

HERITAGE SPRINGS
Community Development District

Annual Operating and Debt Service Budget
Fiscal Year 2017

Version 3 - Approved Tentative Budget
Approved at May 16, 2016 meeting

Prepared by:



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Heritage Springs
Community Development District

Operating Budget

Fiscal Year 2017

Summary of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2017 Proposed Budget

ACCOUNT DESCRIPTION	ADOPTED		ACTUAL	PROJECTED	TOTAL	ANNUAL
	ACTUAL	BUDGET	THRU	MAY-	PROJECTED	BUDGET
	FY 2015	FY 2016	APR-2016	SEP-2016	FY 2016	FY 2017
REVENUES						
Interest - Investments	\$ 3,712	\$ 1,000	\$ 1,651	\$ 1,179	\$ 2,830	\$ 1,000
Special Assmnts- Tax Collector	399,433	399,428	395,632	3,796	399,428	399,428
Special Assmnts- Discounts	(14,599)	(15,977)	(14,843)	-	(14,843)	(15,977)
TOTAL REVENUES	388,546	384,451	382,440	4,975	387,415	384,451
EXPENDITURES						
<i>Administrative</i>						
P/R-Board of Supervisors	6,400	9,000	4,000	3,000	7,000	9,000
FICA Taxes	490	689	306	230	536	689
ProfServ-Dissemination Agent	1,000	1,000	1,000	-	1,000	1,000
ProfServ-Engineering	23,084	46,000	16,358	22,901	39,259	46,000
ProfServ-Legal Services	4,940	5,000	1,665	2,331	3,996	5,000
ProfServ-Mgmt Consulting Serv	34,166	35,874	20,927	14,947	35,874	35,874
ProfServ-Property Appraiser	150	150	150	-	150	150
ProfServ-Special Assessment	7,500	7,500	7,500	-	7,500	7,500
ProfServ-Trustee	7,968	9,163	4,337	3,631	7,968	9,163
ProfServ-Web Site Maintenance	917	500	500	-	500	750
Auditing Services	5,500	5,500	5,500	-	5,500	5,500
Postage and Freight	247	400	102	290	392	400
Insurance - General Liability	4,481	5,153	4,529	-	4,529	4,982
Printing and Binding	1,215	800	513	700	1,213	1,250
Legal Advertising	2,050	2,100	130	1,920	2,050	2,100
Miscellaneous Services	552	550	345	225	570	600
Misc-Assessmnt Collection Cost	6,952	7,989	7,616	76	7,692	7,989
Office Supplies	142	175	55	77	132	175
Annual District Filing Fee	175	175	175	-	175	175
Total Administrative	107,929	137,718	75,708	50,327	126,035	138,297
<i>Field</i>						
Contracts-Lakes	-	34,800	20,300	14,500	34,800	40,000
Electricity - Streetlighting	59,481	60,000	34,465	24,541	59,006	60,000
R&M-Aquascaping	-	5,000	-	2,500	2,500	5,000
R&M-Aquatic Weed Control	34,800	-	-	-	-	-
R&M-Ponds	-	75,000	19,917	65,778	85,695	75,000
R&M-Stormwater System	-	15,000	-	5,000	5,000	15,000
Misc-Contingency	291	10,000	2,015	1,439	3,454	10,000
Impr - Drainage	159,368	-	-	-	-	-
Reserve - Ponds	-	46,933	-	-	-	41,154
Total Field	253,940	246,733	76,697	113,759	190,456	246,154
TOTAL EXPENDITURES	361,869	384,451	152,405	164,086	316,491	384,451
Net change in fund balance	26,677	-	230,035	(159,111)	70,924	0
FUND BALANCE, BEGINNING	809,210	835,887	835,887	-	835,887	906,811
FUND BALANCE, ENDING	\$ 835,887	\$ 835,887	\$ 1,065,922	\$ (159,111)	\$ 906,811	\$ 906,811

Budget Narrative
Fiscal Year 2017

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 2017

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 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.

