

## BOARD OF SUPERVISOR'S

# HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT

## REGULAR MEETING AGENDA

**April 7, 2016**

**Board of Supervisor's**

**Terry Kirschner, Chairman**  
**William Riley, Vice Chairman**  
**Chris Kemper, Assistant Secretary**  
**David Negip, Assistant Secretary**  
**Matt Morris, Assistant Secretary**

James P. Ward  
District Manager  
2041 N.E. 6th Terrace  
Wilton Manors, FL. 333051

Phone: 954-658-4900  
E-mail: ward9490@comcast.net



[www.heritageharbourmarketplacecdd.org](http://www.heritageharbourmarketplacecdd.org)

# HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT

April 1, 2016

Board of Supervisors  
Heritage Harbour Market Place  
Community Development District

Dear Board Members:

The Regular Meeting of the Board of Supervisors of the Heritage Harbour Market Place Community Development District will be held on **Thursday, April 7, 2016 at 2:15 p.m.** at the **River Strand Golf & Country Club (Club House), 7155 Grand Estuary Trail, Bradenton, Florida 34212.**

1. Call to Order & Roll Call.
2. Administration of Oath of Office for Supervisor's Negip and Morris, who were elected at the Landowner's Meeting of November 5, 2015.
  - Guide to Sunshine Amendment and Code of Ethics for Public Officers and Employees
  - Membership Obligations and Responsibilities
  - Form 1 – Statement of Financial Interests
3. Consideration of Minutes.
  - a) November 5, 2015 – Landowner's Meeting
  - b) November 5, 2015 - Regular Meeting.
4. Consideration of acceptance of the Audited Financial Statements for the Fiscal Year ended September 30, 2015.
5. Consideration of Resolution 2015-2 Approving the Proposed Budget for Fiscal Year 2016 and Setting a Public Hearing for September 3, 2015 on the Proposed Budget.
6. Staff Reports
  - a) Attorney
  - b) Engineer
  - c) Manager
    - I. Financial Statements for the month ended February 28, 2016.
7. Supervisor's Requests and Audience Comments



*James P. Ward*  
*District Manager*

2041 N.E. 6<sup>TH</sup> TERRACE  
WILTON MANORS, FL. 33305  
PHONE (954) 658-4900  
E-MAIL ward9490@comcast.net

8. Adjournment

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The second order of business is general in nature, and to administer the oath of office for Mr. Negip and Mr. Morris elected at the November, 2015 landowner's meeting.

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The third order of business is consideration of the minutes of the November 5, 2015 meetings.

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The fourth order of business is consideration of the acceptance of the Audited Financial Statements for the year ended September 30, 2015. A representative of Keefe McCullough will be available by phone to present the audited financial statements.

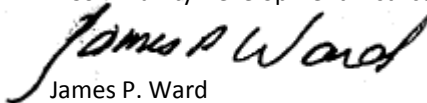
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The District's enabling legislation requires the District Manager to submit a Proposed Budget to the Board by June 15<sup>th</sup> of each year for your review and approval. The approval of the budget is only intended to permit the District to move through the process towards adopting the budget at a Public Hearing scheduled for the September 1, 2016 meeting of the Board of Supervisor's. The approval of the Budget does not bind the Board to any of the costs contained in the budget, any of the programs contained in the Budget and most importantly it does not bind the Board to any of the Assessment Rates contemplated as a result of the preparation of the Budget. It does however set the maximum assessment rate for the general fund at the proposed rate of \$2,970.87 per acre, which is the rate the District would include on the TRIM notices that are sent to property owners in August of each year. If you re-call, the Board has also set a Cap Rate which is \$3,267.96 per acre, which is the rate that triggers mailed notice to all property owners by the District in addition to the rate being included on the TRIM notice. Since the proposed rate is below the Cap Rate, mailed notice by the District is not required.

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The balance of the Agenda is standard in nature and I look forward to seeing you at the meeting, and if you have any questions and/or comments, please do not hesitate to contact me directly at (954) 658-4900.

Yours sincerely,  
Heritage Harbour Market Place  
Community Development District



James P. Ward  
District Manager



*James P. Ward*  
*District Manager*

2041 N.E. 6<sup>TH</sup> TERRACE  
WILTON MANORS, FL. 33305  
PHONE (954) 658-4900  
E-MAIL ward9490@comcast.net

**OATH OR AFFIRMATION OF OFFICE**

I, \_\_\_\_\_, a citizen of the State of Florida and of the United States of America, and being an officer of the **Heritage Harbour Market Place Community Development District** and a recipient of public funds as such officer, do hereby solemnly swear or affirm that I will support the Constitution of the United States and of the State of Florida, and will faithfully, honestly and impartially discharge the duties devolving upon me as a member of the Board of Supervisors of the **Heritage Harbour Market Place Community Development District**, Manatee County, Florida.

\_\_\_\_\_  
Signature

Printed Name: \_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF MANATEE

Sworn to (or affirmed) before me this \_\_\_\_ day of \_\_\_\_\_, 2016, by \_\_\_\_\_, whose signature appears hereinabove, who is personally known to me or who produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
NOTARY PUBLIC  
STATE OF FLORIDA

Print Name: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

**MINUTES OF MEETING  
HERITAGE HARBOUR MARKET PLACE  
COMMUNITY DEVELOPMENT DISTRICT  
LANDOWNERS' MEETING**

The Landowners' Meeting of the Heritage Harbour Market Place Community Development District was held on **Thursday, November 5, 2015, at 2:15 p.m.**, at the **River Strand Golf & Country Club (Clubhouse), 7155 Grand Estuary Trail, Bradenton, Florida 34212.**

**Landowners:**

Russell Smith

Lennar Homes

**Staff:**

James P. Ward  
Ken vanAssenderp  
Shane Cooper

District Manager  
District Attorney (Telephonic)  
District Engineer

**Others present:**

Terry Kirschner  
Bill Riley  
Chris Kemper

Lennar Homes  
CAS Asset Management  
Lennar Homes

**FIRST ORDER OF BUSINESS**

**Call to Order/Roll Call**

Mr. Ward called the meeting to order at 2:30 p.m.

**SECOND ORDER OF BUSINESS**

**Election of a Chairperson for the  
Purpose of Conducting the  
Landowners' Meeting**

Mr. Ward explained that one landowner was present, Russell Smith, representing Lennar Homes. Mr. Ward explained that Mr. Smith was welcome to chair the meeting, or that Mr. Ward would chair it at Mr. Smith's request. Mr. Smith turned the meeting over to Mr. Ward for chairing.

**THIRD ORDER OF BUSINESS**

**Election of Supervisors**

- a) Determination of the Number of Voting Units Represented by Proxy

Mr. Ward reported that one proxy was received, which is from Lennar Homes, signed by Darin McMurray, appointing Russell Smith to vote 19 voting units at today's landowners' meeting. Mr. Ward reported that he has

received no proxies from other landowners and that there are no other landowners present for today's meeting.

b) Nominations for Supervisors (5 positions)

Mr. Ward stated it would be appropriate for Mr. Smith to nominate five individuals to serve on the Board. Mr. Smith nominated the present slate of supervisors: David Nigip, Christopher Kemper, Matthew Morris, Terry Kirschner, and William Riley.

c) Casting of Ballots

Mr. Ward provided an original ballot to be filled out and explained that the two individuals receiving the highest number of votes would serve four-year terms, and the remaining three individuals would serve two-year terms. Mr. Smith completed the ballot and returned same to Mr. Ward.

d) Ballot Tabulations and Results

Mr. Ward stated that Mr. Kemper and Mr. Kirschner received 19 votes and will serve four-year terms, and Mr. Morris, Mr. Riley, and Mr. Nigip received 18 votes and will serve two-year terms.

**FOURTH ORDER OF BUSINESS**

**LANDOWNERS'  
COMMENTS**

**QUESTIONS OR**

There were no questions or comments from landowner.

**ADJOURNMENT**

The meeting was adjourned at 2:35 p.m.

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James P. Ward, Secretary

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Terry Kirschner, Chairman

**MINUTES OF MEETING  
HERITAGE HARBOUR MARKET PLACE  
COMMUNITY DEVELOPMENT DISTRICT**

The Regular Meeting of the Heritage Harbour Market Place Community Development District's Board of Supervisors was held on Thursday, **November 5, 2015**, at **2:15 p.m.**, at the **River Strand Golf & Country Club (Clubhouse)**, **7155 Grand Estuary Trail, Bradenton, Florida 34212**.

**Present and constituting a quorum were:**

Terry Kirschner	Chairman
William Riley	Vice Chairman
Christopherr Kemper	Assistant Secretary

**Board Members Absent:**

Matthew Morris	Assistant Secretary
David Nigip	Assistant Secretary

**Staff present:**

James P. Ward	District Manager
Ken vanAssenderp	District Attorney (Telephonic)
Shane Cooper	District Engineer

**FIRST ORDER OF BUSINESS**

**Call to Order/Roll Call**

Mr. Ward called the meeting to order at 2:35 p.m., and roll call determined that all members of the Board were present with the exception of Mr. Morris and Mr. Nigip.

**SECOND ORDER OF BUSINESS**

**Administration of Oath of Office for the Newly Elected Supervisors from the Landowners' Meeting held just prior to the Regular Meeting**

Mr. Ward administered the Oath of Office to Mr. Kemper, Mr. Kirschner, and Mr. Riley.

