

HERITAGE BAY

Community Development District

Annual Operating and Debt Service Budget

Fiscal Year 2020

Adopted Budget

(Meeting 9/5/19)

Prepared by:



HERITAGE BAY

Community Development District

Table of Contents

	<u>Page #</u>
<u>OPERATING BUDGET</u>	
General Fund	
Summary of Revenues, Expenditures and Changes in Fund Balance	1 - 2
Exhibit A - Allocation of Fund Balances	3
Budget Narrative	4 - 7
<u>DEBT SERVICE BUDGET</u>	
Series 2018	
Summary of Revenues, Expenditures and Changes in Fund Balances	8
Amortization Schedule	9
Budget Narrative	10
<u>SUPPORTING BUDGET SCHEDULES</u>	
2019-2020 Non-Ad Valorem Assessment Summary	11

HERITAGE BAY

Community Development District

Budget Overview

Fiscal Year 2020

HERITAGE BAY

Community Development District

Operating Budget

Fiscal Year 2020

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

ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ADOPTED	ACTUAL	PROJECTED	TOTAL	ANNUAL
	FY 2017	FY 2018	BUDGET	THRU	AUG-	PROJECTED	BUDGET
			FY 2019	JUL-2019	SEP-2019	FY 2019	FY 2020
REVENUES							
Interest - Investments	\$ 1,479	3,241	\$ 400	\$ 6,178	\$ 1,236	\$ 7,414	\$ 2,000
Hurricane Irma FEMA Refund				44,179	-	44,179	
Interest - Tax Collector	-	96	-	1,087	-	1,087	-
Special Assmnts- Tax Collector	250,000	355,190	355,190	355,190	-	355,190	355,190
Special Assmnts- Wall Project	62,500	-	-	-	-	-	-
Special Assmnts- Lakes 30A & 30B	-	60,922	60,923	60,923	-	60,923	60,923
Special Assmnts- Reserves	31,250	31,250	31,250	31,250	-	31,250	31,250
Special Assmnts- Discounts	(12,604)	(16,490)	(17,895)	(16,333)	-	(16,333)	(17,895)
Other Miscellaneous Revenue	51,473	31,000	-	36,800	-	36,800	-
TOTAL REVENUES	384,098	465,209	429,868	519,274	1,236	520,510	431,468

EXPENDITURES

Administrative

P/R-Board of Supervisors	8,000	16,000	12,000	6,000	3,000	9,000	9,000
FICA Taxes	612	1,224	918	459	230	689	689
ProfServ-Arbitrage Rebate	-	-	-	-	-	-	600
ProfServ-Dissemination Agent	-	-	1,500	1,250	250	1,500	1,500
ProfServ-Engineering	42,494	22,878	14,000	21,257	4,251	25,508	14,000
ProfServ-Legal Services	20,844	26,871	10,000	19,740	2,000	21,740	13,000
ProfServ-Mgmt Consulting Serv	37,195	41,793	44,972	37,477	7,495	44,972	46,270
ProfServ-Property Appraiser	5,156	-	6,710	6,710	-	6,710	6,710
ProfServ-Special Assessment	5,305	5,464	6,200	6,200	-	6,200	6,600
ProfServ-Trustee Fees	-	-	-	-	-	-	5,157
ProfServ-Web Site Maintenance	1,505	773	1,000	833	167	1,000	1,100
Auditing Services	3,823	3,700	3,914	5,800	-	5,800	5,900
Postage and Freight	1,731	2,839	2,500	636	127	763	2,500
Insurance - General Liability	12,040	15,389	15,389	7,750	7,639	15,389	9,389
Printing and Binding	1,450	7,428	1,339	1,491	298	1,789	1,379
Legal Advertising	1,989	3,241	3,700	945	189	1,134	3,000
Misc-Bank Charges	-	1	100	1	17	18	100
Misc-Assessmnt Collection Cost	4,428	(613)	8,948	8,621	-	8,621	8,947
Misc-Web Hosting	-	47	900	1,612	129	1,741	6,773
Office Supplies	-	-	100	-	17	17	100
Annual District Filing Fee	175	175	175	175	-	175	175
Total Administrative	146,747	147,210	134,365	126,957	25,808	152,765	142,889

