

HERITAGE SPRINGS
Community Development District

Annual Operating and Debt Service Budget
Fiscal Year 2016

Version 2 - FINAL Budget
Adopted 8/17/15 Mtg

Prepared by:



HERITAGE SPRINGS

Community Development District

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Heritage Springs
Community Development District

Operating Budget
Fiscal Year 2016

Summary of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2016 Adopted Budget

ACCOUNT DESCRIPTION	ACTUAL FY 2013	ACTUAL FY 2014	ADOPTED BUDGET FY 2015	ACTUAL	PROJECTED	TOTAL	ANNUAL
				THRU JULY-2015	AUG- SEP-2015	PROJECTED FY 2015	BUDGET FY 2016
REVENUES							
Interest - Investments	\$ 3,296	\$ 3,598	\$ 1,000	\$ 1,702	\$ 567	\$ 2,269	\$ 1,000
Net Incr (Decr) In FMV-Invest	74	(40)	-	-	-	-	-
Special Assmnts- Tax Collector	395,547	399,429	399,428	399,433	-	399,428	399,428
Special Assmnts- CDD Collected	2,689	-	-	-	-	-	-
Special Assmnts- Delinquent	-	910	-	-	-	-	-
Special Assmnts- Discounts	(14,693)	(14,688)	(15,977)	(14,599)	-	(14,599)	(15,977)
TOTAL REVENUES	386,913	389,209	384,451	386,536	567	387,098	384,451
EXPENDITURES							
<i>Administrative</i>							
P/R-Board of Supervisors	5,400	6,400	9,000	4,600	2,000	6,600	9,000
FICA Taxes	413	490	689	352	153	505	689
ProfServ-Dissemination Agent	1,000	1,000	1,000	1,000	-	1,000	1,000
ProfServ-Engineering	14,360	41,626	46,000	21,014	7,005	28,019	46,000
ProfServ-Legal Services	3,203	4,522	5,000	3,517	703	4,220	5,000
ProfServ-Mgmt Consulting Serv	34,166	34,166	34,166	28,472	5,694	34,166	35,874
ProfServ-Property Appraiser	150	150	150	150	-	150	150
ProfServ-Special Assessment	7,500	7,500	7,500	7,500	-	7,500	7,500
ProfServ-Trustee	7,402	7,402	8,512	7,968	-	7,968	9,163
ProfServ-Web Site Maintenance	-	-	-	833	83	916	500
Auditing Services	8,000	5,500	5,500	5,500	-	5,500	5,500
Communication - Telephone	18	2	-	-	-	-	-
Postage and Freight	276	224	400	227	45	272	400
Insurance - General Liability	4,380	4,418	4,860	4,481	-	4,481	5,153
Printing and Binding	558	546	800	563	113	676	800
Legal Advertising	1,436	2,032	1,500	2,050	-	2,050	2,100
Miscellaneous Services	542	378	520	450	90	540	550
Misc-Assessmnt Collection Cost	5,440	6,203	7,989	7,736	-	7,736	7,989
Office Supplies	165	166	175	115	23	138	175
Annual District Filing Fee	175	175	175	175	-	175	175
Total Administrative	94,584	122,900	133,936	96,703	15,910	112,612	137,719
<i>Field</i>							
Contracts-Lakes	-	-	-	-	-	-	40,000
Electricity - Streetlighting	57,900	59,377	60,000	49,569	9,909	59,478	60,000
R&M-Aquascaping	-	-	5,000	-	2,500	2,500	5,000
R&M-Aquatic Weed Control	34,800	34,800	40,000	29,000	5,800	34,800	-
R&M-Ponds	90,323	85,538	75,000	-	10,000	10,000	75,000
R&M-Stormwater System	-	40,703	15,000	-	5,000	5,000	15,000
Misc-Contingency	2,357	866	10,000	291	2,100	2,391	10,000
Impr - Bridge	25,000	-	-	-	-	-	-
Impr - Drainage	-	-	-	159,368	-	159,368	-
Reserve - Ponds	-	-	45,515	-	-	-	41,732
Total Field	210,380	221,284	250,515	238,228	35,309	273,537	246,732
TOTAL EXPENDITURES	304,964	344,184	384,451	334,931	51,219	386,150	384,451
Net change in fund balance	81,949	45,025	-	51,605	(50,652)	949	-
FUND BALANCE, BEGINNING	682,234	764,183	809,208	809,208	-	809,208	810,157
FUND BALANCE, ENDING	\$ 764,183	\$ 809,208	\$ 809,208	\$ 860,813	\$ (50,652)	\$ 810,157	\$ 810,157