**THIRD ORDER OF BUSINESS**

**Consideration of Resolution 2016-1 Canvassing and Certifying the Results of the November 5, 2015 Landowners Election**

Mr. Ward reported the results from the Landowners Election of November 5, 2015, as follows:

Section One:

- Seat 1 Mr. Nigip with 18 votes
- Seat 2 Mr. Kemper with 19 votes
- Seat 3 Mr. Morris with 18 votes
- Seat 4 Mr. Kirschner with 19 votes
- Seat 5 Mr. Riley with 18 votes

Section Two:

- Four-year term Mr. Kemper
- Four-year term Mr. Kirschner
- Two-year term Mr. Morris
- Two-year term Mr. Riley
- Two-year term Mr. Nigip

**On MOTION was made by Mr. Kemper and seconded by Mr. Riley, and with all in favor the motion as described above was approved.**

**FOURTH ORDER OF BUSINESS**

**Consideration of Resolution 2016-2  
Re-Designating the Officers of the  
Heritage Harbour Marketplace  
Community Development District**

Mr. Ward noted that the existing slate of officers is as follows:

- Mr. Kirschner Chairperson
- Mr. Riley Vice Chairperson
- Mr. Ward Secretary/Treasurer
- Mr. Morris Assistant Secretary
- Mr. Nigip Assistant Secretary
- Mr. Kemper Assistant Secretary

Mr. Ward stated that this Resolution may be adopted as presented or the Board may make any desired changes via motion.

**On MOTION was made by Mr. Kirschner and seconded by Mr. Kemper to adopt the Resolution as presented, and with all in favor the motion as described above was approved.**



**FIFTH ORDER OF BUSINESS**

**Consideration of Minutes**

- September 3, 2015 Meeting

**On MOTION was made by Mr. Riley and seconded by Mr. Kemper to approve the Minutes of the September 3, 2015 Meeting, and with all in favor the motion as described above was approved.**

**SIXTH ORDER OF BUSINESS**

**Staff Reports**

- a) Attorney - No report
- b) Engineer - No report
- c) Manager

Mr. Ward reported that invoices have been sent out for those parcels of land with direct billings. He stated that, as noted during the Budget Hearings, he does not expect all of them to be paid, and the Board has given approval to staff for initiation of foreclosure proceedings against any parcel which does not submit payment by the end of November.

**SEVENTH ORDER OF BUSINESS**

**Supervisor's Requests and Audience Comments**

Mr. Kemper asked to receive via email a listing of the scheduled Meetings for 2016.

7. Adjournment

**MOTION was made by Mr. Riley and seconded by Mr. Kemper, and with all in favor motion to adjourn the meeting was approved.**

The meeting was adjourned at 2:40 p.m.

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James P. Ward, Secretary

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Terry Kirschner, Chairperson

**RESOLUTION 2016-3**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT APPROVING A PROPOSED BUDGET FOR FISCAL YEAR 2017 AND SETTING A PUBLIC HEARING THEREON PURSUANT TO FLORIDA LAW; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICT AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, the District Manager has heretofore prepared and submitted to the Board of Supervisors of Heritage Harbour Market Place Community Development District (the "Board") prior to June 15, 2016, a proposed Budget for Fiscal Year 2017; and

**WHEREAS**, the Board has considered the proposed Budget and desires to set the required public hearing thereon.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT:**

**SECTION 1.** That the foregoing whereas clauses are true and correct and incorporated herein as if written into this Section.

**SECTION 2.** The proposed Budget submitted by the District Manager for Fiscal Year 2017 and attached hereto as **Exhibit A** is hereby approved as the basis for conducting a public hearing to adopt said budget.

**SECTION 3.** A public hearing on said approved budget is hereby declared and set for the following date, hour and location:

<b>DATE:</b>	<b>Thursday, September 1, 2016</b>
<b>HOUR:</b>	<b>2:15 P.M.</b>
<b>LOCATION:</b>	<b>River Strand Golf and Country Club (Clubhouse) 7155 Grand Estuary Trail Bradenton, Florida 34212</b>

**SECTION 4.** The District Manager is hereby directed to submit a copy of the proposed budget to Manatee County at least 60 days prior to the hearing set above.

**SECTION 5.** Notice of this public hearing on the budget shall be published in a newspaper of general circulation in the area of the district once a week for two (2) consecutive weeks, except that the first publication shall not be fewer than 15 days prior to the date of the hearing. The notice shall further contain a designation of the day, time, and place of the public hearing. At the time and place designated in the notice, the Board shall hear all objections to the budget as proposed and may make such changes as the board deems necessary.

**SECTION 6.** If any one of the covenants, agreements or provisions herein contained shall be held contrary to any express provision of law or contract to the policy of express law, but not expressly prohibited or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way effect the validity of the other provisions hereof.

**SECTION 7.** That all Sections or parts of Sections of any Resolutions, Agreements or actions of the Board of Supervisor's in conflict are hereby repealed to the extent of such conflict.

**RESOLUTION 2016-3**

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT APPROVING A PROPOSED BUDGET FOR FISCAL YEAR 2017 AND SETTING A PUBLIC HEARING THEREON PURSUANT TO FLORIDA LAW; PROVIDING FOR SEVERABILITY; PROVIDING FOR CONFLICT AND PROVIDING FOR AN EFFECTIVE DATE.**

**SECTION 8.** This Resolution shall take effect immediately upon adoption.

**PASSED AND ADOPTED** this 7<sup>nd</sup> day of April, 2017

ATTEST:

**HERITAGE HARBOUR MARKET PLACE  
COMMUNITY DEVELOPMENT DISTRICT**

\_\_\_\_\_  
James P. Ward, Secretary

\_\_\_\_\_  
Terry Kirschner, Chairman

**BOARD OF SUPERVISOR'S**

**HERITAGE HARBOUR MARKET PLACE  
COMMUNITY DEVELOPMENT DISTRICT**

**EXHIBIT A**

**PROPOSED BUDGET  
FISCAL YEAR 2017**

**October 1, 2016 through September 30, 2017**

**Board of Supervisor's**

**Terry Kirschner, Chairman  
William Riley, Vice Chairman  
David Negip, Assistant Secretary  
Chris Kemper Assistant Secretary  
Matthew Morris, Assistant Secretary**

James P. Ward  
District Manager  
2041 Northeast 6th Terrace  
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**Heritage Harbour Market Place  
Community Development District  
General Fund - Proposed Budget  
Fiscal Year 2017**

Description	Fiscal Year 2016 Budget	Actual at 02/29/2016	Anticipated Year End 09/30/16	Fiscal Year 2017 Budget
<b>Revenues and Other Sources</b>				
Carryforward	\$ -	\$ -	\$ -	\$ -
Interest Income - General Account	\$ 60	\$ 54	\$ 100	\$ 60
Miscellaneous Revenue	\$ -	\$ 4,225	\$ 4,225	\$ -
<b>Special Assessment Revenue</b>				
Special Assessment - Uniform Method	\$ 16,265	\$ 16,265	\$ 16,265	\$ 19,340
Special Assessment - Non-Uniform	\$ 311,928	\$ 87,725	\$ 87,725	\$ 345,958
<b>Operating Transfers In</b>				
Debt Service Fund - Series 2005 Bonds	\$ -	\$ 83,493	\$ 175,000	\$ -
<b>Total Revenue &amp; Other Sources</b>	<b>\$ 328,253</b>	<b>\$ 191,764</b>	<b>\$ 283,316</b>	<b>\$ 365,359</b>

**Appropriations**

**Legislative**

Board of Supervisor's Fees	\$ 1,200	\$ 200	\$ 600	\$ 1,200
Board of Supervisor's - FICA	\$ 92	\$ 16	\$ 46	\$ 92

**Executive**

Executive Salaries	\$ 35,000	\$ 14,808	\$ 35,000	\$ 35,000
Executive Salaries - FICA	\$ 2,678	\$ 1,133	\$ 2,678	\$ 2,678
Executive Salaries - Insurance	\$ 3,100	\$ 1,518	\$ 3,100	\$ 3,100

**Financial and Administrative**

Audit Services	\$ 6,600	\$ 6,600	\$ 6,600	\$ 6,800
Accounting Services	\$ 4,400	\$ 1,848	\$ 4,400	\$ 4,400
Assessment Roll Preparation	\$ -	\$ -	\$ -	\$ -
Arbitrage Rebate Fees	\$ 500	\$ 500	\$ 500	\$ 500

**Other Contractual Services**

Recording and Transcription	\$ 250	\$ 68	\$ 125	\$ 250
Legal Advertising	\$ 2,400	\$ 187	\$ 2,400	\$ 2,400
Trustee Services	\$ 5,810	\$ -	\$ 5,810	\$ 5,810
Dissemination Agent Services	\$ 1,000	\$ -	\$ 1,000	\$ 1,000
Bank Service Fees	\$ 500	\$ 149	\$ 500	\$ 500

**Travel and Per Diem**

	\$ -	\$ -	\$ -	\$ -
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**Communications and Freight Services**

Telephone	\$ -	\$ -	\$ -	\$ -
Postage, Freight & Messenger	\$ 100	\$ 175	\$ 300	\$ 300

**Rentals and Leases**

Miscellaneous Equipment	\$ -	\$ -	\$ -	\$ -
Computer Services and Website	\$ 8,000	\$ 2,793	\$ 8,000	\$ 8,000

**Insurance**

	\$ 5,900	\$ 5,665	\$ 5,665	\$ 6,300
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**Printing and Binding**

	\$ 100	\$ 12	\$ 50	\$ 100
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**Office Supplies**

	\$ 50	\$ -	\$ -	\$ -
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**Subscriptions and Memberships**

	\$ 175	\$ 175	\$ 175	\$ 175
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**Legal Services**

General Counsel	\$ 75,000	\$ 9,437	\$ 20,000	\$ 60,000
Litigaton Counsel	\$ 175,000	\$ 42,985	\$ 100,000	\$ 150,000

