



Rizzetta & Company

# Heritage Harbour South Community Development District

[Heritageharboursouthcdd.org](http://Heritageharboursouthcdd.org)

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**Proposed Budget for Fiscal Year 2017/2018**

**Presented by: Rizzetta & Company, Inc.**

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**The following are enclosed in this Proposed Budget Packet:**

- ❖ General Fund Budget Account Category Descriptions
- ❖ Reserve Fund Budget Account Category Descriptions
- ❖ Debt Service Fund Budget Account Category Descriptions
- ❖ Proposed General Fund Budget worksheets for Fiscal Year 2017/2018
- ❖ Proposed Reserve Fund worksheets for Fiscal Year 2017/2018
- ❖ Proposed Debt Service Fund Budget worksheets for Fiscal Year 2017/2018
- ❖ Current Fiscal Year versus Proposed Fiscal Year Assessment Charts
- ❖ Proposed Assessments Charts for Fiscal Year 2017/2018

**THE BUDGET PROPOSAL PACKET FOR FISCAL YEAR 2017/2018 IS SIMPLY A PROPOSED BUDGET AND PROPOSED LEVEL OF ASSESSMENTS WHICH ARE DONE AS PART OF THE BUDGET PROCESS. THESE ARE NOT FINAL AND SHOULD NOT BE CONSTRUED AS FINAL, UNTIL AFTER THE BOARD OF SUPERVISORS HAS HELD A PUBLIC HEARING ON THE BUDGET AND ADOPTED THE FINAL BUDGET AND LEVIED ASSESSMENTS.**



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## GENERAL FUND BUDGET ACCOUNT CATEGORY DESCRIPTION

The General Fund Budget Account Category Descriptions are subject to change at any time depending on its application to the District. Please note, not all General Fund Budget Account Category Descriptions are applicable to the District indicated above. Uses of the descriptions contained herein are intended for general reference.

### REVENUES:

**Interest Earnings:** The District may earn interest on its monies in the various operating accounts.

**Tax Roll:** The District levies Non-Ad Valorem Special Assessments on all of the assessable property within the District to pay for operating expenditures incurred during the Fiscal Year. The assessments may be collected in two ways. The first is by placing them on the County's Tax Roll, to be collected with the County's Annual Property Tax Billing. This method is only available to land properly platted within the time limits prescribed by the County.

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### EXPENDITURES – ADMINISTRATIVE:

**Supervisor Fees:** The District may compensate its supervisors within the appropriate statutory limits of \$200.00 maximum per meeting within an annual cap of \$4,800.00 per supervisor.

**Administrative Services:** The District will incur expenditures for the day to today operation of District matters. These items include but are not limited to mailing and preparation of agenda packages, overnight deliveries, facsimiles and long distance phone calls.

Also, each Board Supervisor and the District Staff are entitled to reimbursement for travel expenses per Florida Statutes 190.006(8). Finally, this line item also includes a cost for the storage of all the District's official records, supplies and files.

**District Management:** The District as required by statute, will contract with a firm to provide for management and administration of the District's day to day administrative needs. The cost to maintain the minutes of all Board meetings, preparing various resolutions and all other secretarial duties requested by the District throughout the year is also reflected in this amount.

**District Engineer:** The District's engineer provides general engineering services to the District. Among these services are attendance at and preparation for monthly board meetings, review of construction invoices and all other engineering services requested by the district throughout the year.

**Disclosure Report:** The District is required to file quarterly and annual disclosure reports, as required in the District's Trust Indenture, with the specified repositories. This is contracted out to a third party in compliance with the Trust Indenture.



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**Trustee's Fees:** The District will incur annual trustee's fees upon the issuance of bonds for the oversight of the various accounts relating to the bond issues.

**Assessment Roll:** The District will contract with a firm to maintain the assessment roll and annually levy a Non-Ad Valorem assessment for operating and debt service expenses.

**Financial & Revenue Collections:** Services include, but are not limited to responding to bondholder questions, prepayment analysis, long term pay-offs and true-up analysis. This line item also includes the fees incurred for a Collection Agent to collect the funds for the principal and interest payment for its short-term bond issues and any other bond related collection needs. These funds are collected as prescribed in the Trust Indenture. The Collection Agent also provides for the release of liens on property after the full collection of bond debt levied on particular properties.

