

BOARD OF SUPERVISOR'S

HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT

REGULAR MEETING AGENDA

September 6, 2018

Board of Supervisor's

Terry Kirschner, Chairman
William Riley, Vice Chairman
David Negip, Assistant Secretary
Matt Morris, Assistant Secretary
Russell Smith, Assistant Secretary

James P. Ward
District Manager
2900 NE 12th Terrace
Suite I
Oakland Park, Florida 33334

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JimWard@JPWardAssociates.com



www.heritageharbourmarketplacecdd.org

HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT

August 26, 2018

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, September 6, 2018** 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. Oath of Office – Mr. Matthew Koratich (election at the Jun 7th, 2018 landowner’s meeting)
 - a) Oath of Office
 - b) Guide to the Sunshine Amendment and Code of Ethics for Public Employees
 - c) Form 1 – Statement of Financial Interest
3. Consideration of Minutes.
 - a) June 7, 2018 Regular Meeting
 - b) June 7, 2018 Landowner Meeting
4. **PUBLIC HEARING**
 - a) **FISCAL YEAR 2019 BUDGET**
 - I. Public Comment and Testimony
 - II. Board Comment and Consideration
 - III. Consideration of Resolution 2018-10 adopting the annual appropriation and Budget for Fiscal Year 2019
 - b) **FISCAL YEAR 2019 IMPOSING SPECIAL ASSESSMENTS; ADOPTING AN ASSESSMENT ROLL AND APPROVING THE GENERAL FUND SPECIAL ASSESSMENT METHODOLOGY.**
 - I. Public Comment and Testimony
 - II. Board Comment and Consideration



James P. Ward
District Manager

2041 NORTHEAST 6TH TERRACE
WILTON MANORS, FLORIDA 33305
PHONE (954) 658-4900
E-MAIL ward9490@comcast.net

- III. Consideration of Resolution 2018-11 imposing special assessments, adopting an assessment roll and approving the general fund special assessment methodology

5. Consideration of Resolution 2018-12 designating the dates, time and location for regular meetings of the Board of Supervisors of the District.

6. Consideration of the acceptance of the Audited Financial Statements for the Fiscal year 2017.

7. Staff Reports
 - a) Attorney
 - b) Engineer
 - c) Manager
 - I. Financial Statements for the period ended July 31, 2018 (Unaudited)

8. Supervisor's Requests and Audience Comments

9. Adjournment

The second order of business is consideration of the minutes of the June 7, 2018 regular meeting.

The third order of business is two (2) required Public Hearings to consider the adoption of the District's Fiscal Year 2019 Budget, Assessments and General Fund Special Assessment Methodology. The first Public Hearing deals with the adoption of the Fiscal Year 2019 Budget which includes both the General Fund operations and the Debt Service Fund for the Series 2005 Bonds. In the way of background, the Board approved the proposed Fiscal Year 2019 Budget, solely for the purpose of permitting the District to move through the process towards this hearing to adopt the Budget and set the final assessment rates for the ensuing Fiscal Year.

The Public Hearing notice was advertised in the Bradenton Herald as provided by law. The notice advises of public of the date, time and location of the Public Hearing.



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District Manager

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As a suggested form for the Public Hearing – it would be appropriate to formally open the Public Hearing for consideration of the Budget, take a few moments to have the District Manager review the salient points of the Budget for the Public, then seek Public Comment or testimony, and at the conclusion of the Public Comment and testimony to close the Public Hearing by motion of the Board, then to move into the Board’s consideration of the Budget and once that is concluded, to consider Resolution 2018-10 to adopt the annual appropriation and budget for the District. Once this item is concluded, then it would be recommended for the Board to move to the second Public Hearing utilizing the same process as just completed for the Budget Hearing.

This second Public Hearing is a consequence of the Budget Adoption process and sets in place the required documents that are all contained in the Fiscal Year 2019 Budget. Resolution 2018-11 does essentially three (3) things. First, it imposes the special assessments for the general fund and the debt service fund; second, it arranges for the certification of an assessment roll by the Chairman his designee, which in this case is the District Manager, to the Manatee County Tax Collector and permits the District Manager to update the roll as it may be modified as limited by law subsequent to the adoption date of Resolution 2018-11, and finally it approves the General Fund Special Assessment Methodology.

The forth item is the consideration of Resolution 2018-12 setting the proposed meeting schedule for Fiscal Year 2019. As you may re-call, to the extent that the District has a regular meeting schedule, the District is required to advertise this schedule (legal advertisement) on a periodic basis at the beginning of the Fiscal Year.

Currently, the Board is scheduled to meet on the first Thursday of each month at **2:15 P.M., unless otherwise indicated, at the River Strand Golf and Country Club, (Clubhouse), 7155 Grand Estuary Trail, Bradenton Florida, 34212.**

The Fiscal Year 2019 schedule is as follows

| | |
|------------------|-------------------|
| October 4, 2018 | November 1, 2018 |
| December 6, 2018 | January 3, 2019 |
| February 7, 2019 | March 7, 2019 |
| April 4, 2019 | May 2, 2019 |
| June 6, 2019 | July 4, 2019 |
| August 1, 2019 | September 5, 2019 |



James P. Ward
District Manager

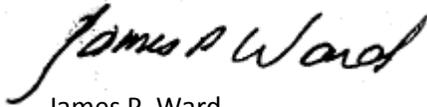
2041 NORTHEAST 6TH TERRACE
WILTON MANORS, FLORIDA 33305
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The fifth order of business is acceptance of the audited financial statements for the Fiscal Year ended September 30, 2017. A representative of the audit firm will be available by phone to present the audit to the Board.

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 NORTHEAST 6TH TERRACE
WILTON MANORS, FLORIDA 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 _____, 2018, 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**

audio tape corrupted

The Regular Meeting of the Heritage Harbour Market Place Community Development District's Board of Supervisors was held on Thursday, **June 7, 2018**, 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 |
| Matthew Morris | Assistant Secretary |

Absent were:

| | |
|------------------|---------------------|
| Matthew Koratich | Assistant Secretary |
| Russell Smith | Assistant Secretary |

Also present were:

| | |
|----------------|------------------|
| James P. Ward | District Manager |
| Jere Earlywine | District Counsel |

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Ward called the meeting to order at 2:25 p.m., and roll call determined that all members of the Board were present with the exception of Supervisors Koratich and Morris.

SECOND ORDER OF BUSINESS

Administration of Oath of Office

Mr. Ward administered the Oath of Office to the newly elected Supervisors from the Landowners' Meeting which had been held prior to the regular meeting of June 7, 2018. In addition, the supervisors were provided with the Guide to the Sunshine Amendment and Code of Ethics for Public Officers and Employees and Form 1- Statement of Financial Interests, which must be filed with the Supervisor of Elections in the County in which the individual resides within 30 days, deadline July 7, 2018.

THIRD ORDER OF BUSINESS

Consideration of Resolution 2018-5

Mr. Ward directed the Board to the consideration of Resolution 2018-5 which canvassed and certified the results of the landowners' election which was held just prior

to the regular meeting of the Board. During the Board meeting, the staff filled in the name and number of votes received.

MOTION was made by Mr. Riley and seconded by Mr. Morris to approve Resolution 2018-5, and with all in favor, the motion was approved.

FOURTH ORDER OF BUSINESS

Consideration of Resolution 2018-6

Mr. Ward stated Resolution 2018-6 re-designated the officers of the District. He said in the Resolution the existing officers were named in their respective seats; however, the statute permitted the Board to re-organize itself at any time.

The current officers were decided as follows:

- Chairman: Terrence Kirschner**
- Vice Chairman: William Riley**
- Assistant Secretary: Russell R. Smith**
- Assistant Secretary: Matthew Morris**
- Assistant Secretary: Matthew Koratich**
- Secretary/Treasurer: James P. Ward**

MOTION was made by Mr. Kirschner and seconded by Mr. Morris to approve Resolution 2018-6 as described above, and with all in favor, the motion was approved.

FIFTH ORDER OF BUSINESS

Consideration of Minutes

Mr. Ward called for approval of the minutes of the March 1, 2018 meeting.

MOTION was made by Mr. Smith and seconded by Mr. Riley to approve the minutes of the March 1, 2018 meeting, and with all in favor, the motion was approved.

SIXTH ORDER OF BUSINESS**Consideration of Resolution 2018-7**

Mr. Ward stated the District's enabling legislation required the District Manager to submit a Proposed Budget to the Board by June 15th of each year for review and approval. The approval of the budget was only intended to permit the District to move through the process towards adopting the budget at a Public Hearing, which had been scheduled for the September 6, 2018, meeting of the Board of Supervisors. The approval of the Budget did 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 did not bind the Board to any of the Assessment Rates contemplated as a result of the preparation of the Budget.

Mr. Ward stated it did set the maximum assessment rate for the general fund at the proposed rate of \$699.64, which was the rate the District would include on the TRIM notices that were sent to the property owners in August of each year.

Mr. Ward reminded the Board that it had set a Cap Rate, \$3,267.96 per acre, which was the rate that triggered mailed notice to all property owners by the District in addition to the rate being included on the TRIM notice. He pointed out that since the proposed rate was below the Cap Rate, mailed notice by the District was not required.

