

HERITAGE SPRINGS
Community Development District

Annual Operating and Debt Service Budget
Fiscal Year 2020

Version 2 - Final Budget
(Adopted on 8/19/19)

Prepared by:



HERITAGE SPRINGS

Community Development District

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Heritage Springs
Community Development District

Operating Budget
Fiscal Year 2020

HERITAGE SPRINGS

Community Development District

General Fund

Summary of Revenues, Expenditures and Changes in Fund Balances Fiscal Year 2020 Adopted Budget

ACCOUNT DESCRIPTION	ACTUAL	ADOPTED	ACTUAL	PROJECTED	TOTAL	ANNUAL
	FY 2018	BUDGET FY 2019	THRU JULY-2019	AUG- SEP-2019	PROJECTED FY 2019	BUDGET FY 2020
REVENUES						
Interest - Investments	\$ 12,210	\$ 4,000	\$ 17,068	\$ 1,000	\$ 18,068	\$ 4,000
Special Assmnts- Tax Collector	399,429	399,429	399,429	-	399,429	399,429
Special Assmnts- Discounts	(14,996)	(15,977)	(14,947)	-	(14,947)	(15,977)
TOTAL REVENUES	396,643	387,452	401,550	1,000	402,550	387,452
EXPENDITURES						
<i>Administrative</i>						
P/R-Board of Supervisors	7,200	9,000	5,200	1,000	6,200	9,000
FICA Taxes	551	689	398	77	475	689
ProfServ-Dissemination Agent	1,000	1,000	-	1,000	1,000	1,000
ProfServ-Engineering	45,458	55,000	13,185	2,637	15,822	55,000
ProfServ-Legal Services	4,159	5,000	2,366	2,470	4,836	5,000
ProfServ-Mgmt Consulting Serv	35,874	35,874	29,895	5,980	35,874	36,950
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	9,108	-	9,108	9,108
ProfServ-Web Site Maintenance	750	750	750	-	750	750
Auditing Services	5,500	5,500	5,500	-	5,500	5,500
Postage and Freight	459	400	163	237	400	400
Insurance - General Liability	5,011	5,512	5,310	-	5,310	5,841
Printing and Binding	351	1,000	314	63	377	1,000
Legal Advertising	900	1,800	110	790	900	1,800
Miscellaneous Services	581	600	475	96	571	600
Misc-Assessmnt Collection Cost	6,161	7,989	7,760	-	7,760	7,989
Office Supplies	204	175	389	44	433	175
Annual District Filing Fee	175	175	175	-	175	175
Total Administrative	130,658	146,788	88,748	14,393	103,140	148,627
<i>Field</i>						
Contracts-Lakes	34,800	40,000	29,000	5,800	34,800	40,000
Electricity - Streetlighting	55,983	60,000	48,738	9,747	58,485	60,000
R&M-Aquascaping	1,485	5,000	-	5,000	5,000	3,892
R&M-Ponds	59,884	75,000	16,649	58,351	75,000	75,000
R&M-Stormwater System	43,417	15,000	29,665	-	29,665	15,000
Misc-Contingency	12,341	10,000	667	8,000	8,667	10,000
Reserve - Ponds	5,882	35,664	-	-	-	34,933
Total Field	213,792	240,664	124,719	86,898	211,617	238,825
TOTAL EXPENDITURES	344,450	387,452	213,467	101,292	314,758	387,452
Net change in fund balance	52,193	-	188,083	(100,292)	87,792	-
FUND BALANCE, BEGINNING	1,003,283	1,055,476	1,055,476	-	1,055,476	1,143,268
FUND BALANCE, ENDING	\$ 1,055,476	\$ 1,055,476	\$ 1,243,559	\$ (100,292)	\$ 1,143,268	\$ 1,143,268

Budget Narrative
Fiscal Year 2020

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. A 3% increase is proposed for FY20.

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 2020**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 FY20.

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 2020

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 2020	\$ 1,143,268
Net Change in Fund Balance - Fiscal Year 2020	-
Reserves - Fiscal Year 2020 Additions	34,933
Total Funds Available (Estimated) - 9/30/2020	1,178,201

ALLOCATION OF AVAILABLE FUNDS

Assigned Fund Balance

Operating Reserve		88,130 ⁽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)	38,501	
Reserves - Ponds (FY19)	35,664	
Reserves - Ponds (FY20-Proposed)	34,933	902,391
	Subtotal	<u>990,521</u>
Total Allocation of Available Funds		990,521

Total Unassigned (undesignated) Cash \$ 187,680

Notes

(1) Represents approximately 3 months of operating expenditures

Heritage Springs
Community Development District

Debt Service Budgets
Fiscal Year 2020

Summary of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2020 Adopted Budget

