

HERITAGE ISLES
Community Development District

Annual Operating and Debt Service Budget
Fiscal Year Budget 2023

Adopted Budget
(Adopted 8/17/2022)

Prepared by:



Table of Contents

	<u>Page #</u>
<u>OPERATING BUDGETS</u>	
General Fund	
Summary of Revenues, Expenditures and Changes in Fund Balances	1-2
Exhibit A - Allocation of Fund Balances	3
Budget Narrative	4-7
Special Revenue Fund	
Summary of Revenues, Expenditures and Changes in Fund Balances	8-9
Exhibit B - Allocation of Fund Balances	10
Budget Narrative	11-14
Golf Fund	
Summary of Revenues, Expenditures and Changes in Fund Balances	15-17
Amortization Schedule	18
Budget Narrative	19-23
Restaurant Fund	
Summary of Revenues, Expenditures and Changes in Fund Balances	24
Budget Narrative	25
<u>SUPPORTING BUDGET SCHEDULES</u>	
2023-2022 Non-Ad Valorem Assessment Summary	26

HERITAGE ISLES
Community Development District

Operating Budget
Fiscal Year Budget 2023

Summary of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2023 Adopted Budget

ACCOUNT DESCRIPTION	ACTUAL FY 2021	ADOPTED BUDGET FY 2022	ACTUAL	PROJECTED	TOTAL	ANNUAL
			THRU JUN 2022	JUL - SEP 2022	PROJECTED FY 2022	BUDGET FY 2023
REVENUES						
Interest - Investments	\$ 1,610	\$ 1,246	\$ 2,150	\$ 717	\$ 2,867	\$ 2,000
Special Assmnts- Tax Collector	1,139,560	1,139,559	1,139,560	-	1,139,560	1,139,559
Special Assmnts- Discounts	(42,035)	(45,583)	(42,774)	-	(42,774)	(45,583)
TOTAL REVENUES	1,099,430	1,095,222	1,100,072	717	1,100,789	1,095,976
EXPENDITURES						
<i>Administrative</i>						
P/R-Board of Supervisors	13,600	24,000	18,800	5,200	24,000	24,000
Payroll-Processing Fee	382	764	382	191	573	764
Workers' Compensation	713	720	1,290	156	1,446	1,100
ProfServ-Engineering	6,113	10,000	3,046	6,954	10,000	10,000
ProfServ-Legal Services	34,014	70,000	11,472	17,500	28,972	75,826
ProfServ-Mgmt Consulting	43,333	59,510	44,632	14,878	59,510	61,295
ProfServ-Recording Secretary	-	1,125	-	1,125	1,125	1,125
ProfServ-Special Assessment	10,291	10,291	10,291	-	10,291	10,600
ProfServ-Web Site Maintenance	1,553	2,000	1,553	447	2,000	2,000
Auditing Services	14,000	14,000	8,500	-	8,500	8,500
Postage and Freight	838	1,500	1,901	634	2,535	1,500
Insurance - General Liability	8,638	12,996	8,433	3,249	11,682	11,171
Printing and Binding	26	1,200	2	1,198	1,200	1,200
Legal Advertising	-	3,000	2,244	756	3,000	3,000
Miscellaneous Services	610	1,060	1,214	195	1,409	1,060
Misc-Assessment Collection Cost	21,953	22,791	21,948	-	21,948	11,396
Annual District Filing Fee	175	175	175	-	175	175
Total Administrative	156,239	235,132	135,883	52,483	188,366	224,711
<i>Field</i>						
Contracts-Landscape	124,913	166,550	125,121	41,637	166,758	171,547
Contracts-Landscape Consultant	9,720	12,960	9,720	3,240	12,960	12,960
Contracts-Aquatic Control	7,853	10,471	7,993	2,722	10,715	10,471
Communication - Telephone	738	960	785	236	1,021	960
Utility - General	121,895	165,000	140,138	46,713	186,851	167,000
Lease - Carts	2,672	2,475	2,562	-	2,562	3,200
R&M-General	1,738	15,000	2,825	3,750	6,575	15,000
R&M-Irrigation	12,896	11,000	4,940	6,060	11,000	11,000
R&M-Landscape Renovations	29,939	50,000	46,224	3,776	50,000	50,000
R&M-Mulch	13,500	11,700	-	11,700	11,700	11,700
R&M-Ponds	615	28,000	-	28,000	28,000	28,000
R&M-Sod	6,549	5,000	-	5,000	5,000	5,000
Holiday Decoration	13,600	15,000	13,600	1,400	15,000	15,000
Misc-Contingency	2,300	10,000	1,000	9,000	10,000	10,340
Reserve - Other	-	200,000	5,811	-	5,811	200,000
Total Field	348,928	704,116	360,719	163,234	523,953	712,177

Summary of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2023 Adopted Budget

ACCOUNT DESCRIPTION	ACTUAL FY 2021	ADOPTED BUDGET FY 2022	ACTUAL	PROJECTED	TOTAL	ANNUAL
			THRU JUN 2022	JUL - SEP 2022	PROJECTED FY 2022	BUDGET FY 2023
Gatehouse						
Contracts-Guard Services	96,514	133,910	105,803	31,437	137,240	136,587
R&M-Gatehouse	-	20,000	-	-	-	20,000
Internet Services	1,548	2,064	1,548	516	2,064	2,500
Total Gatehouse	98,062	155,974	107,351	31,953	139,304	159,087
TOTAL EXPENDITURES	603,229	1,095,222	603,953	247,670	851,623	1,095,976
Excess (deficiency) of revenues						
Over (under) expenditures	496,201	-	496,119	(246,953)	249,166	-
OTHER FINANCING SOURCES (USES)						
Contribution to (Use of) Fund Balance	-	-	-	-	-	-
TOTAL OTHER SOURCES (USES)	-	-	-	-	-	-
Net change in fund balance	496,201	-	496,119	(246,953)	249,166	-
FUND BALANCE, BEGINNING	1,988,957	2,281,501	2,281,501	-	2,281,501	2,530,667
FUND BALANCE, ENDING	\$ 2,485,158	\$ 2,281,501	\$ 2,777,620	\$ (246,953)	\$ 2,530,667	\$ 2,530,667