MOTION was made by Mr. Morris and seconded by Mr. Riley to approve Resolution 2018-7 approving the Budget and setting the Public Hearing for September 6, 2018 at 2:15 p.m. at the River Strand Golf and Country Club Clubhouse, and with all in favor, the motion was approved.

SEVENTH ORDER OF BUSINESS**Consideration of Resolution 2018-8**

Mr. Ward stated this Resolution would adopt an electronic records policy for the District.

MOTION was made by Mr. Kirschner and seconded by Mr. Riley to approve Resolution 2018-8, and with all in favor, the motion was approved.

EIGHTH ORDER OF BUSINESS

Staff Reports

No staff reports were available via audio.

NINTH ORDER OF BUSINESS

**Supervisors' Request or Audience
Comments**

No comments or requests were available via audio.

FIFTH ORDER OF BUSINESS

Adjournment

Mr. Ward called for a motion to adjourn the meeting.

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

The meeting was adjourned at 2:34 p.m.

Heritage Harbour Market Place
Community Development District

James P. Ward, Secretary

Terry Kirschner, Chairman

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

The Landowners' Meeting of the Heritage Harbour Market Place Community Development District's Board of Supervisors was held on Thursday, **June 7, 2018**, at **2:15 p.m.**, at the **River Strand Golf & Country Club (Clubhouse), 7155 Grand Estuary Trail, Bradenton, Florida 34212.**

Landowners:

Terry Kirschner

Board Chairman

Staff:

James P. Ward

District Manager

Jere Earlywine

District Counsel

Also present were:

Bill Riley

Board Vice Chairman

Matthew Morris

Board Assistant Secretary

FIRST ORDER OF BUSINESS

Call to Order

Mr. Ward called the meeting to order at 2:15 p.m.

SECOND ORDER OF BUSINESS

Election of a Chairperson for the Purpose of Conducting the Landowner's Meeting

Mr. Ward stated one landowner was present, Mr. Kirschner, representing Lennar Homes and LNR Properties. He asked if Mr. Kirschner would like to conduct the meeting. Mr. Kirschner asked Mr. Ward to do so.

THIRD ORDER OF BUSINESS

Election of Supervisors

Mr. Ward stated the main purpose of the meeting was the determination of the number of voting units represented or assigned by proxy and the election of officers of the Board. He indicated he had a proxy from Lennar Homes assigning Terry Kirschner to vote their units of 19, and a proxy from LNR Properties assigning Terry Kirschner to vote their units of 84. He stated Mr. Kirschner would have a total of 103 voting units.

Mr. Ward said it would be appropriate for Mr. Kirschner to nominate three individuals to serve on the Board. He said the positions open were Mr. Negip's for Seat 1, Mr. Morris' for Seat 3, and Mr. Riley's for Seat 5.

Mr. Kirschner nominated Mr. Matthew Koratich for Mr. Negip's Seat 1; Bill Riley for Seat 5; and Matthew Morris for Seat 3.

Mr. Ward asked Mr. Kirschner to fill out the corresponding form. He stated the two individuals receiving the highest number of votes will receive the four year terms with the remaining individual serving a two year term. Mr. Ward assisted Mr. Kirschner in filling out the form.

Mr. Ward stated he had received the ballot from Mr. Kirschner, which showed Mr. Morris and Mr. Riley each received 104 votes and would serve four year terms. He said Mr. Koratich received 102 votes and would serve the two year term.

FOURTH ORDER OF BUSINESS

Landowners' Questions/Comments

There were no questions or comments.

FIFTH ORDER OF BUSINESS

Adjournment

The meeting was adjourned at 2:25 p.m.

Heritage Harbour Market Place
Community Development District

James P. Ward, Secretary

Terry Kirschner, Chairperson

RESOLUTION 2018-10

THE ANNUAL APPROPRIATION RESOLUTION OF THE HERITAGE HARBOUR MARKETPLACE COMMUNITY DEVELOPMENT DISTRICT (“DISTRICT”) RELATING TO THE ANNUAL APPROPRIATIONS AND ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2018, AND ENDING SEPTEMBER 30, 2019; AUTHORIZING BUDGET AMENDMENTS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the District Manager has, prior to the fifteenth (15th) day in June, 2018, submitted to the Board of Supervisors (“**Board**”) of the Heritage Harbour Marketplace Community Development District (“**District**”) proposed budget (“**Proposed Budget**”) for the fiscal year beginning October 1, 2018 and ending September 30, 2019 (“**Fiscal Year 2019**”) along with an explanatory and complete financial plan for each fund of the District, pursuant to the provisions of Section 190.008(2)(a), *Florida Statutes*; and

WHEREAS, at least sixty (60) days prior to the adoption of the Proposed Budget, the District filed a copy of the Proposed Budget with the local governing authorities having jurisdiction over the area included in the District pursuant to the provisions of Section 190.008(2)(b), *Florida Statutes*; and

WHEREAS, the Board set a public hearing thereon and caused notice of such public hearing to be given by publication pursuant to Section 190.008(2)(a), *Florida Statutes*; and

WHEREAS, the District Manager posted the Proposed Budget on the District’s website at least two days before the public hearing; and

WHEREAS, Section 190.008(2)(a), *Florida Statutes*, requires that, prior to October 1st of each year, the Board, by passage of the Annual Appropriation Resolution, shall adopt a budget for the ensuing fiscal year and appropriate such sums of money as the Board deems necessary to defray all expenditures of the District during the ensuing fiscal year; and

WHEREAS, the District Manager has prepared a Proposed Budget, whereby the budget shall project the cash receipts and disbursements anticipated during a given time period, including reserves for contingencies for emergency or other unanticipated expenditures during the fiscal year.

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

SECTION 1. BUDGET

- a. The Board has reviewed the Proposed Budget, a copy of which is on file with the office of the District Manager and at the District’s Local Records Office, and hereby approves certain amendments thereto, as shown in Section 2 below.
- b. The Proposed Budget, attached hereto as **Exhibit “A,”** as amended by the Board, is hereby adopted in accordance with the provisions of Section 190.008(2)(a), *Florida Statutes* (“**Adopted Budget**”), and incorporated herein by reference; provided, however, that the comparative figures contained in the Adopted Budget may be subsequently revised as deemed necessary by the District Manager to reflect actual revenues and expenditures.
- c. The Adopted Budget, as amended, shall be maintained in the office of the District Manager and at the District’s Local Records Office and identified as “The Budget for the Heritage Harbour Marketplace Community Development District for the Fiscal Year Ending September 30, 2019.”
- d. The Adopted Budget shall be posted by the District Manager on the District’s official website within thirty (30) days after adoption, and shall remain on the website for at least 2 years.

RESOLUTION 2018-10

THE ANNUAL APPROPRIATION RESOLUTION OF THE HERITAGE HARBOUR MARKETPLACE COMMUNITY DEVELOPMENT DISTRICT (“DISTRICT”) RELATING TO THE ANNUAL APPROPRIATIONS AND ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2018, AND ENDING SEPTEMBER 30, 2019; AUTHORIZING BUDGET AMENDMENTS; AND PROVIDING AN EFFECTIVE DATE.

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WHEREAS, at least sixty (60) days prior to the adoption of the Proposed Budget, the District filed a copy of the Proposed Budget with the local governing authorities having jurisdiction over the area included in the District pursuant to the provisions of Section 190.008(2)(b), *Florida Statutes*; and

WHEREAS, the Board set a public hearing thereon and caused notice of such public hearing to be given by publication pursuant to Section 190.008(2)(a), *Florida Statutes*; and

WHEREAS, the District Manager posted the Proposed Budget on the District’s website at least two days before the public hearing; and

WHEREAS, Section 190.008(2)(a), *Florida Statutes*, requires that, prior to October 1st of each year, the Board, by passage of the Annual Appropriation Resolution, shall adopt a budget for the ensuing fiscal year and appropriate such sums of money as the Board deems necessary to defray all expenditures of the District during the ensuing fiscal year; and

WHEREAS, the District Manager has prepared a Proposed Budget, whereby the budget shall project the cash receipts and disbursements anticipated during a given time period, including reserves for contingencies for emergency or other unanticipated expenditures during the fiscal year.

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

SECTION 1. BUDGET

- a. The Board has reviewed the Proposed Budget, a copy of which is on file with the office of the District Manager and at the District’s Local Records Office, and hereby approves certain amendments thereto, as shown in Section 2 below.
- b. The Proposed Budget, attached hereto as **Exhibit “A,”** as amended by the Board, is hereby adopted in accordance with the provisions of Section 190.008(2)(a), *Florida Statutes* (“**Adopted Budget**”), and incorporated herein by reference; provided, however, that the comparative figures contained in the Adopted Budget may be subsequently revised as deemed necessary by the District Manager to reflect actual revenues and expenditures.
- c. The Adopted Budget, as amended, shall be maintained in the office of the District Manager and at the District’s Local Records Office and identified as “The Budget for the Heritage Harbour Marketplace Community Development District for the Fiscal Year Ending September 30, 2019.”
- d. The Adopted Budget shall be posted by the District Manager on the District’s official website within thirty (30) days after adoption, and shall remain on the website for at least 2 years.