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

ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ADOPTED	ACTUAL	PROJECTED	TOTAL	ANNUAL
	FY 2017	FY 2018	BUDGET FY 2019	THRU JUL-2019	AUG- SEP-2019	PROJECTED FY 2019	BUDGET FY 2020
Field							
ProfServ-Field Management	12,731	11,536	12,688	17,230	3,446	20,676	12,830
R&M-Contingency	-	-	198	-	33	33	84
Capital Outlay	44,550	-	-	-	-	-	-
Total Field	57,281	11,536	12,886	17,230	3,479	20,709	12,914
Lakes and Ponds							
Contracts-Lake and Wetland	63,947	71,200	71,200	56,000	15,200	71,200	71,200
Contracts-Water Analysis	-	10,766	9,861	5,600	4,261	9,861	9,861
Contracts-Water Quality Monitoring	33,807	22,996	27,700	27,700	-	27,700	27,700
Contracts-Lakes 30A & 30B	12,000	12,000	12,000	14,000	2,800	16,800	24,000
Contracts-Sediment Testing	-	-	6,675	6,675	-	6,675	6,675
R&M-Aquascaping	1,950	-	8,500	1,000	200	1,200	8,500
R&M - Stormwater System	-	-	4,000	4,000	-	4,000	4,000
R&M-Lake Erosion	3,000	37,800	84,713	58,400	14,119	72,519	71,024
R&M-Contingency	4,175	-	8,263	5,250	1,050	6,300	3,000
Improvement-Lake Bank Restoration	-	29,512	-	40,400	-	40,400	-
Reserve - Lakes	-	-	31,250	-	-	-	31,250
Reserve - Stormwater System	-	-	18,455	33,600	-	33,600	18,455
Total Lakes and Ponds	118,879	184,274	282,617	252,625	37,630	290,255	275,665
Debt Service							
Operating Loan Repayment	167,354	13,141	-	-	-	-	-
Interest Expense-Note	5,631	1,554	-	-	-	-	-
Total Debt Service	172,985	14,695	-	-	-	-	-
TOTAL EXPENDITURES	495,892	357,715	429,868	396,812	66,917	463,729	431,468
Excess (deficiency) of revenues Over (under) expenditures	(111,794)	107,494	-	122,462	(65,682)	56,780	-
OTHER FINANCING SOURCES (USES)							
Interfund Transfer - In	-	28,232	-	-	-	-	-
TOTAL OTHER SOURCES (USES)	-	28,232	-	-	-	-	-
Net change in fund balance	(111,794)	135,726	-	122,462	(65,682)	56,780	-
FUND BALANCE, BEGINNING	395,949	\$ 284,154	419,880	419,880	-	419,880	476,660
FUND BALANCE, ENDING	\$ 284,154	\$ 419,880	\$ 419,880	\$ 542,342	\$ (65,682)	\$ 476,660	\$ 476,660

HERITAGE BAY

Community Development District

Exhibit "A" Allocation of Fund Balances

AVAILABLE FUNDS

	<u>Amount</u>
Beginning Fund Balance - Fiscal Year 2020	\$ 476,660
Net Change in Fund Balance - Fiscal Year 2020	-
Reserves - Fiscal Year 2020 Additions	49,705
Total Funds Available (Estimated) - 9/30/2020	526,365

