

HERITAGE SPRINGS
Community Development District

Annual Operating and Debt Service Budget
Fiscal Year 2021

Version 1 - Approved Tentative Budget
(Approved on 5/18/20)

Prepared by:



HERITAGE SPRINGS

Community Development District

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Heritage Springs
Community Development District

Operating Budget
Fiscal Year 2021

HERITAGE SPRINGS

Community Development District

General Fund

Summary of Revenues, Expenditures and Changes in Fund Balances Fiscal Year 2021 Approved Tentative Budget

ACCOUNT DESCRIPTION	ACTUAL FY 2019	ADOPTED BUDGET FY 2020	ACTUAL	PROJECTED	TOTAL	ANNUAL
			THRU APR-2020	MAY THRU SEP-2020	PROJECTED FY 2020	BUDGET FY 2021
REVENUES						
Interest - Investments	\$ 21,978	\$ 4,000	\$ 9,479	\$ 1,000	\$ 10,479	\$ 4,000
Special Assmnts- Tax Collector	399,429	399,429	393,286	6,143	399,429	399,429
Special Assmnts- Discounts	(14,947)	(15,977)	(15,003)	-	(15,003)	(15,977)
TOTAL REVENUES	406,460	387,452	387,762	7,143	394,905	387,452
EXPENDITURES						
<i>Administrative</i>						
P/R-Board of Supervisors	6,000	9,000	3,800	2,000	5,800	9,000
FICA Taxes	459	689	291	153	444	689
ProfServ-Dissemination Agent	1,000	1,000	-	1,000	1,000	1,000
ProfServ-Engineering	14,388	55,000	5,460	49,540	55,000	55,000
ProfServ-Legal Services	3,121	5,000	1,143	3,693	4,836	5,000
ProfServ-Mgmt Consulting Serv	35,874	36,950	21,554	15,397	36,950	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	9,108	9,108	4,771	4,337	9,108	9,108
ProfServ-Web Site Maintenance	750	750	138	612	750	750
Auditing Services	5,500	5,500	5,500	-	5,500	5,500
Postage and Freight	186	400	173	227	400	400
Insurance - General Liability	5,310	5,841	5,708	-	5,708	6,279
Printing and Binding	386	1,000	184	131	315	1,000
Legal Advertising	809	1,800	103	1,397	1,500	1,800
Miscellaneous Services	571	600	321	240	561	600
Misc-Assessmnt Collection Cost	7,114	7,989	7,566	123	7,689	7,989
Office Supplies	411	175	266	190	456	480
Annual District Filing Fee	175	175	175	-	175	175
Total Administrative	98,812	148,627	64,653	79,190	143,842	149,370
<i>Field</i>						
Contracts-Lakes	34,800	40,000	20,300	14,500	34,800	40,000
Electricity - Streetlighting	58,486	60,000	34,017	24,370	58,387	60,000
R&M-Aquascaping	-	3,892	-	3,892	3,892	3,892
R&M-Ponds	16,649	75,000	55,023	19,977	75,000	75,000
R&M-Stormwater System	29,665	15,000	52,187	-	52,187	15,000
Misc-Contingency	751	10,000	169	8,000	8,169	10,000
Reserve - Ponds	-	34,933	-	-	-	34,190
Total Field	140,351	238,825	161,696	70,739	232,435	238,082
TOTAL EXPENDITURES	239,163	387,452	226,349	149,929	376,277	387,452
Net change in fund balance	167,297	-	161,413	(142,786)	18,628	-
FUND BALANCE, BEGINNING	1,055,479	1,222,776	1,222,776	-	1,222,776	1,241,404
FUND BALANCE, ENDING	\$ 1,222,776	\$ 1,222,776	\$ 1,384,189	\$ (142,786)	\$ 1,241,404	\$ 1,241,404

Budget Narrative
Fiscal Year 2021

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 2021

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 FY21.

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 2021

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 2021	\$ 1,241,404
Net Change in Fund Balance - Fiscal Year 2021	-
Reserves - Fiscal Year 2021 Additions	34,190
Total Funds Available (Estimated) - 9/30/2021	1,275,593

ALLOCATION OF AVAILABLE FUNDS

Assigned Fund Balance

Operating Reserve		88,315 ⁽¹⁾
Reserves - Ponds	867,458	
Reserves - Ponds (FY20)	34,933	
Reserves - Ponds (FY21-Proposed)	34,190	936,581
	Subtotal	<u>1,024,896</u>
Total Allocation of Available Funds		1,024,896

Total Unassigned (undesignated) Cash \$ 250,697

Notes

(1) Represents approximately 3 months of operating expenditures

Heritage Springs
Community Development District

Debt Service Budgets
Fiscal Year 2021

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Community Development District

2006 Debt Service Fund

Summary of Revenues, Expenditures and Changes in Fund Balances Fiscal Year 2021 Approved Tentative Budget