**Accounting Services:** The District has contracted for maintenance of accounting records. These services include, but are not limited to accounts payable, accounts receivable and preparation of financial reports for the district. This also includes all preparations necessary for the fiscal year end audits to be done.

**Auditing Services:** The District is required annually to conduct an audit of its financial records by an Independent Certified Public Accounting firm, once it reaches certain revenue and expenditure levels, or has issued bonds and incurred debt.

**Arbitrage Rebate Calculation:** The District is required to calculate the interest earned from bond proceeds each year pursuant to the Internal Revenue Code of 1986. The Rebate Analyst is required to verify that the District has not received earnings higher than the yield of the bonds.

**Public Officials Liability Insurance:** The District will incur expenditures for public officials' liability insurance for the Board and Staff.

**Legal Advertising:** The District will incur expenditures related to legal advertising. The items for which the District will advertise include, but are not limited to meeting schedules, special meeting notices, and public hearings, bidding etc. for the District based on statutory guidelines

**Dues, Licenses & Fees:** The District is required to pay an annual fee to the Department of Economic Opportunity, along with other items which may require licenses or permits, etc.

**Miscellaneous Fees:** The District could incur miscellaneous throughout the year, which may not fit into any standard categories.

**Website Hosting, Maintenance and Email:** The District may incur fees as they relate to the development and ongoing maintenance of its own website along with possible email services if requested.

**District Counsel:** The District's legal counsel provides general legal services to the District. Among these services are attendance at and preparation for monthly board meetings, review of operating and maintenance contracts and all other legal services requested by the district throughout the year.



**Deputy Services:** The District may wish to contract with the local police agency to provide security for the District.

**Aquatic Maintenance:** Expenses related to the care and maintenance of the lakes and ponds for the control of nuisance plant and algae species.

**Lake/Pond Bank Maintenance:** The District may incur expenditures to maintain lake banks, etc. for the ponds and lakes within the District's boundaries, along with planting of beneficial aquatic plants, stocking of fish, mowing and landscaping of the banks as the District determines necessary.

**Wetland Monitoring & Maintenance:** The District may be required to provide for certain types of monitoring and maintenance activities for various wetlands and waterways by other governmental entities.

**Mitigation Area Monitoring & Maintenance:** The District may be required to provide for certain types of monitoring and maintenance activities for various mitigation areas by other governmental entities.

**Aquatic Plant Replacement:** The expenses related to replacing beneficial aquatic plants, which may or may not have been required by other governmental entities.

**General Liability Insurance:** The District will incur fees to insure items owned by the District for its general liability needs

**Property Insurance:** The District will incur fees to insure items owned by the District for its property needs

**Irrigation Repairs:** The District will incur expenditures related to repairs of the irrigation systems.

**Miscellaneous Fees:** The District may incur miscellaneous expenses that do not readily fit into defined categories in field operations.

**Gate Facility Maintenance:** Expenses related to the ongoing repairs and maintenance of gates owned by the District if any.

**Sidewalk Repair & Maintenance:** Expenses related to sidewalks located in the right of way of streets the District may own if any.

**Roadway Repair & Maintenance:** Expenses related to the repair and maintenance of roadways owned by the District if any.

**Gate Maintenance & Repairs:** Any ongoing gate repairs and maintenance would be included in this line item.

**Miscellaneous Contingency:** Monies collected and allocated for expenses that the District could incur throughout the year, which may not fit into any standard categories.



## RESERVE FUND BUDGET ACCOUNT CATEGORY DESCRIPTION

The Reserve Fund Budget Account Category Descriptions are subject to change at any time depending on its application to the District. Please note, not all Reserve Fund Budget Account Category Descriptions are applicable to the District indicated above. Uses of the descriptions contained herein are intended for general reference.

### REVENUES:

**Tax Roll:** The District levies Non-Ad Valorem Special Assessments on all of the assessable property within the District to pay for operating expenditures incurred during the Fiscal Year. The assessments may be collected in two ways. The first is by placing them on the County's Tax Roll, to be collected with the County's Annual Property Tax Billing. This method is only available to land properly platted within the time limits prescribed by the County.

**Miscellaneous Revenues:** The District may receive monies for the sale or provision of electronic access cards, entry decals etc.

