

HERITAGE BAY

Community Development District

Annual Operating and Debt Service Budget

Fiscal Year 2022

Approved Budget
(Meeting 5/06/21, Rev. 1)

Prepared by:



HERITAGE BAY

Community Development District

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Community Development District

Budget Overview

Fiscal Year 2022

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Community Development District

Operating Budget

Fiscal Year 2022

Summary of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2022 Approved Budget

ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ADOPTED	ACTUAL	PROJECTED	TOTAL	ANNUAL
	FY 2019	FY 2020	BUDGET	THRU	MAR-	PROJECTED	BUDGET
			FY 2021	FEB-2021	SEP-2021	FY 2021	FY 2022
REVENUES							
Interest - Investments	\$ 7,367	\$ 3,848	\$ 2,000	\$ 1,718	\$ 2,405	\$ 4,123	\$ 2,500
Hurricane Irma FEMA Refund	44,179	32,714	-	-	-	-	-
Interest - Tax Collector	1,087	1,166	-	178	-	178	-
Special Assmnts- Tax Collector	355,190	355,190	355,190	342,252	12,938	355,190	355,190
Special Assmnts- Lakes 30A & 30B	60,923	60,922	60,923	58,703	2,220	60,923	60,923
Special Assmnts- Reserves	31,250	31,250	31,250	30,112	1,138	31,250	31,250
Special Assmnts- Discounts	(16,333)	(16,269)	(17,894)	(16,705)	(96)	(16,801)	(17,895)
Other Miscellaneous Revenue	41,800	115,152	-	-	-	-	-
TOTAL REVENUES	525,463	583,973	431,469	416,258	18,605	434,863	431,968
EXPENDITURES							
<i>Administrative</i>							
P/R-Board of Supervisors	8,000	6,600	9,000	3,600	5,400	9,000	9,000
FICA Taxes	612	505	689	275	413	688	689
ProfServ-Arbitrage Rebate	-	-	600	-	600	600	600
ProfServ-Dissemination Agent	1,500	1,500	1,500	625	875	1,500	1,500
ProfServ-Engineering	27,411	9,937	14,000	6,201	8,681	14,882	14,000
ProfServ-Legal Services	28,676	28,714	13,000	1,450	2,030	3,480	11,500
ProfServ-Mgmt Consulting Serv	44,972	46,270	47,658	19,858	27,800	47,658	49,088
ProfServ-Property Appraiser	6,710	1,726	6,710	210	-	210	6,710
ProfServ-Special Assessment	6,200	6,600	6,798	6,798	-	6,798	7,002
ProfServ-Trustee Fees	-	6,059	5,157	6,235	1,000	7,235	8,235
ProfServ-Web Site Maintenance	1,000	1,100	1,133	472	661	1,133	1,167
Auditing Services	5,800	5,900	5,900	-	5,900	5,900	4,900
Website Compliance	-	-	1,553	776	776	1,552	1,553
Postage and Freight	739	473	2,500	143	463	606	2,500
Insurance - General Liability	7,750	7,749	8,524	7,749	-	7,749	8,524
Printing and Binding	1,911	21	711	232	325	557	711
Legal Advertising	1,806	3,388	3,000	399	559	958	2,000
Misc-Bank Charges	1	-	100	-	58	58	100
Misc-Assessmnt Collection Cost	4,174	6,659	8,947	8,287	282	8,569	8,947
Misc-Web Hosting	1,612	3,568	2,000	1,725	275	2,000	2,000
Office Supplies	-	-	100	-	58	58	100
Annual District Filing Fee	175	175	175	175	-	175	175
Total Administrative	149,049	136,944	139,755	65,210	56,156	121,366	141,000

Summary of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2022 Approved Budget

ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ADOPTED	ACTUAL	PROJECTED	TOTAL	ANNUAL
	FY 2019	FY 2020	BUDGET	THRU	MAR-	PROJECTED	BUDGET
			FY 2021	FEB-2021	SEP-2021	FY 2021	FY 2022
Field							
ProfServ-Field Management	20,688	18,174	13,215	5,881	7,334	13,215	13,611
R&M-Contingency	-	-	42	-	42	42	92
Capital Outlay	95,675	-	-	-	-	-	-
Total Field	116,363	18,174	13,257	5,881	7,376	13,257	13,703
Lakes and Ponds							
Contracts-Lakes 1-29	67,200	67,200	71,200	28,000	43,200	71,200	71,200
Contracts-Water Analysis	5,600	-	9,861	-	9,861	9,861	9,861
Contracts-Water Quality Monitoring	27,700	27,700	27,700	13,850	13,850	27,700	27,700
Contracts-Lakes 30A & 30B	18,000	24,000	24,000	10,000	14,000	24,000	24,000
Contracts-Sediment Testing	6,675	-	6,675	-	6,675	6,675	5,483
R&M-Aquascaping	2,559	4,703	3,500	-	2,042	2,042	3,500
R&M - Stormwater System	4,000	50	4,000	-	4,000	4,000	4,000
R&M-Lake Erosion	575	132,475	76,024	-	76,024	76,024	76,024
R&M-Contingency	5,250	3,000	5,792	1,650	4,142	5,792	5,792
Improvement-Lake Bank Restoration	1,200	-	-	-	-	-	-
Reserve - Lakes	-	-	31,250	-	-	-	31,250
Reserve - Stormwater System	33,600	-	18,455	-	-	-	18,455
Total Lakes and Ponds	172,359	259,128	278,457	53,500	173,794	227,294	277,265
TOTAL EXPENDITURES	437,771	414,246	431,469	124,591	237,326	361,917	431,969
Excess (deficiency) of revenues							
Over (under) expenditures	87,692	169,727	-	291,667	(218,721)	72,946	-
OTHER FINANCING SOURCES (USES)							
Interfund Transfer - In	-	4,465	-	-	-	-	-
TOTAL OTHER SOURCES (USES)	-	4,465	-	-	-	-	-
Net change in fund balance	87,692	174,192	-	291,667	(218,721)	72,946	-
FUND BALANCE, BEGINNING	419,885	\$ 507,577	681,769	681,769	-	681,769	754,715
FUND BALANCE, ENDING	\$ 507,577	\$ 681,769	\$ 681,769	\$ 973,436	\$ (218,721)	\$ 754,715	\$ 754,715

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Community Development District

Exhibit "A" Allocation of Fund Balances

AVAILABLE FUNDS

	<u>Amount</u>
Beginning Fund Balance - Fiscal Year 2022	\$ 754,715
Net Change in Fund Balance - Fiscal Year 2022	-
Reserves - Fiscal Year 2022 Additions	49,705
Total Funds Available (Estimated) - 9/30/2022	804,420

ALLOCATION OF AVAILABLE FUNDS

Assigned Fund Balance

Operating Reserve - First Quarter Operating Capital		95,566 ⁽¹⁾
Reserves - Erosion Control (Prior years)		14,687
Reserves - Lakes (Prior Years)	156,250	
Reserves - Lakes (FY21)	31,250	
Reserves - Lakes (FY22)	<u>31,250</u>	218,750
Reserves - Stormwater System (Prior Years)	21,765	
Reserves - Stormwater System (FY21)	18,455	
Reserves - Stormwater System (FY22)	<u>18,455</u>	58,675
	Subtotal	<u>387,678</u>

Total Allocation of Available Funds	387,678
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Total Unassigned (undesignated) Cash	\$ <u>416,742</u>
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Notes

(1) Represents approximately 3 months of operating expenditures

Budget Narrative
Fiscal Year 2022

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.

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. FICA Taxes are calculated at 7.65% of gross payroll.

Professional Services-Arbitrage Rebate

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

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 2022**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.

Website Compliance

Inframark Infrastructure Management Services oversees the District's email accounts and provides assistance to Campus Suite regarding the website as necessary.

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.

Budget Narrative
Fiscal Year 2022

EXPENDITURES (continued)

Administrative (continued)

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.

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.

Budget Narrative
Fiscal Year 2022

EXPENDITURES (continued)

Lakes & Ponds (continued)

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.

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.

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Community Development District

Debt Service Budget

Fiscal Year 2022

Summary of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2022 Approved Budget