HERITAGE ISLES

Community Development District

Exhibit "A"
Allocation of Fund Balances

AVAILABLE FUNDS

	<u>Amount</u>
Beginning Fund Balance - Fiscal Year 2023	\$ 2,530,667
Net Change in Fund Balance - Fiscal Year 2023	-
Reserves - Fiscal Year 2023 Additions	200,000
Total Funds Available (Estimated) - 9/30/2023	2,730,667

ALLOCATION OF AVAILABLE FUNDS

Nonspendable Fund Balance

Deposits	18,925
Subtotal	<u>18,925</u>

Assigned Fund Balance

Operating Reserve - First Quarter Operating Capital		223,994 ⁽¹⁾
Reserves - Other (Prior Year)	410,500 ⁽²⁾	
Reserves - Other (FY 2022)	200,000 ⁽³⁾	
Reserves - Other (FY 2023)	<u>200,000 ⁽⁴⁾</u>	810,500
Subtotal		<u>1,034,494</u>

Total Allocation of Available Funds	1,053,419
--	------------------

Total Unassigned (undesignated) Cash	<u>\$ 1,677,248</u>
---	----------------------------

Notes

- (1) Represents approximately 3 months of operating expenditures
- (2) Board assigned prior year fund balance (as of 9/30/21) by motion
- (3) Budgeted reserves in FY 2022
- (4) Proposed budgeted reserves in FY 2023

**Budget Narrative
Fiscal Year 2023**

REVENUES

Interest-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 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.

EXPENDITURES

Administrative

P/R Board of Supervisor Salaries

Chapter 190 of the Florida Statutes allows for a member of the Board of Supervisors to be compensated for a meeting attendance and to receive \$200 per meeting. The amount for the Fiscal Year is based on 5 Board members paid for attending 24 meetings.

Payroll-Processing Fee

ADP provides payroll processing services.

Workers' Compensation

Workers compensation premium for the district's board is paid through ADP.

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 other research assigned as directed by the Board of Supervisors and the District Manager.

Professional Services-Management Consulting Services

The District receives management, accounting and administrative services as part of a Management Agreement with Inframark.

Professional Services-Recording Services

The District may incur additional costs for recording services if additional services are requested by the board. The cost for additional minute transcriptions is \$150 per service as per the supplemental agreement with Inframark.

**Budget Narrative
Fiscal Year 2023**

EXPENDITURES

Administrative (continued)

Professional Services-Special Assessment

Inframark provides Assessment Services for all the properties within the CDD for the General Fund and Special Revenue Fund. These services include, but are not limited to:

- Working with the Hillsborough County Property Appraiser to insure the accuracy of the data they provide each year for levying purposes.
- Preparation, maintenance and certification of the District's annual assessment roll to the Hillsborough County Tax Collector.
- Customer service which includes answering questions regarding annual assessments, what a CDD is, length and terms of the bonds, etc.
- Preparation of estoppels for refinancing and property transfers.
- Processing and transmission of pay downs to the Trustee for those property owners wishing to prepay their CDD debt.
- Analysis and supplemental schedules requested throughout the fiscal year as well assessment schedules included in the annual budget preparation.

ProfServ-Web Site Maintenance

This line item is for costs associated with the District's website, including annual domain name renewal and hosting and ADA compliance.

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 the prior year engagement.

Postage and Freight

Actual postage and/or freight used for District mailings including agenda packages, vendor checks and other correspondence. The budgeted amount for the fiscal year is based on prior years spending.

Insurance-General Liability

The District has a general liability, public officials and employment liability and property insurance policy with Public Risk Insurance. The utility bond was purchased thru Florida Municipal Insurance Trust. The budget includes an estimated 10% increase of projected prior year costs.

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 monthly Board meetings and other public hearings in a newspaper of general circulation. Meetings are advertised annually. The budgeted amount for the fiscal year is based on anticipated spending.

Miscellaneous Services

This includes monthly bank charges and any other miscellaneous expenses that may be incurred during the year.

**Budget Narrative
Fiscal Year 2023**

EXPENDITURES

Administrative (continued)

Miscellaneous-Assessment Collection Fee

The District reimburses the Tax Collector for her or his 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 is based on a maximum of 2% of the anticipated assessment collections.

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

Contracts-Landscape

Landscape Maintenance currently provides landscape services for the District. These services include monthly grounds maintenance throughout the district.

Contracts-Landscape Consultant

OLM provides landscape consulting services for the District.

Contracts-Aquatic Control

Solitude provides aquatic maintenance services throughout the District.

Communication-Telephone

Telephone services provided by T-Mobile (rover's and maintenance cell).

Utility-General

The District uses both TECO and City of Tampa as utility service providers.

Lease-Carts

The District leases a utility vehicle.

R&M-General

Routine expenditures to maintain the District's grounds.

R&M-Irrigation

Expenditures incurred to maintain the irrigation system throughout the District.

R&M-Landscape Renovations

This line item includes all other landscaping costs not budgeted for within another line item.

R&M-Mulch

The District may incur costs associated with the purchase and installation of mulch.

**Budget Narrative
Fiscal Year 2023**

EXPENDITURES

Field (continued)

R&M-Ponds

This includes repair and maintenance of the ponds as needed throughout the District.

R&M-Sod

Expenditures incurred to maintain the sod within the common area.

