

HERITAGE SPRINGS
Community Development District

Annual Operating and Debt Service Budget
Fiscal Year 2018

Version 1 - Final Budget
(Adopted August 21, 2017)

Prepared by:



HERITAGE SPRINGS

Community Development District

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Heritage Springs
Community Development District

Operating Budget
Fiscal Year 2018

Summary of Revenues, Expenditures and Changes in Fund Balances

Fiscal Year 2018 Adopted Budget

ACCOUNT DESCRIPTION	ADOPTED		ACTUAL	PROJECTED	TOTAL	ANNUAL
	ACTUAL	BUDGET	THRU	MAY-	PROJECTED	BUDGET
	FY 2016	FY 2017	APRIL-2017	SEP-2017	FY 2017	FY 2018
REVENUES						
Interest - Investments	\$ 4,600	\$ 1,000	\$ 3,399	\$ 3,460	\$ 6,859	\$ 4,000
Special Assmnts- Tax Collector	399,429	399,428	396,218	3,210	399,428	399,428
Special Assmnts- Discounts	(14,739)	(15,977)	(14,996)	-	(14,996)	(15,977)
TOTAL REVENUES	389,290	384,451	384,621	6,670	391,291	387,450
EXPENDITURES						
<i>Administrative</i>						
P/R-Board of Supervisors	6,000	9,000	5,000	2,000	7,000	9,000
FICA Taxes	459	689	383	153	536	689
ProfServ-Dissemination Agent	1,000	1,000	-	-	-	1,000
ProfServ-Engineering	27,138	46,000	40,560	17,500	58,060	46,000
ProfServ-Legal Services	3,598	5,000	1,882	1,344	3,226	5,000
ProfServ-Mgmt Consulting Serv	35,874	35,874	20,927	14,948	35,875	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	8,674	8,674	4,337	4,337	8,674	8,674
ProfServ-Web Site Maintenance	500	750	750	-	750	750
Auditing Services	5,500	5,500	5,500	-	5,500	5,500
Postage and Freight	200	400	129	92	221	400
Insurance - General Liability	4,529	4,982	4,765	-	4,765	5,242
Printing and Binding	866	1,250	119	750	869	1,250
Legal Advertising	2,388	2,100	107	2,281	2,388	2,100
Miscellaneous Services	582	600	351	225	576	600
Misc-Assessmnt Collection Cost	6,805	7,989	7,625	64	7,689	7,989
Office Supplies	110	175	116	44	160	175
Annual District Filing Fee	175	175	175	-	175	175
Total Administrative	112,048	137,808	100,226	43,888	144,114	138,067
<i>Field</i>						
Contracts-Lakes	34,800	40,000	20,300	14,500	34,800	40,000
Electricity - Streetlighting	58,751	60,000	34,047	24,372	58,419	60,000
R&M-Aquascaping	420	5,000	2,044	2,500	4,544	5,000
R&M-Ponds	20,043	75,000	81,460	-	81,460	75,000
R&M-Stormwater System	575	15,000	4,500	500	5,000	15,000
Misc-Contingency	2,917	10,000	247	82	329	10,000
Reserve - Ponds	-	41,643	-	-	-	44,383
Total Field	117,506	246,643	142,598	41,954	184,552	249,383
TOTAL EXPENDITURES	229,554	384,451	242,824	85,842	328,666	387,450
Net change in fund balance	159,736	-	141,797	(79,172)	62,625	-
FUND BALANCE, BEGINNING	835,887	995,623	995,623	-	995,623	1,058,248
FUND BALANCE, ENDING	\$ 995,623	\$ 995,623	\$ 1,137,420	\$ (79,172)	\$ 1,058,248	\$ 1,058,248

Budget Narrative

Fiscal Year 2018

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 2018

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.

Profserv – Web Site Maintenance

The cost of web hosting services and regular maintenance of the District’s website performed by Severn Trent.

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 FY18.

Printing & Binding

Printing and Binding agenda packages for board meetings, printing of computerized checks, 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 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 2018

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 - 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 2018	\$ 1,058,248
Net Change in Fund Balance - Fiscal Year 2018	-
Reserves - Fiscal Year 2018 Additions	44,383
Total Funds Available (Estimated) - 9/30/2018	1,102,631

ALLOCATION OF AVAILABLE FUNDS

Assigned Fund Balance

Operating Reserve (1)		85,767 ⁽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)	46,933	
Reserves - Ponds (FY17-Projected)	41,643	
Reserves - Ponds (FY18-Proposed)	44,383	837,676
	Subtotal	<u>923,443</u>

Total Allocation of Available Funds	923,443
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Total Unassigned (undesignated) Cash	<u>\$ 179,188</u>
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Notes

(1) Represents approximately 3 months of operating expenditures

Heritage Springs
Community Development District

Debt Service Budgets
Fiscal Year 2018

Summary of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2018 Adopted Budget