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### EXPENDITURES:

**Capital Reserves:** Monies collected and allocated for the future repair and replacement of various capital improvements such as roads, etc.

**Capital Reserves – Disaster:** Monies collected and allocated for various requirements related to disaster recovery operations of District owned properties.

## DEBT SERVICE FUND BUDGET ACCOUNT CATEGORY DESCRIPTION

The Debt Service Fund Budget Account Category Descriptions are subject to change at any time depending on its application to the District. Please note, not all Debt Service Fund Budget Account Category Descriptions are applicable to the District indicated above. Uses of the descriptions contained herein are intended for general reference.

### REVENUES:

**Special Assessments:** The District may levy special assessments to repay the debt incurred by the sale of bonds to raise working capital for certain public improvements. The assessments may be collected in the same fashion as described in the Operations and Maintenance Assessments.

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### EXPENDITURES – ADMINISTRATIVE:

**Bank Fees:** The District may incur bank service charges during the year.

**Debt Service Obligation:** This would be a combination of the principal and interest payment to satisfy the annual repayment of the bond issue debt.



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**Heritage Harbour South Community Development District**  
**Debt Service**  
**Fiscal Year 2017/2018**

Chart of Accounts Classification	Series 2015	Series 2013	Budget for 2017/2018
<b>REVENUES</b>			
Special Assessments			
Net Special Assessments <sup>(1)</sup>	\$ 123,453.93	\$ 503,210.85	\$ 626,664.78
<b>TOTAL REVENUES</b>	<b>\$ 123,453.93</b>	<b>\$ 503,210.85</b>	<b>\$ 626,664.78</b>
<b>EXPENDITURES</b>			
<b>Administrative</b>			
Financial & Administrative			
Bank Fees			\$ -
Debt Service Obligation	\$ 123,453.93	\$ 503,210.85	\$ 626,664.78
<b>Administrative Subtotal</b>	<b>\$ 123,453.93</b>	<b>\$ 503,210.85</b>	<b>\$ 626,664.78</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 123,453.93</b>	<b>\$ 503,210.85</b>	<b>\$ 626,664.78</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Collection and Discount % applicable to the county: 7.0%

**Gross assessments** \$ **672,964.76**

**Notes:**

Tax Roll Collection Costs for Manatee County is 7.0% of Tax Roll. Budgeted net of tax roll assessments. See Assessment Table.

<sup>(1)</sup> Maximum Annual Debt Service less Prepaid Assessments received.

Heritage Harbour South Community Development District

FISCAL YEAR 2017/2018 O&M & DEBT SERVICE ASSESSMENT SCHEDULE

2017/2018 O&M Budget	\$461,682.00
Manatee County 7% Collection Cost:	\$34,750.26
2017/2018 Total:	<u>\$496,432.26</u>
2016/2017 O&M Budget	\$411,913.65
2017/2018 O&M Budget	\$461,682.00
Total Difference:	<u>\$49,768.35</u>

