

Annual Operating Budget

Fiscal Year 2018

(Adopted 07/24/2017)

Heritage Palms Community Development District



Prepared By



HERITAGE PALMS

Community Development District

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HERITAGE PALMS

Community Development District

Operating Budget

Fiscal Year 2018

Statement of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2018 Proposed Budget

	ACTUAL	ACTUAL	ADOPTED	ADOPTED	ACTUAL	PROJECTED	TOTAL	PROPOSED
	FY 2015	FY 2016	BUDGET	BUDGET	OCT	MAY	PROJECTED	BUDGET
			FY 2016	FY 2017	APR - 2017	SEP - 2017	2017	FY 2018
Revenues								
Interest - Investments	1,305	2,421	700	1,200	1,476	1,054	2,530	1,200
Interest - Tax Collector	119	-	-	-	63	25	88	-
Special Assmnts- Tax Collector	457,050	498,600	498,600	498,600	489,518	9,082	498,600	498,600
Special Assmnts- Discounts	(15,880)	(18,345)	(19,944)	(19,944)	(18,472)	-	(18,472)	(19,944)
Other Miscellaneous Revenues	10	-	-	-	901	-	901	-
Total Revenues	442,604	482,676	479,356	479,856	473,486	10,161	483,647	479,856
Expenses								
Administrative								
P/R-Board of Supervisors	4,800	8,200	6,000	6,000	3,000	3,000	6,000	6,000
FICA Taxes	367	627	459	459	230	230	460	459
Profserv-Engineering	8,432	6,395	10,000	10,000	4,872	5,000	9,872	10,000
Profserv-Legal Services	1,075	260	5,000	3,500	7,300	1,500	8,800	3,500
Profserv-Mgmt Consulting Serv	56,228	57,915	57,915	59,652	38,608	24,855	63,463	59,652
Profserv-Property Appraiser	2,412	1,662	1,662	1,662	1,662	-	1,662	1,662
Profserv-Special Assessment	4,841	4,841	4,841	4,841	3,631	2,015	5,646	4,841
Auditing Services	4,500	4,500	4,500	4,500	-	4,500	4,500	4,500
Communication - Telephone	-	-	25	-	-	-	-	-

Statement of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2018 Proposed Budget

	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>ADOPTED</u>	<u>ADOPTED</u>	<u>ACTUAL</u>	<u>PROJECTED</u>	<u>TOTAL</u>	<u>PROPOSED</u>
	<u>FY 2015</u>	<u>FY 2016</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>OCT</u>	<u>MAY</u>	<u>PROJECTED</u>	<u>BUDGET</u>
			<u>FY 2016</u>	<u>FY 2017</u>	<u>APR - 2017</u>	<u>SEP - 2017</u>	<u>2017</u>	<u>FY 2018</u>
Postage and Freight	620	1,437	800	800	249	250	499	800
Insurance - General Liability	7,578	7,670	8,715	8,000	7,760	-	7,760	8,000
Printing and Binding	1,284	634	1,000	1,000	-	668	668	1,000
Legal Advertising	1,060	1,351	1,500	1,500	582	900	1,482	1,500
Misc-Bank Charge	594	914	600	600	407	290	697	600
Misc-Assessment Collection Cost	2,277	2,327	2,493	2,493	2,327	150	2,477	2,493
Misc-Web Hosting	177	400	470	470	415	195	610	470
Office Supplies	176	182	400	400	-	50	50	400
Annual District Filing Fee	175	175	175	175	175	-	175	175
Total Administrative	96,596	99,490	106,555	106,052	71,218	43,603	114,821	106,052
Field								
Profserv-Field Management	7,850	10,000	10,000	13,000	6,500	5,415	11,915	13,000
Contracts-Preserve Maintenance	15,917	15,760	15,760	15,760	7,880	7,880	15,760	15,760
Contracts-Lakes	60,000	80,211	70,000	94,512	55,132	39,380	94,512	94,512
Contracts-Aerator Maintenance	4,600	4,660	6,000	6,000	2,360	2,000	4,360	6,000
Electricity - Aerator	9,598	8,758	11,000	10,000	5,237	3,741	8,978	10,000
Electricity - Fountain	-	-	10,000	7,000	-	-	-	2,000
R&M-Aquascaping	1,192	-	5,000	4,000	-	4,000	4,000	4,000

Statement of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2018 Proposed Budget