RESOLUTION 2018-10

THE ANNUAL APPROPRIATION RESOLUTION OF THE HERITAGE HARBOUR MARKETPLACE COMMUNITY DEVELOPMENT DISTRICT (“DISTRICT”) RELATING TO THE ANNUAL APPROPRIATIONS AND ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2018, AND ENDING SEPTEMBER 30, 2019; AUTHORIZING BUDGET AMENDMENTS; AND PROVIDING AN EFFECTIVE DATE.

SECTION 2. APPROPRIATIONS

There is hereby appropriated out of the revenues of the District, for Fiscal Year 2019, the sum of \$1,239,739.00 to be raised by the levy of assessments and otherwise, which sum is deemed by the Board to be necessary to defray all expenditures of the District during said budget year, to be divided and appropriated in the following fashion:

| | |
|---------------------------------|-----------------------|
| TOTAL GENERAL FUND | \$88,283.00 |
| DEBT SERVICE FUND (SERIES 2005) | <u>\$1,151,456.00</u> |
| TOTAL ALL FUNDS | \$1,239,739.00 |

SECTION 3. BUDGET AMENDMENTS

Pursuant to Section 189.016, *Florida Statutes*, the District at any time within Fiscal Year 2019 or within 60 days following the end of the Fiscal Year 2019 may amend its Adopted Budget for that fiscal year as follows:

- a. The Board may authorize an increase or decrease in line item appropriations within a fund by motion recorded in the minutes if the total appropriations of the fund do not increase.
- b. The District Manager or Treasurer may authorize an increase or decrease in line item appropriations within a fund if the total appropriations of the fund do not increase and if the aggregate change in the original appropriation item does not exceed \$10,000.
- c. By resolution, the Board may increase any appropriation item and/or fund to reflect receipt of any additional unbudgeted monies and make the corresponding change to appropriations or the unappropriated balance.
- d. Any other budget amendments shall be adopted by resolution and consistent with Florida law.

The District Manager or Treasurer must establish administrative procedures to ensure that any budget amendments are in compliance with this Section 3 and Section 189.016, *Florida Statutes*, among other applicable laws. Among other procedures, the District Manager or Treasurer must ensure that any amendments to budget under subparagraphs c. and d. above are posted on the District’s website within 5 days after adoption and remain on the website for at least 2 years.

SECTION 4. SEVERABILITY. The invalidity or unenforceability of any one or more provisions of this Resolution shall not affect the validity or enforceability of the remaining portions of this Resolution, or any part thereof.

SECTION 5. CONFLICT. 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 2018-10

THE ANNUAL APPROPRIATION RESOLUTION OF THE HERITAGE HARBOUR MARKETPLACE COMMUNITY DEVELOPMENT DISTRICT (“DISTRICT”) RELATING TO THE ANNUAL APPROPRIATIONS AND ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2018, AND ENDING SEPTEMBER 30, 2019; AUTHORIZING BUDGET AMENDMENTS; AND PROVIDING AN EFFECTIVE DATE.

SECTION 6. EFFECTIVE DATE. This Resolution shall take effect upon the passage and adoption of this Resolution by the Board of Supervisors of the Heritage Harbour Market Place Community Development District.

SECTION 4. EFFECTIVE DATE. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED THIS 6th DAY OF September, 2018.

ATTEST:

**HERITAGE HARBOUR MARKETPLACE
COMMUNITY DEVELOPMENT DISTRICT**

James P. Ward Secretary

By: _____
Terrence Kirschner, Chairman

BOARD OF SUPERVISOR'S

**STONEYBROOK AT VENICE
COMMUNITY DEVELOPMENT DISTRICT**

EXHIBIT A

**PROPOSED BUDGET
FISCAL YEAR 2019**



James P. Ward
District Manager
2900 Northeast 12th Terrace
Suite 1
Oakland Park, Florida 33334

Phone: 954-658-4900

E-mail:

jimward@jpwardassociates.com





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**Stoneybrook at Venice
Community Development District**

**General Fund - Budget
Fiscal Year 2019**

| Description | Fiscal Year 2018 Budget | Actual at February 28, 2018 | Anticipated Year End 09/30/18 | Fiscal Year 2019 Budget |
|--|----------------------------|-----------------------------------|-------------------------------------|----------------------------|
| Revenues and Other Sources | | | | |
| Carryforward | \$ - | \$ - | \$ - | \$ - |
| Interest Income - General Account | \$ 75 | \$ 20 | \$ 40 | \$ 40 |
| Special Assessment Revenue | | | | |
| Special Assessment - On-Roll | \$ 74,106 | \$ 65,872 | \$ 74,106 | \$ 73,785 |
| Total Revenue & Other Sources | \$ 74,021 | \$ 65,892 | \$ 74,146 | \$ 73,825 |
| Appropriations | | | | |
| Legislative | | | | |
| Board of Supervisor's Fees | \$ - | \$ - | \$ - | \$ - |
| Board of Supervisor's - FICA | \$ - | \$ - | \$ - | \$ - |
| Executive | | | | |
| Executive Salaries | \$ 17,000 | \$ 7,192 | \$ 17,000 | \$ 17,000 |
| Executive Salaries - FICA | \$ 1,301 | \$ 550 | \$ 1,100 | \$ 1,100 |
| Executive Salaries - Insurance | \$ 3,200 | \$ 1,711 | \$ 3,240 | \$ 3,500 |
| Financial and Administrative | | | | |
| Audit Services | \$ 4,600 | \$ 1,100 | \$ 4,600 | \$ 4,900 |
| Accounting Services | \$ 5,500 | \$ 1,859 | \$ 5,500 | \$ 3,500 |
| Assessment Roll Preparation | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 |
| Arbitrage Rebate Fees | \$ 500 | \$ - | \$ 500 | \$ 500 |
| Other Contractual Services | | | | |
| Recording and Transcription | \$ 400 | \$ - | \$ 400 | \$ 200 |
| Legal Advertising | \$ 1,200 | \$ 100 | \$ 1,200 | \$ 1,200 |
| Trustee Services | \$ 2,795 | \$ - | \$ 2,795 | \$ 2,795 |
| Dissemination Agent Services | \$ 5,000 | \$ - | \$ 5,000 | \$ 5,000 |
| Property Appraiser Fees | \$ - | \$ - | \$ - | \$ - |
| Bank Service Fees | \$ 400 | \$ 134 | \$ 275 | \$ 300 |
| Travel and Per Diem | \$ - | \$ - | \$ - | \$ - |
| Communications and Freight Services | | | | |
| Telephone | \$ - | \$ - | \$ - | \$ - |
| Postage, Freight & Messenger | \$ 100 | \$ 18 | \$ 100 | \$ 100 |
| Rentals and Leases | | | | |
| Miscellaneous Equipment | \$ - | \$ - | \$ - | \$ - |
| Computer Services | \$ 7,600 | \$ 2,793 | \$ 11,810 | \$ 7,560 |
| Insurance | \$ 6,700 | \$ 6,505 | \$ 6,505 | \$ 7,560 |
| Printing and Binding | \$ 400 | \$ 11 | \$ 472 | \$ 475 |
| Office Supplies | \$ 30 | \$ - | \$ - | \$ - |
| Subscriptions and Memberships | \$ 175 | \$ 175 | \$ 175 | \$ 175 |

**Stoneybrook at Venice
Community Development District**

**General Fund - Budget
Fiscal Year 2019**

| Description | Fiscal Year 2018 Budget | Actual at February 28, 2018 | Anticipated Year End 09/30/18 | Fiscal Year 2019 Budget |
|--|----------------------------|-----------------------------------|-------------------------------------|----------------------------|
| Legal Services | | | | |
| General Counsel | \$ 2,500 | \$ (461) | \$ 1,200 | \$ 3,200 |
| Other General Government Services | | | | |
| Engineering Services | | \$ - | \$ - | |
| Contingencies | \$ 700 | \$ - | \$ - | \$ 700 |
| Other Fees and Charges | | | | |
| Discounts and Tax Collector Fees | \$ 4,080 | | \$ 4,080 | \$ 4,060 |
| Total Appropriations | \$ 74,181 | \$ 31,688 | \$ 75,952 | \$ 73,825 |
| Net Increase/(Decrease) in Fund Balance | | \$ 34,204 | \$ (1,806) | |
| Fund Balance - Beginning | \$ 85,586 | \$ 85,586 | \$ 85,586 | \$ 83,780 |
| Fund Balance - Ending (Projected) | | \$ 119,791 | \$ 83,780 | |
| Assessment Comparison | \$ 74.69 | | | \$ 74.53 |

**Stoneybrook at Venice
Community Development District**

**General Fund - Budget
Fiscal Year 2019**

Revenues and Other Sources

| | | |
|---|----|----|
| Carryforward | \$ | - |
| Interest Income - General Account | \$ | 40 |
| <p>With the levy of Special Assessments the District's operating account will earn interest on it's funds. This amount reflects the anticipated earnings.</p> | | |

Appropriations

Legislative

| | | |
|---|----|---|
| Board of Supervisor's Fees | \$ | - |
| <p>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 current Board has waived their Board Compensation.</p> | | |

Executive

| | | |
|--|----|--------|
| Executive Salaries and Benefits | \$ | 21,600 |
| <p>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.</p> | | |

| | FY 2018 | FY 2019 |
|---------------|------------------|------------------|
| Salary | \$ 17,000 | \$ 17,000 |
| FICA | \$ 1,301 | \$ 1,100 |
| Insurance | \$ 3,200 | \$ 3,500 |
| Total: | \$ 21,501 | \$ 21,600 |