Profserv – Web Site Maintenance

The District is required to maintain a public website and email accounts for the board of supervisors.

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 FY17.

Printing & Binding

Printing and Binding agenda packages for board meetings, printing of computerized checks & envelopes.

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

Covers 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 2017

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 in the District's ponds and lakes.

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 systems 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 2017	\$ 906,811
Net Change in Fund Balance - Fiscal Year 2017	-
Reserves - Fiscal Year 2017 Additions	41,154
Total Funds Available (Estimated) - 9/30/2017	947,965

ALLOCATION OF AVAILABLE FUNDS

Assigned Fund Balance

Operating Reserve (1)		85,824 ⁽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)	45,515	
Reserves - Ponds (FY16-Projected)	46,933	
Reserves - Ponds (FY17-Projected)	41,154	792,804
	Subtotal	<u>878,628</u>

Total Allocation of Available Funds	878,628
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Total Unassigned (undesignated) Cash	<u><u>\$ 69,337</u></u>
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Notes

(1) Represents approximately 3 months of operating expenditures

Heritage Springs
Community Development District

Debt Service Budgets

Fiscal Year 2017

Summary of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2017 Proposed Budget

ACCOUNT DESCRIPTION	ACTUAL	ADOPTED	ACTUAL	PROJECTED	TOTAL	ANNUAL
	FY 2015	BUDGET	THRU	MAY-	PROJECTED	BUDGET
		FY 2016	APR-2016	SEP-2016	FY 2016	FY 2017
REVENUES						
Interest - Investments	\$ 78	\$ -	\$ 72	\$ 51	\$ 123	\$ -
Special Assmnts- Tax Collector	141,228	141,226	139,687	1,539	141,226	141,226
Special Assmnts- Prepayments	1,489	-	-	-	-	-
Special Assmnts- Discounts	(5,166)	(5,649)	(5,241)	-	(5,241)	(5,649)
TOTAL REVENUES	137,629	135,577	134,518	1,590	136,108	135,577
EXPENDITURES						
<i>Administrative</i>						
Misc-Assessmnt Collection Cost	2,459	2,825	2,689	31	2,720	2,825
Total Administrative	2,459	2,825	2,689	31	2,720	2,825
<i>Debt Service</i>						
Debt Retirement Series A	70,000	75,000	-	75,000	75,000	80,000
Prepayments Series A	-	-	5,000	-	5,000	-
Interest Expense Series A	59,325	55,519	27,825	27,694	55,519	51,450
Total Debt Service	129,325	130,519	32,825	102,694	135,519	131,450
TOTAL EXPENDITURES	131,784	133,344	35,514	102,725	138,239	134,275
Excess (deficiency) of revenues						
Over (under) expenditures	5,845	2,233	99,004	(101,134)	(2,130)	1,302
OTHER FINANCING SOURCES (USES)						
Contribution to (Use of) Fund Balance	-	2,233	-	-	-	1,302
TOTAL OTHER SOURCES (USES)	-	2,233	-	-	-	1,302
Net change in fund balance	5,845	2,233	99,004	(101,134)	(2,130)	1,302
FUND BALANCE, BEGINNING	132,812	138,657	138,657	-	138,657	136,527
FUND BALANCE, ENDING	\$ 138,657	\$ 140,890	\$ 237,661	\$ (101,134)	\$ 136,527	\$ 137,829