ALLOCATION OF AVAILABLE FUNDS

Assigned Fund Balance

Operating Reserve - First Quarter Operating Capital		95,441 ⁽¹⁾
Reserves - Erosion Control (Prior years)		14,687
Reserves - Lakes (Prior Years)	93,750	
Reserves - Lakes (FY19)	31,250	
Reserves - Lakes (FY20)	<u>31,250</u>	156,250
Reserves - Stormwater System (FY18)	18,455	
Reserves - Stormwater System (FY19)	18,455	
Reserves - Stormwater System (FY20)	<u>18,455</u>	55,365
Reserves - Loan (Prior years)		4,750
	Subtotal	<u>326,493</u>
Total Allocation of Available Funds		326,493

Total Unassigned (undesignated) Cash	\$ 199,872
---	-------------------

Notes

(1) Represents approximately 3 months of operating expenditures

Budget Narrative
Fiscal Year 2020

REVENUES

Interest-Investments

The District earns interest on the monthly average collected balance for their money market accounts.

Special Assessments-Tax Collector

The District will levy a Non-Ad Valorem assessment on all sold and platted parcels (using the uniform method) within the District in order to pay for the operating expenditures during the Fiscal Year.

Special Assessments-Lakes 30A & 30B

The District will levy a Non-Ad Valorem assessment on all sold and platted parcels (using the uniform method) within the District in order to pay for the repair of Lakes 30A & 30B and any impending debt associated with making repairs.

Special Assessments-Reserves

The District will levy a Non-Ad Valorem assessment on all sold and platted parcels (using the uniform method) within the District in order re-establish reserves which were depleted due to the District having to address numerous lake bank erosion issues.

Special Assessments-Discounts

Per Section 197.162 and Section 197.3632 of the Florida Statutes, discounts are allowed for early payments of assessments collected by the Tax Collector and only when the Tax Collector is using the uniform methodology. The budgeted amount for the fiscal year is calculated at 4% of the anticipated Non-Ad Valorem assessments.

EXPENDITURES

Administrative

Professional Services-Arbitrage Rebate

The District contracted with an independent professional firm to annually calculate the District's Arbitrage Rebate Liability on its bonds.

P/R-Board of Supervisors

Chapter 190 of the Florida Statutes allows for members of the Board of Supervisors to be compensated \$200 per meeting at which they are in attendance. The amount for the Fiscal Year is based upon all supervisors attending all meetings.

Professional Services-Dissemination Agent

This line item is to cover dissemination services as required. Services are provided by Inframark.

Professional Services-Engineering

The District's engineer provides general engineering services to the District, i.e. attendance and preparation for board meetings when requested, review of invoices, and other specifically requested assignments.

Professional Services-Legal Services

The District's attorney provides general legal services to the District, i.e., attendance and preparation for Board meetings, review of contracts, agreements, resolutions and other research as directed or requested by the BOS District Manager.

Budget Narrative
Fiscal Year 2020**EXPENDITURES****Administrative** (continued)**Professional Services-Management Consulting Services**

The District receives Management, Accounting and Administrative services as part of a Management Agreement with Inframark Infrastructure Management Services. Inframark manages all of the District's financial activities such as accounts payable, financial statements, auditing and budgeting in accordance with the management contract in effect.

Professional Services-Property Appraiser

The Property Appraiser provides the District with a listing of the legal description of each property parcel within the District boundaries, and the names and addresses of the owners of such property. The District reimburses the Property Appraiser for necessary administrative costs incurred to provide this service which is based upon 1.5% of the anticipated Non-Ad Valorem assessment collections.

Professional Services-Special Assessment

This is the Administrative fees to prepare the District's special assessment roll.

Professional Services-Trustee Fees

The District pays US Bank an annual fee for trustee services on the Series 2018 Special Assessment Bond. The budgeted amount for the fiscal year is based on standard fees charged plus any out-of-pocket expenses.

Professional Services-Web Site Maintenance

The cost of web hosting and regular maintenance of the District's website by Inframark Infrastructure Management Services.

Auditing Services

The District is required to conduct an annual audit of its financial records by an Independent Certified Public Accounting Firm. The budgeted amount for the fiscal year is based on contracted fees from an existing engagement letter.

Postage and Freight

Actual postage used for District mailings including agenda packages, vendor checks and other correspondence.