Financial and Administrative

| | | |
|--|----|--------|
| Audit Services | \$ | 4,900 |
| <p>Statutorily required for the District to undertake an independent examination of its books, records and accounting procedures.</p> | | |
| Accounting Services | \$ | 3,500 |
| <p>For the Maintenance of the District's books and records on a daily basis.</p> | | |
| Assessment Roll Preparation | \$ | 10,000 |
| <p>For the preparation by the Financial Advisor of the Methodology for the General Fund and the Assessment Rolls including transmittal to the Sarasota County Property Appraiser.</p> | | |
| Arbitrage Rebate Fees | \$ | 500 |
| <p>For required 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.</p> | | |

Other Contractual Services

| | | |
|-----------------------------|----|-------|
| Recording and Transcription | \$ | 200 |
| Legal Advertising | \$ | 1,200 |

**Stoneybrook at Venice
Community Development District
General Fund - Budget
Fiscal Year 2019**

| | | |
|--|----|------------------|
| Trustee Services | \$ | 2,795 |
| <p style="margin-left: 20px;">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</p> | | |
| Dissemination Agent Services | \$ | 5,000 |
| <p style="margin-left: 20px;">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> | | |
| Property Appraiser Fees | \$ | - |
| Bank Service Fees | \$ | 300 |
| Travel and Per Diem | \$ | - |
| Communications and Freight Services | | |
| Telephone | \$ | - |
| Postage, Freight & Messenger | \$ | 100 |
| Rentals and Leases | | |
| Miscellaneous Equipment | \$ | - |
| Computer Services | \$ | 7,560 |
| <p style="margin-left: 20px;">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 secure Facility 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 development/maintenace of a District web site.</p> | | |
| Insurance | \$ | 7,560 |
| Printing and Binding | \$ | 475 |
| Office Supplies | \$ | - |
| Subscriptions and Memberships | \$ | 175 |
| Legal Services | | |
| General Counsel | \$ | 3,200 |
| <p style="margin-left: 20px;">The District's general council 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> | | |
| Other General Government Services | | |
| Engineering Services | \$ | - |
| <p style="margin-left: 20px;">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 | \$ | 700 |
| Other Fees and Charges | | |
| Discounts and Tax Collector Fees | \$ | 4,060 |
| <p style="margin-left: 20px;">4% Discount permitted by Law for early payment and 1.5% Tax Collector . The Property Appraiser does not bill the District for any fees.</p> | | |
| Total Appropriations: | | \$ 73,825 |

Stoneybrook at Venice
Community Development District
Debt Service Fund Series 2017 Bonds - Budget
Fiscal Year 2019

| Description | Fiscal Year 2018 Budget | Actual at February 28, 2018 | Anticipated Year End 09/30/18 | Fiscal Year 2019 Budget |
|---|----------------------------|-----------------------------------|-------------------------------------|----------------------------|
| Revenues and Other Sources | | | | |
| Carry Forward | \$ 15,000 | | | |
| Interest Income | \$ 500 | \$ 215 | \$ 430 | \$ 430 |
| Special Assessment Revenue | | | | |
| Special Assessment - On-Roll | \$ 382,726 | \$ 349,205 | \$ 382,726 | \$ 398,673 |
| Special Assessment - Prepayments | \$ - | \$ - | \$ - | \$ - |
| Operating Transfers In | \$ - | \$ - | \$ - | \$ - |
| Total Revenue & Other Sources | \$ 398,226 | \$ 349,419 | \$ 383,156 | \$399,103 |
| Appropriations | | | | |
| Debt Service | | | | |
| Principal Debt Service - Mandatory | | | | |
| Series 2017 Bonds | \$ 195,000 | \$ - | \$ 195,000 | \$ 195,000 |
| Principal Debt Service - Early Redemptions | | | | |
| Series 2017 Bonds | \$ 15,000 | \$ - | \$ - | \$ 15,000 |
| Interest Expense | | | | |
| Series 2017 Bonds | \$ 167,176 | \$ 79,189 | \$ 167,176 | \$ 167,176 |
| Other Fees and Charges | | | | |
| Discounts and Tax Collector Fees | \$ 21,050 | \$ - | \$ 21,050 | \$ 21,927 |
| Total Appropriations | \$ 398,226 | \$ 79,189 | \$ 383,226 | \$ 399,103 |
| Net Increase/(Decrease) in Fund Balance | | \$ 270,231 | \$ (70) | |
| Fund Balance - Beginning | \$ 219,291 | \$ 219,291 | \$ 219,291 | |
| Fund Balance - Ending (Projected) | \$ 219,291 | \$ 489,522 | \$ 219,221 | |
| Restricted Fund Balance: | | | | |
| Reserve Account Requirement | | | \$ 111,563 | |
| Restricted for November 1, 2019 Interest Payment | | | \$ 86,038 | |
| Total - Restricted Fund Balance: | | | \$ 197,600 | |
| Assessment Comparison | | | | |
| Single Family - 40ft | \$ 377 | | | \$ 307 |
| Single Family - 52ft | \$ 519 | | | \$ 422 |
| Single Family - 62ft | \$ 680 | | | \$ 553 |
| Cove Townhomes | \$ 281 | | | \$ 228 |

**Stoneybrook at Venice
Community Development District
Debt Service Fund Series 2017 Bonds - Budget
Fiscal Year 2019**

| Description | Principal | Coupon Rate | Interest | Annual Debt Service |
|-------------------|--------------|-------------|--------------|---------------------|
| Par Amount Issued | \$ 5,505,000 | | | |
| 11/1/2017 | | | \$ 79,188.75 | |
| 5/1/2018 | \$ 195,000 | 2.00% | \$ 87,987.50 | \$ 362,176 |
| 11/1/2018 | | | \$ 86,037.50 | |
| 5/1/2019 | \$ 200,000 | 2.00% | \$ 86,037.50 | \$ 372,075 |
| 11/1/2019 | | | \$ 84,037.50 | |
| 5/1/2020 | \$ 205,000 | 2.00% | \$ 84,037.50 | \$ 373,075 |
| 11/1/2020 | | | \$ 81,987.50 | |
| 5/1/2021 | \$ 210,000 | 2.00% | \$ 81,987.50 | \$ 373,975 |
| 11/1/2021 | | | \$ 79,887.50 | |
| 5/1/2022 | \$ 210,000 | 2.25% | \$ 79,887.50 | \$ 369,775 |
| 11/1/2022 | | | \$ 77,525.00 | |
| 5/1/2023 | \$ 215,000 | 2.50% | \$ 77,525.00 | \$ 370,050 |
| 11/1/2023 | | | \$ 74,837.50 | |
| 5/1/2024 | \$ 225,000 | 2.63% | \$ 74,837.50 | \$ 374,675 |
| 11/1/2024 | | | \$ 71,884.38 | |
| 5/1/2025 | \$ 230,000 | 3.00% | \$ 71,884.38 | \$ 373,769 |
| 11/1/2025 | | | \$ 68,434.38 | |
| 5/1/2026 | \$ 235,000 | 3.00% | \$ 68,434.38 | \$ 371,869 |
| 11/1/2026 | | | \$ 64,909.38 | |
| 5/1/2027 | \$ 245,000 | 3.13% | \$ 64,909.38 | \$ 374,819 |
| 11/1/2027 | | | \$ 61,081.25 | |
| 5/1/2028 | \$ 250,000 | 3.25% | \$ 61,081.25 | \$ 372,163 |
| 11/1/2028 | | | \$ 57,018.75 | |
| 5/1/2029 | \$ 260,000 | 3.60% | \$ 57,018.75 | \$ 374,038 |
| 11/1/2029 | | | \$ 52,338.75 | |
| 5/1/2030 | \$ 270,000 | 3.60% | \$ 52,338.75 | \$ 374,678 |
| 11/1/2030 | | | \$ 47,478.75 | |
| 5/1/2031 | \$ 280,000 | 3.60% | \$ 47,478.75 | \$ 374,958 |
| 11/1/2031 | | | \$ 42,438.75 | |
| 5/1/2032 | \$ 290,000 | 3.60% | \$ 42,438.75 | \$ 374,878 |
| 11/1/2032 | | | \$ 37,218.75 | |
| 5/1/2033 | \$ 300,000 | 3.75% | \$ 37,218.75 | \$ 374,438 |
| 11/1/2033 | | | \$ 31,593.75 | |
| 5/1/2034 | \$ 310,000 | 3.75% | \$ 31,593.75 | \$ 373,188 |
| 11/1/2034 | | | \$ 25,781.25 | |
| 5/1/2035 | \$ 325,000 | 3.75% | \$ 25,781.25 | \$ 376,563 |
| 11/1/2035 | | | \$ 19,687.50 | |

Stoneybrook at Venice
Community Development District
Debt Service Fund Series 2017 Bonds - Budget
Fiscal Year 2019

| Description | Principal | Coupon Rate | Interest | Annual Debt Service |
|-------------|------------|-------------|--------------|---------------------|
| 5/1/2036 | \$ 335,000 | 3.75% | \$ 19,687.50 | \$ 374,375 |
| 11/1/2036 | | | \$ 13,406.25 | |
| 5/1/2037 | \$ 350,000 | 3.75% | \$ 13,406.25 | \$ 376,813 |
| 11/1/2037 | | | \$ 6,843.75 | |
| 5/1/2038 | \$ 365,000 | 3.75% | \$ 6,843.75 | \$ 378,688 |

