

**HERITAGE SPRINGS**  
Community Development District

***Annual Operating and Debt Service Budget***  
**Fiscal Year 2019**

Version 1 - Approved Tentative Budget  
(Approved at May 21, 2018 Meeting)

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 Proposed Budget

ACCOUNT DESCRIPTION	ACTUAL FY 2017	ADOPTED BUDGET FY 2018	ACTUAL	PROJECTED	TOTAL	ANNUAL
			THRU APR-2018	MAY - SEP-2018	PROJECTED FY 2018	BUDGET FY 2019
<b>REVENUES</b>						
Interest - Investments	\$ 8,223	\$ 4,000	\$ 6,311	\$ 4,508	\$ 10,819	\$ 4,000
Special Assmnts- Tax Collector	399,429	399,428	396,014	3,415	399,429	399,429
Special Assmnts- Discounts	(14,921)	(15,977)	(15,078)	-	(15,078)	(15,977)
<b>TOTAL REVENUES</b>	<b>392,731</b>	<b>387,451</b>	<b>387,247</b>	<b>7,923</b>	<b>395,170</b>	<b>387,452</b>
<b>EXPENDITURES</b>						
<i>Administrative</i>						
P/R-Board of Supervisors	6,600	9,000	5,600	3,000	8,600	9,000
FICA Taxes	505	689	428	230	658	689
ProfServ-Dissemination Agent	1,000	1,000	-	1,000	1,000	1,000
ProfServ-Engineering	51,860	46,000	32,905	21,000	53,905	55,000
ProfServ-Legal Services	4,072	5,000	2,418	2,418	4,836	5,000
ProfServ-Mgmt Consulting Serv	35,874	35,874	20,927	14,948	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	4,337	4,337	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	184	131	315	400
Insurance - General Liability	4,765	5,242	5,011	-	5,011	5,512
Printing and Binding	333	1,250	190	750	940	1,000
Legal Advertising	1,705	2,100	108	1,597	1,705	1,800
Miscellaneous Services	586	600	326	240	566	600
Misc-Assessmnt Collection Cost	7,103	7,989	7,619	68	7,687	7,989
Office Supplies	182	175	121	66	187	175
Annual District Filing Fee	175	175	175	-	175	175
<b>Total Administrative</b>	<b>137,591</b>	<b>138,068</b>	<b>94,099</b>	<b>49,935</b>	<b>144,033</b>	<b>146,788</b>
<i>Field</i>						
Contracts-Lakes	34,800	40,000	20,300	14,500	34,800	40,000
Electricity - Streetlighting	53,376	60,000	33,978	24,372	58,350	60,000
R&M-Aquascaping	4,088	5,000	-	5,000	5,000	5,000
R&M-Ponds	118,457	75,000	-	75,000	75,000	75,000
R&M-Stormwater System	36,514	15,000	14,466	534	15,000	15,000
Misc-Contingency	247	10,000	-	10,000	10,000	10,000
Reserve - Ponds	-	44,383	-	-	-	35,664
<b>Total Field</b>	<b>247,482</b>	<b>249,383</b>	<b>68,744</b>	<b>129,406</b>	<b>198,150</b>	<b>240,664</b>
<b>TOTAL EXPENDITURES</b>	<b>385,073</b>	<b>387,451</b>	<b>162,843</b>	<b>179,340</b>	<b>342,182</b>	<b>387,452</b>
Net change in fund balance	7,658	-	224,404	(171,418)	52,987	-
<b>FUND BALANCE, BEGINNING</b>	995,623	1,003,281	1,003,281	-	1,003,281	1,056,268
<b>FUND BALANCE, ENDING</b>	<b>\$ 1,003,281</b>	<b>\$ 1,003,281</b>	<b>\$ 1,227,685</b>	<b>\$ (171,418)</b>	<b>\$ 1,056,268</b>	<b>\$ 1,056,268</b>

**Exhibit "A"**  
Allocation of Fund Balances

**AVAILABLE FUNDS**

	<u>Amount</u>
Beginning Fund Balance - Fiscal Year 2019	\$ 1,056,268
Net Change in Fund Balance - Fiscal Year 2019	-
Reserves - Fiscal Year 2019 Additions	35,664
<b>Total Funds Available (Estimated) - 9/30/2019</b>	<b>1,091,932</b>

**ALLOCATION OF AVAILABLE FUNDS**

***Assigned Fund Balance***

Operating Reserve		87,947 <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)	45,515	
Reserves - Ponds (FY16)	46,933	
Reserves - Ponds (FY17)	41,643	
Reserves - Ponds (FY18-Projected)	44,383	
Reserves - Ponds (FY19-Proposed)	35,664	873,340
	Subtotal	<u>961,287</u>

<b>Total Allocation of Available Funds</b>	<b>961,287</b>
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<b>Total Unassigned (undesignated) Cash</b>	<b>\$ 130,645</b>
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**Notes**

(1) Represents approximately 3 months of operating expenditures

**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.

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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 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.



