

HERITAGE SPRINGS
Community Development District

Annual Operating and Debt Service Budget

Fiscal Year 2019

Version 1.1 - Final Budget

(Adopted on 8.20.18)

Prepared by:



HERITAGE SPRINGS

Community Development District

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Heritage Springs
Community Development District

Operating Budget
Fiscal Year 2019

Summary of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2019 Adopted Budget

ACCOUNT DESCRIPTION	ACTUAL FY 2017	ADOPTED BUDGET FY 2018	ACTUAL	PROJECTED	TOTAL	ANNUAL
			THRU JUL-2018	AUG - SEP-2018	PROJECTED FY 2018	BUDGET FY 2019
REVENUES						
Interest - Investments	\$ 8,223	\$ 4,000	\$ 9,237	\$ 1,582	\$ 10,819	\$ 4,000
Special Assmnts- Tax Collector	399,429	399,428	399,429	-	399,429	399,429
Special Assmnts- Discounts	(14,921)	(15,977)	(14,996)	-	(14,996)	(15,977)
TOTAL REVENUES	392,731	387,451	393,670	1,582	395,252	387,452
EXPENDITURES						
<i>Administrative</i>						
P/R-Board of Supervisors	6,600	9,000	6,400	1,000	7,400	9,000
FICA Taxes	505	689	490	77	567	689
ProfServ-Dissemination Agent	1,000	1,000	-	1,000	1,000	1,000
ProfServ-Engineering	51,860	46,000	42,555	10,500	53,055	55,000
ProfServ-Legal Services	4,072	5,000	3,529	1,307	4,836	5,000
ProfServ-Mgmt Consulting Serv	35,874	35,874	29,895	5,979	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	8,674	8,674	8,674	-	8,674	8,674
ProfServ-Web Site Maintenance	750	750	750	-	750	750
Auditing Services	5,546	5,500	5,500	-	5,500	5,500
Postage and Freight	211	400	387	77	464	400
Insurance - General Liability	4,765	5,242	5,011	-	5,011	5,512
Printing and Binding	333	1,250	310	62	372	1,000
Legal Advertising	1,705	2,100	204	1,501	1,705	1,800
Miscellaneous Services	586	600	471	96	567	600
Misc-Assessmnt Collection Cost	7,103	7,989	7,689	-	7,689	7,989
Office Supplies	182	175	176	44	220	175
Annual District Filing Fee	175	175	175	-	175	175
Total Administrative	137,591	138,068	119,866	21,643	141,509	146,788
<i>Field</i>						
Contracts-Lakes	34,800	40,000	29,000	5,800	34,800	40,000
Electricity - Streetlighting	53,376	60,000	46,242	9,749	55,991	60,000
R&M-Aquascaping	4,088	5,000	-	5,000	5,000	5,000
R&M-Ponds	118,457	75,000	57,112	17,888	75,000	75,000
R&M-Stormwater System	36,514	15,000	14,466	534	15,000	15,000
Misc-Contingency	247	10,000	12,194	-	12,194	10,000
Reserve - Ponds	-	44,383	5,882	-	5,882	35,664
Total Field	247,482	249,383	164,896	38,971	203,867	240,664
TOTAL EXPENDITURES	385,073	387,451	284,762	60,614	345,376	387,452
Net change in fund balance	7,658	-	108,908	(59,032)	49,876	-
FUND BALANCE, BEGINNING	995,623	1,003,281	1,003,281	-	1,003,281	1,053,157
FUND BALANCE, ENDING	\$ 1,003,281	\$ 1,003,281	\$ 1,112,189	\$ (59,032)	\$ 1,053,157	\$ 1,053,157

Budget Narrative
Fiscal Year 2019

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 Inframark.

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 2019

Profserv - Special Assessment

The District has contracted with Inframark 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 Inframark.

Auditing Services

The District is required annually to conduct an audit of its financial records by an Independent Certified Public Accounting Firm. The budget is based on the current engagement fee with Grau & Associates CPA.

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 FY19.

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 arise 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 2019

Maintenance:

Contracts-Lakes

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

Electricity – Streetlighting

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 – Stormwater 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 2019	\$ 1,053,157
Net Change in Fund Balance - Fiscal Year 2019	-
Reserves - Fiscal Year 2019 Additions	35,664
Total Funds Available (Estimated) - 9/30/2019	1,088,821

ALLOCATION OF AVAILABLE FUNDS

Assigned Fund Balance

Operating Reserve		87,947 ⁽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)	41,643	
Reserves - Ponds (FY18-Projected)	38,501	
Reserves - Ponds (FY19-Proposed)	35,664	867,458
	Subtotal	<u>955,405</u>

Total Allocation of Available Funds	955,405
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Total Unassigned (undesignated) Cash	\$ <u>133,416</u>
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Notes

(1) Represents approximately 3 months of operating expenditures

Heritage Springs
Community Development District

Debt Service Budgets
Fiscal Year 2019

Summary of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2019 Adopted Budget