RESOLUTION 2018-11

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT IMPOSING AND LEVYING SPECIAL ASSESSMENTS, CERTIFYING AN ASSESSMENT ROLL AND APPROVING THE GENERAL FUND SPECIAL ASSESSMENT METHODOLOGY; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR CONFLICT AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Heritage Harbour Market Place Community Development District (the “District”) is a local unit of special and single purpose government established pursuant to Chapter 190, Florida Statutes for the purpose of providing, operating and maintaining infrastructure improvements, facilities and services to the lands within the District; and

WHEREAS, the District is located in Manatee County, Florida (the “County”); and

WHEREAS, the District has constructed or acquired various infrastructure improvements and provides certain services in accordance with the District’s adopted Improvement Plan and Chapter 190, Florida Statutes; and

WHEREAS, the Board of Supervisors (the “Board”) of the District hereby determines to undertake various operations and maintenance activities described in the District’s budget for Fiscal Year 2018 (“Operations and Maintenance Budget”), attached hereto as Exhibit “A” and incorporated by reference herein; and

WHEREAS, the District must obtain sufficient funds to provide for the operation and maintenance of the services and facilities provided by the District as described in the District’s budget for Fiscal Year 2016; and

WHEREAS, the provision of such services, facilities, and operations result in a special benefit peculiar to lands within the district; and

WHEREAS, Chapter 190, Florida Statutes, provides that the District may impose and levy special assessments on benefitted lands within the District; and

WHEREAS, the District has previously imposed and levied an assessment for debt service, which the District desires to collect on the Tax Collector’s collection roll for certain property pursuant to the Uniform Method and which is also indicated on Exhibit “A” and “B” the Budget and Methodology respectively; and

WHEREAS, Chapter 197, Florida Statutes, provides a mechanism pursuant to which such special assessments may be placed on the Tax Collector’s collection roll and collected by the local tax collector (“Uniform Method”); and

WHEREAS, the District has previously evidenced its intention to utilize this Uniform Method for non developer owned property; and

WHEREAS, the District has approved an Agreement with the Property Appraiser and Tax Collector of the County to provide for the roll adoption and collection of the special assessments under the Uniform Method; and

WHEREAS, it is in the best interests of the District to proceed with the imposition and levy of the special assessments for operations and maintenance on platted lots in the amount contained in the budget; and

WHEREAS, the District desires to levy and collect on developer owned lands special assessments reflecting their portion of the District’s operations and maintenance budget; and

WHEREAS, it is in the best interests of the District to adopt the General Fund Special Assessment Methodology of the Heritage Harbour Market Place Community Development District (the “Methodology”) attached to this Resolution as Exhibit “B” and incorporated as a material part of this Resolution by this reference: and

RESOLUTION 2018-11

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT IMPOSING AND LEVYING SPECIAL ASSESSMENTS, CERTIFYING AN ASSESSMENT ROLL AND APPROVING THE GENERAL FUND SPECIAL ASSESSMENT METHODOLOGY; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR CONFLICT AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, it is in the best interests of the District to adopt the Assessment Roll of the Heritage Harbour Market Place Community Development District (the "Assessment Roll") attached to this Resolution as Table 1 contained in Exhibit "B" and incorporated as a material part of this Resolution by this reference, and to confirm the designation by the Chairman of the District Manager's appointment to certify the portion of the Assessment Roll on non developer owned lands to the County Tax Collector pursuant to the Uniform Method and to the District Manager for developer owned lands for use of the non-uniform collection method; and

WHEREAS, it is in the best interests of the District to permit the District Manager to amend the Assessment Roll adopted herein, including that portion certified to the County Tax Collector by this Resolution, as the Property Appraiser updates the property tax roll, for such time as authorized by Florida law.

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

SECTION 1. BENEFIT. The provision of the services, facilities, and operations as described in Exhibit "A" and "B" the Budget and Methodology respectively confer a special benefit peculiar to the lands within the District, which benefits exceed or equal the costs and the assessments. The allocation of the costs to the specially benefitted lands is shown in Exhibit "B".

SECTION 2. ASSESSMENT IMPOSITION AND LEVY. A special assessment for operation and maintenance as provided for in Chapter 190, Florida Statutes, is hereby imposed and levied on benefitted lands within the District in accordance with Exhibit "B" the Methodology. The lien of the special assessments for operations and maintenance imposed and levied by this Resolution shall be effective upon passage of this Resolution.

SECTION 3. COLLECTION AND ENFORCEMENT; PENALTIES; INTEREST. The collection of the previously levied debt service assessments and operation and maintenance special assessments on certain lands shall be at the same time and in the same manner as County taxes in accordance with the Uniform Method, as set forth in Exhibit "B" the Methodology. The previously levied debt service assessments and operations and maintenance assessments on certain lands will be collected directly by the District in accordance with Florida law, as set forth in Exhibit "A" and "B" the Budget and Methodology respectively. The Uniform Method will not be used for collection of assessments on certain lands more specifically identified as Parcels, 19 and 20, and all other properties will be billed utilizing the uniform method of collection.

Assessments that are billed and collected by the District and are due to the District according to the following schedule:

| Fund | Billing Date | Due Date | Amount Due Parcel I.D. 1108601509 |
|-------------------|---------------------|-------------------|--|
| General Fund | November 1, 2018 | November 30, 2018 | \$58,559.55 |
| Debt Service Fund | March 15, 2019 | April 1, 2019 | \$788,975.30 |

RESOLUTION 2018-11

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT IMPOSING AND LEVYING SPECIAL ASSESSMENTS, CERTIFYING AN ASSESSMENT ROLL AND APPROVING THE GENERAL FUND SPECIAL ASSESSMENT METHODOLOGY; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR CONFLICT AND PROVIDING AN EFFECTIVE DATE.

In the event that an assessment payment is not made in accordance with the schedule stated above, such assessment and any future scheduled assessment payments due for Fiscal Year 2018 shall be delinquent and shall accrue penalties and interest in the amount of one percent (1%) per month plus all costs of collection and enforcement, and shall either be enforced pursuant to a foreclosure action, or, at the District's discretion, collected pursuant to the Uniform Method on a future tax bill, which amount may include penalties, interest, and costs of collection and enforcement. In the event an assessment subject to direct collection by the District shall be delinquent, the District Manager and District Counsel, without further authorization by the Board, may initiate foreclosure proceedings to collect and enforce the delinquent and remaining assessments.

SECTION 4. ASSESSMENT ROLL. The District's Assessment Roll, attached to this Resolution as Table 1 to Exhibit "B," is hereby certified by the Chairman or his designee the District Manager. The proceeds therefrom shall be paid to the Heritage Harbour Market Place Community Development District.

SECTION 5. ASSESSMENT ROLL AMENDMENT. The District Manager shall keep apprised of all updates made to the County property roll by the Property Appraiser after the date of this Resolution, and shall amend the District's Assessment Roll in accordance with any such updates, for such time as authorized and limited by Florida law, to the District's roll.

SECTION 6. Conflict. 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.

SECTION 7. SEVERABILITY. The invalidity or unenforceability of any one or more provisions of this Resolution shall not affect the validity or enforceability of the remaining portions of this Resolution, or any part thereof.

SECTION 8. EFFECTIVE DATE. This Resolution shall take effect upon the passage and adoption of this Resolution by the Board of Supervisors of the Heritage Harbour Market Place Community Development District.

PASSED AND ADOPTED this 6th day of September, 2018

ATTEST:

**HERITAGE HARBOUR MARKET PLACE COMMUNITY
DEVELOPMENT DISTRICT**

James P. Ward, Secretary

Terrence Kirschner, Chairman

BOARD OF SUPERVISOR'S

**HERITAGE HARBOUR MARKET PLACE
COMMUNITY DEVELOPMENT DISTRICT**

EXHIBIT B

**GENERAL FUND
SPECIAL ASSESSMENT
METHODOLOGY
FISCAL YEAR 2019**

October 1, 2018 through September 30, 2019

Submitted to the Board of Supervisor's

August 3, 2018

Board of Supervisor's

**Terry Kirschner, Chairman
William Riley, Vice Chairman
Christopher Kemper, Assistant Secretary
Russell Smith, Assistant Secretary
Matthew Morris, Assistant Secretary**

James P. Ward
District Manager
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GENERAL FUND

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HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT

1.0 PURPOSE

This report is intended to introduce to the Heritage Harbour Market Place Community Development District an operations methodology to fund the annual operations and maintenance requirements for the District. The methodology will outline the properties within the District that are subject to the Assessment and the benefit conferred on each property by the services and projects provided by the Districts' operational and maintenance activities. This report covers the District Fiscal Year 2019, which begins on October 1, 2018 and ends on September 30, 2019.

The Methodology will have two (2) primary objectives: (1) to determine the special and peculiar benefits that flow to the assessable properties in the District; and (2) apportioning the proportionate benefits on a basis that is fair and reasonable. The Methodology herein is intended to set forth a framework to allocate the costs associated with the operations and maintenance expenditures benefiting properties. The report is designed to conform to the requirements of Chapter's 189, 190 and 197, Florida Statutes and is consistent with the District's understanding of the case law on this subject.