**Heritage Harbour Market Place  
Community Development District  
General Fund - Proposed Budget  
Fiscal Year 2017**

Description	Fiscal Year 2016		Actual at		Anticipated	Fiscal Year
	Budget		02/29/2016		Year End	2017 Budget
					09/30/16	
<b>Comprehensive Planning Services</b>						
Professional Services - Planning	\$ -	\$ -	\$ 40,508	\$ -	\$ 75,000	\$ 75,000
<b>Other General Government Services</b>						
Engineering Services	\$ 400	\$ -	\$ 113	\$ -	\$ 300	\$ 400
Contingencies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Other Fees and Charges</b>						
Discounts and Fees	\$ 1,221	\$ -	\$ -	\$ -	\$ 1,221	\$ 1,354
<b>Total Appropriations</b>	<b>\$ 329,476</b>	<b>\$ 128,888</b>	<b>\$ 128,888</b>	<b>\$ 128,888</b>	<b>\$ 273,470</b>	<b>\$ 365,359</b>
<b>Net Increase/(Decrease) in Fund Balance</b>			\$ 62,876	\$ -	\$ 9,846	\$ -
<b>Fund Balance - Beginning</b>	\$ 32,694	\$ 32,694	\$ 32,694	\$ 32,694	\$ 32,694	\$ 42,540
<b>Fund Balance - Ending (Projected)</b>	<b>\$ 32,694</b>	<b>\$ 95,569</b>	<b>\$ 95,569</b>	<b>\$ 95,569</b>	<b>\$ 42,540</b>	<b>\$ 42,540</b>

<b>Assessment Comparison</b>					
Parcel Identification	Acres	Fiscal Year 2016		Fiscal Year 2017	
		Off-Roll	On-Roll	Off-Roll	On-Roll
Parcel 19/20	83.7	\$224,202.09		\$248,662.13	
Parcel 22	3.38		\$9,053.80		\$10,041.55
Parcel 23	2.13	\$5,705.50		\$6,327.96	
Parcel 24	3.13		\$8,384.14		\$9,298.83
Parcel 25	16.36	\$43,822.53		\$48,603.49	
Parcel 26	9.26	\$24,804.20		\$27,510.29	
Parcel 27	5	\$13,393.20		\$14,854.37	

**Notes:**

- 1) Beginning Fund Balance dropped from approx. \$92k to \$33k due to non-payment by Parcel 19/20 of FY 2016 Assessments
- 2) Cap Rate Exceeded - mailed notice required.

**Heritage Harbour Market Place  
Community Development District  
General Fund - Proposed Budget  
Fiscal Year 2017**

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**Revenues and Other Sources**

<b>Carryforward</b>		\$	-
	The amount of anticipated Fund Balance is recommended to be utilized to fund the operating expenses of the District for the first three (3) months of the Fiscal Year, pending the receipt of assessment collections.		
<b>Interest Income - General Account</b>		\$	60
	With the levy of Special Assessments - the District's operating account will earn interest on it's funds. This amount reflect's the anticipated earnings.		

**Appropriations**

**Legislative**

Board of Supervisor's Fees		\$	1,292
	The Board's fees are statutorily set at \$200 for each meeting of the Board of Supervisor's not to exceed \$4,800 for each Fiscal Year. The Budgeted amount reflects that the anticipated meetings for the District.		

**Executive**

Executive Saleries and Benefits		\$	40,778
	The District has one employee - that is the District Manager who handles the daily activities of the District, and which is shared with other CDD's. The expenditures are this District's anticipated share of those costs.		

	FY 2016	FY 2017
Salary	\$ 35,000	\$ 35,000
FICA	\$ 2,678	\$ 2,678
Insurance	\$ 2,400	\$ 3,100
<b>Total:</b>	<b>\$ 40,078</b>	<b>\$ 40,778</b>

**Financial and Administrative**

Audit Services		\$	6,800
	Statutorily required for the District to undertake an independent examination of its books, records and accounting procedures.		
Accounting Services		\$	4,400
	For the maintenance of the District's books and records on a daily basis.		
Assessment Roll Preparation		\$	-
	For the preparation by the Financial Advisor of the Methodology for the General Fund and the Assessment Rolls including transmittal to the Manatee County Property Appraiser.		
Arbitrage Rebate Fees		\$	500
	For requied Federal Compliance - this fee is paid for an in-depth analysis of the District's earnings on all of the funds in trust for the benefit of the Bondholder's to insure that the earnings rate does not exceed the interest rate on the Bond's.		

**Other Contractual Services**

Recording and Transcription		\$	250
Legal Advertising		\$	2,400



**Heritage Harbour Market Place  
Community Development District  
General Fund - Proposed Budget  
Fiscal Year 2017**

Trustee Services	\$	5,810
<p>With the issuance of the District's Bonds, the District is required to maintain the accounts established for the Bond Issue with a bank that holds trust powers in the State of Florida. The primary purpose of the trustee is to safeguard the assets of the Bondholder's, to insure the timely payment of the principal and interest due on the Bonds, and to insure the investment of the funds in the trust are made pursuant to the requirements of the trust.</p>		
Dissemination Agent Services	\$	1,000
<p>With the issuance of the District's Bonds, the District is required to report on a periodic basis the same information that is contained in the Official Statement that was issued for the Bonds. These requirements are pursuant to requirements of the Securities and Exchange Commission and sent to national repositories.</p>		
Bank Service Fees	\$	500
<b>Travel and Per Diem</b>	\$	-
<b>Communitcations and Freight Services</b>		
Telephone	\$	-
Postage, Freight & Messenger	\$	300
<b>Rentals and Leases</b>		
Miscellaneous Equipment	\$	-
Computer Services & Webt Site Maintenance	\$	8,000
<p>The District maintains all of it's Public Records, including all of it's programs for accounting and the administration of the District in a cloud computing evnironment with constant redundancy of the system. The fee includes the yearly hardware and annual software licenses to maintain the District's records, along with the continued development/maintenance of a web site for the District.</p>		
<b>Insurance</b>	\$	6,300
<b>Printing and Binding</b>	\$	100
<b>Office Supplies</b>	\$	-
<b>Subscriptions and Memberships</b>	\$	175
<b>Legal Services</b>		
General Counsel	\$	60,000
<p>The District's general counsel provides on-going legal representation relating to issues such as public finance, public bidding, rulemaking, open meetings, public records, real property dedications, conveyances and contracts. In this capacity, they provide services as "local government lawyers"</p>		
Litigaton Counsel	\$	150,000
<b>Comprehensive Planning Services</b>		
Professional Services - Planning	\$	75,000
<p>The Bondholder's have retained the firm of Lerner and Associates to evaluate Parcel 19/20.</p>		
<b>Other General Government Services</b>		
Engineering Services	\$	400
<p>The District's engineering firm provides a broad array of engineering, consulting and construction services, which assists the District in crafting solutions with sustainability for the long term interests of the Community while recognizing the needs of government, the environment and maintenance of the District's facilities.</p>		
Contingencies	\$	-
<b>Other Fees and Charges</b>		
Discounts and Tax Collector Fees	\$	1,354
<p>4% Discount permitted by Law for early payment and 3% Tax Collector Fee and Property</p>		
Appraiser Fee		
<b>Total Appropriations:</b>		<b><u>\$ 365,359</u></b>

Heritage Harbour Market Place  
Community Development District  
Debt Service Fund - Proposed Budget  
Fiscal Year 2017

Description	Fiscal Year 2016 Budget	Actual at 02/29/2016	Anticipated Year End 09/30/16	Fiscal Year 2017 Budget
<b>Revenues and Other Sources</b>				
Carryforward	\$ -	\$ -	\$ -	\$ -
Interest Income	\$ -	\$ 159	\$ 275	\$ -
<b>Special Assessment Revenue</b>				
Special Assessment - Uniform Method	\$ 29,001	\$ 27,190	\$ 27,190	\$ 29,034
Special Assessment - Non-Uniform Method	\$ 1,078,989	\$ 303,451	\$ 303,451	\$ 1,080,198
Special Assessment - Prepayment	\$ -	\$ -	\$ -	\$ -
<b>Total Revenue &amp; Other Sources</b>	<b>\$ 1,107,990</b>	<b>\$ 330,800</b>	<b>\$ 330,916</b>	<b>\$ 1,109,232</b>
<b>Appropriations</b>				
<b>Debt Service</b>				
<b>Principal Debt Service - Mandatory</b>				
Series 2007 Bonds	\$ 355,000	\$ -	\$ -	\$ 375,000
<b>Principal Debt Service - Early Redemptions</b>				
Series 2007 Bonds	\$ -	\$ -	\$ -	\$ -
<b>Interest Expense</b>				
Series 2007 Bonds	\$ 750,960	\$ -	\$ -	\$ 732,200
<b>Operating Transfers Out</b>				
Other Fees and Charges	\$ -	\$ 85,539	\$ 85,539	\$ -
Discounts and Fees	\$ 2,030	\$ -	\$ 2,030	\$ 2,032
<b>Total Appropriations</b>	<b>\$ 1,107,990</b>	<b>\$ 85,539</b>	<b>\$ 87,569</b>	<b>\$ 1,109,232</b>
<b>Net Increase/(Decrease) in Fund Balance</b>				
	-	245,261	243,348	-
<b>Fund Balance - Beginning</b>	<b>715,424</b>	<b>715,424</b>	<b>715,424</b>	<b>958,772</b>
<b>Fund Balance - Ending (Projected)</b>	<b>715,424</b>	<b>960,685</b>	<b>958,772</b>	<b>958,772</b>
<b>Restricted Fund Balance:</b>				
Reserve Account Requirement			949,510	
Restricted for November 1, 2017 Interest Payment			\$ 366,100	
<b>Total - Restricted Fund Balance:</b>			<b>\$ 1,315,610</b>	

Parcel Identification	Acres or Square Ft.	Assessment Comparison			
		Fiscal Year 2015		Fiscal Year 2016	
		Off-Roll	On-Roll	Off-Roll	On-Roll
Parcel 19/20	83.7	\$ 775,537.48		\$ 776,407.01	
Parcel 22	0		PREPAID		PREPAID
Parcel 23	2.13	\$ 19,735.90		\$ 19,758.03	
Parcel 24	3.13		\$ 29,001.58		\$ 29,034.10
Parcel 25	16.36	\$ 151,586.54		\$ 151,756.50	
Parcel 26	9.26	\$ 85,800.20		\$ 85,896.40	
Parcel 27	5	46328.4		\$ 46,380.35	

Note: The owner of Parcel 19/20 have not paid their assessments, and as such, this bond issue is in default. At the time of preparation of this Budget, the bondholder's have directed the trustee to not pay principal or interest on the Bonds for FY 2016. The District will levy assessments each year, on all parcels subject to the assessment.