Budget Narrative
Fiscal Year 2016

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. A 5% increase was projected for FY16. The last increase for services was in fiscal year 2009.

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 2016

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 15% increase is projected for FY16.

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 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 2016

Maintenance:

Contracts-Lakes

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.

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. This item was reclassified as "Contracts-Lakes" for FY16.

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.

Reserve - Ponds

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 2016	\$ 810,157
Net Change in Fund Balance - Fiscal Year 2016	-
Reserves - Fiscal Year 2016 Additions	41,732
Total Funds Available (Estimated) - 9/30/2016	851,889

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)	67,411	
Reserves - Ponds (FY15-Projected)	45,515	
Reserves - Ponds (FY16-Projected)	41,732	746,449
	Subtotal	<u>831,183</u>
Total Allocation of Available Funds		831,183

Total Unassigned (undesignated) Cash \$ 20,706

Notes

(1) Represents approximately 3 months of operating expenditures

Heritage Springs
Community Development District

Debt Service Budgets
Fiscal Year 2016

Summary of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2016 Adopted Budget

ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ADOPTED	ACTUAL	PROJECTED	TOTAL	ANNUAL
	FY 2013	FY 2014	BUDGET	THRU	AUG-	PROJECTED	BUDGET
			FY 2015	JULY-2015	SEP-2015	FY 2015	FY 2016
REVENUES							
Interest - Investments	\$ 72	\$ 73	\$ -	\$ 68	\$ 14	\$ 82	\$ -
Special Assmnts- Tax Collector	138,743	141,226	141,226	141,228	-	141,226	141,226
Special Assmnts- CDD Collected	2,185	-	-	-	-	-	-
Special Assmnts- Delinquent	-	582	-	-	-	-	-
Special Assmnts- Prepayments	-	-	-	1,489	-	1,489	-
Special Assmnts- Discounts	(5,215)	(5,208)	(5,649)	(5,166)	-	(5,166)	(5,649)
TOTAL REVENUES	135,785	136,673	135,577	137,619	14	137,631	135,577
EXPENDITURES							
<i>Administrative</i>							
Misc-Assessmnt Collection Cost	1,912	2,199	2,825	2,736	-	2,736	2,825
Total Administrative	1,912	2,199	2,825	2,736	-	2,736	2,825
<i>Debt Service</i>							
Debt Retirement Series A	65,000	65,000	70,000	70,000	-	70,000	75,000
Interest Expense Series A	66,150	62,738	59,325	59,325	-	59,325	55,650
Total Debt Service	131,150	127,738	129,325	129,325	-	129,325	130,650
TOTAL EXPENDITURES	133,062	129,937	132,150	132,061	-	132,061	133,475
Excess (deficiency) of revenues							
Over (under) expenditures	2,723	6,736	3,427	5,558	14	5,570	2,102
OTHER FINANCING SOURCES (USES)							
Contribution to (Use of) Fund Balance	-	-	3,427	-	-	-	2,102
TOTAL OTHER SOURCES (USES)	-	-	3,427	-	-	-	2,102
Net change in fund balance	2,723	6,736	3,427	5,558	14	5,570	2,102
FUND BALANCE, BEGINNING	123,352	126,075	132,811	132,811	-	132,811	138,381
FUND BALANCE, ENDING	\$ 126,075	\$ 132,811	\$ 136,238	\$ 138,369	\$ 14	\$ 138,381	\$ 140,483