Miscellaneous-Holiday Decoration

Miscellaneous-Holiday Décor Costs associated with seasonal décor provided by Illuminations Holiday Lighting.

Miscellaneous-Contingency

Any expenditure not budgeted within another category.

Reserve-Other

The District expects to set aside funds for future large-scale projects.

Gatehouse

Contracts-Guard Services

Security monitoring services are provided by City of Tampa, Complete IT Eagle Eye recording and Flock Group gate camera recording.

R&M-Gatehouse

Costs to repair and maintain the District's gatehouse.

Miscellaneous-Internet Services

Frontier provides internet services for the main and 2nd gates.

Summary of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2023 Adopted Budget

ACCOUNT DESCRIPTION	ACTUAL	ADOPTED	ACTUAL	PROJECTED	TOTAL	ANNUAL
	FY 2021	BUDGET FY 2022	THRU JUN 2022	JUL - SEP 2022	PROJECTED FY 2022	BUDGET FY 2023
REVENUES						
Special Assmnts- Tax Collector	\$ 974,101	\$ 974,100	\$ 974,101	\$ -	\$ 974,101	\$ 974,100
Special Assmnts- Discounts	(36,002)	(38,964)	(36,563)	-	(36,563)	(38,964)
Gate Bar Code/Remotes	1,565	2,000	1,968	32	2,000	2,000
Pavilion Rental	2,875	5,000	4,150	850	5,000	5,000
Amenities Revenue	14,801	15,000	10,956	4,044	15,000	15,000
TOTAL REVENUES	981,075	957,136	954,630	4,926	959,556	957,136
EXPENDITURES						
<i>Administrative</i>						
ProfServ-Legal Services	-	4,000	-	4,000	4,000	4,000
Accounting Services	14,322	19,096	14,322	4,774	19,096	19,669
Communication - Telephone	11,990	15,886	11,472	4,414	15,886	15,886
Lease - Copier	1,695	2,250	2,381	794	3,175	2,250
Insurance - General Liability	17,597	25,809	18,555	6,452	25,007	28,495
Misc-Assessment Collection Cost	18,696	19,482	18,761	-	18,761	19,482
Office Supplies	744	1,000	843	157	1,000	1,000
Computer Expense	18,593	15,788	11,379	4,409	15,788	15,788
Total Administrative	83,637	103,311	77,713	25,000	102,713	106,570
<i>Operation & Maintenance</i>						
Payroll-Maintenance	27,685	45,000	28,352	16,648	45,000	45,000
Payroll-Office	29,922	45,000	32,254	12,746	45,000	45,000
Payroll-Benefits	2,163	5,000	11,001	3,667	14,668	5,000
Payroll-Pool Monitors	136,397	185,000	144,454	40,546	185,000	185,000
Payroll-Processing Fee	8,689	11,580	9,309	2,271	11,580	11,580
Workers' Compensation	5,132	9,990	5,226	4,764	9,990	9,990
ProfServ-Field Management	45,469	58,000	58,346	19,449	77,795	58,000
Contracts-Pools	28,350	37,800	29,150	8,650	37,800	37,800
Contracts-Air Conditioning	1,800	5,000	-	5,000	5,000	5,000
Contracts-Security Alarms	940	940	825	115	940	940
Utility - General	53,609	65,000	59,372	5,628	65,000	65,000
Utility - Refuse Removal	3,015	4,297	4,243	54	4,297	4,297
R&M-General	32,950	65,000	33,805	31,195	65,000	65,000
R&M-Court Maintenance	4,257	27,000	1,207	25,793	27,000	27,000
R&M-Pest Control	2,022	2,055	1,599	456	2,055	2,055
R&M-Pools	18,567	25,000	52,340	3,900	56,240	25,000
R&M-Fitness Equipment	3,529	3,000	1,365	1,635	3,000	3,000
R&M-Lights	1,297	8,700	6,691	2,009	8,700	8,700
Advertising	-	5,000	1,200	3,800	5,000	5,000
Miscellaneous Services	-	2,200	67	2,133	2,200	2,200
Misc-Access Cards	1,269	2,000	1,211	789	2,000	2,000
Holiday Decoration	895	900	1,069	-	1,069	900

Summary of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2023 Adopted Budget

ACCOUNT DESCRIPTION	ACTUAL	ADOPTED	ACTUAL	PROJECTED	TOTAL	ANNUAL
	FY 2021	BUDGET FY 2022	THRU JUN 2022	JUL - SEP 2022	PROJECTED FY 2022	BUDGET FY 2023
Misc-Rec Center Equipment	1,040	4,000	1,969	2,031	4,000	4,000
Special Events	20,733	600	17,076	-	17,076	1,200
Misc-Licenses & Permits	1,682	1,863	1,503	360	1,863	1,863
Safety Equipment	-	1,000	-	1,000	1,000	1,000
Cleaning Supplies	15,882	17,000	16,535	465	17,000	17,000
Op Supplies - Uniforms	-	1,000	-	1,000	1,000	1,000
Capital Outlay	34,763	-	-	-	-	-
Operating Loan Repayment	101,581	-	-	-	-	-
Total Operation & Maintenance	583,638	638,925	520,169	196,104	716,273	639,525
TOTAL EXPENDITURES	667,275	742,236	597,882	221,104	818,986	746,095
Excess (deficiency) of revenues						
Over (under) expenditures	313,800	214,900	356,748	(216,178)	140,570	211,041
OTHER FINANCING SOURCES (USES)						
Capt'l Contributions-Other	18,750	-	18,430	-	18,430	-
Operating Transfers-Out	-	(130,179)	-	-	-	(129,202)
Contribution to (Use of) Fund Balance	-	84,721	-	-	-	81,839
TOTAL OTHER SOURCES (USES)	18,750	(45,458)	18,430	-	18,430	(47,364)
Net change in fund balance	332,550	84,721	375,178	(216,178)	159,000	81,839
FUND BALANCE, BEGINNING	1,159,883	1,328,146	1,328,146	-	1,328,146	1,487,146
FUND BALANCE, ENDING	\$ 1,492,433	\$ 1,412,867	\$ 1,703,324	\$ (216,178)	\$ 1,487,146	\$ 1,568,985