	PER UNIT ANNUAL ASSESSMENT		Proposed Increase / Decrease	
	2016/2017	2017/2018	\$	%
Series 2013 Debt Service - Single Family 55'	\$466.27	\$466.27	\$0.00	0.00%
Operations/Maintenance - Single Family 55'	\$328.60	\$363.29	\$34.69	10.56%
<b>Total</b>	<b>\$794.87</b>	<b>\$829.56</b>	<b>\$34.69</b>	<b>4.36%</b>
Series 2013 Debt Service - Single Family 65'	\$618.86	\$618.86	\$0.00	0.00%
Operations/Maintenance - Single Family 65'	\$335.97	\$370.57	\$34.60	10.30%
<b>Total</b>	<b>\$954.83</b>	<b>\$989.43</b>	<b>\$34.60</b>	<b>3.62%</b>
Series 2013 Debt Service - Single Family 80'	\$771.46	\$771.46	\$0.00	0.00%
Operations/Maintenance - Single Family 80'	\$350.71	\$385.13	\$34.42	9.81%
<b>Total</b>	<b>\$1,122.17</b>	<b>\$1,156.59</b>	<b>\$34.42</b>	<b>3.07%</b>
Series 2013 Debt Service - Single Family 85'	\$915.58	\$915.58	\$0.00	0.00%
Operations/Maintenance - Single Family 85'	\$355.33	\$389.69	\$34.36	9.67%
<b>Total</b>	<b>\$1,270.91</b>	<b>\$1,305.27</b>	<b>\$34.36</b>	<b>2.70%</b>
Series 2013 Debt Service - Stone Harbour Condo.	\$296.71	\$296.71	\$0.00	0.00%
Operations/Maintenance - Stone Harbour Condo.	\$275.48	\$310.81	\$35.33	12.82%
<b>Total</b>	<b>\$572.19</b>	<b>\$607.52</b>	<b>\$35.33</b>	<b>6.17%</b>
Series 2013 Debt Service - Twin Villas	\$385.73	\$385.73	\$0.00	0.00%
Operations/Maintenance - Twin Villas	\$284.69	\$319.91	\$35.22	12.37%
<b>Total</b>	<b>\$670.42</b>	<b>\$705.64</b>	<b>\$35.22</b>	<b>5.25%</b>
Series 2013 Debt Service - Club Home	\$385.73	\$385.73	\$0.00	0.00%
Operations/Maintenance - Club Home	\$281.46	\$316.72	\$35.26	12.53%
<b>Total</b>	<b>\$667.19</b>	<b>\$702.45</b>	<b>\$35.26</b>	<b>5.28%</b>
Series 2013 Debt Service - Golf Course (per acre)	\$1,898.18	\$1,898.18	\$0.00	0.00%
Operations/Maintenance - Golf Course	\$1,067.76	\$1,093.45	\$25.69	2.41%
<b>Total</b>	<b>\$2,965.94</b>	<b>\$2,991.63</b>	<b>\$25.69</b>	<b>0.87%</b>
Series 2015 Debt Service - LHC - Single Family 40'	\$303.90	\$303.90	\$0.00	0.00%
Operations/Maintenance - LHC - Single Family 40'	\$215.90	\$251.95	\$36.05	16.70%
<b>Total</b>	<b>\$519.80</b>	<b>\$555.85</b>	<b>\$36.05</b>	<b>6.94%</b>
Series 2015 Debt Service - Lighthouse Cove Condo	\$227.92	\$227.92	\$0.00	0.00%
Operations/Maintenance - Lighthouse Cove Condo	\$203.13	\$239.34	\$36.21	17.83%
<b>Total</b>	<b>\$431.05</b>	<b>\$467.26</b>	<b>\$36.21</b>	<b>8.40%</b>
Debt Service - Townhomes (Parcel 17)	\$0.00	\$0.00	\$0.00	0.00%
Operations/Maintenance - Townhomes (Parcel 17)	\$210.15	\$246.28	\$36.13	0.00%
<b>Total</b>	<b>\$210.15</b>	<b>\$246.28</b>	<b>\$36.13</b>	<b>0.00%</b>
Debt Service - Aquaterra (per acre)	\$0.00	\$0.00	\$0.00	0.00%
Operations/Maintenance - Aquaterra	\$102.83	\$140.27	\$37.44	36.41%
<b>Total</b>	<b>\$102.83</b>	<b>\$140.27</b>	<b>\$37.44</b>	<b>36.41%</b>

**HERITAGE HARBOUR SOUTH**

**FISCAL YEAR 2017/2018 DEBT AND O&M ASSESSMENT SCHEDULE**

TOTAL O&M BUDGET		\$461,682
COLLECTION COSTS @ 7.0%		<u>\$34,750</u>
TOTAL O&M ASSESSMENT		<u><u>\$496,432</u></u>

<b>O&amp;M 1</b>	<b>Admin and Reuse Water</b>	<b>O&amp;M 2</b>	<b>Stormwater Facilities</b>	<b>O&amp;M 3</b>	<b>Community Specific Costs (Roadway/Landscape/Gate)</b>	<b>O&amp;M 4</b>	<b>Contingency/Disaster (Community Restoration)</b>
\$208,440		\$91,192		\$53,100		\$108,950	
<u>\$15,689</u>		<u>\$6,864</u>		<u>\$3,997</u>		<u>\$8,201</u>	
<u><u>\$224,129</u></u>		<u><u>\$98,056</u></u>		<u><u>\$57,097</u></u>		<u><u>\$117,151</u></u>	