**Heritage Harbour Market Place  
Community Development District  
Debt Service Fund - Proposed Budget**

Description	Principal	Coupon Rate	Interest	Annual Debt Service
Principal Balance - at September 30, 2015	\$13,765,000	5.60%	No Change in Balance due to Default	
11/1/2015	Not Paid		\$ 376,040.00	
5/1/2016	Not Paid		\$ 376,040.00	\$ 1,107,080
11/1/2016			\$ 366,100.00	
5/1/2017	\$ 375,000	5.60%	\$ 366,100.00	\$ 1,107,200
11/1/2017			\$ 355,600.00	
5/1/2018	\$ 395,000	5.60%	\$ 355,600.00	\$ 1,106,200
11/1/2018			\$ 344,540.00	
5/1/2019	\$ 420,000	5.60%	\$ 344,540.00	\$ 1,109,080
11/1/2019			\$ 332,780.00	
5/1/2020	\$ 440,000	5.60%	\$ 332,780.00	\$ 1,105,560
11/1/2020			\$ 320,460.00	
5/1/2021	\$ 470,000	5.60%	\$ 320,460.00	\$ 1,110,920
11/1/2021			\$ 307,300.00	
5/1/2022	\$ 495,000	5.60%	\$ 307,300.00	\$ 1,109,600
11/1/2022			\$ 293,440.00	
5/1/2023	\$ 525,000	5.60%	\$ 293,440.00	\$ 1,111,880
11/1/2023			\$ 278,740.00	
5/1/2024	\$ 555,000	5.60%	\$ 278,740.00	\$ 1,112,480
11/1/2024			\$ 263,200.00	
5/1/2025	\$ 585,000	5.60%	\$ 263,200.00	\$ 1,111,400
11/1/2025			\$ 246,820.00	
5/1/2026	\$ 620,000	5.60%	\$ 246,820.00	\$ 1,113,640
11/1/2026			\$ 229,460.00	
5/1/2027	\$ 655,000	5.60%	\$ 229,460.00	\$ 1,113,920
11/1/2027			\$ 211,120.00	
5/1/2028	\$ 690,000	5.60%	\$ 211,120.00	\$ 1,112,240
11/1/2028			\$ 191,800.00	
5/1/2029	\$ 730,000	5.60%	\$ 191,800.00	\$ 1,113,600
11/1/2029			\$ 171,360.00	
5/1/2030	\$ 775,000	5.60%	\$ 171,360.00	\$ 1,117,720
11/1/2030			\$ 149,660.00	
5/1/2031	\$ 820,000	5.60%	\$ 149,660.00	\$ 1,119,320
11/1/2031			\$ 126,700.00	
5/1/2032	\$ 865,000	5.60%	\$ 126,700.00	\$ 1,118,400
11/1/2032			\$ 102,480.00	
5/1/2033	\$ 915,000	5.60%	\$ 102,480.00	\$ 1,119,960
11/1/2033			\$ 76,860.00	
5/1/2034	\$ 970,000	5.60%	\$ 76,860.00	\$ 1,123,720
11/1/2034			\$ 49,700.00	
5/1/2035	\$ 1,025,000	5.60%	\$ 49,700.00	\$ 1,124,400
11/1/2035			\$ 21,000.00	
5/1/2036	\$ 1,085,000	5.60%	\$ 21,000.00	\$ 1,127,000

**Heritage Harbour Market Place  
Community Development District**

**Capital Projects Fund - Proposed Budget  
Fiscal Year 2017**

Description	Fiscal Year 2016 Budget	Actual at 02/29/2016	Anticipated Year End 09/30/16	Fiscal Year 2017 Budget
<b>Revenues and Other Sources</b>				
Carryforward	\$ -	\$ -	\$ -	\$ -
Interest Income	\$ -	\$ 100	\$ 120	\$ -
Operating Transfers In	\$ -	\$ 78	\$ 78	\$ -
<b>Total Revenue &amp; Other Sources</b>	<b>\$ -</b>	<b>\$ 179</b>	<b>\$ 198</b>	<b>\$ -</b>
<b>Expenditures and Other Uses</b>				
<b>Flood Control - Stormwater Management</b>				
Engineering Services	\$ -	\$ -	\$ -	\$ -
Legal Services	\$ -	\$ -	\$ -	\$ -
Capital Outlay	\$ -	\$ -	\$ -	\$ -
<b>Total Expenditures and Other Uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net Increase/(Decrease) in Fund</b>	<b>\$ -</b>	<b>\$ 179</b>	<b>\$ 198</b>	<b>\$ -</b>
<b>Fund Balance - Beginning</b>	<b>\$ 235,293</b>	<b>\$ 235,293</b>	<b>\$ 235,293</b>	<b>\$ 235,491</b>
<b>Fund Balance - Ending (Projected)</b>	<b>\$ 235,293</b>	<b>\$ 235,472</b>	<b>\$ 235,491</b>	<b>\$ 235,491</b>

With the Series 2005 Bonds in default on May 1, 2015, no further transfers to the deferred cost account are permitted.

December 14, 2015

To the Board of Supervisors  
Heritage Harbour Market Place Community Development District  
Collier County, Florida

We have audited the basic financial statements of the governmental activities and each major fund of Heritage Harbour Market Place Community Development District (the "District") for the year ended September 30, 2015. Professional standards require that we provide you with information about our responsibilities under the generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated June 27, 2012. Professional standards also require that we communicate the following information related to our audit.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended September 30, 2015. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimated affecting the District's financial statements was as follows:

*Depreciation of capital assets* - Depreciation is provided on a straight-line basis over the respective estimated useful lives ranging from 10 to 30 years. The District has informed us they used all relevant facts available to them at the time of acquisition to make the best judgments about the depreciation methods and estimated useful lives of capital assets.

##### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no uncorrected misstatements noted during our audit.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated December 14, 2015.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Supervisors and management of Heritage Harbour Market Place Community Development District and is not intended to be and should not be used by anyone other than these specified parties.

We would be pleased to discuss any questions that you may have.

KEEFE McCULLOUGH

# Heritage Harbour Market Place Community Development District

Basic Financial Statements  
For the Year Ended September 30, 2015

# Heritage Harbour Market Place Community Development District

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors  
Heritage Harbour Market Place Community Development District  
Manatee County, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of Heritage Harbour Market Place Community Development District (the "District") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Controller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2015, and the respective changes in financial position and respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

KEEFE McCULLOUGH

Fort Lauderdale, Florida  
December 14, 2015

Our discussion and analysis of Heritage Harbour Market Place Community Development District's (the "District") financial performance provides an overview of the District's financial activities for the years ended September 30, 2015 and 2014. Please read it in conjunction with the District's financial statements, which immediately follow this discussion.

### **Financial Highlights**

The following are the highlights of financial activity for the year ended September 30, 2015:

- The District's total liabilities exceeded its assets at September 30, 2015 by \$ 7,636,017. This deficit relates to various infrastructure improvements which have been financed through the issuance of long-term debt, but were conveyed to other governmental entities.
- The District's total revenues were \$ 1,236,802, \$ 1,236,200 from non-ad-valorem assessments, and \$ 602 from interest income. The District's expenses for the year were \$ 1,130,635.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements.

**Government-Wide Financial Statements:** The government-wide financial statements, which consist of the following two statements, are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business.

The statement of net position presents information on all the District's assets, liabilities and deferred inflows/outflows of resources with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 7 and 8 of this report.

**Fund Financial Statements:** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has only one fund type: governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

**Heritage Harbour Market Place Community Development District  
Management's Discussion and Analysis  
September 30, 2015**

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Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the statement of revenues, expenditures and changes in fund balances provide reconciliations to facilitate this comparison between governmental funds and governmental activities.

The governmental fund financial statements can be found on pages 9 through 13 of this report.

**Notes to Basic Financial Statements:** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 14 through 23 of this report.

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of financial position. The following table reflects the condensed government-wide statements of net position as of September 30, 2015 and 2014:

Heritage Harbour Market Place Community Development District  
Statements of Net Position

	2015	2014
Current and other assets	\$ 984,040	\$ 1,823,521
Assessments receivable	861,230	-
Capital assets	4,605,046	4,863,565
Total assets	6,450,316	6,687,086
Other liabilities	676,333	664,270
Long-term liabilities	13,410,000	13,765,000
Total liabilities	14,086,333	14,429,270
Net position:		
Net investment in capital assets (deficit)	(8,444,541)	(8,263,817)
Unrestricted	808,524	521,633
Total net position (deficit)	\$ (7,636,017)	\$ (7,742,184)

**Heritage Harbour Market Place Community Development District  
Management's Discussion and Analysis  
September 30, 2015**

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**Governmental Activities:** Governmental activities for the year ended September 30, 2015 increased the District's net position by \$ 106,167, as reflected in the table below:

Heritage Harbour Market Place Community Development District  
Statements of Activities

	2015	2014
REVENUES:		
Program revenues:		
Non-ad valorem assessments	\$ 1,236,200	\$ 1,215,295
General revenue:		
Interest income	602	375
Total revenues	1,236,802	1,215,670
EXPENSES:		
Interest expense	781,783	799,913
Physical environment	258,519	258,519
General government	90,333	82,271
Total expenses	1,130,635	1,140,703
Change in net position	106,167	74,967
NET POSITION (DEFICIT), BEGINNING OF YEAR,	(7,742,184)	(7,817,151)
NET POSITION (DEFICIT), END OF YEAR,	\$ (7,636,017)	\$ (7,742,184)

**Analysis of the Governmental Funds**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a District's net resources available for spending at the end of the fiscal year. The General, Debt Service and Capital Project Funds comprise the total governmental funds. As of the end of the current fiscal year, the District's governmental funds reported a combined ending fund balance of approximately \$ 984,000.