HERITAGE ISLES

Community Development District

Exhibit "B"
Allocation of Fund Balances

AVAILABLE FUNDS

	<u>Amount</u>
Beginning Fund Balance - Fiscal Year 2023	\$ 1,487,145
Net Change in Fund Balance - Fiscal Year 2023	81,839
Reserves - Fiscal Year 2023 Additions	-
Total Fund Balance (Estimated) - 9/30/2022	1,568,984

ALLOCATION OF AVAILABLE FUNDS

<i>Assigned Fund Balance</i>	
Operating Reserve - First Quarter Operating Capital	186,524 ⁽¹⁾
Total Allocation of Available Funds	186,524

Total Unassigned (undesignated) Fund Balance \$ 1,382,460 ⁽²⁾

Notes

- (1) Represents approximately 3 months of operating expenditures.
- (2) Fund balance is not representative of cash or liquid investments available for immediate use.

Budget Narrative
Fiscal Year 2023

REVENUES

Special Assessments-Tax Collector

The District will levy a Non-Ad Valorem assessment—for the recreational facilities and the virtual gate system—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.

Gate Bar Code/Remotes

The District charges a fee for each gate remote issued.

Pavilion Rental

The District charges a fee for the rental of the pavilion for various events.

Amenities Revenue

Revenue for yoga, tennis, swim or other reoccurring facility use.

EXPENDITURES

Administrative

Professional Services-Legal Services

The District’s attorney provides general legal services to the District. The cost associated with legal services for matters pertaining to the special revenue fund may be recorded here. Legal expenditures have been allocated across all funds (excluding Debt Service).

Accounting Services

The District receives accounting services provided by Inframark, including but not limited to accounts payable, bank reconciliations, account analysis, financial statement preparation, annual budget preparation, and audit assistance.

Communication-Telephone

The district has multiple phone lines with services including nationwide long distance, IP addresses and modems and receives services at the clubhouse and fitness center buildings.

Lease-Copier

This line item includes the copier lease payments made to Great America Financial Services Corp. Maintenance and additional copy costs are also recorded here. Occasional use of the copier by the golf and restaurant are reimbursed on a per use basis.

Insurance-General Liability

The District has general liability, professional officer liability, property, crime and flood insurance. The portion allocated to this line item is for the clubhouse and fitness center facility’s portion only.

Miscellaneous-Assessment Collection Fee

The District reimburses the Tax Collector for her or his 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 is based on a maximum of 2% of the anticipated assessment collections.

Budget Narrative
Fiscal Year 2023

EXPENDITURES

Administrative (continued)

Office Supplies

The cost associated with purchasing various office supplies necessary for fitness facility operations.

Computer Expenses

The District expects to incur costs to repair and maintain their computer equipment and update software.

Operating and Maintenance

Payroll-Maintenance

Payroll for district maintenance personnel services is processed by ADP.

Payroll-Office

Payroll-Office Administrative personnel services processed by ADP.

Payroll-Benefits

Benefits for recreational staff.

Payroll-Pool Monitors

Payroll for district pool monitor personnel services is processed by ADP.

Payroll-Processing Fee

ADP provides payroll processing for the District's maintenance and pool monitor personnel.

Workers Compensation

Workers compensation premium for district employees is paid through ADP.

Professional Services-Field Management

Mr. Unger's field operations management salary is split equally between the special revenue fund and golf fund.

Contracts-Pools

The district contracts services for reoccurring maintenance of the pool and is billed monthly.

Contracts-Air Conditioning

Hendrick Air to provide bi-annual preventative maintenance for air conditioning systems and walk-in cooler/freezer. Quarterly inspections with filter changes and one coil cleaning per year.

Contracts-Security Alarms

BCI provides clubhouse and fitness center monitoring and Piper provides fire alarm services.

Utility-General

Services provided by City of Tampa and TECO.

Utility-Refuse Removal

Waste Management provides refuse removal services.

R&M-General

Various costs, to operate the district's facilities within the special revenue fund, not specific to another budgeted line item.

Budget Narrative
Fiscal Year 2023

EXPENDITURES

Operating and Maintenance (continued)

R&M-Court Maintenance

Estimated cost to repair and maintain the tennis and basketball courts within the District.

R&M-Pest Control

Ecolab is currently providing pest control services for the community and fitness center buildings.

R&M-Pool

Incidental pool maintenance and ADA required compliance.

R&M-Fitness Equipment

Fitrev provides repair and maintenance services for the District's fitness equipment as needed.

R&M-Lights

Costs to repair various lights within the clubhouse and recreational facilities.

Advertising

Realtor advertising for district functions incurred as determined by the board and designated management staff.

Miscellaneous Services

Miscellaneous costs not included within another budgeted line item.

Miscellaneous-Access Cards

The District purchases gate access cards for residents which are distributed for a small fee.

Miscellaneous-Holiday Decoration

Costs associated with Holiday decorations.

Miscellaneous-Rec Center Equipment

Costs to maintain the recreational center equipment (excluding fitness equipment).

Miscellaneous-Special Events

The District occasionally holds special events for the community.

Miscellaneous-License and Permits

The licenses and permits required for the District are expected to cost \$275 for the pool, \$150 for children's water activity and monthly fees for audio mood mix and TV signage subscriptions.