	ACTUAL FY 2015	ACTUAL FY 2016	ADOPTED BUDGET FY 2016	ADOPTED BUDGET FY 2017	ACTUAL OCT APR - 2017	PROJECTED MAY SEP - 2017	TOTAL PROJECTED 2017	PROPOSED BUDGET FY 2018
R&M-Contingency	5,276	921	14,041	19,544	-	13,028	13,028	17,044
R&M-Lake	4,724	4,015	5,000	5,000	4,424	3,332	7,756	5,000
R&M-Preserves	16,131	9,224	13,000	12,488	6,909	8,324	15,233	12,488
R&M-Lake Erosion	-	15,700	5,000	5,000	5,500	3,332	8,832	5,000
Improvements - Fountain	-	17,900	23,000	-	-	-	-	-
Total Field	125,288	167,149	187,801	192,304	93,942	90,432	184,374	184,804
<u>Road and Street Facilities</u>								
R&M-Storm Drain Cleaning	9,222	560	25,000	24,500	363	8,000	8,363	24,500
R&M-Concrete	35,325	15,350	10,000	10,000	775	5,000	5,775	10,000
R&M-Sidewalk Cleaning	22,200	973	15,000	12,000	11,678	-	11,678	12,000
R&M-Roads	5,375	7,875	5,000	5,000	1,301	1,000	2,301	-
Total Road and Street Facilities	72,122	24,758	55,000	51,500	14,117	14,000	28,117	46,500
<u>Reserves</u>								
Reserve - Bulkheads	-	-	30,000	100,000	-	130,000	130,000	65,000
Reserve - Roadways	-	-	100,000	30,000	-	400,000	400,000	75,000
Total Reserves	-	-	130,000	130,000	-	530,000	530,000	140,000

Statement of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2018 Proposed Budget

	ACTUAL FY 2015	ACTUAL FY 2016	ADOPTED BUDGET FY 2016	ADOPTED BUDGET FY 2017	ACTUAL OCT APR - 2017	PROJECTED MAY SEP - 2017	TOTAL PROJECTED 2017	PROPOSED BUDGET FY 2018
Total Expenses	294,006	291,397	479,356	479,856	179,277	678,035	857,312	477,356
Revenue Over (Under) Expenses	148,598	191,279	-	-	294,209	(667,874)	(373,665)	2,500
Fund Balance Beginning	288,151	436,749	436,749	590,007	628,030	922,239	628,030	254,365
Fund Balance Ending	436,749	628,030	436,749	628,030	922,239	254,365	254,365	256,865

RESERVES	FY 2017	FY 2017 Expenses	FY 2018
Operating	87,464		87,464
Bulkheads	140,000	130,000	75,000
Roads	515,000	400,000	190,000
Unallocated	15,566		46,901

Budget Narrative

Fiscal Year 2018

REVENUES

Interest-Investments

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

Interest-Tax Collector

The County Tax Collector invests assessments collected and invests them until paid to the CDD, any interest earned in that time is given to the District.

Special Assessments-Tax Collector

The District will levy a Non-Ad Valorem assessment on all the assessable property within the District to pay for the operating expenditures during the Fiscal Year.

Special Assessments-Discounts

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.

Other Miscellaneous Revenues

This is where unanticipated revenues are received, for example in the current fiscal year \$900 was paid by the Tax Collector from FY2015 and couldn't be reassigned to the FY2016 FY. Therefore, it was accounted for here.

EXPENSES

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 six meetings.

FICA Taxes

Taxes are calculated as 7.65% of board payroll.

Professional Services-Engineering

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

Budget Narrative

Fiscal Year 2018

EXPENSES

Administrative *(continued)***Professional Services-Property Appraiser**

The Lee County 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 Lee County Property Appraiser for necessary administrative costs incurred to provide this service. The budget for property appraiser costs is based upon \$1.00/parcel.

Professional Services-Special Assessment

The District receives assessment services as part of a Management Agreement with PDM, Inc. This fee includes preparation of the annual assessment roll for submittal to the County Tax Collector. In addition, the fee includes the maintenance of the debt service lien book/roll and answering questions and estoppel inquiries from the residents and realtors.

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 the prior year.

Postage and Freight

Actual postage and/or freight 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 insurance coverage to governmental agencies. The amount in the budget represents approximately 3% increase.

Printing and Binding

Unanticipated 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 monthly Board meetings and other public hearings in a newspaper of general circulation.

Miscellaneous-Bank Charges

This includes monthly bank charges for the maintenance of the operating accounts.