**Heritage Springs**  
Community Development District

**Debt Service Budgets**  
Fiscal Year 2019

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

ACCOUNT DESCRIPTION	ACTUAL	ADOPTED	ACTUAL	PROJECTED	TOTAL	ANNUAL
	FY 2017	BUDGET FY 2018	THRU APR-2018	MAY - SEP-2018	PROJECTED FY 2018	BUDGET FY 2019
<b>REVENUES</b>						
Interest - Investments	\$ 255	\$ -	\$ 191	\$ 100	\$ 291	\$ -
Special Assmnts- Tax Collector	141,027	141,027	139,821	1,206	141,027	141,027
Special Assmnts- Discounts	(5,268)	(5,641)	(5,324)	-	(5,324)	(5,641)
<b>TOTAL REVENUES</b>	<b>136,014</b>	<b>135,386</b>	<b>134,688</b>	<b>1,306</b>	<b>135,994</b>	<b>135,386</b>
<b>EXPENDITURES</b>						
<i>Administrative</i>						
Misc-Assessmnt Collection Cost	2,508	2,821	2,690	24	2,714	2,821
<b>Total Administrative</b>	<b>2,508</b>	<b>2,821</b>	<b>2,690</b>	<b>24</b>	<b>2,714</b>	<b>2,821</b>
<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	23,494	23,494	46,988	42,525
<b>Total Debt Service</b>	<b>136,319</b>	<b>131,988</b>	<b>23,494</b>	<b>108,494</b>	<b>131,988</b>	<b>127,525</b>
<b>TOTAL EXPENDITURES</b>	<b>138,827</b>	<b>134,809</b>	<b>26,184</b>	<b>108,518</b>	<b>134,702</b>	<b>130,346</b>
Excess (deficiency) of revenues						
Over (under) expenditures	(2,813)	577	108,504	(107,212)	1,292	5,041
<b>OTHER FINANCING SOURCES (USES)</b>						
Contribution to (Use of) Fund Balance	-	577	-	-	-	5,041
<b>TOTAL OTHER SOURCES (USES)</b>	<b>-</b>	<b>577</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,041</b>
Net change in fund balance	(2,813)	577	108,504	(107,212)	1,292	5,041
<b>FUND BALANCE, BEGINNING</b>	<b>136,695</b>	<b>133,882</b>	<b>133,882</b>	<b>-</b>	<b>133,882</b>	<b>135,174</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ 133,882</b>	<b>\$ 134,459</b>	<b>\$ 242,386</b>	<b>\$ (107,212)</b>	<b>\$ 135,174</b>	<b>\$ 140,215</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
11/1/2018			\$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
<b>totals</b>	<b>\$810,000.00</b>	<b>\$0.00</b>	<b>\$200,025.00</b>	

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

ACCOUNT DESCRIPTION	ACTUAL FY 2017	ADOPTED BUDGET FY 2018	ACTUAL THRU APR-2018	PROJECTED MAY - SEP-2018	TOTAL PROJECTED FY 2018	ANNUAL BUDGET FY 2019
<b>REVENUES</b>						
Interest - Investments	\$ 125	\$ -	\$ 120	\$ 75	\$ 195	\$ -
Special Assmnts- Tax Collector	94,045	94,045	93,241	804	\$ 94,045	94,045
Special Assmnts- Discounts	(3,513)	(3,762)	(3,550)	-	(3,550)	(3,762)
<b>TOTAL REVENUES</b>	<b>90,657</b>	<b>90,283</b>	<b>89,811</b>	<b>879</b>	<b>90,690</b>	<b>90,284</b>
<b>EXPENDITURES</b>						
<i>Administrative</i>						
Misc-Assessmnt Collection Cost	1,672	1,881	1,794	16	1,810	1,881
<b>Total Administrative</b>	<b>1,672</b>	<b>1,881</b>	<b>1,794</b>	<b>16</b>	<b>1,810</b>	<b>1,881</b>
<i>Debt Service</i>						
Principal Debt Retirement	70,000	75,000	-	75,000	75,000	75,000
Interest Expense	18,365	15,026	7,513	7,513	15,026	11,448
<b>Total Debt Service</b>	<b>88,365</b>	<b>90,026</b>	<b>7,513</b>	<b>82,513</b>	<b>90,026</b>	<b>86,448</b>
<b>TOTAL EXPENDITURES</b>	<b>90,037</b>	<b>91,907</b>	<b>9,307</b>	<b>82,529</b>	<b>91,836</b>	<b>88,329</b>
Excess (deficiency) of revenues Over (under) expenditures	620	(1,624)	80,504	(81,650)	(1,146)	1,955
<b>OTHER FINANCING SOURCES (USES)</b>						
Contribution to (Use of) Fund Balance	-	(1,624)	-	-	-	1,955
<b>TOTAL OTHER SOURCES (USES)</b>	<b>-</b>	<b>(1,624)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,955</b>
Net change in fund balance	620	(1,624)	80,504	(81,650)	(1,146)	1,955
<b>FUND BALANCE, BEGINNING</b>	<b>50,373</b>	<b>50,993</b>	<b>50,993</b>	<b>-</b>	<b>50,993</b>	<b>49,847</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ 50,993</b>	<b>\$ 49,369</b>	<b>\$ 131,497</b>	<b>\$ (81,650)</b>	<b>\$ 49,847</b>	<b>\$ 51,802</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
11/1/2018			\$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>\$240,000.00</b>	<b>\$0.00</b>	<b>\$23,373.00</b>	

**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 On-Roll	Prepaid Units	GF Total	DS Total
	FY 2019	FY 2018	Percent Change	FY 2019	FY 2018	Percent Change	FY 2019	FY 2018	Percent Change				
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
										<b>1,337</b>	<b>69</b>	<b>\$399,429</b>	<b>\$235,073</b>