ACCOUNT DESCRIPTION	ACTUAL	ADOPTED	ACTUAL	PROJECTED	TOTAL	ANNUAL
	FY 2016	BUDGET FY 2017	THRU APRIL-2017	MAY- SEP-2017	PROJECTED FY 2017	BUDGET FY 2018
REVENUES						
Interest - Investments	\$ 135	\$ -	\$ 126	\$ 90	\$ 216	\$ -
Special Assmnts- Tax Collector	141,027	141,226	139,894	1,332	141,226	141,027
Special Assmnts- Prepayments	-	-	-	-	-	-
Special Assmnts- Discounts	(5,204)	(5,649)	(5,295)	-	(5,295)	(5,641)
TOTAL REVENUES	135,958	135,577	134,725	1,422	136,147	135,386
EXPENDITURES						
<i>Administrative</i>						
Misc-Assessmnt Collection Cost	2,403	2,825	2,692	27	2,719	2,821
Total Administrative	2,403	2,825	2,692	27	2,719	2,821
<i>Debt Service</i>						
Debt Retirement Series A	75,000	80,000	-	80,000	80,000	85,000
Prepayments Series A	5,000	-	5,000	-	5,000	-
Interest Expense Series A	55,519	51,450	25,725	25,594	51,319	46,988
Total Debt Service	135,519	131,450	30,725	105,594	136,319	131,988
TOTAL EXPENDITURES	137,922	134,275	33,417	105,620	139,037	134,808
Excess (deficiency) of revenues						
Over (under) expenditures	(1,964)	1,302	101,308	(104,198)	(2,890)	578
OTHER FINANCING SOURCES (USES)						
Contribution to (Use of) Fund Balance	-	1,302	-	-	-	578
TOTAL OTHER SOURCES (USES)	-	1,302	-	-	-	578
Net change in fund balance	(1,964)	1,302	101,308	(104,198)	(2,890)	578
FUND BALANCE, BEGINNING	138,659	136,695	136,695	-	136,695	133,805
FUND BALANCE, ENDING	\$ 136,695	\$ 137,997	\$ 238,003	\$ (104,198)	\$ 133,805	\$ 134,383

HERITAGE SPRINGS

Community Development District

Debt Service Amortization Schedule Series 2006A Capital Improvement Revenue Bonds

Date	Regular Principal	Principal Prepayments	Interest Expense	Outstanding Principal
11/1/2017			\$23,493.75	\$895,000.00
5/1/2018	\$85,000.00		\$23,493.75	\$810,000.00
11/1/2018			\$21,262.50	\$810,000.00
5/1/2019	\$85,000.00		\$21,262.50	\$725,000.00
11/1/2019			\$19,031.25	\$725,000.00
5/1/2020	\$90,000.00		\$19,031.25	\$635,000.00
11/1/2020			\$16,668.75	\$635,000.00
5/1/2021	\$95,000.00		\$16,668.75	\$540,000.00
11/1/2021			\$14,175.00	\$540,000.00
5/1/2022	\$100,000.00		\$14,175.00	\$440,000.00
11/1/2022			\$11,550.00	\$440,000.00
5/1/2023	\$105,000.00		\$11,550.00	\$335,000.00
11/1/2023			\$8,793.75	\$335,000.00
5/1/2024	\$115,000.00		\$8,793.75	\$220,000.00
11/1/2024			\$5,775.00	\$220,000.00
5/1/2025	\$115,000.00		\$5,775.00	\$105,000.00
11/1/2025			\$2,756.25	\$105,000.00
5/1/2026	\$105,000.00		\$2,756.25	\$0.00
totals	\$895,000.00	\$0.00	\$247,012.50	

Summary of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2018 Adopted Budget

ACCOUNT DESCRIPTION	ACTUAL FY 2016	ADOPTED BUDGET FY 2017	ACTUAL THRU APRIL-2017	PROJECTED MAY- SEP-2017	TOTAL PROJECTED FY 2017	ANNUAL BUDGET FY 2018
REVENUES						
Interest - Investments	\$ 52	\$ -	\$ 62	\$ 44	\$ 106	\$ -
Special Assmnts- Tax Collector	94,045	94,045	93,289	756	\$ 94,045	94,045
Special Assmnts- Discounts	(3,480)	(3,762)	(3,531)	-	(3,531)	(3,762)
TOTAL REVENUES	90,617	90,283	89,820	800	90,620	90,284
EXPENDITURES						
<i>Administrative</i>						
Misc-Assessmnt Collection Cost	1,592	1,881	1,795	15	1,810	1,881
Total Administrative	1,592	1,881	1,795	15	1,810	1,881
<i>Debt Service</i>						
Principal Debt Retirement	65,000	70,000	-	70,000	70,000	75,000
Interest Expense	21,465	18,364	9,182	9,182	18,364	15,026
Total Debt Service	86,465	88,364	9,182	79,182	88,364	90,026
TOTAL EXPENDITURES	88,057	90,245	10,977	79,197	90,174	91,906
Excess (deficiency) of revenues Over (under) expenditures	2,560	38	78,843	(78,397)	446	(1,623)
OTHER FINANCING SOURCES (USES)						
Contribution to (Use of) Fund Balance	-	38	-	-	-	(1,623)
TOTAL OTHER SOURCES (USES)	-	38	-	-	-	(1,623)
Net change in fund balance	2,560	38	78,843	(78,397)	446	(1,623)
FUND BALANCE, BEGINNING	47,812	50,372	50,372	-	50,372	50,818
FUND BALANCE, ENDING	\$ 50,372	\$ 50,410	\$ 129,215	\$ (78,397)	\$ 50,818	\$ 49,195

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Community Development District

Debt Service Amortization Schedule Series 2008 Capital Improvement Revenue Refunding Bonds

Date	Regular Principal	Principal Prepayments	Interest Expense	Outstanding Principal
11/1/2017			\$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	\$315,000.00	\$0.00	\$38,398.50	

Heritage Springs
Community Development District

Supporting Budget Schedules
Fiscal Year 2018

HERITAGE SPRINGS

Community Development District

**Comparison of Assessment Rates
Fiscal Year 2018 vs. Fiscal Year 2017**

Bond Series	General Fund			Debt Service			Total Assessments per Unit			Units	Prepaid Units	GF Total	DS Total
	FY 2018	FY 2017	Percent Change	FY 2018	FY 2017	Percent Change	FY 2018	FY 2017	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