Safety Equipment

Safety equipment for clubhouse maintenance.

Cleaning Supplies

This line item captures costs associated with the purchase of cleaning supplies for the clubhouse, fitness center and recreational amenities.

Op Supplies-Uniforms

Uniform purchases for district staff.

Capital Outlay

Funds set aside for Capital Outlay projects to be determined by the district board.

Budget Narrative
Fiscal Year 2023

EXPENDITURES

Other Financing Uses

Operating Transfer Out

This amount represents a portion deemed reasonable to transfer to the enterprise fund as support for operations and maintenance of the enterprise fund. This portion is estimated as 10% of golf course operating expenses and is to be considered resident contributions.

Summary of Revenues, Expenses and Changes in Net Assets
Fiscal Year 2023 Adopted Budget

ACCOUNT DESCRIPTION	ACTUAL	ADOPTED	ACTUAL	PROJECTED	TOTAL	ANNUAL
	FY 2021	BUDGET FY 2022	THRU JUN 2022	JUL - SEP 2022	PROJECTED FY 2022	BUDGET FY 2023
OPERATING REVENUES						
Interest - Investments	\$ 22	\$ 100	\$ 28	\$ 9	\$ 37	\$ 36
Green Fees	411,635	300,000	652,556	217,519	870,075	500,000
Cart Fees	574,058	600,000	450,049	149,951	600,000	600,000
Club Rentals	9,595	6,000	9,386	3,129	12,515	12,000
Range Balls	100,822	110,000	88,665	29,555	118,220	120,000
Golf Merchandise	79,438	80,000	101,377	33,792	135,169	80,000
Food	13,211	10,000	14,489	4,830	19,319	16,000
Tobacco	1,972	1,500	2,360	787	3,147	2,000
Special Events	-	5,000	233	4,767	5,000	5,000
Other Miscellaneous Revenues	5,435	6,000	10,187	3,396	13,583	6,000
Recreation Membership	50,760	75,000	126,725	42,242	168,967	75,000
TOTAL OPERATING REVENUES	1,247,448	1,193,600	1,456,055	489,976	1,946,031	1,416,036
COST OF GOODS SOLD						
COS - Food Sales	9,664	8,500	13,327	-	13,327	10,000
COS - Merchandise	51,160	52,000	74,182	-	74,182	52,000
COS - Tobacco	887	1,400	1,648	-	1,648	1,400
Total Cost of Goods Sold	61,711	61,900	89,157	-	89,157	63,400
GROSS PROFIT	1,185,737	1,131,700	1,366,898	489,976	1,856,874	1,352,636
OPERATING EXPENSES						
<i>Financial and Administrative</i>						
ProfServ-Dissemination Agent	-	500	-	500	500	500
ProfServ-Legal Services	-	2,000	-	2,000	2,000	2,000
ProfServ-Trustee Fees	-	2,600	-	2,600	2,600	2,600
Accounting Services	16,377	21,836	16,377	5,459	21,836	22,491
Insurance - General Liability	13,449	19,968	7,016	4,992	12,008	9,117
Misc-Bank Charges	1,055	1,500	1,028	343	1,371	1,200
Misc-Credit Card Fees	27,509	30,000	30,774	10,258	41,032	30,000
Computer Expense	-	2,000	-	2,000	2,000	2,000
Total Financial and Administrative	58,390	80,404	55,195	28,152	83,347	69,908
<i>Operating Expenses</i>						
Payroll-Benefits	687	9,000	1,561	7,439	9,000	9,000
Payroll-General Staff	155,457	190,000	206,933	68,978	275,911	190,000
Payroll-Processing Fee	8,688	11,676	9,310	2,366	11,676	11,676
Payroll Taxes	16,515	20,235	25,712	8,571	34,283	20,235
Communication - Telephone	2,931	3,865	2,354	1,511	3,865	3,865
Electricity - General	12,630	16,800	15,264	5,088	20,352	16,800
Lease - Carts	68,389	104,590	61,086	43,504	104,590	104,590
Lease - Ice Machines	1,125	1,500	1,125	375	1,500	1,500

Summary of Revenues, Expenses and Changes in Net Assets
Fiscal Year 2023 Adopted Budget

ACCOUNT DESCRIPTION	ACTUAL	ADOPTED	ACTUAL	PROJECTED	TOTAL	ANNUAL
	FY 2021	BUDGET FY 2022	THRU JUN 2022	JUL - SEP 2022	PROJECTED FY 2022	BUDGET FY 2023
R&M-General	604	1,500	505	995	1,500	1,500
R&M-Golf Cart	2,409	1,000	804	196	1,000	1,000
Marketing	10,239	15,000	8,993	6,007	15,000	15,000
Office Supplies	2,460	2,000	710	1,290	2,000	2,000
Cleaning Supplies	708	1,250	742	508	1,250	1,250
Op Supplies - Uniforms	142	500	212	288	500	500
Supplies - Golf Operations	36,842	10,000	5,227	4,773	10,000	10,000
Supplies - Range	12,995	9,000	14,391	4,797	19,188	9,000
Subscriptions and Memberships	1,320	2,720	1,127	1,593	2,720	2,720
Total Operating Expenses	334,141	400,636	356,056	158,278	514,334	400,636
Maintenance						
Payroll-Benefits	3,097	3,700	3,179	521	3,700	3,700
Payroll-General Staff	205,018	280,000	215,683	64,317	280,000	280,000
Payroll-Processing Fee	8,687	11,556	9,309	2,247	11,556	11,556
Payroll Taxes	17,802	29,820	25,610	4,210	29,820	29,820
Contracts-Aquatic Control	7,249	9,665	7,378	2,287	9,665	9,665
Contracts-Security Alarms	270	361	270	270	540	361
Fuel, Gasoline and Oil	20,250	27,000	27,145	9,048	36,193	25,000
Utility - General	1,631	2,640	406	2,234	2,640	2,640
Electricity - General	20,425	25,000	20,375	4,625	25,000	25,000
Utility - Refuse Removal	5,493	6,663	5,228	1,435	6,663	6,663
Lease - Golf Course Equipment	68,198	95,940	75,958	19,982	95,940	95,940
Lease - Ice Machines	2,448	3,264	2,448	816	3,264	3,264
R&M-General	2,654	4,000	1,684	2,316	4,000	4,000
R&M-Buildings	6,559	4,000	2,099	1,901	4,000	4,000
R&M-Equipment	13,377	20,000	10,386	9,614	20,000	20,000
R&M-Fertilizer	50,562	65,000	55,384	9,616	65,000	65,000
R&M-Irrigation	5,828	20,000	14,018	5,982	20,000	20,000
R&M-Signage	183	1,000	19	981	1,000	1,000
R&M-Trees and Trimming	15,400	1,500	5,100	-	5,100	1,500
R&M-Golf Course	3,877	6,500	2,842	3,658	6,500	6,500
R&M-Bunkers	-	1,500	-	1,500	1,500	1,500
R&M - Bridges & Cart Paths	11,685	1,500	18,100	-	18,100	1,500
R&M-Sod	5,376	5,000	-	5,000	5,000	5,000
Misc-Licenses & Permits	1,089	2,500	1,004	1,496	2,500	2,500
Office Supplies	-	500	225	275	500	500
Cleaning Supplies	806	700	2,396	799	3,195	1,000

