

Naples Heritage Community Development District

Inframark, Infrastructure Management Services

210 North University Drive, Suite 702 • Coral Springs, Florida 33071

Telephone: (954) 603-0033 • Fax: (954) 345-1292

Via Federal Express

February 28, 2018

Mr. Leo E. Ochs, Jr.
County Manager
County Manager's Office
3299 Tamiami Trail East, Suite 202
Administrative Building
Naples, Florida 34112-5746

RECEIVED
Office of the County Manager

MAR 05 2018

Action _____

RE: Proposed Operating Budget for Fiscal Year 2019

To Whom It May Concern:

In accordance with Chapter 190.008(2)(b) of the Florida Statutes, the District is required to submit to the local governing authorities having jurisdiction over the area included in the District, for purposes of disclosure and information only, the proposed annual budget for the ensuing fiscal year at least sixty (60) days prior to the public hearing.

The District's public hearing is scheduled as follows:

| | |
|--------|---|
| Date: | May 1, 2018 |
| Time: | 9:00 a.m. |
| Place: | Naples Heritage Golf and Country Clubhouse 8150 Heritage Club Way Naples, Florida |

I am pleased to enclose the District's Proposed Operating Budget for Fiscal Year 2019 as required by statute. If you have any questions or comments, please feel free to contact me directly at 239-245-7118 ext. 306.

Sincerely,

Justin Faircloth

Justin Faircloth
District Manager

enclosure

NAPLES HERITAGE
Community Development District

Annual Operating Budget
Fiscal Year 2019

Version 2 - Approved Tentative Budget
(Approved at the 02/27/18 Meeting)

Prepared by



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NAPLES HERITAGE
Community Development District

Operating Budget
Fiscal Year 2019

Summary of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2019 Approved Tentative Budget

| ACCOUNT DESCRIPTION | ACTUAL | ACTUAL | ADOPTED | ACTUAL | PROJECTED | TOTAL | ANNUAL |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | FY 2016 | FY 2017 | BUDGET | THRU | FEB | PROJECTED | BUDGET |
| | | | FY 2018 | JAN-2018 | SEP-2018 | FY 2018 | FY 2019 |
| REVENUES | | | | | | | |
| Interest - Investments | \$ 163 | \$ 515 | \$ 100 | \$ 240 | \$ 400 | \$ 640 | \$ 100 |
| Interest - Tax Collector | 2 | 4 | - | - | - | - | - |
| Special Assmnts- Tax Collector | 79,900 | 79,900 | 79,899 | 70,575 | 9,325 | 79,900 | 99,872 |
| Special Assmnts- Discounts | (2,866) | (2,788) | (3,196) | (2,776) | (280) | (3,056) | (3,995) |
| TOTAL REVENUES | 77,199 | 77,631 | 76,803 | 68,039 | 9,445 | 77,484 | 95,977 |
| EXPENDITURES | | | | | | | |
| <i>Administrative</i> | | | | | | | |
| P/R-Board of Supervisors | 5,000 | 5,000 | 5,000 | 2,000 | 3,000 | 5,000 | 5,000 |
| FICA Taxes | 383 | 381 | 383 | 153 | 231 | 384 | 383 |
| ProfServ-Engineering | - | 621 | 1,000 | 2,742 | - | 2,742 | 2,000 |
| ProfServ-Field Management | 700 | 750 | 773 | - | 773 | 773 | 795 |
| ProfServ-Legal Services | 1,983 | 4,973 | 2,000 | 65 | 1,800 | 1,865 | 2,000 |
| ProfServ-Mgmt Consulting Serv | 20,085 | 18,964 | 21,309 | 7,103 | 13,792 | 20,895 | 21,948 |
| ProfServ-Property Appraiser | 1,199 | 1,199 | 1,198 | 1,199 | - | 1,199 | 1,498 |
| ProfServ-Web Site Maintenance | - | - | 618 | 206 | - | 206 | 636 |
| Auditing Services | 3,000 | 3,000 | 3,000 | - | 3,000 | 3,000 | 3,000 |
| Postage and Freight | 509 | 513 | 1,500 | 187 | 400 | 587 | 1,500 |
| Insurance - General Liability | 8,399 | 8,101 | 8,911 | 8,101 | - | 8,101 | 8,911 |
| Printing and Binding | 471 | 902 | 650 | 167 | 450 | 617 | 650 |
| Legal Advertising | 1,511 | 1,196 | 2,500 | 295 | 1,200 | 1,495 | 2,500 |
| Misc-Bank Charges | 568 | 623 | 620 | 177 | 480 | 657 | 660 |
| Misc-Assessmnt Collection Cost | 941 | 1,054 | 1,598 | 1,356 | 187 | 1,543 | 1,997 |
| Misc-Contingency | 481 | - | 376 | - | 376 | 376 | 376 |
| Misc-Web Hosting | - | 696 | 500 | 167 | 333 | 500 | 501 |
| Office Expense | 160 | 165 | 410 | 99 | 132 | 231 | 410 |
| Annual District Filing Fee | 175 | 175 | 175 | 175 | - | 175 | 175 |
| Total Administrative | 45,565 | 48,313 | 52,521 | 24,192 | 26,153 | 50,345 | 54,940 |