2.0 BACKGROUND

The District was established by Manatee County effective on September 9, 2002, and is located within unincorporated Manatee County and encompasses approximately 258.42 acres of land. The development called Heritage Harbour is situated within the Heritage Sound Development of Regional Impact, and approved DRI located at the northeast corner of the State Road 64 and Interstate 75 interchange in northeast Manatee County. The District manages provision of infrastructure to a part of the Heritage Harbour development which is approximately 2,500 acres of land, and consists of three (3) Community Development District's.

3.0 REQUIREMENTS FOR A VALID ASSESSMENT METHODOLOGY

Valid assessments under Florida Law have two (2) requirements. First, the properties assessed must receive a special and peculiar benefit as a logical connection from the systems and services constituting improvements. The courts recognize the special benefits that flow as a logical connection peculiar to the property which in turn may



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result in decreased insurance premiums, increased value and marketability. Second, the assessments must be fairly and reasonably apportioned in relation to the benefit received by the various properties being assessed.

If these two tests for lienability are determined in a manner that is informed and non-arbitrary by the Board of Supervisors of the District, as a legislative determination, then the special assessments may be levied, imposed and collected as a first lien on the property. Florida courts have found that it is not necessary to calculate benefit with mathematical precision at the time of imposition and levy so long as the levying and imposition process is not arbitrary, capricious or unfair.

4.0 STRUCTURE

Special benefits flow as a logical connection and peculiar to the property from the operation and maintenance related services provided within the boundary of the District. These special benefits are peculiar to the acreage and later down to the actual platted units or parcels. The special benefits that justify imposing the assessment on the acreage include enhanced enjoyment and increased use, which may result in such positive consequences as increased value and marketability and decreased insurance premiums when levied on the various platted units or parcels of property. Then the allocation of the costs per parcel is modified to match the apportioned special benefits resulting in the assessments per parcel.

5.0 ASSIGNMENT OF ASSESSMENTS

The apportionment of special benefit in such a methodology report is based on accepted practices in accordance with applicable laws and the procedure for the imposition, levy and collection of non ad valorem special assessments as set forth in the District Act and in conformity with State Laws applicable to such assessments.

The standard assessment analysis utilizes an apportionment based upon the benefit that a property receives from each separate component of the District's O&M activities. The Fiscal Year 2017 General Fund Budget is financial and administrative in nature so the special benefits should be based equally and ratably on and peculiar to the assessable lands of the District on an equal acre basis, and consistent with the District's Adopted Master and Supplemental Assessment Reports prepared by the District's Financial Advisor (Fishkind & Associates, Inc.)



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6.0 ASSESSMENT ROLL

As described above, the allocation of costs and apportionment of special benefits peculiar to the property associated with the District's General Fund Activities will be initially distributed across all assessable units within the boundaries of the District. Table 1 provides the assessment roll based on updated parcel account information provided by the Manatee County Property Appraiser's office assigning the appropriate parcel identification numbers for the lands currently platted within the boundaries of the District. As all District lands are platted and the appropriate parcel identification numbers assigned by the Property Appraiser are known, the following table will be updated to reflect any changes in parcel amounts within the boundaries of the Development.



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Heritage Harbour Marketplace Community Development District
Assessment Roll - Fiscal Year 2019
Table 1

| Parcel ID | Owner 1 | Owner 2 | Lot Number | Legal Description | O&M |
|------------|---|---|------------|--|--------------|
| 1102022659 | HERITAGE HARBOUR SOUTH COMMUNITY DEVELOPMENT DISTRICT | | | TRACT 801 (HERITAGE GREEN WAY) STONEYBROOK AT HERITAGE HARBOUR SUBPHASE A UNIT 1 PI#11020.2265/9 | |
| 1102022709 | HERITAGE HARBOUR SOUTH COMMUNITY DEVELOPMENT DISTRICT | | | TRACT 802 (GRAND HARBOUR PARKWAY) STONEYBROOK AT HERITAGE HARBOUR SUBPHASE A UNIT 1 PI#11020.2270/9 | |
| 1102200309 | AQUATERRA UTILITIES INC | | | LAKE 59 AT HERITAGE HARBOUR: A LAKE TRACT BEING THAT PART OF SEC 25, TWN 34S, RNG 18E MORE PARTICULARLY DESC AS FOLLOWS: COM AT THE NE COR OF HERITAGE HARBOUR, PARCEL 22, AS REC IN | |
| 1102200329 | LENNAR HOMES LLC | | | ALL OF SEC 25, SUBJ TO EASMT TO FP&L DESC IN OR 546 P 135, (INSERT "LESS 1/16 INT IN OIL & MINERAL RIGHTS DESC IN DB 240 P 45;") (1548/4275-4356) ALSO SUBJ TO FP&L EASMT AS DESC | |
| 1102400299 | LENNAR HOMES LLC | | | BEG AT NW COR OF SEC 26-34-18, TH RUN E 2681.25 FT, TH S 3769 FT, TH W 2681.25 FT, TH N TO THE POB, LESS THE S 1640.5 FT THEREOF; LESS 21.642 AC M/L TO DOT FOR I-75 DESC AS: COM | |
| 1102600079 | LENNAR HOMES LLC | | | COM AT NE COR OF W1/2 OF SEC 26; TH S 00 DEG 43 MIN 08 SEC W ALG E LN OF SD W1/2 TO NE COR OF S 1640.50 FT OF N 3769 FT OF SD W1/2 FOR POB; TH CONT S 00 DEG 43 MIN 08 SEC W 1596.95 | |
| 1108601509 | TH HARBOUR LLLP | | 19/20 | THOSE PARTS OF SEC 25, 26, 35 & 36, TWN 34S, RNG 18E, MORE PARTICULARLY DESC AS FOLLOWS: BEG AT A PT ON W R/ LN OF GRAND HARBOUR PKWY AS SHOWN ON PLAT OF STONEYBROOK AT | \$ 58,559.55 |
| 1442300299 | LENNAR HOMES LLC | | 23 & 25 | ALL OF SEC 35 & 36 LESS THAT PART OF THE SAME LYING S OF BRADENTON-ARCADIA RD AS RELOCATED SUBJ TO EASMT TO FLA POWER & LIGHT DESC (546/135), LESS RD R/W FOR I-75 DESC (843/452); | \$ 13,841.81 |
| 1442300409 | RICKS, CHARLES V | JLH IRREVOCABLE TRUST RESTATED 08/09/07 | 24 | THAT PART OF SEC 36, TWN 34S, RNG 18E, BEING MORE PARTICULARLY DESC AS FOLLOWS: COM AT THE INT OF RIVER HERITAGE BLVD (TRACT 800 OF THE PLAT OF STONEYBROOK AT | \$ 2,343.15 |
| 1442302209 | HERITAGE HARBOUR SOUTH COMMUNITY DEVELOPMENT DISTRICT | | | LAKE 57: COM AT THE NE COR OF SEC 36, TWN 34S, R 18E; TH ALG THE N LN OF SD SEC 36, N 88 DEG 14 MIN 56 SEC W, 4183.21 FT; TH S 01 DEG 45 MIN 04 SEC W, 850.40 FT TO THE POB OF | |
| 1442302359 | BROWNSTAR PROPERTIES LLC | | 26 | THAT PART OF SEC 36, TWN 34S, RNG 18E, DESC AS FOLLOWS; BEGIN AT THE SE COR OF TRACT 601 AS DEPICTED ON THE PLAT OF STONEYBROOK AT HERITAGE HARBOUR, SUBPHASE A, UNIT 1 (REC PL | \$ 6,932.14 |

| Parcel ID | Owner 1 | Owner 2 | Lot Number | Legal Description | O&M |
|------------|---|---------|------------|--|------------------|
| 1442304009 | SARASOTA COUNTY PUBLIC HOSPITAL DISTRICT | | 22 | PARCEL 22 HERITAGE HARBOUR PARCEL 22 PI#14423.0400/9 | \$ 2,530.30 |
| 1442305059 | LAKEVIEW ASSOCIATED ENTERPRISES PHASE 1 INC | | 27 | UNIT 1 OF PARCEL 27 LAND CONDOMINIUM, PI#14423.0505/9 | \$ 1,003.14 |
| 1442305109 | LAKEVIEW ASSOCIATED ENTERPRISES PHASE 1 INC | | 27 | UNIT 2 OF PARCEL 27 LAND CONDOMINIUM, PI#14423.0510/9 | \$ 1,100.46 |
| 1442305159 | CHABER LLC | | 27 | UNIT 3 OF PARCEL 27 LAND CONDOMINIUM, PI#14423.0515/9 | \$ 651.29 |
| 1442305209 | LAKEVIEW ASSOCIATED ENTERPRISES PHASE 1 INC | | <u>27</u> | <u>UNIT 4 OF PARCEL 27 LAND CONDOMINIUM, PI#14423.0520/9</u> | <u>\$ 920.79</u> |
| | | | TOTAL | | \$ 87,882.63 |