Summary of Revenues, Expenses and Changes in Net Assets
Fiscal Year 2023 Adopted Budget

ACCOUNT DESCRIPTION	ACTUAL	ADOPTED	ACTUAL	PROJECTED	TOTAL	ANNUAL
	FY 2021	BUDGET FY 2022	THRU JUN 2022	JUL - SEP 2022	PROJECTED FY 2022	BUDGET FY 2023
Op Supplies - Chemicals	137,637	130,000	142,148	47,383	189,531	130,000
Op Supplies - Hand tools	308	3,000	530	2,470	3,000	3,000
Supplies - Misc.	2,463	4,999	3,074	1,925	4,999	4,999
Supplies - Sand	169	6,000	4,075	1,925	6,000	6,000
Supplies - Seeds	2,520	2,500	6,320	2,107	8,427	5,000
Supplies - Power Tools	1,021	3,200	-	3,200	3,200	3,200
Total Maintenance	630,802	779,008	662,393	214,139	876,532	779,808
Debt Service						
Principal Debt Retirement	-	35,000	-	35,000	35,000	37,500
Interest Expense	4,571	6,745	2,752	3,993	6,745	4,171
Total Debt Service	4,571	41,745	2,752	38,993	41,745	41,671
TOTAL OPERATING EXPENSES	1,027,904	1,301,793	1,076,396	439,562	1,515,958	1,292,023
Operating income (loss)	157,833	(170,093)	290,502	50,413	340,915	60,613
OTHER FINANCING SOURCES (USES)						
Interfund Transfer - In	-	130,179	-	-	-	129,202
Contribution to (Use of) Fund Balance	-	-	-	-	-	-
TOTAL OTHER SOURCES (USES)	-	130,179	-	-	-	129,202
Change in net assets	157,833	(39,914)	290,502	50,413	340,915	189,815
TOTAL NET ASSETS, BEGINNING	259,704	305,052	305,052	-	305,052	645,967
TOTAL NET ASSETS, ENDING	\$ 417,537	\$ 265,138	\$ 595,554	\$ 50,413	\$ 645,967	\$ 835,782

1999 Recreational Revenue Bond
Amortization Schedule

Year	*Principal	Interest	Balance	Annual Total
10/02/22	\$75,000	\$5,503	\$80,000	\$86,005
04/01/23		\$2,840	\$80,000	
10/02/23	\$80,000	\$2,840	\$0	\$85,680
Totals	\$155,000	\$11,183		\$171,685

* 7.1% Coupon

Budget Narrative
Fiscal Year 2023

REVENUES

Interest-Investments

The District earns interest on available operating funds.

Green Fees

Revenue received for golf rounds played.

Cart Fees

Revenue received for golf cart rentals.

Club Rentals

Revenue received for the rental of golf clubs.

Range Balls

Revenue received for the rental of range balls for practice (sold per bucket).

Golf Merchandise

The District sells various golf merchandise in the pro shop.

Food

This represents food and non-alcoholic revenues from snacks sold at the pro shop.

Tobacco

The District sells tobacco in the pro shop.

Special Events

The District holds various golf tournaments and events. The revenue associated with these events is recorded here.

Other Miscellaneous Revenue

Other revenues not included within another budgeted revenue line item.

Recreation Membership

Revenue received for seasonal pass sales.

OPERATION & MAINTENANCE

COS-Food Sales

The cost to purchase food items and non-alcoholic beverages for resale at the pro shop.

COS-Merchandise

The cost to purchase merchandise for resale at the pro shop.

COS-Tobacco

The cost to purchase tobacco for resale at the pro shop.

Budget Narrative
Fiscal Year 2023

OPERATING EXPENSES

Personnel and Administration

Professional Services-Dissemination

Dissemination services for the series 1999 bond.

Professional Services-Legal Services

The District's attorney provides general legal services to the District. Costs for matter services pertaining to the golf course may be recorded here. Legal expenditures have been allocated across all funds (excluding Debt Service).

Professional Services-Trustee

Trustee services associated with the series 1999 bond. This cost is split with the restaurant.

Accounting Services

The District receives accounting services provided by Inframark, including but not limited to accounts payable, bank reconciliations, account analysis, financial statement preparation, annual budget preparation, and audit assistance.

