2015

REVENUES:

Interest Income - Investments

The District earns interest on the monthly average collected balance for their operating accounts.

Special Assessments –Tax Collector

The District will levy a non-ad valorem special assessment on all platted lots within Heritage Springs Community Development District in order to pay operating and maintenance expenses for 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 Supervisors & FICA Taxes

Chapter 190 of the Florida Statutes allows for a member of the Board of Supervisors to be compensated \$200 per meeting, not to exceed \$4,800 per year per supervisor.

Profserv-Dissemination Agent

The District is required by the Security and Exchange Commission to comply with Rule 15c2-12(b) (5), which relates to additional reporting requirements for unrelated bond issues. The District has contracted for this service and the amount is based on the contracted amount.

Profserv - 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.

Profserv – Legal Services

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

Profserv - Management Consulting Services

The District receives Management, Accounting and Administrative services as part of a Management Agreement with Severn Trent Management Services, Inc.

Profserv - Property Appraiser

The District contracts with the Pasco County Property Appraiser for the purpose of placing the District's non-ad valorem tax assessments on the Notice of Proposed Property Taxes, thereby allowing the Tax Collector to collect such assessments. The District will fund the Property Appraiser's general budget in the amount of \$150 for the annual inclusion of Notice of Proposed Property Taxes.

Budget Narrative
Fiscal Year 2015

Profserv - Special Assessment

The District has contracted with Severn Trent Management Services, Inc. to prepare the assessment roll for the District. This includes collection of prepaid assessments, maintaining the assessment roll and annually levying a non- ad valorem assessment for operating and debt service expenses.

Profserv - Trustee

The District issued Series 2006 & 2008 of Special Assessment Bonds that are deposited with a Trustee to handle all trustee matters. The annual trustee fees are based on standard fees charged plus any out of pockets expenses with a projected 15% increase.

Auditing Services

The District is required annually to conduct an audit of its financial records by an Independent Certified Public Accounting Firm.

Postage & Freight

Represents the cost of mailing agenda packages, overnight deliveries, correspondence, etc.

Insurance – General Liability

The District's General Liability & Public Officials Liability Insurance policy is with The Florida League of Cities, Inc. The Florida League of Cities, Inc. specializes in providing insurance coverage to governmental agencies. A 10% increase is projected for FY15.

Printing & Binding

Printing and 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.

Miscellaneous Services

Bank charges and any other miscellaneous expenses that incurred during the year.

Misc. Assessment Collection Fee

The District reimburses the Pasco County Tax Collector for her or his 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 FY2015 budget for collection costs was based on a maximum of 2% of the anticipated assessment collections.

Office Supplies

Miscellaneous office supplies required for the preparation of agendas.

Annual District Filing Fee

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

Budget Narrative
Fiscal Year 2015

Maintenance:

Electricity - Street Lighting

The District incurs electrical expenses which are paid to Duke Energy.

R&M - Aquascaping

Installation and maintenance of Aquatic Plants.

R&M - Aquatic Weed Control

The District has contracted Blue Water Aquatics, Inc. to perform lake maintenance services within the District. The estimated monthly cost for these services is \$2,900 per month. The budgeted remainder is to be used for other incurred costs that are within this category.

R&M - Ponds

Costs associated with the maintenance and repair of ponds throughout the district.

R&M - Storm Water System

Costs associated with the maintenance and repair of storm water system throughout the district.

Misc. - Contingency

This category is for any unexpected expenditures that the District may incur during the Fiscal Year.

Reserves

The District will restrict a portion of the fund balance for future repairs & maintenance deemed necessary and approved by the board.

Exhibit "A"
Allocation of Fund Balances

AVAILABLE FUNDS

	<u>Amount</u>
Beginning Fund Balance - Fiscal Year 2015	\$ 851,729
Net Change in Fund Balance - Fiscal Year 2015	-
Reserves - Fiscal Year 2015 Additions	45,516
Total Funds Available (Estimated) - 9/30/2015	897,245

ALLOCATION OF AVAILABLE FUNDS

Assigned Fund Balance

Operating Reserve (1)		84,734 ⁽¹⁾
Reserves - Ponds (FY09)	25,000	-
Reserves - Ponds (FY10)	51,333	
Reserves - Ponds (FY11)	46,390	
Reserves - Ponds (May 2012 Board Motion)	350,000	
Reserves - Ponds (FY12)	59,293	
Reserves - Ponds (FY13)	59,775	
Reserves - Ponds (FY14-Projected)	67,410	
Reserves - Ponds (FY15-Projected)	45,516	704,717
	Subtotal	<u>789,451</u>
Total Allocation of Available Funds		789,451