ACCOUNT DESCRIPTION	ACTUAL	ADOPTED	ACTUAL	PROJECTED	TOTAL	ANNUAL
	FY 2018	BUDGET FY 2019	THRU JULY-2019	AUG- SEP-2019	PROJECTED FY 2019	BUDGET FY 2020
REVENUES						
Interest - Investments	\$ 348	\$ -	\$ 383	\$ 40	\$ 423	\$ -
Special Assmnts- Tax Collector	141,027	141,027	141,027	0	141,027	141,027
Special Assmnts- Discounts	(5,295)	(5,641)	(5,277)	-	(5,277)	(5,641)
TOTAL REVENUES	136,080	135,386	136,133	40	136,173	135,386
EXPENDITURES						
<i>Administrative</i>						
Misc-Assessmnt Collection Cost	2,175	2,821	2,740	0	2,740	2,821
Total Administrative	2,175	2,821	2,740	0	2,740	2,821
<i>Debt Service</i>						
Debt Retirement Series A	85,000	85,000	85,000	-	85,000	90,000
Prepayments Series A	-	-	10,000	-	10,000	-
Interest Expense Series A	46,988	42,525	42,394	-	42,394	37,538
Total Debt Service	131,988	127,525	137,394	-	137,394	127,538
TOTAL EXPENDITURES	134,163	130,346	140,134	0	140,134	130,359
Excess (deficiency) of revenues Over (under) expenditures	1,917	5,040	(4,001)	40	(3,961)	5,027
OTHER FINANCING SOURCES (USES)						
Contribution to (Use of) Fund Balance	-	5,040	-	-	-	5,027
TOTAL OTHER SOURCES (USES)	-	5,040	-	-	-	5,027
Net change in fund balance	1,917	5,040	(4,001)	40	(3,961)	5,027
FUND BALANCE, BEGINNING	133,882	135,800	135,800	-	135,800	131,839
FUND BALANCE, ENDING	\$ 135,800	\$ 140,840	\$ 131,799	\$ 40	\$ 131,839	\$ 136,866

HERITAGE SPRINGS

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Debt Service Amortization Schedule Series 2006A Capital Improvement Revenue Bonds

Date	Regular Principal	Principal Prepayments	Interest Expense	Outstanding Principal
11/1/2019			\$18,768.75	\$715,000.00
5/1/2020	\$90,000.00		\$18,768.75	\$625,000.00
11/1/2020			\$16,406.25	\$625,000.00
5/1/2021	\$95,000.00		\$16,406.25	\$530,000.00
11/1/2021			\$13,912.50	\$530,000.00
5/1/2022	\$100,000.00		\$13,912.50	\$430,000.00
11/1/2022			\$11,287.50	\$430,000.00
5/1/2023	\$100,000.00		\$11,287.50	\$330,000.00
11/1/2023			\$8,662.50	\$330,000.00
5/1/2024	\$105,000.00		\$8,662.50	\$225,000.00
11/1/2024			\$5,906.25	\$225,000.00
5/1/2025	\$110,000.00		\$5,906.25	\$115,000.00
11/1/2025			\$3,018.75	\$115,000.00
5/1/2026	\$115,000.00		\$3,018.75	\$0.00
totals	\$715,000.00	\$0.00	\$155,925.00	

Summary of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2020 Adopted Budget

ACCOUNT DESCRIPTION	ACTUAL	ADOPTED	ACTUAL	PROJECTED	TOTAL	ANNUAL
	FY 2018	BUDGET FY 2019	THRU JULY-2019	AUG- SEP-2019	PROJECTED FY 2019	BUDGET FY 2020
REVENUES						
Interest - Investments	\$ 225	\$ -	\$ 289	\$ 32	\$ 321	\$ -
Special Assmnts- Tax Collector	94,045	94,045	94,045	0	94,045	94,045
Special Assmnts- Discounts	(3,531)	(3,762)	(3,519)	-	(3,519)	(3,762)
TOTAL REVENUES	90,739	90,283	90,815	32	90,847	90,283
EXPENDITURES						
<i>Administrative</i>						
Misc-Assessmnt Collection Cost	1,451	1,881	1,827	0	1,827	1,881
Total Administrative	1,451	1,881	1,827	0	1,827	1,881
<i>Debt Service</i>						
Principal Debt Retirement	75,000	75,000	75,000	-	75,000	80,000
Interest Expense	15,026	11,448	11,448	-	11,448	7,871
Total Debt Service	90,026	86,448	86,448	-	86,448	87,871
TOTAL EXPENDITURES	91,477	88,329	88,275	0	88,275	89,752
Excess (deficiency) of revenues Over (under) expenditures	(738)	1,954	2,540	32	2,572	531
OTHER FINANCING SOURCES (USES)						
Contribution to (Use of) Fund Balance	-	1,954	-	-	-	531
TOTAL OTHER SOURCES (USES)	-	1,954	-	-	-	531
Net change in fund balance	(738)	1,954	2,540	32	2,572	531
FUND BALANCE, BEGINNING	50,994	50,256	50,256	-	50,256	52,828
FUND BALANCE, ENDING	\$ 50,256	\$ 52,210	\$ 52,796	\$ 32	\$ 52,828	\$ 53,359

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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
11/1/2019			\$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	\$165,000.00	\$0.00	\$11,925.00	

Heritage Springs
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Supporting Budget Schedules
Fiscal Year 2020

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Community Development District

**Comparison of Assessment Rates
Fiscal Year 2020 vs. Fiscal Year 2019**

Bond Series	General Fund			Debt Service			Total Assessments per Unit			Units	Prepaid Units	GF Total	DS Total
	FY 2020	FY 2019	Percent Change	FY 2020	FY 2019	Percent Change	FY 2020	FY 2019	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