RESOLUTION 2018-12

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT DESIGNATING DATES, TIME AND LOCATION FOR REGULAR MEETINGS OF THE BOARD OF SUPERVISORS OF THE DISTRICT; PROVIDING FOR CONFLICT; PROVIDING FOR SEVERABILITY AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Heritage Harbour Market Place Community Development District (the "District") is a local unit of special-purpose government established pursuant to Chapter 190, Florida Statutes for the purpose of providing, operating and maintaining infrastructure improvements, facilities and services to the lands within the District; and

WHEREAS, in accordance with the provisions of Chapter 189.415, Florida Statutes, the District is required to file quarterly, semiannually, or annually a schedule of its regular meetings with the local governing authority or authorities; and

WHEREAS, in accordance with the above referenced Statute, the District shall also publish quarterly, semiannually, or annually its regular meeting schedule in a newspaper of general paid circulation in the County in which the District is located and shall appear in the legal notices section of the classified advertisements;

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

SECTION 1. DESIGNATION OF DATES, TIME AND LOCATION OF REGULAR MEETINGS

- a. **Date:** The first Thursday of each month for Fiscal Year 2019, which covers the period October 1, 2018 through September 30, 2019.
- b. **Time:** 2:15 P.M. (Eastern Standard Time)
- c. **Location:** River Strand Golf and Country Club (Clubhouse), 7155 Grand Estuary Trail, Bradenton, Florida 34212

SECTION 2. Sunshine Law and Meeting Cancellations and Continuations. The meetings of the Board of Supervisors are open to the public and will be conducted in accordance with the provisions of Florida Law for Community Development Districts. The District by and through its District Manager may cancel any meeting of the Board of Supervisors and all meetings may be continued to a date, time, and place to be specified on the record at the hearings or meeting.

SECTION 2. Conflict. 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 2018-12

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT DESIGNATING DATES, TIME AND LOCATION FOR REGULAR MEETINGS OF THE BOARD OF SUPERVISORS OF THE DISTRICT; PROVIDING FOR CONFLICT; PROVIDING FOR SEVERABILITY AND PROVIDING AN EFFECTIVE DATE.

SECTION 2. SEVERABILITY. The invalidity or unenforceability of any one or more provisions of this Resolution shall not affect the validity or enforceability of the remaining portions of this Resolution, or any part thereof.

SECTION 3. EFFECTIVE DATE. This Resolution shall take effect upon the passage and adoption of this Resolution by the Board of Supervisors of the Heritage Harbour Market Place Community Development District.

PASSED AND ADOPTED this 6th day of September, 2018.

ATTEST:

**HERITAGE HARBOUR MARKET PLACE
COMMUNITY DEVELOPMENT DISTRICT**

James P. Ward, Secretary

Terrence Kirschner, Chairman

**HERITAGE HARBOUR MARKET PLACE
COMMUNITY DEVELOPMENT DISTRICT
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2017**

**HERITAGE HARBOUR MARKET PLACE
COMMUNITY DEVELOPMENT DISTRICT
MANATEE COUNTY, FLORIDA**

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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, Manatee County, Florida ("District") as of and for the fiscal year ended September 30, 2017, 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 Comptroller 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, 2017, and the respective changes in financial position, thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Notes 7 and other notes to the basic financial statements a Major landowner within the District failed to pay their share of the current and prior fiscal year assessments. In addition, the District did not have sufficient funds to make certain scheduled debt service payments and, as a result, the payments were not made. Subsequent to fiscal year end, the District has settled with the defaulted Landowner and they are now current on the Series 2005 Bonds.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental 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 June 22, 2018, 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, 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.

Report on Other Legal and Regulatory Requirements

We have also issued our report dated June 22, 2018, on our consideration of the District's compliance with the requirements of Section 218.415, Florida Statutes, as required by Rule 10.556(10) of the Auditor General of the State of Florida. The purpose of that report is to provide an opinion based on our examination conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.



June 22, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Heritage Harbour Market Place Community Development District, Manatee County, Florida ("District") provides a narrative overview of the District's financial activities for the fiscal year ended September 30, 2017. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

FINANCIAL HIGHLIGHTS

- The liabilities of the District exceeded its assets at the close of the most recent fiscal year resulting in a net position deficit balance of (\$8,198,300). The net position deficit balance is due to the District conveying improvements which were acquired with its Bonds in prior fiscal years.
- The change in the District's total net position in comparison with the prior fiscal year was (\$916,179), a decrease. The key components of the District's net position and change in net position are reflected in the table in the government-wide financial analysis section.
- At September 30, 2017, the District's governmental funds reported combined ending fund balances of \$(1,089,510), a decrease of \$(1,033,969) in comparison with the prior fiscal year. The total fund balance is restricted for capital projects and the remainder is unassigned deficit fund balance in the debt service and general fund. See Economic Factors section for information pertaining to a settlement reached subsequent to fiscal year end which brought the District out of its default on its Bonds.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as the introduction to the District's financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial 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, deferred outflows and liabilities and deferred inflows with the residual amount being 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 government's net position changed during the most recent fiscal 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 include all governmental activities that are principally supported by special assessment revenues. The District does not have any business-type activities. The governmental activities of the District include the general government (management) and maintenance functions.

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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has one fund category: governmental funds.

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

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 on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

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 governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains three governmental funds for external reporting. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund and capital projects fund, all of which are considered major funds.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with the budget.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the District, liabilities exceeded assets at the close of the most recent fiscal year.

Key components of the District's net position are reflected in the following table:

| | NET POSITION | |
|-------------------------------------|-----------------------|-----------------------|
| | SEPTEMBER 30, | |
| | 2017 | 2016 |
| Current and other assets | \$ 3,273,891 | \$ 3,263,886 |
| Capital assets, net of depreciation | 4,125,186 | 4,346,527 |
| Total assets | <u>7,399,077</u> | <u>7,610,413</u> |
| Current liabilities | 310,577 | 1,857,534 |
| Long-term liabilities | 15,286,800 | 13,035,000 |
| Total liabilities | <u>15,597,377</u> | <u>14,892,534</u> |
| Net Position | | |
| Net investment in capital assets | (8,672,011) | (8,786,554) |
| Restricted | 110,255 | - |
| Unrestricted | 363,456 | 1,504,433 |
| Total net position | <u>\$ (8,198,300)</u> | <u>\$ (7,282,121)</u> |

The District's net position reflects its investment in capital assets (e.g. land, land improvements, and infrastructure) less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to residents; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The restricted portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the District's other obligations.

The District's net position decreased during the most recent fiscal year. The majority of the decrease represents the extent to which the cost of operations and depreciation expense exceeded ongoing program revenues.

Key elements of the change in net position are reflected in the following table:

| | 2017 | 2016 |
|------------------------------------|-----------------------|-----------------------|
| Revenues: | | |
| Program revenues: | | |
| Charges for services | \$ 398,871 | \$ 1,723,194 |
| Operating grants and contributions | 1,413 | 602 |
| Capital grants and contributions | 364 | 242 |
| General revenues: | | |
| Miscellaneous revenue | - | 4,225 |
| Interest earnings | 630 | 118 |
| Total revenues | <u>401,278</u> | <u>1,728,381</u> |
| Expenses: | | |
| General government | 353,906 | 353,409 |
| Maintenance and operations | 221,341 | 258,519 |
| Interest | 742,210 | 762,557 |
| Total expenses | <u>1,317,457</u> | <u>1,374,485</u> |
| Change in net position | <u>(916,179)</u> | <u>353,896</u> |
| Net position - beginning | <u>(7,282,121)</u> | <u>(7,636,017)</u> |
| Net position - ending | <u>\$ (8,198,300)</u> | <u>\$ (7,282,121)</u> |

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2017 was \$1,317,457. The costs of the District's activities were primarily funded by program revenues. Program revenues, comprised primarily of assessments, decreased during the fiscal year.

GENERAL BUDGETING HIGHLIGHTS

An operating budget was adopted and maintained by the governing board for the District pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in preparation of the fund financial statements. The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2017.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2017, the District had \$6,927,093 invested in capital assets for its governmental activities. In the government-wide financial statements depreciation of \$2,801,907 has been taken, which resulted in a net book value of \$4,125,186. More detailed information about the District's capital assets is presented in the notes of the financial statements.

Capital Debt

At September 30, 2017, the District had \$13,765,000 Bonds outstanding. More detailed information about the District's capital debt is presented in the notes of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND OTHER EVENTS

The District does not anticipate any major projects or significant changes to its infrastructure maintenance program for the subsequent fiscal year. In addition, it is anticipated that the general operations of the District will remain fairly constant.

Subsequent to fiscal year end, the District has settled with the defaulted Landowner and the District is now current on the Series 2005 Bonds.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, land owners, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact the Heritage Harbour Market Place Community Development District at the office of the District Manager, James P. Ward at 2900 Northeast 12th Terrace, Suite 1, Oakland Park, Florida 33334, (954) 658-4900.

**HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT
MANATEE COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2017**

| | Governmental Activities |
|----------------------------------|----------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 83,149 |
| Assessments receivable | 2,105,336 |
| Restricted assets: | |
| Investments | 1,085,406 |
| Capital assets: | |
| Depreciable, net | 4,125,186 |
| Total assets | 7,399,077 |
| LIABILITIES | |
| Accounts payable | 6,427 |
| Accrued interest payable | 304,150 |
| Due to Bondholders: | |
| Interest | 1,521,800 |
| Principal | 730,000 |
| Non-current liabilities: | |
| Due within one year* | 395,000 |
| Due in more than one year | 12,640,000 |
| Total liabilities | 15,597,377 |
| NET POSITION | |
| Net investment in capital assets | (8,672,011) |
| Restricted for debt service | 110,255 |
| Unrestricted | 363,456 |
| Total net position | \$ (8,198,300) |

* Remaining amount is reported as Due to Bondholder.