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Debt Service Amortization Schedule Series 2006A Capital Improvement Revenue Bonds

Date	Regular Principal	Principal Prepayments	Interest Expense	Outstanding Principal
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	\$1,060,000.00	\$0.00	\$359,100.00	

HERITAGE SPRINGS

Community Development District

2008 Debt Service (Refunding) Fund

Summary of Revenues, Expenditures and Changes in Fund Balances Fiscal Year 2016 Adopted Budget

ACCOUNT DESCRIPTION	ACTUAL FY 2013	ACTUAL FY 2014	ADOPTED BUDGET FY 2015	ACTUAL THRU JULY-2015	PROJECTED AUG- SEP-2015	TOTAL PROJECTED FY 2015	ANNUAL BUDGET FY 2016
REVENUES							
Interest - Investments	\$ 27	\$ 27	\$ -	\$ 26	\$ 5	\$ 31	\$ -
Special Assmnts- Tax Collector	94,045	94,045	94,045	94,045	-	94,045	94,045
Special Assmnts- Discounts	(3,457)	(3,446)	(3,762)	(3,434)	-	(3,434)	(3,762)
TOTAL REVENUES	90,615	90,626	90,283	90,637	5	90,642	90,284
EXPENDITURES							
<i>Administrative</i>							
Misc-Assessmnt Collection Cost	1,290	1,455	1,881	1,820	-	1,820	1,881
Total Administrative	1,290	1,455	1,881	1,820	-	1,820	1,881
<i>Debt Service</i>							
Principal Debt Retirement	55,000	60,000	65,000	65,000	-	65,000	65,000
Interest Expense	30,051	27,428	24,327	24,566	-	24,566	21,465
Total Debt Service	85,051	87,428	89,327	89,566	-	89,566	86,465
TOTAL EXPENDITURES	86,341	88,883	91,208	91,386	-	91,386	88,346
Excess (deficiency) of revenues Over (under) expenditures	4,274	1,743	(925)	(749)	5	(744)	1,938
OTHER FINANCING SOURCES (USES)							
Contribution to (Use of) Fund Balance	-	-	(925)	-	-	-	1,938
TOTAL OTHER SOURCES (USES)	-	-	(925)	-	-	-	1,938
Net change in fund balance	4,274	1,743	(925)	(749)	5	(744)	1,938
FUND BALANCE, BEGINNING	42,357	46,631	48,374	48,374	-	48,374	47,630
FUND BALANCE, ENDING	\$ 46,631	\$ 48,374	\$ 47,449	\$ 47,625	\$ 5	\$ 47,630	\$ 49,568

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
11/1/2015			\$10,732.50	\$450,000.00
5/1/2016	\$65,000.00		\$10,732.50	\$385,000.00
11/1/2016			\$9,182.25	\$385,000.00
5/1/2017	\$70,000.00		\$9,182.25	\$315,000.00
11/1/2017			\$7,512.75	\$315,000.00
5/1/2018	\$75,000.00		\$7,512.75	\$240,000.00
11/1/2018			\$5,724.00	\$240,000.00
5/1/2019	\$75,000.00		\$5,724.00	\$165,000.00
11/1/2019			\$3,935.25	\$165,000.00
5/1/2020	\$80,000.00		\$3,935.25	\$85,000.00
11/1/2020			\$2,027.25	\$85,000.00
5/1/2021	\$85,000.00		\$2,027.25	\$0.00
totals	\$450,000.00	\$0.00	\$78,228.00	

Heritage Springs
Community Development District

Supporting Budget Schedules
Fiscal Year 2016

HERITAGE SPRINGS

Community Development District

Comparison of Assessment Rates Fiscal Year 2016 vs. Fiscal Year 2015

Bond Series	General Fund			Debt Service			Total Assessments per Unit			Units	Prepaid Units	GF Total	DS Total
	FY 2016	FY 2015	Percent Change	FY 2016	FY 2015	Percent Change	FY 2016	FY 2015	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	\$399,428	\$235,271