Total Unassigned (undesignated) Cash	\$ 107,794
---	-------------------

Notes

(1) Represents approximately 3 months of operating expenditures

Heritage Springs
Community Development District

Debt Service Budgets
Fiscal Year 2015

Summary of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2015 Proposed Budget

ACCOUNT DESCRIPTION	ACTUAL FY 2013	ADOPTED BUDGET FY 2014	ACTUAL THRU APR-2014	PROJECTED MAY- SEP-2014	TOTAL PROJECTED FY 2014	ANNUAL BUDGET FY 2015
REVENUES						
Interest - Investments	\$ 72	\$ -	\$ 43	\$ 31	\$ 74	\$ -
Special Assmnts- Tax Collector	138,743	141,226	139,893	1,333	141,226	141,226
Special Assmnts- CDD Collected	2,185	-	-	-	-	-
Special Assmnts- Discounts	(5,215)	(5,649)	(5,231)	-	(5,231)	(5,649)
TOTAL REVENUES	135,785	135,577	134,705	1,364	136,069	135,577
EXPENDITURES						
<i>Administrative</i>						
Misc-Assessmnt Collection Cost	1,912	2,825	2,693	27	2,720	2,825
Total Administrative	1,912	2,825	2,693	27	2,720	2,825
<i>Debt Service</i>						
Debt Retirement Series A	65,000	65,000	-	65,000	65,000	70,000
Interest Expense Series A	66,150	62,738	31,369	31,369	62,738	59,325
Total Debt Service	131,150	127,738	31,369	96,369	127,738	129,325
TOTAL EXPENDITURES	133,062	130,563	34,062	96,395	130,457	132,150
Excess (deficiency) of revenues						
Over (under) expenditures	2,723	5,014	100,643	(95,032)	5,611	3,427
OTHER FINANCING SOURCES (USES)						
Contribution to (Use of) Fund Balance	-	5,014	-	-	-	3,427
TOTAL OTHER SOURCES (USES)	-	5,014	-	-	-	3,427
Net change in fund balance	2,723	5,014	100,643	(95,032)	5,611	3,427
FUND BALANCE, BEGINNING	123,352	126,075	126,075	-	126,075	131,686
FUND BALANCE, ENDING	\$ 126,075	\$ 131,089	\$ 226,718	\$ (95,032)	\$ 131,686	\$ 135,114

HERITAGE SPRINGS

Community Development District

Debt Service Amortization Schedule Series 2006A Capital Improvement Revenue Bonds

Date	Regular Principal	Principal Prepayments	Interest Expense	Outstanding Principal
11/1/2014			\$29,662.50	\$1,130,000.00
5/1/2015	\$70,000.00		\$29,662.50	\$1,060,000.00
11/1/2015			\$27,825.00	\$1,060,000.00
5/1/2016	\$75,000.00		\$27,825.00	\$985,000.00
11/1/2016			\$25,856.25	\$985,000.00
5/1/2017	\$80,000.00		\$25,856.25	\$905,000.00
11/1/2017			\$23,756.25	\$905,000.00
5/1/2018	\$85,000.00		\$23,756.25	\$820,000.00
11/1/2018			\$21,525.00	\$820,000.00
5/1/2019	\$85,000.00		\$21,525.00	\$735,000.00
11/1/2019			\$19,293.75	\$735,000.00
5/1/2020	\$90,000.00		\$19,293.75	\$645,000.00
11/1/2020			\$16,931.25	\$645,000.00
5/1/2021	\$95,000.00		\$16,931.25	\$550,000.00
11/1/2021			\$14,437.50	\$550,000.00
5/1/2022	\$100,000.00		\$14,437.50	\$450,000.00
11/1/2022			\$11,812.50	\$450,000.00
5/1/2023	\$105,000.00		\$11,812.50	\$345,000.00
11/1/2023			\$9,056.25	\$345,000.00
5/1/2024	\$115,000.00		\$9,056.25	\$230,000.00
11/1/2024			\$6,037.50	\$230,000.00
5/1/2025	\$115,000.00		\$6,037.50	\$115,000.00
11/1/2025			\$3,018.75	\$115,000.00
5/1/2026	\$115,000.00		\$3,018.75	\$0.00
totals	\$1,130,000.00	\$0.00	\$418,425.00	