Insurance-General Liability

The District's General Liability & Public Officials Liability Insurance policy is with Public Risk Insurance Agency, Inc. They specialize in providing governmental insurance coverage. The budgeted amount projects a 10% increase in the premium.

Printing and Binding

Copies used in the preparation of agenda packages, required mailings, and other special projects.

Legal Advertising

The District is required to advertise various notices for Board meetings and other public hearings in a newspaper of general circulation.

Miscellaneous-Bank Charges

In the rare event of bank service charges from operating or money market accounts, the cost will be assigned here.

Budget Narrative
Fiscal Year 2020**EXPENDITURES (continued)**Administrative (continued)**Miscellaneous-Assessment Collection Costs**

The District reimburses the Collier 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 assessment collection cost is based on a maximum of 2% of the anticipated assessment collections.

Miscellaneous-Web Hosting

The District incurs the cost of owning the Heritage Bay CDD web domain.

Office Supplies

Supplies used in the preparation and binding of agenda packages, required mailings, and other special projects.

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.

Field**Professional Services-Field Management**

Field Management Services for the District is performed by Inframark Infrastructure Management Services. This includes the regular inspection of all District assets and contractor performance monitoring. A monthly report is provided for the Board's review to allow for their consideration of issues and action to consider.

R&M-Contingency

All other field expenses that do not fall into the category described above will be expensed to contingency.

Lakes & Ponds**Contracts-Lake and Wetland**

A contract was negotiated with Lake & Wetland Management for monthly lake maintenance of the District's lakes and littoral shelf maintenance which includes approximately 14.52 acres. Fluorodine Treatment was added May 2015.

Contracts-Water Analysis

A contract was negotiated with CPH for bathymetric to be performed on Lakes.

Contracts-Water Quality Monitoring

A contract was negotiated with CPH for testing of the lakes and water quality monitoring.

Contracts-Lakes 30A & 30B

A contract was negotiated with Lake & Wetland Management for monthly maintenance of lakes 30A & 30B.

Budget Narrative
Fiscal Year 2020

EXPENDITURES (continued)

Lakes & Ponds (continued)

Contracts-Sediment Testing

Contract with CPH to do sediment testing in the District lakes.

R&M-Aquascaping

This is for any repair and maintenance expenses pertaining to the District's lakes that are not covered in the contract.

R&M-Stormwater System

This is for any repair and maintenance expenses pertaining to the stormwater system.

R&M-Lake Erosion

This is for any repair and maintenance expenses pertaining to erosion control that are not covered in the contract.

R&M-Contingency

All other lake expenses that do not fall into the previous repair and maintenance categories will be expensed to contingency.

Reserve-Lakes

Lake improvement expenses that are projected to occur in the future are appropriated with this account.

Reserve-Stormwater System

Stormwater system/drainage expenses that are projected to occur in the future are appropriated with this account.

.