ACCOUNT DESCRIPTION	ACTUAL	ADOPTED	ACTUAL	PROJECTED	TOTAL	ANNUAL
	FY 2019	BUDGET FY 2020	THRU APR-2020	MAY THRU SEP-2020	PROJECTED FY 2020	BUDGET FY 2021
REVENUES						
Interest - Investments	\$ 577	\$ -	\$ 923	\$ 120	\$ 1,043	\$ -
Special Assmnts- Tax Collector	141,027	141,027	138,858	2,169	141,027	141,027
Special Assmnts- Discounts	(5,277)	(5,641)	(5,297)	-	(5,297)	(5,641)
TOTAL REVENUES	136,327	135,386	134,484	2,289	136,773	135,386
EXPENDITURES						
<i>Administrative</i>						
Misc-Assessmnt Collection Cost	2,512	2,821	2,671	43	2,714	2,821
Total Administrative	2,512	2,821	2,671	43	2,714	2,821
<i>Debt Service</i>						
Debt Retirement Series A	85,000	90,000	-	90,000	90,000	90,000
Prepayments Series A	10,000	-	5,000	5,000	10,000	-
Interest Expense Series A	42,394	37,538	18,769	18,638	37,406	32,288
Total Debt Service	137,394	127,538	23,769	113,638	137,406	122,288
TOTAL EXPENDITURES	139,906	130,359	26,440	113,681	140,120	125,109
Excess (deficiency) of revenues Over (under) expenditures	(3,579)	5,027	108,044	(111,392)	(3,347)	10,277
OTHER FINANCING SOURCES (USES)						
Contribution to (Use of) Fund Balance	-	5,027	-	-	-	10,277
TOTAL OTHER SOURCES (USES)	-	5,027	-	-	-	10,277
Net change in fund balance	(3,579)	5,027	108,044	(111,392)	(3,347)	10,277
FUND BALANCE, BEGINNING	135,800	132,222	132,222	-	132,222	128,875
FUND BALANCE, ENDING	\$ 132,222	\$ 137,249	\$ 240,266	\$ (111,392)	\$ 128,875	\$ 139,152

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
11/1/2020			\$16,143.75	\$615,000.00
5/1/2021	\$90,000.00		\$16,143.75	\$525,000.00
11/1/2021			\$13,781.25	\$525,000.00
5/1/2022	\$95,000.00		\$13,781.25	\$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	\$615,000.00	\$0.00	\$117,600.00	

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2008 Debt Service (Refunding) Fund

Summary of Revenues, Expenditures and Changes in Fund Balances Fiscal Year 2021 Approved Tentative Budget

ACCOUNT DESCRIPTION	ACTUAL	ADOPTED	ACTUAL	PROJECTED	TOTAL	ANNUAL
	FY 2019	BUDGET FY 2020	THRU APR-2020	MAY THRU SEP-2020	PROJECTED FY 2020	BUDGET FY 2021
REVENUES						
Interest - Investments	\$ 381	\$ -	\$ 443	\$ 80	\$ 523	\$ -
Special Assmnts- Tax Collector	94,045	94,045	92,599	1,446	\$ 94,045	43,000
Special Assmnts- Discounts	(3,519)	(3,762)	(3,532)	-	(3,532)	(1,720)
TOTAL REVENUES	90,907	90,283	89,510	1,526	91,036	41,279
EXPENDITURES						
<i>Administrative</i>						
Misc-Assessmnt Collection Cost	1,675	1,881	1,781	29	1,810	860
Total Administrative	1,675	1,881	1,781	29	1,810	860
<i>Debt Service</i>						
Principal Debt Retirement	75,000	80,000	-	80,000	80,000	85,000
Interest Expense	11,448	7,871	3,935	3,935	7,871	4,055
Total Debt Service	86,448	87,871	3,935	83,935	87,871	89,055
TOTAL EXPENDITURES	88,123	89,752	5,716	83,964	89,680	89,916
Excess (deficiency) of revenues Over (under) expenditures	2,784	531	83,794	(82,438)	1,356	(48,636)
OTHER FINANCING SOURCES (USES)						
Contribution to (Use of) Fund Balance	-	531	-	-	-	(48,636)
TOTAL OTHER SOURCES (USES)	-	531	-	-	-	(48,636)
Net change in fund balance	2,784	531	83,794	(82,438)	1,356	(48,636)
FUND BALANCE, BEGINNING	50,256	53,040	53,040	-	53,040	54,396
FUND BALANCE, ENDING	\$ 53,040	\$ 53,571	\$ 136,834	\$ (82,438)	\$ 54,396	\$ 5,760

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Debt Service Amortization Schedule Series 2008 Capital Improvement Revenue Refunding Bonds

Date	Regular Principal	Principal Prepayments	Interest Expense	Outstanding Principal
11/1/2020			\$2,027.25	\$85,000.00
5/1/2021	\$85,000.00		\$2,027.25	\$0.00
totals	\$85,000.00	\$0.00	\$4,054.50	

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Supporting Budget Schedules
Fiscal Year 2021

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Comparison of Assessment Rates Fiscal Year 2021 vs. Fiscal Year 2020

Bond Series	General Fund			Debt Service			Total Assessments per Unit			Units	Prepaid Units	GF Total	DS Total
	FY 2021	FY 2020	Percent Change	FY 2021	FY 2020	Percent Change	FY 2021	FY 2020	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	\$220,776	\$141,027
2008	\$298.75	\$298.75	0.0%	\$77.06	\$168.54	-54.3%	\$375.81	\$467.29	-19.6%	598	40	\$178,653	\$43,000
										1,337	69	\$399,429	\$184,027