Summary of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2019 Approved Tentative Budget

| ACCOUNT DESCRIPTION | ACTUAL | ACTUAL | ADOPTED | ACTUAL | PROJECTED | TOTAL | ANNUAL |
|--|------------------|------------------|------------------|------------------|--------------------|------------------|------------------|
| | FY 2016 | FY 2017 | BUDGET | THRU | FEB | PROJECTED | BUDGET |
| | | | FY 2018 | JAN-2018 | SEP-2018 | FY 2018 | FY 2019 |
| <i>Field</i> | | | | | | | |
| Contract-Fountain | - | - | - | - | - | - | 700 |
| Contract-Aerator Maintenance | - | - | 682 | - | - | - | 682 |
| Electricity-Aerator | - | - | 900 | 577 | 1,120 | 1,697 | 2,760 |
| R&M-Fence | - | - | 500 | - | - | - | 500 |
| Misc-Contingency | 5,000 | 1,337 | 12,000 | - | - | - | 26,195 |
| Total Field | 5,000 | 1,337 | 14,082 | 577 | 1,120 | 1,697 | 30,837 |
| <i>Reserves</i> | | | | | | | |
| Reserve - Fountains | - | - | 200 | - | - | - | 200 |
| Reserve - Roads and Lakes | 14,679 | 25,921 | 10,000 | - | - | - | 10,000 |
| Total Reserves | 14,679 | 25,921 | 10,200 | - | - | - | 10,200 |
| TOTAL EXPENDITURES & RESERVES | 65,244 | 75,571 | 76,803 | 24,769 | 27,273 | 52,042 | 95,977 |
| Excess (deficiency) of revenues | | | | | | | |
| Over (under) expenditures | 11,955 | 2,060 | - | 43,270 | (17,828) | 25,442 | - |
| Net change in fund balance | 11,955 | 2,060 | - | 43,270 | (17,828) | 25,442 | - |
| FUND BALANCE, BEGINNING | 41,427 | 53,382 | 55,442 | 55,442 | - | 55,442 | 80,884 |
| FUND BALANCE, ENDING | \$ 53,382 | \$ 55,442 | \$ 55,442 | \$ 98,712 | \$ (17,828) | \$ 80,884 | \$ 80,884 |

Budget Narrative
Fiscal Year 2019

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 in order 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 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 of the meetings.

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-Field Management

The District will have Inframark Infrastructure Management Services, Inc. perform an annual inspection of the CDD assets to insure they are being maintained to permit levels.

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 2019**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, Inc. Also included are costs for Information Technology charges to process all of the District's financial activities, i.e. accounts payable, financial statements, budgets, etc., on a main frame computer owned by Inframark in accordance with the management contract and the charge for rentals. The budgeted amount for the fiscal year is based on the contracted fees outlined in Exhibit "A" of the Management Agreement.

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. 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 budgeted amount for property appraiser costs was based on a maximum of 1.5% of the anticipated assessment collections.

Professional Services-Web Site Maintenance

Inframark Infrastructure Management Services maintains the District's email accounts and website as necessary.

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.

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 is obliged to carry General Liability & Public Officials Liability Insurance.

Printing and Binding

This is for copies used in the preparation of agenda packages, required mailings, and other special projects.

Legal Advertising

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

Budget Narrative
Fiscal Year 2019

EXPENDITURES

Administrative (continued)

Miscellaneous-Bank Charges

This is for bank charges incurred during the year.

Miscellaneous-Assessment Collection Costs

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 budgeted amount for collection costs was based on a maximum of 2% of the anticipated assessment collections.

Miscellaneous-Contingency

This is for unforeseen administrative expenses occurring throughout the year.

Miscellaneous-Web Hosting

The District incurs expenses to maintain and renew the website domain and email accounts.

Office Expense

This is for 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 to the Department of Economic Opportunity Division of Community Development.

Budget Narrative
Fiscal Year 2019

EXPENDITURES

Field

Contract - Fountain

This is for the quarterly contract for the maintenance of the fountain system in the District.

Contract - Aerator Maintenance

This is for the semi-annual contract for the maintenance of the aeration system in the District.

Electricity - Aerator

This is for monthly electrical costs of the aeration system in the District.

R&M - Fence

This is for the repair and maintenance of the fence in the District.

Miscellaneous – Contingency

This is for unforeseen field operating expenses occurring throughout the year.

Reserves

Reserve-Fountain

The District will set aside funds to pay for future improvements of the fountain.

Reserve-Roads and Lakes

The District will set aside funds to pay for future improvements of the roads and lakes.

Exhibit "A"
Allocation of Fund Balances

AVAILABLE FUNDS

| | <u>Amount</u> |
|--|----------------------|
| Beginning Fund Balance - Fiscal Year 2019 | \$ 80,884 |
| Net Change in Fund Balance - Fiscal Year 2019 | - |
| Reserves - Fiscal Year 2019 Additions | 10,200 |
| Total Funds Available (Estimated) - 9/30/19 | 91,084 |

ALLOCATION OF AVAILABLE FUNDS

Assigned Fund Balance

| | | |
|---|----------|-----------------------|
| Operating Reserve - First Quarter Operating Capital | | 23,993 ⁽¹⁾ |
| Reserves - Fountain - Current Year | 200 | |
| Reserves - Fountain - Budget Year | 200 | 400 |
| Reserves - Roads & Lakes - Current Year | 10,000 | |
| Reserves - Roads & Lakes - Budget Year | 10,000 | 20,000 |
| | Subtotal | 44,393 |
| Total Allocation of Available Funds | | 44,393 |

| | |
|---|------------------|
| Total Unassigned (undesignated) Cash | \$ 46,691 |
|---|------------------|

Notes

(1) Represents approximately 3 months of operating expenditures

NAPLES HERITAGE
Community Development District

Supporting Budget Schedule
Fiscal Year 2019

NAPLES HERITAGE

Community Development District

Comparison of Assessment Rates Fiscal Year 2018 vs Fiscal Year 2019

| O&M Assessment | | | |
|----------------|-----------|-----------|----------------|
| Product | FY 2018 | FY 2019 | Percent Change |
| All 799 Units | \$ 100.00 | \$ 125.00 | 25.0% |