HERITAGE BAY

Community Development District

Debt Service Budget

Fiscal Year 2020

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

ACCOUNT DESCRIPTION	ACTUAL FY 2018	ADOPTED BUDGET FY 2019	ACTUAL THRU JUL-2019	PROJECTED AUG- SEP-2019	TOTAL PROJECTED FY 2019	ANNUAL BUDGET FY 2020
REVENUES						
Interest - Investments	3,925	-	15,182	3,036	18,218	\$ -
Special Assmnts- Tax Collector	16,736	1,689,155	1,689,156	-	1,689,156	1,689,155
Special Assmnts- Discounts	10,263	(67,566)	(61,669)	-	(61,669)	(67,566)
TOTAL REVENUES	30,924	1,621,589	1,642,669	3,036	1,645,705	1,621,589
EXPENDITURES						
<i>Administrative</i>						
ProfServ-Arbitrage Rebate	-	600	600	-	600	-
ProfServ-Property Appraiser	-	25,337	19,629	-	19,629	25,337
ProfServ-Trustee Fees	-	5,157	7,655	-	7,655	-
Misc-Assessmnt Collection Cost	-	33,783	32,550	-	33,783	33,783
Total Administrative	-	64,877	60,434	-	61,667	59,120
<i>Debt Service</i>						
Principal Debt Retirement	16,110,000	990,000	990,000	-	990,000	1,005,000
Principal Prepayments	-	-	5,000	-	5,000	-
Interest Expense	283,983	597,305	597,305	-	597,305	556,688
Cost of Issuance	204,039	-	-	-	-	-
DS Bond Discount	281,935	-	-	-	-	-
Underwriter	160,963	-	-	-	-	-
Total Debt Service	17,040,920	1,587,305	1,592,305	-	1,592,305	1,561,688
TOTAL EXPENDITURES	17,040,920	1,652,182	1,652,739	-	1,653,972	1,620,808
Excess (deficiency) of revenues						
Over (under) expenditures	(17,009,996)	(30,593)	(10,070)	3,036	(8,267)	781
OTHER FINANCING SOURCES (USES)						
Operating Transfers - In	1,770,429	-	-	-	-	-
Proceeds of Refunding Bonds	16,095,000	-	-	-	-	-
Contribution to (Use of) Fund Balance	-	(30,593)	-	-	-	781
TOTAL OTHER SOURCES (USES)	17,865,429	(30,593)	-	-	-	781
Net change in fund balance	855,433	(30,593)	(10,070)	3,036	(8,267)	781
FUND BALANCE, BEGINNING	(1)	855,432	855,432	-	855,432	847,165
FUND BALANCE, ENDING	855,432	824,839	\$ 845,362	3,036	\$ 847,165	\$ 847,947

HERITAGE BAY

Community Development District

Amortization Schedule
2018 Refunding of Series 2018A-1 and A-2 Special Assessment Refunding Bonds

Year	Principal	Special calls	Interest	Principal Balance	FY Total DS
11/1/2019			\$ 278,344	\$ 278,344	\$ 1,556,588
5/1/2020	\$ 1,005,000	2.13%	\$ 278,344	\$ 1,283,344	
11/1/2020			\$ 267,666	\$ 267,666	\$ 1,551,009
5/1/2021	\$ 1,030,000	2.25%	\$ 267,666	\$ 1,297,666	
11/1/2021			\$ 256,078	\$ 256,078	\$ 1,553,744
5/1/2022	\$ 1,055,000	2.50%	\$ 256,078	\$ 1,311,078	
11/1/2022			\$ 242,891	\$ 242,891	\$ 1,553,969
5/1/2023	\$ 1,090,000	2.63%	\$ 242,891	\$ 1,332,891	
11/1/2023			\$ 228,584	\$ 228,584	\$ 1,561,475
5/1/2024	\$ 1,120,000	2.63%	\$ 228,584	\$ 1,348,584	
11/1/2024			\$ 213,884	\$ 213,884	\$ 1,562,469
5/1/2025	\$ 1,150,000	2.75%	\$ 213,884	\$ 1,363,884	
11/1/2025			\$ 198,072	\$ 198,072	\$ 1,561,956
5/1/2026	\$ 1,180,000	3.00%	\$ 198,072	\$ 1,378,072	
11/1/2026			\$ 180,372	\$ 180,372	\$ 1,558,444
5/1/2027	\$ 1,220,000	3.00%	\$ 180,372	\$ 1,400,372	
11/1/2027			\$ 162,072	\$ 162,072	\$ 1,562,444
5/1/2028	\$ 1,255,000	3.00%	\$ 162,072	\$ 1,417,072	
11/1/2028			\$ 143,247	\$ 143,247	\$ 1,560,319
5/1/2029	\$ 1,295,000	3.00%	\$ 143,247	\$ 1,438,247	
11/1/2029			\$ 123,822	\$ 123,822	\$ 1,562,069
5/1/2030	\$ 965,000	3.13%	\$ 123,822	\$ 1,088,822	
11/1/2030			\$ 108,744	\$ 108,744	\$ 1,197,566
5/1/2031	\$ 1,000,000	3.25%	\$ 108,744	\$ 1,108,744	
11/1/2031			\$ 92,494	\$ 92,494	\$ 1,201,238
5/1/2032	\$ 1,030,000	3.25%	\$ 92,494	\$ 1,122,494	
11/1/2032			\$ 75,756	\$ 75,756	\$ 1,198,250
5/1/2033	\$ 1,065,000	3.25%	\$ 75,756	\$ 1,140,756	
11/1/2033			\$ 58,450	\$ 58,450	\$ 1,199,206
5/1/2034	\$ 1,100,000	3.38%	\$ 58,450	\$ 1,158,450	
11/1/2034			\$ 39,888	\$ 39,888	\$ 1,198,338
5/1/2035	\$ 1,140,000	3.38%	\$ 39,888	\$ 1,179,888	
11/1/2035			\$ 20,650	\$ 20,650	\$ 1,200,538
5/1/2036	\$ 1,180,000	3.50%	\$ 20,650	\$ 1,200,650	
11/1/2036					\$ 1,200,650
	\$ 19,870,000		\$ 5,979,330	\$ 25,849,330	\$ 25,849,330