Summary of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2015 Proposed Budget

ACCOUNT DESCRIPTION	ACTUAL	ADOPTED	ACTUAL	PROJECTED	TOTAL	ANNUAL
	FY 2013	BUDGET	THRU	MAY-	PROJECTED	BUDGET
		FY 2014	APR-2014	SEP-2014	FY 2014	FY 2015
REVENUES						
Interest - Investments	\$ 27	\$ -	\$ 17	\$ 12	\$ 29	\$ -
Special Assmnts- Tax Collector	94,045	94,045	93,073	972	94,045	94,045
Special Assmnts- Discounts	(3,457)	(3,762)	(3,461)	-	(3,461)	(3,762)
TOTAL REVENUES	90,615	90,283	89,629	984	90,613	90,284
EXPENDITURES						
<i>Administrative</i>						
Misc-Assessmnt Collection Cost	1,290	1,881	1,792	19	1,811	1,881
Total Administrative	1,290	1,881	1,792	19	1,811	1,881
<i>Debt Service</i>						
Principal Debt Retirement	55,000	65,000	-	65,000	65,000	65,000
Interest Expense	30,051	27,428	13,714	13,714	27,428	24,327
Total Debt Service	85,051	92,428	13,714	78,714	92,428	89,327
TOTAL EXPENDITURES	86,341	94,309	15,506	78,733	94,239	91,208
Excess (deficiency) of revenues						
Over (under) expenditures	4,274	(4,026)	74,123	(77,749)	(3,625)	(924)
OTHER FINANCING SOURCES (USES)						
Contribution to (Use of) Fund Balance	-	(4,026)	-	-	-	(924)
TOTAL OTHER SOURCES (USES)	-	(4,026)	-	-	-	(924)
Net change in fund balance	4,274	(4,026)	74,123	(77,749)	(3,625)	(924)
FUND BALANCE, BEGINNING	42,356	46,630	46,630	-	46,630	43,005
FUND BALANCE, ENDING	\$ 46,630	\$ 42,604	\$ 120,753	\$ (77,749)	\$ 43,005	\$ 42,080

HERITAGE SPRINGS

Community Development District

Debt Service Amortization Schedule Series 2008 Capital Improvement Revenue Refunding Bonds

Date	Regular Principal	Principal Prepayments	Interest Expense	Outstanding Principal
11/1/2014			\$12,163.50	\$510,000.00
5/1/2015	\$65,000.00		\$12,163.50	\$445,000.00
11/1/2015			\$10,613.25	\$445,000.00
5/1/2016	\$65,000.00		\$10,613.25	\$380,000.00
11/1/2016			\$9,063.00	\$380,000.00
5/1/2017	\$70,000.00		\$9,063.00	\$310,000.00
11/1/2017			\$7,393.50	\$310,000.00
5/1/2018	\$75,000.00		\$7,393.50	\$235,000.00
11/1/2018			\$5,604.75	\$235,000.00
5/1/2019	\$75,000.00		\$5,604.75	\$160,000.00
11/1/2019			\$3,816.00	\$160,000.00
5/1/2020	\$80,000.00		\$3,816.00	\$80,000.00
11/1/2020			\$1,908.00	\$80,000.00
5/1/2021	\$80,000.00		\$1,908.00	\$0.00
totals	\$510,000.00	\$0.00	\$101,124.00	

Heritage Springs
Community Development District

Supporting Budget Schedules
Fiscal Year 2015

HERITAGE SPRINGS

Community Development District

Comparison of Assessment Rates Fiscal Year 2015 vs. Fiscal Year 2014

Bond Series	General Fund			Debt Service			Total Assessments per Unit			Units	Prepaid Units	GF Total	DS Total
	FY 2015	FY 2014	Percent Change	FY 2015	FY 2014	Percent Change	FY 2015	FY 2014	Percent Change	On-Roll			
2006	\$298.75	\$298.75	0.0%	\$198.63	\$198.63	0.0%	\$497.38	\$497.38	0.0%	739	28	\$220,776	\$141,226
2008	\$298.75	\$298.75	0.0%	\$168.54	\$168.54	0.0%	\$467.29	\$467.29	0.0%	598	40	\$178,652	\$94,045
										1,337	68	\$399,429	\$235,271