**Capital Assets and Debt Administration**

The District's investment in capital assets, net of accumulated depreciation, for its governmental activities as of September 30, 2015 amounts to \$ 4,605,046, and consists of improvements other than buildings and infrastructure.

**Heritage Harbour Market Place Community Development District  
Management's Discussion and Analysis  
September 30, 2015**

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At the end of the year, the District had total bonded debt outstanding of \$ 13,765,000. The District's debt represents bonds secured solely by a specified revenue source (i.e., revenue bonds).

Additional information on the District's long-term debt can be found in Note 5 on pages 21 and 22 of this report.

**General Fund Budgetary Highlights**

Revenues were under the budget while expenditures were over the budget for the fiscal year ending September 30, 2015 resulting in an overall negative variance of \$ 63,389 when compared to the budget.

**Economic Factors and Next Year's Budget**

The General Fund budget for 2016 includes planned revenues and expenditures of \$ 329,425.

**Requests for Information**

This financial report is designed to provide a general overview of Heritage Harbour Market Place Community Development District's finances for all those with an interest. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to Heritage Harbour Market Place Community Development District; 2041 N.E. Sixth Terrace, Wilton Manors, FL 33305. The District Manager can be reached at (954) 658-4900 or emailed at [Ward9490@comcast.net](mailto:Ward9490@comcast.net).

# BASIC FINANCIAL STATEMENTS

**Heritage Harbour Market Place Community Development District**  
**Statement of Net Position**  
**September 30, 2015**

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	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash and cash equivalents	\$ 984,040
Assessments receivable	861,230
Capital assets:	
Depreciable, net	<u>4,605,046</u>
 Total assets	 <u>6,450,316</u>
<b>Liabilities:</b>	
Accounts payable	150
Accrued interest payable	321,183
Bonds payable, due within one year	355,000
Bonds payable, due in more than one year	<u>13,410,000</u>
 Total liabilities	 <u>14,086,333</u>
<b>Net Position:</b>	
Net investment in capital assets (deficit)	(8,444,541)
Unrestricted	<u>808,524</u>
 Total net position (deficit)	 \$ <u><u>(7,636,017)</u></u>

The accompanying notes to basic financial statements are an integral part of these statements.



**Heritage Harbour Market Place Community Development District**  
**Statement of Activities**  
**For the Year Ended September 30, 2015**

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		<u>Program Revenues</u>			<u>Governmental Activities</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net Revenues (Expenses) and Change in Net Position</u>
<b>Functions/Programs:</b>					
Governmental activities:					
Interest expense	\$ 781,783	\$ 837,510	\$ 314,606	\$ -	\$ 370,333
Physical environment	258,519	-	-	-	(258,519)
General government	<u>90,333</u>	<u>61,709</u>	<u>22,375</u>	-	<u>(6,249)</u>
 Total governmental activities	 <u>\$ 1,130,635</u>	 <u>\$ 899,219</u>	 <u>\$ 336,981</u>	 <u>\$ -</u>	 105,565
General revenues:					
Interest income					<u>602</u>
 Change in net position					 106,167
Net position (deficit), October 1, 2014					<u>(7,742,184)</u>
Net position (deficit), September 30, 2015					<u>\$ (7,636,017)</u>

The accompanying notes to basic financial statements are an integral part of these statements.

**Heritage Harbour Market Place Community Development District**  
**Balance Sheet - Governmental Funds**  
**September 30, 2015**

	<b>Major Funds</b>			<b>Total Governmental Funds</b>
	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	
<b>Assets:</b>				
Cash and cash equivalents	\$ 32,844	\$ 715,424	\$ 235,772	\$ 984,040
Assessments receivable	57,185	804,045	-	861,230
Total assets	<u>\$ 90,029</u>	<u>\$ 1,519,469</u>	<u>\$ 235,772</u>	<u>\$ 1,845,270</u>
<b>Liabilities:</b>				
Accounts payable	\$ 150	\$ -	\$ -	\$ 150
Total liabilities	<u>150</u>	<u>-</u>	<u>-</u>	<u>150</u>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue - assessments	\$ 57,185	\$ 804,045	\$ -	\$ 861,230
Total deferred inflows of resources	<u>57,185</u>	<u>804,045</u>	<u>-</u>	<u>861,230</u>
<b>Fund Balances:</b>				
Restricted for debt service	-	715,424	-	715,424
Restricted for capital projects	-	-	235,772	235,772
Unassigned	32,694	-	-	32,694
Total fund balance	<u>32,694</u>	<u>715,424</u>	<u>235,772</u>	<u>983,890</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 90,029</u>	<u>\$ 1,519,469</u>	<u>235,772</u>	<u>\$ 1,845,270</u>

The accompanying notes to basic financial statements are an integral part of these statements.

**Heritage Harbour Market Place Community Development District  
 Reconciliation of the Balance Sheet-Governmental Funds  
 to the Statement of Net Position  
 September 30, 2015**

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**Total Fund Balances-Governmental Funds, Page 9**

\$ 983,890

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:

Governmental capital assets	6,927,093
Less accumulated depreciation	(2,322,047)

Assessment revenues not available as a current financial resource are considered deferred inflows of resources on the fund level financial statements but are recognized as revenue in the statement of activities.	861,230
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Certain liabilities are not due and payable in the current period and therefore are not reported in the funds:

Accrued interest payable	(321,183)
Governmental revenue bonds payable	<u>(13,765,000)</u>

**Net Position of Governmental Activities, Page 7**

\$ (7,636,017)

The accompanying notes to basic financial statements are an integral part of these statements.

**Heritage Harbour Market Place Community Development District**  
**Statement of Revenues, Expenditures and Change in Fund Balances - Governmental Funds**  
**For the Year Ended September 30, 2015**

	<b>Major Funds</b>			<b>Total Governmental Funds</b>
	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	
<b>Revenues:</b>				
Assessments:				
Uniform method	\$ 4,524	\$ 33,465	\$ -	\$ 37,989
Non-uniform method	22,375	314,606	-	336,981
Interest income	45	457	100	602
	<u>26,944</u>	<u>348,528</u>	<u>100</u>	<u>375,572</u>
Total revenues				
<b>Expenditures:</b>				
Current:				
General government	90,333	-	-	90,333
Debt service:				
Principal	-	335,000	-	335,000
Interest	-	789,600	-	789,600
	<u>90,333</u>	<u>1,124,600</u>	<u>-</u>	<u>1,214,933</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	(63,389)	(776,072)	100	(839,361)
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	379	379
Transfers out	-	(379)	-	(379)
	<u>-</u>	<u>(379)</u>	<u>379</u>	<u>-</u>
Total other financing sources (uses)				
Net change in fund balance	(63,389)	(776,451)	479	(839,361)
<b>Fund Balances, October 1, 2014</b>	<u>96,083</u>	<u>1,491,875</u>	<u>235,293</u>	<u>1,823,251</u>
<b>Fund Balances, September 30, 2015</b>	<u>\$ 32,694</u>	<u>\$ 715,424</u>	<u>\$ 235,772</u>	<u>\$ 983,890</u>

The accompanying notes to basic financial statements are an integral part of these statements.

**Heritage Harbour Market Place Community Development District  
 Reconciliation of the Statement of Revenues, Expenditures and Change in  
 Fund Balances-Governmental Funds to the Statement of Activities  
 For the Year Ended September 30, 2015**

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**Net Change in Fund Balances - Governmental Funds, Page 11** \$ (839,361)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures; however, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives:

Current year provision for depreciation (258,519)

Revenues reported in the statement of activities that do not provide current financial resources are reported as deferred inflows of resources in the governmental funds. 861,230

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 335,000

Certain items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Change in accrued interest payable 7,817

**Change in Net Position of Governmental Activities, Page 8** \$ 106,167

The accompanying notes to basic financial statements are an integral part of these statements.

**Heritage Harbour Market Place Community Development District  
Statement of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual - General Fund  
For the Year Ended September 30, 2015**

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	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>			
Assessments:			
Uniform method	\$ 57,320	\$ 4,524	\$ (52,796)
Non-uniform method	22,375	22,375	-
Interest income	100	45	(55)
	<u>79,795</u>	<u>26,944</u>	<u>(52,851)</u>
Total revenues			
<b>Expenditures:</b>			
Current:			
General government	<u>79,795</u>	<u>90,333</u>	<u>(10,538)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (63,389)</u>	<u>\$ (63,389)</u>

The accompanying notes to basic financial statements are an integral part of these statements.

**Note 1 - Organization and Operations**

The Heritage Harbour Market Place Community Development District (the "District") was established on September 2, 2002, pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190 of the Florida Statutes by Manatee County Ordinance 02-28. The Act provides, among other things, the power to manage basic services for community development, the power to borrow money and issue bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

The District was established for the purpose of planning, financing, constructing, operating and maintaining certain portions of community-wide infrastructure. The District consists of 258 acres of land and is located entirely within Manatee County, Florida.

The District is governed by a Board of Supervisors (the "Board"), which is composed of five members. The Supervisors are elected on an at large basis by the owners of property within the District. Certain members of the Board of Supervisors are affiliated with Lennar Homes, LLC (the "Developer"). The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes.

The Board has the final responsibility for:

- Assessing and levying special assessments
- Approving and adopting budgets
- Exercising control over facilities and property
- Controlling the use of funds generated by the District
- Hiring the District Manager, District Engineer and District Attorney
- Financing, operating and maintaining improvements

**Note 2 - Summary of Significant Accounting Policies**

The accounting policies of the District conform to Generally Accepted Accounting Principles (GAAP) as applicable to governments in accordance with those promulgated by the Governmental Accounting Standards Board (GASB). The District's more significant accounting policies are described below:

**The financial reporting entity:** The criteria used for including component units consist of identification of legally separate organizations for which the Board of Supervisors of the District are financially accountable. This criteria also includes identification of organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting District's financial statements to be misleading or incomplete. Based upon this review, there were no potential component units of the District.