ACCOUNT DESCRIPTION	ACTUAL	ACTUAL	ADOPTED	ACTUAL	PROJECTED	TOTAL	ANNUAL
	FY 2019	FY 2020	BUDGET	THRU	MAR-	PROJECTED	BUDGET
			FY 2021	FEB-2021	SEP-2021	FY 2021	FY 2022
REVENUES							
Interest - Investments	\$ 17,479	\$ 6,613	\$ 3,000	\$ 18	\$ 525	\$ 543	\$ 1,000
Special Assmnts- Tax Collector	1,689,155	1,689,157	1,689,155	1,627,628	61,527	1,689,155	1,689,155
Special Assmnts- Discounts	(61,668)	(61,429)	(67,566)	(63,073)	(615)	(67,566)	(67,566)
TOTAL REVENUES	1,644,966	1,634,341	1,624,589	1,564,573	61,437	1,622,132	1,622,589
EXPENDITURES							
<i>Administrative</i>							
ProfServ-Property Appraiser	19,629	6,493	25,337	598	-	598	25,337
ProfServ-Trustee Fees	3,189	-	-	-	-	-	-
Misc-Assessmnt Collection Cost	15,757	25,142	33,784	31,291	1,231	32,522	33,783
Total Administrative	38,575	31,635	59,121	31,889	1,231	33,120	59,120
<i>Debt Service</i>							
Principal Debt Retirement	990,000	1,005,000	1,030,000	-	1,030,000	1,030,000	1,055,000
Principal Prepayments	5,000	10,000	-	5,000	-	5,000	-
Interest Expense	597,305	556,463	535,031	267,441	267,441	534,882	511,706
Total Debt Service	1,592,305	1,571,463	1,565,031	272,441	1,297,441	1,569,882	1,566,706
TOTAL EXPENDITURES	1,630,880	1,603,098	1,624,152	304,330	1,298,671	1,603,001	1,625,827
Excess (deficiency) of revenues							
Over (under) expenditures	14,086	31,243	437	1,260,243	(1,237,234)	19,131	(3,238)
OTHER FINANCING SOURCES (USES)							
Interfund Transfer - In	-	1	-	-	-	-	-
Operating Transfers - Out	(600)	(4,465)	-	-	-	-	-
Contribution to (Use of) Fund Balance	-	-	437	-	-	-	(3,238)
TOTAL OTHER SOURCES (USES)	(600)	(4,464)	437	-	-	-	(3,238)
Net change in fund balance	13,486	26,779	437	1,260,243	(1,237,234)	19,131	(3,238)
FUND BALANCE, BEGINNING	855,431	868,917	895,696	895,696	-	895,696	914,827
FUND BALANCE, ENDING	\$ 868,917	\$ 895,696	\$ 896,133	\$ 2,155,939	\$ (1,237,234)	\$ 914,827	\$ 911,589

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Community Development District

Capital Improvement Revenue Refunding Bonds, Series 2018A**Debt Service Schedule (After 05/01/2020 Payment Date)**

	Outstanding Par	Principal	Interest	Total	Annual
11/1/2021	16,830,000		255,853	255,853	1,553,294
5/1/2022	16,830,000	1,055,000	255,853	1,310,853	
11/1/2022	15,775,000		242,666	242,666	1,553,519
5/1/2023	15,775,000	1,090,000	242,666	1,332,666	
11/1/2023	14,685,000		228,359	228,359	1,561,025
5/1/2024	14,685,000	1,120,000	228,359	1,348,359	
11/1/2024	13,565,000		213,659	213,659	1,562,019
5/1/2025	13,565,000	1,150,000	213,659	1,363,659	
11/1/2025	12,415,000		197,847	197,847	1,561,506
5/1/2026	12,415,000	1,180,000	197,847	1,377,847	
11/1/2026	11,235,000		180,147	180,147	1,557,994
5/1/2027	11,235,000	1,220,000	180,147	1,400,147	
11/1/2027	10,015,000		161,847	161,847	1,561,994
5/1/2028	10,015,000	1,250,000	161,847	1,411,847	
11/1/2028	8,765,000		143,097	143,097	1,554,944
5/1/2029	8,765,000	1,285,000	143,097	1,428,097	
11/1/2029	7,480,000		123,822	123,822	1,551,919
5/1/2030	7,480,000	965,000	123,822	1,088,822	
11/1/2030	6,515,000		108,744	108,744	1,197,566
5/1/2031	6,515,000	1,000,000	108,744	1,108,744	
11/1/2031	5,515,000		92,494	92,494	1,201,238
5/1/2032	5,515,000	1,030,000	92,494	1,122,494	
11/1/2032	4,485,000		75,756	75,756	1,198,250
5/1/2033	4,485,000	1,065,000	75,756	1,140,756	
11/1/2033	3,420,000		58,450	58,450	1,199,206
5/1/2034	3,420,000	1,100,000	58,450	1,158,450	
11/1/2034	2,320,000		39,888	39,888	1,198,338
5/1/2035	2,320,000	1,140,000	39,888	1,179,888	
11/1/2035	1,180,000		20,650	20,650	1,200,538
5/1/2036	1,180,000	1,180,000	20,650	1,200,650	
		16,830,000	4,286,556	21,116,556	

Budget Narrative
Fiscal Year 2022

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.

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Community Development District

Supporting Budget Schedules

Fiscal Year 2022

**Comparison of Assessment Rates
Fiscal Year 2022 vs. Fiscal Year 2021**

Product	General Fund			Series 2018 Debt Service			Total Assessments per Unit			Units
	FY 2022	FY 2021	Percent Change	FY 2022	FY 2021	Percent Change	FY 2022	FY 2021	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