

**HERITAGE SPRINGS**  
Community Development District

***Annual Operating and Debt Service Budget***  
**Fiscal Year 2016**

Version 1 - Approved Tentative Budget  
(approved at 5/18/15 meeting)

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 Proposed Budget

ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ADOPTED	ACTUAL	PROJECTED	TOTAL	ANNUAL
	FY 2013	FY 2014	BUDGET	THRU	MAY-	PROJECTED	BUDGET
			FY 2015	APR-2015	SEP-2015	FY 2015	FY 2016
<b>REVENUES</b>							
Interest - Investments	\$ 3,296	\$ 3,598	\$ 1,000	\$ 1,301	\$ 929	\$ 2,230	\$ 1,000
Net Incr (Decr) In FMV-Invest	74	(40)	-	-	-	-	-
Special Assmnts- Tax Collector	395,547	399,429	399,428	391,564	7,865	399,428	399,428
Special Assmnts- CDD Collected	2,689	-	-	-	-	-	-
Special Assmnts- Delinquent	-	910	-	-	-	-	-
Special Assmnts- Discounts	(14,693)	(14,688)	(15,977)	(14,738)	-	(14,738)	(15,977)
<b>TOTAL REVENUES</b>	<b>386,913</b>	<b>389,209</b>	<b>384,451</b>	<b>378,127</b>	<b>8,794</b>	<b>386,920</b>	<b>384,451</b>
<b>EXPENDITURES</b>							
<i>Administrative</i>							
P/R-Board of Supervisors	5,400	6,400	9,000	3,600	3,000	6,600	9,000
FICA Taxes	413	490	689	275	230	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	15,454	15,454	30,908	46,000
ProfServ-Legal Services	3,203	4,522	5,000	2,693	1,924	4,617	5,000
ProfServ-Mgmt Consulting Serv	34,166	34,166	34,166	19,930	14,236	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	3,631	3,771	7,402	8,513
ProfServ-Web Site Maintenance	-	-	-	208	292	500	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	184	184	368	400
Insurance - General Liability	4,380	4,418	4,860	4,481	-	4,481	5,153
Printing and Binding	558	546	800	367	179	546	800
Legal Advertising	1,436	2,032	1,500	113	1,558	1,671	1,500
Miscellaneous Services	542	378	520	319	225	544	520
Misc-Assessmnt Collection Cost	5,440	6,203	7,989	7,537	157	7,694	7,989
Office Supplies	165	166	175	87	87	174	175
Annual District Filing Fee	175	175	175	175	-	175	175
<b>Total Administrative</b>	<b>94,584</b>	<b>122,900</b>	<b>133,936</b>	<b>73,054</b>	<b>41,446</b>	<b>114,500</b>	<b>136,438</b>
<i>Field</i>							
Contracts-Lakes	-	-	-	-	-	-	40,000
Electricity - Streetlighting	57,900	59,377	60,000	34,701	24,774	59,475	60,000
R&M-Aquascaping	-	-	5,000	-	2,500	2,500	5,000
R&M-Aquatic Weed Control	34,800	34,800	40,000	20,300	14,500	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	-	7,500	7,500	15,000
Misc-Contingency	2,357	866	10,000	50	2,100	2,150	10,000
Impr - Bridge	25,000	-	-	-	-	-	-
Impr - Drainage	-	-	-	156,368	3,000	159,368	-
Reserve - Ponds	-	-	45,515	-	-	-	43,013
<b>Total Field</b>	<b>210,380</b>	<b>221,284</b>	<b>250,515</b>	<b>211,419</b>	<b>64,374</b>	<b>275,793</b>	<b>248,013</b>
<b>TOTAL EXPENDITURES</b>	<b>304,964</b>	<b>344,184</b>	<b>384,451</b>	<b>284,473</b>	<b>105,820</b>	<b>390,293</b>	<b>384,451</b>
Net change in fund balance	81,949	45,025	-	93,654	(97,026)	(3,373)	0
<b>FUND BALANCE, BEGINNING</b>	<b>682,234</b>	<b>764,183</b>	<b>809,208</b>	<b>809,208</b>	<b>-</b>	<b>809,208</b>	<b>805,835</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ 764,183</b>	<b>\$ 809,208</b>	<b>\$ 809,208</b>	<b>\$ 902,862</b>	<b>\$ (97,026)</b>	<b>\$ 805,835</b>	<b>\$ 805,835</b>

**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.

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**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	\$ 805,835
Net Change in Fund Balance - Fiscal Year 2016	-
Reserves - Fiscal Year 2016 Additions	43,013
<b>Total Funds Available (Estimated) - 9/30/2016</b>	<b>848,848</b>

**ALLOCATION OF AVAILABLE FUNDS**

***Assigned Fund Balance***

Operating Reserve (1)		85,360 <sup>(1)</sup>
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)	43,013	747,730
	Subtotal	<u>833,090</u>

<b>Total Allocation of Available Funds</b>	<b>833,090</b>
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<b>Total Unassigned (undesignated) Cash</b>	<b>\$ 15,759</b>
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**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 Proposed Budget

ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ADOPTED	ACTUAL	PROJECTED	TOTAL	ANNUAL
	FY 2013	FY 2014	BUDGET FY 2015	THRU APR-2015	MAY- SEP-2015	PROJECTED FY 2015	BUDGET FY 2016
<b>REVENUES</b>							
Interest - Investments	\$ 72	\$ 73	\$ -	\$ 48	\$ 34	\$ 82	\$ -
Special Assmnts- Tax Collector	138,743	141,226	141,226	138,647	2,579	141,226	141,226
Special Assmnts- CDD Collected	2,185	-	-	-	-	-	-
Special Assmnts- Delinquent	-	582	-	-	-	-	-
Special Assmnts- Discounts	(5,215)	(5,208)	(5,649)	(5,219)	-	(5,219)	(5,649)
<b>TOTAL REVENUES</b>	<b>135,785</b>	<b>136,673</b>	<b>135,577</b>	<b>133,476</b>	<b>2,613</b>	<b>136,089</b>	<b>135,577</b>
<b>EXPENDITURES</b>							
<i>Administrative</i>							
Misc-Assessmnt Collection Cost	1,912	2,199	2,825	2,669	52	2,721	2,825
<b>Total Administrative</b>	<b>1,912</b>	<b>2,199</b>	<b>2,825</b>	<b>2,669</b>	<b>52</b>	<b>2,721</b>	<b>2,825</b>
<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	29,663	29,663	59,326	55,650
<b>Total Debt Service</b>	<b>131,150</b>	<b>127,738</b>	<b>129,325</b>	<b>29,663</b>	<b>99,663</b>	<b>129,326</b>	<b>130,650</b>
<b>TOTAL EXPENDITURES</b>	<b>133,062</b>	<b>129,937</b>	<b>132,150</b>	<b>32,332</b>	<b>99,714</b>	<b>132,046</b>	<b>133,475</b>
Excess (deficiency) of revenues Over (under) expenditures	2,723	6,736	3,427	101,144	(97,101)	4,043	2,102
<b>OTHER FINANCING SOURCES (USES)</b>							
Contribution to (Use of) Fund Balance	-	-	3,427	-	-	-	2,102
<b>TOTAL OTHER SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>3,427</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,102</b>
Net change in fund balance	2,723	6,736	3,427	101,144	(97,101)	4,043	2,102
<b>FUND BALANCE, BEGINNING</b>	<b>123,352</b>	<b>126,075</b>	<b>132,811</b>	<b>132,811</b>	<b>-</b>	<b>132,811</b>	<b>136,854</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ 126,075</b>	<b>\$ 132,811</b>	<b>\$ 136,238</b>	<b>\$ 233,955</b>	<b>\$ (97,101)</b>	<b>\$ 136,854</b>	<b>\$ 138,957</b>

# HERITAGE SPRINGS

Community Development District

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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
<b>totals</b>	<b>\$1,060,000.00</b>	<b>\$0.00</b>	<b>\$359,100.00</b>	

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

ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ADOPTED	ACTUAL	PROJECTED	TOTAL	ANNUAL
	FY 2013	FY 2014	BUDGET	THRU	MAY-	PROJECTED	BUDGET
			FY 2015	APR-2015	SEP-2015	FY 2015	FY 2016
<b>REVENUES</b>							
Interest - Investments	\$ 27	\$ 27	\$ -	\$ 19	\$ 14	\$ 33	\$ -
Special Assmnts- Tax Collector	94,045	94,045	94,045	92,028	2,017	\$ 94,045	94,045
Special Assmnts- Discounts	(3,457)	(3,446)	(3,762)	(3,463)	-	(3,463)	(3,762)
<b>TOTAL REVENUES</b>	<b>90,615</b>	<b>90,626</b>	<b>90,283</b>	<b>88,584</b>	<b>2,031</b>	<b>90,615</b>	<b>90,284</b>
<b>EXPENDITURES</b>							
<i>Administrative</i>							
Misc-Assessmnt Collection Cost	1,290	1,455	1,881	1,771	40	1,811	1,881
<b>Total Administrative</b>	<b>1,290</b>	<b>1,455</b>	<b>1,881</b>	<b>1,771</b>	<b>40</b>	<b>1,811</b>	<b>1,881</b>
<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	12,283	12,283	24,566	21,465
<b>Total Debt Service</b>	<b>85,051</b>	<b>87,428</b>	<b>89,327</b>	<b>12,283</b>	<b>77,283</b>	<b>89,566</b>	<b>86,465</b>
<b>TOTAL EXPENDITURES</b>	<b>86,341</b>	<b>88,883</b>	<b>91,208</b>	<b>14,054</b>	<b>77,323</b>	<b>91,377</b>	<b>88,346</b>
Excess (deficiency) of revenues							
Over (under) expenditures	4,274	1,743	(925)	74,530	(75,292)	(762)	1,938
<b>OTHER FINANCING SOURCES (USES)</b>							
Contribution to (Use of) Fund Balance	-	-	(925)	-	-	-	1,938
<b>TOTAL OTHER SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>(925)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,938</b>
Net change in fund balance	4,274	1,743	(925)	74,530	(75,292)	(762)	1,938
<b>FUND BALANCE, BEGINNING</b>	<b>42,357</b>	<b>46,631</b>	<b>48,374</b>	<b>48,374</b>	<b>-</b>	<b>48,374</b>	<b>47,612</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ 46,631</b>	<b>\$ 48,374</b>	<b>\$ 47,449</b>	<b>\$ 122,904</b>	<b>\$ (75,292)</b>	<b>\$ 47,612</b>	<b>\$ 49,549</b>

# HERITAGE SPRINGS

Community Development District

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## 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
<b>totals</b>	<b>\$450,000.00</b>	<b>\$0.00</b>	<b>\$78,228.00</b>	

**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
										<b>1,337</b>	<b>68</b>	<b>\$399,428</b>	<b>\$235,271</b>