Budget Narrative
Fiscal Year 2020

REVENUES

Interest-Investments

The District earns interest on the monthly average collected balance for their trust accounts.

Special Assessments-Tax Collector

The District will levy a Non-Ad Valorem assessment on all sold and platted parcels (using the uniform method) within the District in order to pay for the operating expenditures during the Fiscal Year.

Special Assessments-Discounts

Per Section 197.162 and Section 197.3632 of the Florida Statutes, discounts are allowed for early payments of assessments collected by the Tax Collector and only when the Tax Collector is using the uniform methodology. The budgeted amount for the fiscal year is calculated at 4% of the anticipated Non-Ad Valorem assessments.

EXPENDITURES

Administrative

Professional Services-Property Appraiser

The Property Appraiser provides the District with a listing of the legal description of each property parcel within the District boundaries, and the names and addresses of the owners of such property. The District reimburses the Property Appraiser for necessary administrative costs incurred to provide this service. The property appraiser cost is based upon 1.5% of the anticipated Non-Ad Valorem assessment collections.

Miscellaneous-Assessment Collection Costs

The District reimburses the Collier 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 assessment collection cost is based on a maximum of 2% of the anticipated assessment collections.

Debt Service

Principal Debt Retirement

The District pays regular principal payments annually in order to pay down/retire the debt.

Interest Expense

The District makes semi-annual interest payments on the outstanding debt.

HERITAGE BAY

Community Development District

Supporting Budget Schedules

Fiscal Year 2020

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

Product	General Fund			Series 2018 Debt Service			Total Assessments per Unit			Units
	FY 2020	FY 2019	Percent Change	FY 2020	FY 2019	Percent Change	FY 2020	FY 2019	Percent Change	
Executive	\$357.89	\$357.89	0%	\$1,928.85	\$1,928.85	0%	\$2,286.74	\$2,286.74	0%	139
Classics	\$357.89	\$357.89	0%	\$3,050.09	\$3,050.09	0%	\$3,407.98	\$3,407.98	0%	95
Classics II	\$357.89	\$357.89	0%	\$3,294.57	\$3,294.57	0%	\$3,652.46	\$3,652.46	0%	18
Coach	\$357.89	\$357.89	0%	\$1,361.54	\$1,361.54	0%	\$1,719.43	\$1,719.43	0%	184
2 Story	\$357.89	\$357.89	0%	\$1,134.62	\$1,134.62	0%	\$1,492.51	\$1,492.51	0%	364
4 Story	\$357.89	\$357.89	0%	\$907.69	\$907.69	0%	\$1,265.58	\$1,265.58	0%	450
										1250