**Basis of presentation:**

**Financial Statements - Government-Wide and Fund Financial Statements**

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. All of the District's activities are classified as governmental activities.

**Note 2 - Summary of Significant Accounting Policies (continued)**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by assessments, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The business-type activities are reported separately in government-wide financial statements; however, at September 30, 2015 the District did not have any business-type activities and therefore, no business-type activities are reported. Interest income and other items not properly included as program revenues (i.e., charges to customers or applicants who purchase, use or directly benefit from goods or services) are reported as general revenues. In the government-wide statement of net position, the governmental activities column is presented on a consolidated basis, if applicable, and is reported on a full-accrual, economic resource basis, which recognizes all noncurrent assets and receivables as well as all noncurrent debt and obligations, when and if applicable.

The government-wide statement of activities reports both the gross and net cost of each of the District's functions. The net costs, by function, are also supported by general revenues. The statement of activities reduces gross expenses by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

This government-wide focus is more on the ability to sustain the District as an entity and the change in the District's net position resulting from the current year's activities.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**Financial Statements - Fund Financial Statements**

The accounts of the District are organized on the basis of funds. The operations of the funds are accounted for with separate self-balancing accounts that comprise their assets, liabilities, fund equity, revenues and expenditures.

The District reports the following major governmental funds:

**General Fund** - This fund is used to account for all operating activities of the District. At this time, revenues are derived principally from non-ad valorem assessments and interest income.

**Debt Service Fund** - This fund is used to account for the accumulation of resources for and the payment of long-term debt principal, interest and other financing costs.

**Capital Projects Fund** - This fund is used to account for the accumulation of resources for the acquisition and construction of major infrastructure within the District.

For the year ended September 30, 2015, the District does not report any proprietary funds.



**Note 2 - Summary of Significant Accounting Policies (continued)**

**Measurement focus, basis of accounting and presentation:** Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the basic financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied. Governmental funds use the current financial resources measurement focus and the government-wide statements use the economic resources measurement focus.

Governmental activity in the government-wide financial statements is presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The governmental fund financial statements are presented on the modified accrual basis of accounting under which revenue is recognized in the accounting period in which it becomes susceptible to accrual (i.e., when it becomes both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within sixty days of the end of the current year.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

**Budget:** A budget is adopted for the General Fund and Debt Service Fund on an annual basis. Appropriations lapse at fiscal year-end. Changes or amendments to the total budgeted expenditures of the District must be approved by the District Board of Supervisors.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
- b. A public hearing is conducted to obtain property owner's comments.
- c. Prior to October 1, the budget is legally adopted by the District Board.
- d. The budgets are adopted on a basis consistent with generally accepted accounting principles.

The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate.

**Cash, cash equivalents and investments:** Cash and cash equivalents are defined as demand deposits, money market accounts, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments, if applicable, are stated at their fair value, which is based on quoted market prices. Unrealized gains and losses in fair value are recognized. Certain money market investments are stated at amortized cost if they have a remaining maturity of one year or less when purchased.

**Note 2 - Summary of Significant Accounting Policies (continued)**

**Capital assets:** Capital assets, which include improvements other than buildings and infrastructure, are reported in the governmental activities column in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$ 5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives:

Roadways, parks, courts and fields	20 years
Stormwater	25 years
Buildings	30 years
Water and sewer systems	25 years
Landscaping and entry features	15 years
Motor vehicles	5 years

**Special assessments:** The District's assessments are included on the property tax bill that all landowner's receive. The Florida Statutes provide that special assessments may be collected by using the Uniform Method. Under the Uniform Method, the District's assessments will be collected together with County and other taxes. These assessments will appear on a single tax bill issued to each landowner subject to such. The statutes relating to enforcement of County taxes provide that County taxes become due and payable on November 1 of the year when assessed or as soon thereafter as the certified tax roll is received by the Tax Collector and constitute a lien upon the land from January 1 of such year until paid or barred by operation of law. Such taxes (together with any assessments, being collected by the Uniform Method) are to be billed, and landowners in the District are required to pay all such taxes and assessments, without preference in payment of any particular increment of the tax bill, such as the increment owing for the District's assessments. Upon any receipt of moneys by the Tax Collector from the assessments, such moneys will be delivered to the District.

All city, county, school and special district ad valorem taxes, non-ad valorem special assessments and voter-approved ad valorem taxes levied to pay principal of and interest on bonds, including the District assessments, that are collected by the Uniform Method are payable at one time. If a taxpayer does not make complete payment of the total amount, he or she cannot designate specific line items on his or her tax bill as deemed paid in full and such partial payment is not to be accepted and is to be returned to the taxpayer, provided, however that a taxpayer may contest a tax assessment pursuant to certain conditions in Florida Statutes and other applicable law.

Under the Uniform Method, if the assessments are paid during November when due or at any time within thirty (30) days after the mailing of the original tax notice or during the following three months, the taxpayer is granted a variable discount equal to 4% in November and decreasing one percentage point per month to 1% in February. March payments are without discount. Pursuant to Section 197.222, Florida Statutes, taxpayers may elect to pay estimated taxes, which may include non-ad valorem special assessments such as the District's assessments in quarterly installments with a variable discount equal to 6% on June 30 decreasing to 3% on December 31, with no discount on March 31. All unpaid taxes and assessments become delinquent on April 1 of the year following assessment, and the Tax Collector is required to collect taxes prior to April 1 and after that date to institute statutory procedures upon delinquency to collect assessed taxes. Delay in the mailing of tax notices to taxpayers may result in a delay throughout this process.

**Note 2 - Summary of Significant Accounting Policies (continued)**

Certain taxpayers that are entitled to claim homestead tax exemption under Section 196.031(1), Florida Statutes may defer payment of a portion of the taxes and non-ad valorem assessments and interest accumulated on a tax certificate, which may include non-ad valorem special assessments. The amount that may be deferred varies based on whether the applicant is younger than age 65 or is 65 years old or older; provided that applicants with a household income for the previous calendar year of less than \$ 20,000 or applicants with less than the designated amount for the additional homestead exemption under Section 196.075, Florida Statutes that are 65 years old or older may defer taxes and assessments in their entirety.

Collection of delinquent assessments under the Uniform Method is, in essence, based upon the sale by the Tax Collector of "tax certificates" and remittance of the proceeds of such sale to the District for payment of the assessments due.

**Deferred outflows/inflows of resources:** In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from assessments that were earned but not received within sixty days of year-end. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

**Equity classifications:**

*Government-wide statements*

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation, if applicable, and reduced by the outstanding balances of any bonds, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net position - consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**Note 2 - Summary of Significant Accounting Policies (continued)**

*Fund statements*

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* requires that governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District has no nonspendable fund balances as of September 30, 2015

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the revenue note and are restricted through debt covenants.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District Board of Supervisors (the "Board"). These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District did not have any committed fund balance as of September 30, 2015.

Assigned: This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility to the District Manager through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The District did not have any assigned fund balance as of September 30, 2015

Unassigned: This classification includes the residual fund balance for the General Fund.

When the District has expenditures for which committed, assigned or unassigned fund balance is available, the District would consider committed funds to be spent first, then assigned funds and lastly unassigned funds.

**Use of estimates:** The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Date of management review:** Subsequent events were evaluated by management through December 14, 2015, which is the date the financial statements were available to be issued.

### Note 3 - Deposits and Investments

**Deposits:** The District maintains deposits with “Qualified Public Depositories” as defined in Chapter 280, Florida Statutes. All Qualified Public Depositories must place with the Treasurer of the State of Florida securities equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance. In the event of default by a Qualified Public Depository, the State Treasurer will pay public depositors all losses. Losses in excess of insurance and collateral will be paid through assessments between all Qualified Public Depositories.

Under this method, all the District’s deposits are fully insured or collateralized at the highest level of security as defined by Governmental Accounting Standards Board, Statement Number 40, Deposits and Investment Disclosures (an Amendment of Governmental Accounting Standards Board, Statement Number 3).

At year end, the carrying amount of the District’s General Fund deposits was \$ 32,844 and the bank balance was \$ 37,401.

**Investments:** Investments of the General Fund are governed by Section 218.415, Florida Statutes. The authorized investments include, among others, negotiable direct or indirect obligations which are secured by the United States Government, the Local Government Surplus Funds Trust as created by Section 218.415, Florida Statutes; and interest-bearing time deposits or savings accounts in authorized financial institutions.

Investments of the Debt Service and Capital Projects Funds are governed by the provisions of the Trust Indenture. As of September 30, 2015, these funds held \$ 951,196 in money market mutual funds.

These deposits and investments are reflected in the accompanying statement of net position and balance sheet - governmental funds in cash and cash equivalents.

**Credit risk:** Florida Statutes require the money market mutual funds held by the District to have the highest credit quality rating from a nationally recognized rating agency. The money market mutual funds held by the District are rated A+ by Standard and Poor’s.

**Interest rate risk:** Florida Statutes provide that the investment portfolio be structured in such manner as to provide sufficient liquidity to pay obligations as they come due.

**Custodial credit risk:** For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At September 30, 2015, the District's investments were not subject to custodial credit risk.