Insurance-General Liability

The District has general liability, property, inland marine, flood, crime, employee dishonesty and public officials' liability. The portion allocated to this line item is for the golf.

Miscellaneous-Bank Charges

SunTrust charges the district monthly bank fees.

Miscellaneous-Credit Card Fees

The District allows customers to pay using credit cards to purchase services or products. The District incurs a fee from the credit card companies for this service.

Computer Expense

There is an occasional need to request computer related services. The cost for these services will be recorded here.

Operating Expenses

Payroll-Benefits

United HealthCare dental and vision insurance.

Payroll-General Staff

Payroll for Director of Golf and hourly personnel.

Payroll-Processing Fee

ADP charges a fee for processing payroll. This fee is based in part on the number of active employees within the billing period. ADP also provides employee screening services.

Payroll-Taxes

These costs include FICA, Medicare and Workers Comp.

Communication-Telephone

Communication services are provided by Graybar and Frontier.

Electricity-General

Electricity services are provided by TECO.

Lease-Carts

The District leases golf carts, a beverage cart and a tractor.

Budget Narrative
Fiscal Year 2023

Operating Expenses (continued)

Lease-Ice Machines

S&W leases ice machines at the maintenance building.

R&M-General

This line item will capture general repair and maintenance costs throughout the golf course facility.

R&M-Golf Cart

Costs associated with the repair and maintenance of the golf carts.

Marketing

Costs associated with marketing of the golf course. In prior years, the district held ad campaigns with various firms including Promo Social, Tee Times USA and Golf Coast Magazine.

Office Supplies

This line item includes the cost of office supplies required to operate the golf course office.

Cleaning Supplies

This line item includes the cost of any supplies used to clean the golf course facilities.

Op Supplies-Uniforms

Uniform services.

Supplies-Golf Operations

All costs associated with the supplies needed for golf operations.

Supplies-Range

All costs associated with the supplies needed to operate the range including golf balls.

Subscription and Memberships

The District expects to obtain and/or maintain subscriptions and memberships. Vendors for these services have historically included FSGA, USGA and Sam's Club.

EXPENDITURES

Maintenance

Payroll-Benefits

United HealthCare dental and vision insurance.

Payroll-General Staff

Payroll for Director of Golf and hourly personnel.

Payroll-Processing Fee

ADP charges a fee for processing payroll. This fee is based in part on the number of active employees within the billing period. ADP also provides employee screening services.

Payroll-Taxes

These costs include FICA, Medicare and Workers Comp.

Contracts-Aquatic Control

Solitude currently provides aquatic services for the District's golf course.

Budget Narrative
Fiscal Year 2023

Maintenance (continued)

Contracts-Security Alarms

Alarm monitoring for the maintenance building.

Fuel, Gasoline and Oil

Fuel is purchased as needed for operations throughout the golf course.

Utility-General

Water and sewer services are provided by City of Tampa.

Electricity-General

Electricity services are provided by TECO.

Utility-Refuse Removal

Waste Management provides refuse removal services to the golf course.

Lease-Golf Course Equipment

The district anticipates leasing golf course maintenance equipment.

Lease-Ice Machines

The district leases an ice machine from S&W for the cart barn.

R&M-General

This line item will capture general repair and maintenance costs throughout the golf course facility.

R&M-Buildings

Repair and maintenance of the maintenance building.

R&M-Equipment

Repair and maintenance of golf equipment and related facilities within the district.

R&M-Fertilizer

The District will purchase fertilizer for the golf facilities.

R&M-Irrigation

The cost to repair and maintain the irrigation system throughout the golf course facility.

R&M-Signage

The cost to repair and maintain signage throughout the district.

R&M-Trees and Trimming

The cost of replacing and maintaining trees and shrubs throughout the golf course.

R&M-Golf Course

This line item will capture general repair, maintenance and beautification costs throughout the golf course.

R&M-Bunkers

The cost to purchase sand, repair and maintain bunkers throughout the golf course.

R&M-Bridges and Cart Paths

Repair and maintenance of the bridges and cart paths throughout the golf course.

R&M-Sod

Replacement of sod throughout the year.

Budget Narrative
Fiscal Year 2023

Maintenance (continued)

Miscellaneous-Licenses & Permits

Includes city and county business tax and a contingency.

Office Supplies

This line item includes the cost of office supplies required to operate the golf course office.

Cleaning Supplies

This line item includes the cost of any supplies used to clean the golf course facilities.

Op Supplies-Chemicals

Costs for chemicals required for operation will be recorded here.

Op Supplies-Hand Tools

This category is to record the purchase of any hand tools needed for the operation and maintenance of the golf course.

Supplies-Misc.

All costs associated with the supplies needed for golf operations.

Supplies-Sand

The district expects to purchase sand for golf course and bunker maintenance.

Supplies-Seeds

All seed supply products purchased for the golf course.

Supplies-Power Tools

All power tool supply products purchased for the golf course.

EXPENDITURES

Debt Service

Principal Debt Retirement

This represents principal payments due within the current year for the series 1999 recreational revenue bond. This expense is split with the restaurant.

Interest Expense

This represents interest payments due within the current year for the series 1999 recreational revenue bond. This expense is split with the restaurant.

Note: Without sufficient revenues to cover operating expenses the district is without means to make the required principal and interest payments. The budget reflects that the debt service payments would have to be made using a portion of prior year's fund balance. Since the prior year's enterprise fund balance is negative, there are no funds from the prior year available to use.

Other Financing Sources

Interfund Transfer In

This amount represents a portion deemed reasonable to transfer from the special revenue fund to the enterprise fund as support for operations and maintenance of the enterprise fund. This portion is estimated as 10% of golf course operating expenses and is to be considered resident contributions.