**Debt Service Amortization Schedule
Series 2006A Capital Improvement Revenue Bonds**

Date	Regular Principal	Principal Prepayments	Interest Expense	Outstanding Principal
11/1/2016			\$25,725.00	\$980,000.00
5/1/2017	\$80,000.00		\$25,725.00	\$900,000.00
11/1/2017			\$23,625.00	\$900,000.00
5/1/2018	\$85,000.00		\$23,625.00	\$815,000.00
11/1/2018			\$21,393.75	\$815,000.00
5/1/2019	\$85,000.00		\$21,393.75	\$730,000.00
11/1/2019			\$19,162.50	\$730,000.00
5/1/2020	\$90,000.00		\$19,162.50	\$640,000.00
11/1/2020			\$16,800.00	\$640,000.00
5/1/2021	\$95,000.00		\$16,800.00	\$545,000.00
11/1/2021			\$14,306.25	\$545,000.00
5/1/2022	\$100,000.00		\$14,306.25	\$445,000.00
11/1/2022			\$11,681.25	\$445,000.00
5/1/2023	\$105,000.00		\$11,681.25	\$340,000.00
11/1/2023			\$8,925.00	\$340,000.00
5/1/2024	\$115,000.00		\$8,925.00	\$225,000.00
11/1/2024			\$5,906.25	\$225,000.00
5/1/2025	\$115,000.00		\$5,906.25	\$110,000.00
11/1/2025			\$2,887.50	\$110,000.00
5/1/2026	\$110,000.00		\$2,887.50	\$0.00
totals	\$980,000.00	\$0.00	\$300,825.00	

Summary of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2017 Proposed Budget

ACCOUNT DESCRIPTION	ACTUAL FY 2015	ADOPTED BUDGET FY 2016	ACTUAL THRU APR-2016	PROJECTED MAY- SEP-2016	TOTAL PROJECTED FY 2016	ANNUAL BUDGET FY 2017
REVENUES						
Interest - Investments	\$ 29	\$ -	\$ 32	\$ 23	\$ 55	\$ -
Special Assmnts- Tax Collector	94,045	94,045	93,151	894	\$ 94,045	94,045
Special Assmnts- Discounts	(3,434)	(3,762)	(3,495)	-	(3,495)	(3,762)
TOTAL REVENUES	90,640	90,283	89,688	917	90,605	90,284
EXPENDITURES						
<i>Administrative</i>						
Misc-Assessmnt Collection Cost	1,636	1,881	1,793	18	1,811	1,881
Total Administrative	1,636	1,881	1,793	18	1,811	1,881
<i>Debt Service</i>						
Principal Debt Retirement	65,000	65,000	-	65,000	65,000	70,000
Interest Expense	24,566	21,465	10,733	10,732	21,465	18,365
Total Debt Service	89,566	86,465	10,733	75,732	86,465	88,365
TOTAL EXPENDITURES	91,202	88,346	12,526	75,749	88,275	90,245
Excess (deficiency) of revenues Over (under) expenditures	(562)	1,937	77,162	(74,833)	2,329	38
OTHER FINANCING SOURCES (USES)						
Contribution to (Use of) Fund Balance	-	1,937	-	-	-	38
TOTAL OTHER SOURCES (USES)	-	1,937	-	-	-	38
Net change in fund balance	(562)	1,937	77,162	(74,833)	2,329	38
FUND BALANCE, BEGINNING	48,374	47,812	47,812	-	47,812	50,141
FUND BALANCE, ENDING	\$ 47,812	\$ 49,749	\$ 124,974	\$ (74,833)	\$ 50,141	\$ 50,180

**Debt Service Amortization Schedule
Series 2008 Capital Improvement Revenue Refunding Bonds**

Date	Regular Principal	Principal Prepayments	Interest Expense	Outstanding Principal
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	\$385,000.00	\$0.00	\$56,763.00	

Heritage Springs
Community Development District

Supporting Budget Schedules
Fiscal Year 2017

**Comparison of Assessment Rates
Fiscal Year 2017 vs. Fiscal Year 2016**

Bond Series	General Fund			Debt Service			Total Assessments per Unit			Units	Prepaid Units	GF Total	DS Total
	FY 2017	FY 2016	Percent Change	FY 2017	FY 2016	Percent Change	FY 2017	FY 2016	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