LOT SIZE	ALLOCATION OF O&M ASSESSMENT			ALLOCATION OF O&M ASSESSMENT			ALLOCATION OF O&M ASSESSMENT			ALLOCATION OF O&M ASSESSMENT			PER LOT ANNUAL ASSESSMENT			
	O&M 1 UNITS	TOTAL	O&M 1	O&M 2 UNITS	TOTAL	O&M 2	O&M 3 UNITS	TOTAL	O&M 3	O&M 4 UNITS	TOTAL	O&M 4	TOTAL	2013 DEBT	2015 DEBT	TOTAL (3)
		O&M BUDGET	PER UNIT		O&M BUDGET	PER UNIT		O&M BUDGET	PER UNIT		O&M BUDGET	PER UNIT	O&M	SERVICE (2)	SERVICE (2)	
SB - Single Family 55'	248	\$40,676.72	\$164.02	248	\$16,650.21	\$67.14	248	\$13,688.13	\$55.19	248	\$19,081.42	\$76.94	\$363.29	\$466.27		\$829.56
SB - Single Family 65'	225	\$37,643.95	\$167.31	225	\$16,004.68	\$71.13	225	\$12,418.67	\$55.19	225	\$17,311.77	\$76.94	\$370.57	\$618.86		\$989.43
SB - Single Family 80'	154	\$26,777.70	\$173.88	154	\$12,184.46	\$79.12	154	\$8,499.89	\$55.19	154	\$11,848.95	\$76.94	\$385.13	\$771.46		\$1,156.59
SB - Single Family 85'	19	\$3,342.78	\$175.94	19	\$1,550.71	\$81.62	19	\$1,048.69	\$55.19	19	\$1,461.88	\$76.94	\$389.69	\$915.58		\$1,305.27
Stone Harbour Condo.	120	\$16,838.71	\$140.32	120	\$6,588.77	\$54.91	120	\$4,636.30	\$38.64	120	\$9,232.95	\$76.94	\$310.81	\$296.71		\$607.52
Twin Villas	145	\$20,942.62	\$144.43	145	\$8,685.34	\$59.90	145	\$5,602.20	\$38.64	145	\$11,156.48	\$76.94	\$319.91	\$385.73		\$705.64
Club Home	36	\$5,147.77	\$142.99	36	\$2,093.45	\$58.15	36	\$1,390.89	\$38.64	36	\$2,769.88	\$76.94	\$316.72	\$385.73		\$702.45
Golf Course	24.26	\$11,976.44	\$493.67	24.26	\$12,639.64	\$521.01	24.26	\$44.42	\$1.83	24.26	\$1,866.59	\$76.94	\$1,093.45	\$1,898.18		\$2,991.63
LHC - Single Family 40'	245	\$27,869.92	\$113.75	245	\$9,359.00	\$38.20	245	\$5,650.68	\$23.06	245	\$18,850.60	\$76.94	\$251.95		\$303.90	\$555.85
Lighthouse Cove Condo	255	\$27,555.22	\$108.06	255	\$9,741.00	\$38.20	255	\$4,116.92	\$16.14	255	\$19,620.01	\$76.94	\$239.34		\$227.92	\$467.26
Parcel 17 Townhome	44	\$4,892.49	\$111.19	44	\$2,558.67	\$58.15	0	\$0.00	\$0.00	44	\$3,385.41	\$76.94	\$246.28			\$246.28
Aquaterra 2	4	\$253.32	\$63.33	0	\$0.00	\$0.00	0	\$0.00	\$0.00	4	\$307.76	\$76.94	\$140.27			\$140.27
Aquaterra	3.338	\$211.39	\$63.33	0	\$0.00	\$0.00	0	\$0.00	\$0.00	3.338	\$256.83	\$76.94	\$140.27			\$140.27
	<u>1522.598</u>	<u>\$224,129.03</u>		<u>1515.26</u>	<u>\$98,055.91</u>		<u>1471.26</u>	<u>\$57,096.77</u>		<u>1522.598</u>	<u>\$117,150.54</u>					
Collection Costs/Discounts		<b>(\$15,689.03)</b>			<b>(\$6,863.91)</b>			<b>(\$3,996.77)</b>			<b>(\$8,200.54)</b>					
Net Revenue		<b>\$208,440.00</b>			<b>\$91,192.00</b>			<b>\$53,100.00</b>			<b>\$108,950.00</b>					