Summary of Revenues, Expenses and Changes in Net Assets
Fiscal Year 2023 Adopted Budget

ACCOUNT DESCRIPTION	ACTUAL FY 2021	ADOPTED BUDGET FY 2022	ACTUAL THRU JUN 2022	PROJECTED JUL - SEP 2022	TOTAL PROJECTED FY 2022	ANNUAL BUDGET FY 2023
OPERATING REVENUES						
Rents or Royalties	\$ 57,248	\$ 69,109	\$ 54,116	\$ 14,993	\$ 69,109	\$ 72,109
TOTAL OPERATING REVENUES	57,248	69,109	54,116	14,993	69,109	72,109
OPERATING EXPENSES						
<i>Personnel and Administration</i>						
ProfServ-Dissemination Agent	-	500	-	500	500	500
ProfServ-Legal Services	-	6,500	-	6,500	6,500	6,500
Total Personnel and Administration	-	7,000	-	7,000	7,000	7,000
<i>Operation & Maintenance</i>						
Communication - Telephone	1,828	2,438	926	259	1,185	2,438
Utility - General	1,582	3,360	408	150	558	3,360
Electricity - General	12,630	17,250	15,164	5,055	20,219	17,250
Utility - Refuse Removal	2,067	2,520	2,488	801	3,289	2,520
Rentals & Leases	720	1,040	720	320	1,040	1,040
Insurance - General Liability	5,226	7,665	3,596	1,916	5,512	5,315
R&M-General	6,763	4,999	6,076	2,025	8,101	4,999
Misc-Licenses & Permits	592	750	765	-	765	750
Total Operation & Maintenance	31,408	40,022	30,143	10,527	40,670	37,672
<i>Debt Service</i>						
Principal Debt Retirement	-	35,000	-	35,000	35,000	37,500
Interest Expense	4,571	6,745	2,752	3,993	6,745	4,171
Total Debt Service	4,571	41,745	2,752	38,993	41,745	41,671
TOTAL OPERATING EXPENSES	35,979	88,767	32,895	56,520	89,415	86,343
Operating income (loss)	21,269	(19,658)	21,221	(41,527)	(20,306)	(14,234)
OTHER FINANCING SOURCES (USES)						
Contribution to (Use of) Fund Balance	-	-	-	-	-	-
TOTAL OTHER SOURCES (USES)	-	-	-	-	-	-
Change in net assets	21,269	(19,658)	21,221	(41,527)	(20,306)	(14,234)
TOTAL NET ASSETS, BEGINNING	(912,540)	(914,683)	(914,683)	-	(914,683)	(934,989)
TOTAL NET ASSETS, ENDING	\$ (891,271)	\$ (934,341)	\$ (893,462)	\$ (41,527)	\$ (934,989)	\$ (949,222)

Budget Narrative
Fiscal Year 2023

REVENUES

Rents or Royalties

The restaurant facility is leased to Bayscape Enterprises.

EXPENDITURES

Administrative

Professional Services-Dissemination Agent

Dissemination services for the series 1999 bond.

Professional Services-Legal Services

The District’s attorney provides general legal services to the District. Costs for matter services pertaining to the restaurant may be recorded here. Legal expenditures have been allocated across all funds (excluding Debt Service).

Operation and Maintenance

Communication-Telephone

Graybar serves as a communications provider.

Utility-General

Water and sewer services are provided by City of Tampa.

Electricity-General

Electricity services are provided by TECO.

Utility-Refuse Removal

Waste Management provides refuse removal services.

Rentals & Leases

The District currently leases a commercial dishwasher from VistaServe at a cost of \$80/4 weeks (13 payments per year).

Insurance-General Liability

Allocated insurance costs.

R&M-General

This line item will capture repair and maintenance costs throughout the restaurant facility.

Miscellaneous-Licenses & Permits

The cost associated with maintaining the liquor license.

Debt Service

Principal Debt Retirement

This represents principal payments due within the current year for the series 1999 recreational revenue bond. This expense is split with the golf.

Interest Expense

This represents interest payments due within the current year for the series 1999 recreational revenue bond. This expense is split with the golf.

Note: Without sufficient revenues to cover operating expenses the district is without means to make the required principal and interest payments. The budget reflects that the debt service payments would have to be made using a portion of prior year’s fund balance. Since the prior year’s enterprise fund balance is negative, there are no funds from the prior year available to use.

HERITAGE ISLES
Community Development District

Supporting Budget Schedules
Fiscal Year Budget 2023

HERITAGE ISLES

Community Development District

**Comparison of Assessment Rates
Fiscal Year 2023 vs. Fiscal Year 2022**

Product	General Fund 001			Special Revenue Fund 101			Total Assessments per Unit			Units
	FY 2023	FY 2022	Percent Change	FY 2023	FY 2022	Percent Change	FY 2023	FY 2022	Percent Change	
TH	\$511.82	\$511.82	0%	\$955.00	\$955.00	0%	\$1,466.82	\$1,466.82	0%	154
40 x 110	\$1,039.48	\$1,039.48	0%	\$955.00	\$955.00	0%	\$1,994.48	\$1,994.48	0%	192
50 x 110	\$1,171.42	\$1,171.42	0%	\$955.00	\$955.00	0%	\$2,126.42	\$2,126.42	0%	411
65 x 110	\$1,197.78	\$1,197.78	0%	\$955.00	\$955.00	0%	\$2,152.78	\$2,152.78	0%	94
75 x 110	\$1,416.78	\$1,416.78	0%	\$955.00	\$955.00	0%	\$2,371.78	\$2,371.78	0%	83
90 x 130	\$1,738.64	\$1,738.64	0%	\$955.00	\$955.00	0%	\$2,693.64	\$2,693.64	0%	86
										1,020