**Heritage Harbour Market Place Community Development District  
Notes to Basic Financial Statements  
September 30, 2015**

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**Note 4 - Capital Assets**

Capital asset activity for the year ended September 30, 2015 was as follows:

	Balance at October 1, 2014	<u>Additions</u>	<u>Deletions</u>	Balance at September 30, 2015
<b>Governmental Activities:</b>				
Capital assets, being depreciated:				
Improvements other than buildings	\$ 414,241	\$ -	\$ -	\$ 414,241
Infrastructure	<u>6,512,852</u>	<u>-</u>	<u>-</u>	<u>6,512,852</u>
Total capital assets, being depreciated	<u>6,927,093</u>	<u>-</u>	<u>-</u>	<u>6,927,093</u>
Less accumulated depreciation for:				
Improvements other than buildings	326,768	41,424	-	368,192
Infrastructure	<u>1,736,760</u>	<u>217,095</u>	<u>-</u>	<u>1,953,855</u>
Total accumulated depreciation	<u>2,063,528</u>	<u>258,519</u>	<u>-</u>	<u>2,322,047</u>
Governmental activities capital assets, net	<u>\$ 4,863,565</u>	<u>\$ (258,519)</u>	<u>\$ -</u>	<u>\$ 4,605,046</u>

Provision for depreciation was charged to functions as follows:

Governmental Activities:	
Physical environment	\$ <u>258,519</u>

In connection with the 2005 project, the District established a deferred cost account reported in the Capital Projects Fund. In the event there are excess 2005 reserves, they are to be used in the Capital Projects Fund and used to repay funds advanced for the project or for the purchase of additional components. However, if funds in the account are not needed for that purpose they are to be transferred to the Debt Service Fund and used to redeem outstanding related debt. At September 30, 2015, there is a balance of \$ 235,772 in the deferred cost account. The District has not yet determined if a liability exists for deferred costs.

**Note 5 - Long-Term Debt**

a. Summary of Long-Term Debt of Governmental Activities

Long-term debt of the governmental activities at September 30, 2015 is comprised of the following:

\$ 16,755,000 Capital Improvement Revenue Bonds, Series 2005; due in annual installments through May 1, 2036; interest payable semi-annually at 5.60%	\$ <u>13,765,000</u>
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**Heritage Harbour Market Place Community Development District**  
**Notes to Basic Financial Statements**  
**September 30, 2015**

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**Note 5 - Long-Term Debt (continued)**

The following is a summary of changes in governmental activities long-term debt for the year ended September 30, 2015:

	Balance October 1, 2014	Additions	Deletions	Balance September 30, 2015	Due Within One Year
Capital Improvement Revenue Bonds, Series 2005	\$ 14,100,000	\$ -	\$ 335,000	\$ 13,765,000	\$ 355,000

b. Summary of Significant Debt Terms of Governmental Activities

**\$ 16,755,000 Capital Improvement Revenue Bonds, Series 2005** - The District previously issued \$ 16,755,000 of Capital Improvement Revenue Bonds, Series 2005 for the purpose of funding certain capital projects within the boundaries of the District. The bonds bear interest at 5.60% and mature May 1, 2036. Interest is payable semi-annually on the first day of each May and November. The bonds are secured by a pledge of revenues derived from the collection of non-ad valorem special assessments.

The Bonds are subject to redemption at the option of the District prior to maturity as outlined in the Bond Indenture. The Bonds are also subject to extraordinary mandatory redemption prior to their maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond Indenture.

The Bond Indenture requires that the District maintain adequate funds in a reserve account to meet the debt service reserve requirement as defined in the Indenture. The debt service reserve requirement was underfunded by \$ 274,582 at September 30, 2015. The use of reserve funds to pay current year principal payments was the result of unpaid debt service assessments by a property owner. In addition, the Bond Indenture has certain restrictions and requirements relating principally to the procedures to be followed in the collection of pledged revenues and the application of the revenues to the various restricted accounts.

The annual debt service requirements for the Series 2005 Capital Improvement Revenue Bonds consist of:

Year Ending September 30,	Principal	Interest	Total
2016	\$ 355,000	\$ 770,840	\$ 1,125,840
2017	375,000	750,960	1,125,960
2018	395,000	729,960	1,124,960
2019	420,000	707,840	1,127,840
2020	440,000	684,320	1,124,320
2021-2025	2,630,000	3,020,080	5,650,080
2026-2030	3,470,000	2,194,920	5,664,920
2031-2036	5,680,000	1,165,360	6,845,360
	\$ <u>13,765,000</u>	\$ <u>10,024,280</u>	\$ <u>23,789,280</u>

**Note 6 - Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. Settled claims from these risks have not exceeded commercial insurance coverage over the past three years. There have been no claims against the District during the last three fiscal years.

**Note 7 - Subsequent Event**

As of the date of issue, the District has not made the November 2015 interest payment for the Series 2005 Bonds due to the non-payment of assessments by a property owner.



**OTHER REPORTS OF  
INDEPENDENT AUDITORS**

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Supervisors  
Heritage Harbour Market Place Community Development District  
Manatee County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund, of Heritage Harbour Market Place Community Development District (the "District"), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 14, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described below.

- 2015-01: The District is not compliant with a provision of its Bond Indenture that requires maintaining adequate funds in the debt service reserve account.

The District's response to the finding identified in our audit is described below. We did not audit the District's response and, accordingly, we express no opinion on it.

- The District did not receive billed assessments from certain property owners and will initiate foreclosure proceedings in an effort to collect assessments. If successful, the collection of assessments will allow the District to replenish the debt service reserve account, make debt service payments when due and fund the operations of the District.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KEEFE McCULLOUGH

Fort Lauderdale, Florida  
December 14, 2015

## INDEPENDENT AUDITOR'S REPORT TO DISTRICT MANAGEMENT

To the Board of Supervisors  
Heritage Harbour Market Place Community Development District  
Manatee County, Florida

### **Report on the Financial Statements**

We have audited the financial statements of Heritage Harbour Market Place Community Development District (the "District"), as of and for the year ended September 30, 2015, and have issued our report thereon dated December 14, 2015.

### **Auditor's Responsibility**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the Auditor General.

### **Other Reports**

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Auditor's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated December 14, 2015, should be considered in conjunction with this management letter.

### **Prior Audit Findings**

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding annual financial audit report.

### **Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. Heritage Harbour Market Place Community Development District was established September 2, 2002 by Manatee County Ordinance No. 02-28, pursuant to the provisions of Chapter 190, of the laws of the State of Florida. The District does not have any component units.

**Financial Condition**

Section 10.554(1)(i)5.a., Rules of the Auditor General, requires that we report the results of our determination as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management’s responsibility to monitor the entity’s financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

**Annual Financial Report**

Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we report the results of our determination as to whether the annual financial report for the District for the fiscal year ended September 30, 2015, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2015. In connection with our audit, we determined that these two reports were in agreement.

**Other Matters**

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants attention of those charged with governance. In connection with our audit, we did not have any such findings.

**Purpose of this Letter**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Supervisors and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

KEEFE McCULLOUGH

Fort Lauderdale, Florida  
December 14, 2015

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH SECTION 218.415, FLORIDA STATUTES

To the Board of Supervisors  
Heritage Harbour Market Place Community Development District  
Manatee County, Florida

We have examined Heritage Harbour Market Place Community Development District's (the "District") compliance with the requirements of Section 218.415, Florida Statutes, Local Government Investment Policies, during the year ended September 30, 2015. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2015.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

KEEFE McCULLOUGH

Fort Lauderdale, Florida  
December 14, 2015

## BOARD OF SUPERVISOR'S

# HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT

## FINANCIAL STATEMENTS February 29, 2016

### Board of Supervisor's

**Terry Kirschner, Chairman**  
**William Riley, Vice Chairman**  
**Chris Kemper, Assistant Secretary**  
**Scott Edwards, Assistant Secretary**  
**Matthew Morris, Assistant Secretary**

James P. Ward  
District Manager  
2041 NE 6 Terrace  
Wilton Manors, Florida 33305

Phone: 954-658-4900  
E-mail: ward9490@comcast.net



## Heritage Harbour Market Place Community Development District

### Balance Sheet - All Funds and Account Groups as of February 29, 2016

	Governmental Funds			Account Groups		Totals (Memorandum Only)
	General Fund	Debt Service Fund	Capital Projects Fund	General Long Term Debt	General Fixed Assets	
<b>Assets</b>						
<b>Cash and Investments</b>						
General Fund - Invested Cash	\$ 254,888	\$ -	\$ -	\$ -	\$ -	\$ 254,888
Capital Projects Fund-Deferred Cost Account	-	-	235,963	-	-	235,963
<b>Debt Service Fund</b>						
Revenue Account	-	171,352	-	-	-	171,352
Reserve Account	-	631,919	-	-	-	631,919
Prepayment Account	-	-	-	-	-	-
<b>Due from Other Funds</b>						
General Fund	-	-	-	-	-	-
Debt Service - Series 2005	-	159,319	-	-	-	159,319
<b>Market Valuation Adjustments</b>						
Due from Other Governments	-	-	-	-	-	-
Accounts Receivable	57,185	804,045	-	-	-	861,230
Prepaid Expenses	-	-	-	-	-	-
Amount Available in Debt Service Funds	-	-	-	1,766,635	-	1,766,635
Amount to be Provided by Debt Service Funds	-	-	-	11,978,365	-	11,978,365
General Fixed Assets	-	-	-	-	5,122,084	5,122,084
<b>Total Assets</b>	<b>\$ 312,073</b>	<b>\$ 1,766,635</b>	<b>\$ 235,963</b>	<b>\$ 13,745,000</b>	<b>\$ 5,122,084</b>	<b>\$ 21,181,754</b>



## Heritage Harbour Market Place Community Development District

### Balance Sheet - All Funds and Account Groups as of February 29, 2016

	Governmental Funds			Account Groups		Totals (Memorandum Only)
	General Fund	Debt Service Fund	Capital Projects Fund	General Long Term Debt	General Fixed Assets	
<b>Liabilities</b>						
Accounts Payable & Payroll Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	57,185	804,045	-	-	-	861,230
Due to Other Governments	-	-	-	-	-	-
Due to Other Funds						
General Fund	-	-	-	-	-	-
Debt Service - Series 2005	159,319	-	-	-	-	159,319
Bonds Payable - Series 2005	-	-	-	13,745,000	-	13,745,000
<b>Total Liabilities</b>	<b>\$ 216,504</b>	<b>\$ 804,045</b>	<b>\$ -</b>	<b>\$ 13,745,000</b>	<b>\$ -</b>	<b>\$ 14,765,549</b>
<b>Fund Equity and Other Credits</b>						
Investment in General Fixed Assets	-	-		-	5,122,084	5,122,084
<b>Fund Balance</b>						
<b>Restricted</b>						
Beginning: October 1, 2015	-	715,424	235,772	-	-	951,196
Results from Current Operations	-	247,166	191	-	-	247,357
<b>Unassigned</b>						
Beginning: October 1, 2015	32,694	-	-	-	-	32,694
Results from Current Operations	62,876	-	-	-	-	62,876
<b>Total Fund Equity and Other Credits</b>	<b>95,570</b>	<b>962,590</b>	<b>235,963</b>	<b>-</b>	<b>5,122,084</b>	<b>6,416,206</b>
<b>Total Liabilities, Fund Equity and Other Credits</b>	<b>\$ 312,073</b>	<b>\$ 1,766,635</b>	<b>\$ 235,963</b>	<b>\$ 13,745,000</b>	<b>\$ 5,122,084</b>	<b>\$ 21,181,754</b>