Miscellaneous-Assessment Collection Costs

The District reimburses the Lee County Tax Collector for the necessary administrative costs and the actual cost of collection or 2% on the amount of special assessments collected and remitted, whichever is greater. The budget for collection costs is based on \$1.50/parcel.

Miscellaneous-Web Hosting

The District expects to incur costs associated with maintaining the website.

Budget Narrative

Fiscal Year 2018

EXPENSES

Administrative *(continued)***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 Community Affairs.

Field**Professional Services-Field Management**

The District contracts with PDM for field management services for the District.

Contracts-Preserve Maintenance

This is for the maintenance of the preserves of the District and includes Uplands, LLC semi-annual preserve maintenance services at \$15,760/yr.

Contracts-Lakes

The District currently has a contract with Lake & Wetland Management to provide monthly maintenance of the lakes within the District at a charge of \$7,876/month.

Contracts-Aerator Maintenance

Maintenance of the lake aerators in the lakes around the District and includes Aquatic System's semi-annual services for \$6,000/year.

Electricity-Aerator

This is for the electricity to run the various aerators within the District.

Electricity-Fountain

This is for the electricity for the lake fountains.

R&M-Aquascaping

This is for the littoral plantings that are necessary for the District.

R&M-Contingency

Any costs incurred not budgeted within another line item.

R&M-Lake

Any costs associated with the non-routine maintenance of the lakes.

R&M-Preserves

Costs associated with the maintenance of the preserves and the fence line between residential properties and the preserve areas.

Budget Narrative

Fiscal Year 2018

EXPENSES

Field *(continued)***R&M-Lake Erosion**

Costs associated with the repair and prevention of erosion around the lakes.

Improvement-Fountain

This is for installation of new fountains but none are planned for FY2018.

Road and Street Facilities**R&M-Storm Drain Cleaning**

This is for the repairs, maintenance and cleaning of the storm drains of the District.

R&M-Concrete

This is for repairs and maintenance of the concrete in the District.

R&M-Sidewalk Cleaning

This is for the cleaning of the sidewalks in the District.

R&M-Roads

This is for repairs and maintenance of the roads in the District.

Reserves**Reserve-Bulkheads**

Funds to be set aside as assigned reserves for future significant repairs and replacement of Bulkheads.

Reserve-Roadways

Funds to be set aside as assigned reserves for future significant roadway repairs.

HERITAGE PALMS

Community Development District

Supporting Budget Schedule

Fiscal Year 2018

Exhibit "A"
Allocation of Fund Balances

<u>AVAILABLE FUNDS</u>	<u>Amount</u>
Beginning Fund Balance - Fiscal Year 2018	256,865
Net Change in Fund Balance - Fiscal Year 2018	2,500
Reserves - Fiscal Year 2018 Additions	140,000
Total Funds Available (Estimated) - 09/30/2017	399,365
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<u>ALLOCATION OF AVAILABLE FUNDS</u>	
Assigned Fund Balance	
Operating Reserves - First Quarter Operating Capital	87,464 ⁽¹⁾
Bulkheads	
Reserves - Bulkheads FY 2015	10,000
Reserves - Bulkheads FY 2016	30,000
Reserves - Bulkheads FY 2017	100,000
Reserves - Bulkheads FY 2018	65,000
<i>Bulkheads Reserve Total</i>	205,000
Expenses - Bulkheads FY 2017	130,000
<i>Bulkheads Expenses Total</i>	<u>130,000</u>
Funds Remaining	75,000 75,000
Roadways	
Reserves - Roadways FY 2015	385,000
Reserves - Roadways FY 2016	100,000
Reserves - Roadways FY 2017	30,000
Reserves - Roadways FY 2018	75,000
<i>Roadways Reserve Total</i>	590,000
Expenses - Roadways FY 2017	400,000
Expenses - Roadways FY 2018	-
<i>Roadways Expenses Total</i>	<u>400,000</u>
Funds Remaining	190,000 190,000
Total Allocation of Available Funds	\$ 352,464
Total Unassigned (undesignated) Cash	46,901

Notes

⁽¹⁾ Represents approximately less than 3 months of operating expenditures, net of capital expenditures.

Comparison of Assessment Rates

Fiscal Year 2018 vs Fiscal Year 2017

Number of Units	FY 2018 per Unit	FY 2017 per Unit	Increase (Decrease)	Total Assessments
1662	\$ 300	\$ 300	-	\$ 498,600