ACCOUNT DESCRIPTION	ACTUAL	ADOPTED	ACTUAL	PROJECTED	TOTAL	ANNUAL
	FY 2017	BUDGET FY 2018	THRU JUL-2018	AUG - SEP-2018	PROJECTED FY 2018	BUDGET FY 2019
REVENUES						
Interest - Investments	\$ 255	\$ -	\$ 288	\$ 40	\$ 328	\$ -
Special Assmnts- Tax Collector	141,027	141,027	141,027	-	141,027	141,027
Special Assmnts- Discounts	(5,268)	(5,641)	(5,295)	-	(5,295)	(5,641)
TOTAL REVENUES	136,014	135,386	136,020	40	136,060	135,386
EXPENDITURES						
<i>Administrative</i>						
Misc-Assessmnt Collection Cost	2,508	2,821	2,715	-	2,715	2,821
Total Administrative	2,508	2,821	2,715	-	2,715	2,821
<i>Debt Service</i>						
Debt Retirement Series A	80,000	85,000	85,000	-	85,000	85,000
Prepayments Series A	5,000	-	-	-	-	-
Interest Expense Series A	51,319	46,988	46,988	-	46,988	42,525
Total Debt Service	136,319	131,988	131,988	-	131,988	127,525
TOTAL EXPENDITURES	138,827	134,809	134,703	-	134,703	130,346
Excess (deficiency) of revenues						
Over (under) expenditures	(2,813)	577	1,317	40	1,357	5,040
OTHER FINANCING SOURCES (USES)						
Contribution to (Use of) Fund Balance	-	577	-	-	-	5,040
TOTAL OTHER SOURCES (USES)	-	577	-	-	-	5,040
Net change in fund balance	(2,813)	577	1,317	40	1,357	5,040
FUND BALANCE, BEGINNING	136,695	133,882	133,882	-	133,882	135,239
FUND BALANCE, ENDING	\$ 133,882	\$ 134,459	\$ 135,199	\$ 40	\$ 135,239	\$ 140,279

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Debt Service Amortization Schedule Series 2006A Capital Improvement Revenue Bonds

Date	Regular Principal	Principal Prepayments	Interest Expense	Outstanding Principal
11/1/2018			\$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	\$810,000.00	\$0.00	\$200,025.00	

Summary of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2019 Adopted Budget

ACCOUNT DESCRIPTION	ACTUAL FY 2017	ADOPTED BUDGET FY 2018	ACTUAL THRU JUL-2018	PROJECTED AUG - SEP-2018	TOTAL PROJECTED FY 2018	ANNUAL BUDGET FY 2019
REVENUES						
Interest - Investments	\$ 125	\$ -	\$ 186	\$ 32	\$ 218	\$ -
Special Assmnts- Tax Collector	94,045	94,045	94,045	-	\$ 94,045	94,045
Special Assmnts- Discounts	(3,513)	(3,762)	(3,531)	-	(3,531)	(3,762)
TOTAL REVENUES	90,657	90,283	90,700	32	90,732	90,283
EXPENDITURES						
<i>Administrative</i>						
Misc-Assessmnt Collection Cost	1,672	1,881	1,810	-	1,810	1,881
Total Administrative	1,672	1,881	1,810	-	1,810	1,881
<i>Debt Service</i>						
Principal Debt Retirement	70,000	75,000	75,000	-	75,000	75,000
Interest Expense	18,365	15,026	15,026	-	15,026	11,448
Total Debt Service	88,365	90,026	90,026	-	90,026	86,448
TOTAL EXPENDITURES	90,037	91,907	91,836	-	91,836	88,329
Excess (deficiency) of revenues Over (under) expenditures	620	(1,624)	(1,136)	32	(1,104)	1,954
OTHER FINANCING SOURCES (USES)						
Contribution to (Use of) Fund Balance	-	(1,624)	-	-	-	1,954
TOTAL OTHER SOURCES (USES)	-	(1,624)	-	-	-	1,954
Net change in fund balance	620	(1,624)	(1,136)	32	(1,104)	1,954
FUND BALANCE, BEGINNING	50,373	50,993	50,993	-	50,993	49,889
FUND BALANCE, ENDING	\$ 50,993	\$ 49,369	\$ 49,857	\$ 32	\$ 49,889	\$ 51,843

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Debt Service Amortization Schedule Series 2008 Capital Improvement Revenue Refunding Bonds

Date	Regular Principal	Principal Prepayments	Interest Expense	Outstanding Principal
11/1/2018			\$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	\$240,000.00	\$0.00	\$23,373.00	

Heritage Springs
Community Development District

Supporting Budget Schedules
Fiscal Year 2019

HERITAGE SPRINGS

Community Development District

Comparison of Assessment Rates Fiscal Year 2019 vs. Fiscal Year 2018

Bond Series	General Fund			Debt Service			Total Assessments per Unit			Units	Prepaid Units	GF Total	DS Total
	FY 2019	FY 2018	Percent Change	FY 2019	FY 2018	Percent Change	FY 2019	FY 2018	Percent Change	On-Roll			
2006	\$298.75	\$298.75	0.0%	\$198.63	\$198.63	0.0%	\$497.38	\$497.38	0.0%	739	29	\$220,777	\$141,027
2008	\$298.75	\$298.75	0.0%	\$168.54	\$168.54	0.0%	\$467.29	\$467.29	0.0%	598	40	\$178,653	\$94,045
										1,337	69	\$399,429	\$235,073