**Heritage Harbour Market Place Community Development District**

**General Fund**

**Statement of Revenue, Expenditures and Changes in Fund Balance  
for the Period Ending February 29, 2016**

	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>Year to Date</u>	<u>Annual Budget</u>	<u>% of Budget</u>
<b>Revenue and Other Sources</b>								
Carryforward	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Miscellaneous Revenue	-	-	4,225	-	-	4,225	-	N/A
<b>Interest</b>								
Interest - General Checking	1	6	6	18	23	54	60	91%
<b>Special Assessment Revenue</b>								
Special Assessments - Uniform Method	15	12	-	16,238	38,197	54,463	16,217	336%
Special Assessments - Non-Uniform Mthd	-	49,528	-	-	-	49,528	311,928	16%
Inter-Fund Group Transfers In	40,508	30,567	12,418	-	-	83,493	-	N/A
<b>Total Revenue and Other Sources:</b>	<b>\$ 40,525</b>	<b>\$ 80,113</b>	<b>\$ 16,649</b>	<b>\$ 16,257</b>	<b>\$ 38,220</b>	<b>\$ 191,764</b>	<b>\$ 328,205</b>	<b>58%</b>
<b>Expenditures and Other Uses</b>								
<b>Legislative</b>								
Board of Supervisor's Fees	\$ -	\$ 200	\$ -	\$ -	\$ -	\$ 200	\$ 1,200	17%
Board of Supervisor's - FICA	-	15	-	-	-	15	92	17%
<b>Executive</b>								
Executive Salaries	4,038	1,346	2,692	2,692	4,038	14,808	35,000	42%
Executive Salaries - FICA	309	103	206	206	309	1,133	2,678	42%
Executive Salaries - Insurance	304	304	304	304	304	1,518	3,100	49%
<b>Financial and Administrative</b>								
Audit Services	-	-	5,425	1,175	-	6,600	6,600	100%
Accounting Services	-	225	389	820	414	1,848	4,400	42%
Assessment Roll Preparation	-	-	-	-	-	-	-	N/A
Arbitrage Rebate Services	-	-	-	500	-	500	500	100%
<b>Other Contractual Services</b>								
Recording and Transcription	-	-	68	-	-	68	250	27%
Legal Advertising	187	-	-	-	-	187	2,400	8%
Trustee Services	-	-	-	-	-	-	5,810	0%
Dissemination Agent Services	-	-	-	-	-	-	1,000	0%

**Heritage Harbour Market Place Community Development District**

**General Fund**

**Statement of Revenue, Expenditures and Changes in Fund Balance  
for the Period Ending February 29, 2016**

	<b>October</b>	<b>November</b>	<b>December</b>	<b>January</b>	<b>February</b>	<b>Year to Date</b>	<b>Annual Budget</b>	<b>% of Budget</b>
Property Appraiser Fees	-	-	-	-	-	-	-	N/A
Bank Services	29	30	29	29	32	149	500	30%
<b>Travel and Per Diem</b>	-	-	-	-	-	-	-	N/A
<b>Communications &amp; Freight Services</b>								
Telephone	-	-	-	-	-	-	-	N/A
Postage, Freight & Messenger	-	-	-	158	16	175	100	175%
<b>Rentals &amp; Leases</b>								
Miscellaneous Equipment Leasing	-	-	-	-	-	-	-	N/A
Computer Services and Website	-	-	-	-	-	-	-	
Development	559	559	559	559	559	2,793	8,000	35%
<b>Insurance</b>	-	-	5,665	-	-	5,665	5,900	96%
<b>Printing &amp; Binding</b>	-	-	-	-	12	12	100	12%
<b>Office Supplies</b>	-	-	-	-	-	-	-	N/A
<b>Subscription &amp; Memberships</b>	-	-	175	-	-	175	175	100%
<b>Legal Services</b>								
Legal - General Counsel	-	-	6,397	-	3,040	9,437	75,000	13%
Legal - Foreclosure Counsel	-	30,567	12,418	-	-	42,985	175,000	25%
<b>Comprehensive Planning</b>								
Lerner Development	40,508	-	-	-	-	40,508	-	N/A
<b>Other General Government Services</b>								
Engineering Services - General Fund	-	-	113	-	-	113	400	28%
<b>Capital Outlay</b>	-	-	-	-	-	-	-	N/A
<b>Total Expenditures and Other Uses:</b>	<b>\$ 45,934</b>	<b>\$ 33,348</b>	<b>\$ 34,438</b>	<b>\$ 6,443</b>	<b>\$ 8,725</b>	<b>\$ 128,888</b>	<b>\$ 328,205</b>	<b>39%</b>
Net Increase/ (Decrease) of Fund Balance	(5,409)	46,765	(17,790)	9,814	29,496	62,876	N/A	
Fund Balance - Beginning	32,694	27,285	74,050	56,260	66,074	32,694	95,198	
Fund Balance - Ending	<b>\$ 27,285</b>	<b>\$ 74,050</b>	<b>\$ 56,260</b>	<b>\$ 66,074</b>	<b>\$ 95,570</b>	<b>\$ 95,570</b>	<b>\$ 95,198</b>	

**Heritage Harbour Market Place Community Development District**

**Debt Service Fund - Series 2005 Bonds**

**Statement of Revenue, Expenditures and Changes in Fund Balance**

**for the Period Ending February 29, 2016**

	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>Year to Date</u>	<u>Budget</u>	<u>% of Budget</u>
<b>Revenue and Other Sources</b>								
<b>Carryforward</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
<b>Interest Income</b>								
Revenue Account	-	-	-	4	14	18	-	N/A
Reserve Account	24	24	21	22	50	141	-	N/A
Prepayment Account	-	-	-	-	-	-	-	N/A
<b>Special Assessment Revenue</b>								
Special Assessments - Uniform Method	103	81	-	27,006	-	27,190	26,971	101%
Special Assessments - Non-Uniform Mthd	-	171,322	132,129	-	-	303,451	1,078,989	28%
<b>Prepayment Revenue</b>	-	-	-	-	-	-	-	N/A
<b>Total Revenue and Other Sources:</b>	<b>\$ 127</b>	<b>\$ 171,427</b>	<b>\$ 132,150</b>	<b>\$ 27,032</b>	<b>\$ 64</b>	<b>\$ 330,800</b>	<b>\$ 1,105,960</b>	<b>30%</b>
<b>Expenditures and Other Uses</b>								
<b>Debt Service</b>								
Principal - Mandatory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 355,000	0%
Principal - Early Redemptions	-	-	-	-	-	-	-	N/A
Interest Expense	-	-	-	-	-	-	750,960	0%
<b>Operating Transfers Out</b>	24	-	-	22	50	96	-	N/A
<b>Inter-Fund Group Transfers Out</b>	40,508	30,591	12,440	-	-	83,539	-	N/A
<b>Total Expenditures and Other Uses:</b>	<b>\$ 40,532</b>	<b>\$ 30,591</b>	<b>\$ 12,440</b>	<b>\$ 22</b>	<b>\$ 50</b>	<b>\$ 83,634</b>	<b>\$ 1,105,960</b>	<b>8%</b>
Net Increase/ (Decrease) of Fund Balance	(40,405)	140,836	119,710	27,011	14	247,166	-	
Fund Balance - Beginning	715,424	675,019	815,855	935,565	962,576	715,424	713,521	
Fund Balance - Ending	<u>\$ 675,019</u>	<u>\$ 815,855</u>	<u>\$ 935,565</u>	<u>\$ 962,576</u>	<u>\$ 962,590</u>	<u>\$ 962,590</u>	<u>\$ 713,521</u>	

**Heritage Harbour Market Place Community Development District**

**Capital Projects Fund**

**Statement of Revenue, Expenditures and Changes in Fund Balance**

**for the Period Ending February 29, 2016**

	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>Year to Date</u>	<u>Budget</u>	<u>% of Budget</u>
<b>Revenue and Other Sources</b>								
Carryforward	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
<b>Interest Income</b>								
Deferred Cost Account	8	8	8	8	19	50	-	N/A
Operating Transfers In	24	24	21	22	50	141	-	N/A
<b>Total Revenue and Other Sources:</b>	<b>\$ 31</b>	<b>\$ 32</b>	<b>\$ 29</b>	<b>\$ 30</b>	<b>\$ 69</b>	<b>\$ 191</b>	<b>\$ -</b>	<b>N/A</b>
<b>Expenditures and Other Uses</b>								
<b>Flood Control - Stormwater Management</b>								
Engineering Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
Legal Services	-	-	-	-	-	-	-	N/A
Operating Transfers Out	-	-	-	-	-	-	-	N/A
<b>Total Expenditures and Other Uses:</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>N/A</b>
Net Increase/ (Decrease) of Fund Balance	31	32	29	30	69	191	-	
Fund Balance - Beginning	235,772	235,803	235,835	235,864	235,893	235,772	235,413	
Fund Balance - Ending	<u>\$ 235,803</u>	<u>\$ 235,835</u>	<u>\$ 235,864</u>	<u>\$ 235,893</u>	<u>\$ 235,963</u>	<u>\$ 235,963</u>	<u>\$ 235,413</u>	