See notes to the financial statements

**HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT
MANATEE COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

| <u>Functions/Programs</u> | <u>Expenses</u> | <u>Program Revenues</u> | | | Net (Expense) Revenue and Changes in Net Position |
|-------------------------------|------------------|----------------------------|--|--|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities |
| Primary government: | | | | | |
| Governmental activities: | | | | | |
| General government | \$ 353,906 | \$ 85,762 | \$ - | \$ - | \$ (268,144) |
| Maintenance and operations | 221,341 | - | - | 364 | (220,977) |
| Interest on long-term debt | 742,210 | 313,109 | 1,413 | - | (427,688) |
| Total governmental activities | <u>1,317,457</u> | <u>398,871</u> | <u>1,413</u> | <u>364</u> | <u>(916,809)</u> |
| General revenues: | | | | | |
| Investment earnings | | | | | <u>630</u> |
| Total general revenues | | | | | <u>630</u> |
| Change in net position | | | | | <u>(916,179)</u> |
| Net position - beginning | | | | | <u>(7,282,121)</u> |
| Net position - ending | | | | | <u>\$ (8,198,300)</u> |

See notes to the financial statements

**HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT
MANATEE COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017**

| | Major Funds | | | Total Governmental Funds |
|---|-------------------|---------------------|---------------------|--------------------------------|
| | General | Debt Service | Capital Projects | |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 83,149 | \$ - | \$ - | \$ 83,149 |
| Investments | - | 847,603 | 237,803 | 1,085,406 |
| Assessments receivable | 286,831 | 1,818,505 | - | 2,105,336 |
| Due from other funds | - | 97 | - | 97 |
| Total assets | <u>\$ 369,980</u> | <u>\$ 2,666,205</u> | <u>\$ 237,803</u> | <u>\$ 3,273,988</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 6,427 | \$ - | \$ - | \$ 6,427 |
| Due to other funds | 97 | - | - | 97 |
| Due to Bondholders | - | 2,251,800 | - | 2,251,800 |
| Total liabilities | <u>6,524</u> | <u>2,251,800</u> | <u>-</u> | <u>2,258,324</u> |
| Deferred inflows of resources | | | | |
| Unavailable revenue - special assessments | 286,669 | 1,818,505 | - | 2,105,174 |
| Total deferred inflows of resources | <u>286,669</u> | <u>1,818,505</u> | <u>-</u> | <u>2,105,174</u> |
| Fund balances: | | | | |
| Restricted for: | | | | |
| Capital projects | - | - | 237,803 | 237,803 |
| Unassigned | 76,787 | (1,404,100) | - | (1,327,313) |
| Total fund balances | <u>76,787</u> | <u>(1,404,100)</u> | <u>237,803</u> | <u>(1,089,510)</u> |
| Total liabilities and fund balances | <u>\$ 369,980</u> | <u>\$ 2,666,205</u> | <u>\$ 237,803</u> | <u>\$ 3,273,988</u> |

See notes to the financial statements

**HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT
MANATEE COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2017**

Fund balance - governmental funds \$ (1,089,510)

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 as assets in the governmental funds. The statement of net position includes those capital assets, net of any accumulated depreciation, in the net position of the government as a whole.

| | | |
|--------------------------|--------------------|-----------|
| Cost of capital assets | 6,927,093 | |
| Accumulated depreciation | <u>(2,801,907)</u> | 4,125,186 |

Assets recorded in the governmental fund financial statements that are not available to pay for current-period expenditures are unavailable revenue in the governmental funds.

2,105,174

Liabilities not due and payable from current available resources are not reported as liabilities in the governmental fund statements. All liabilities, both current and long-term, are reported in the government-wide financial statements.

| | | |
|---|---------------------|-----------------------|
| Accrued interest payable | (304,150) | |
| Bonds payable * | <u>(13,035,000)</u> | <u>(13,339,150)</u> |
| Net position of governmental activities | | <u>\$ (8,198,300)</u> |

* Remaining amount is reported as Due to Bondholder.

**HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT
MANATEE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

| | Major Funds | | | Total Governmental Funds |
|--|------------------|-----------------------|---------------------|--------------------------------|
| | General | Debt Service | Capital Projects | |
| REVENUES | | | | |
| Special assessments | \$ 115,387 | \$ 328,103 | \$ - | \$ 443,490 |
| Interest earnings | 630 | 1,413 | 364 | 2,407 |
| Total revenues | <u>116,017</u> | <u>329,516</u> | <u>364</u> | <u>445,897</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 91,189 | 262,717 | - | 353,906 |
| Debt service: | | | | |
| Principal | - | 375,000 | - | 375,000 |
| Interest | - | 750,960 | - | 750,960 |
| Total expenditures | <u>91,189</u> | <u>1,388,677</u> | <u>-</u> | <u>1,479,866</u> |
| Excess (deficiency) of revenues over (under) expenditures | 24,828 | (1,059,161) | 364 | (1,033,969) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in (out) | 43,634 | (44,605) | 971 | - |
| Total other financing sources (uses) | <u>43,634</u> | <u>(44,605)</u> | <u>971</u> | <u>-</u> |
| Net change in fund balances | 68,462 | (1,103,766) | 1,335 | (1,033,969) |
| Fund balances - beginning | <u>8,325</u> | <u>(300,334)</u> | <u>236,468</u> | <u>(55,541)</u> |
| Fund balances - ending | <u>\$ 76,787</u> | <u>\$ (1,404,100)</u> | <u>\$ 237,803</u> | <u>\$ (1,089,510)</u> |

See notes to the financial statements

**HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT
MANATEE COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

| | |
|---|----------------------------|
| Net change in fund balances - total governmental funds | \$ (1,033,969) |
| Amounts reported for governmental activities in the statement of activities are different because: | |
| Repayment of long-term liabilities are reported as expenditures in the governmental fund financial statements, but such repayments reduce liabilities in the statement of net position and are eliminated in the statement of activities. | 375,000 |
| Certain revenues previously recorded in the government wide statements have been adjusted to reflect the anticipated amount to be collected. | (44,619) |
| Depreciation of capital assets is not recognized in the governmental fund financial statements, but is reported as an expenses in the statement of activities. | (221,341) |
| The change in accrued interest on long-term liabilities between the current and prior fiscal year is recorded in the statement of activities, but not in the governmental fund financial statements. | <u>8,750</u> |
| Change in net position of governmental activities | <u><u>\$ (916,179)</u></u> |

See notes to the financial statements

**HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT
MANATEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - NATURE OF ORGANIZATION AND REPORTING ENTITY

The Heritage Harbour Market Place Community Development District ("District") was established on September 2, 2002 by Ordinance No. 02-28 of Manatee County, Florida, pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes. The Act provides among other things, the power to manage basic services for community development, 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 is comprised of approximately 258 acres in Manatee County and was established for the purpose of financing and managing the acquisition, construction, maintenance and operation of a portion of the infrastructure necessary for community development within the District.

The District is governed by the Board of Supervisors ("Board"), which is composed of five members. The Supervisors are elected on an at large basis by the owners of the property within the District. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes. Although certain Board members are affiliated with Lennar Homes, LLC ("Developer"), the original Developer, at September 30, 2017, Lennar is now a minority owner of land within the District.

The Board has the responsibility for:

1. Allocating and levying assessments.
2. Approving budgets.
3. Exercising control over facilities and properties.
4. Controlling the use of funds generated by the District.
5. Approving the hiring and firing of key personnel.
6. Financing improvements.

The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statements. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the District is considered to be financially accountable and other organizations for which the nature and significance of their relationship with the District are such that, if excluded, the financial statements of the District would be considered incomplete or misleading. There are no entities considered to be component units of the District; therefore, the financial statements include only the operations of the District.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment. Operating-type special assessments for maintenance and debt service are treated as charges for services; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not included among program revenues are reported instead as *general revenues*.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Assessments are recognized as revenues in the year for which they are levied. Grants and similar items are to be recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Assessments

The District's Assessments are included on the property tax bill that all landowner's receive. In addition, the District directly bills certain landowners within the District, not using the Uniform Method of Collection. 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 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.

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. Deferred taxes and assessments bear interest at a variable rate not to exceed 7%. 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 \$10,000 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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

Assessments (Continued)

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.

The District reports the following major governmental funds:

General Fund

The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Fund

The debt service fund is used to account for the accumulation of resources for the annual payment of principal and interest on long-term debt.

Capital Projects Fund

This fund accounts for the financial resources to be used for the acquisition or construction of major infrastructure within the District.

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

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

Assets, Liabilities and Net Position or Equity

Restricted Assets

These assets represent cash and investments set aside pursuant to Bond covenants or other contractual restrictions.

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand and demand deposits (interest and non-interest bearing).

The District has elected to proceed under the Alternative Investment Guidelines as set forth in Section 218.415 (17) Florida Statutes. The District may invest any surplus public funds in the following:

- a) The Local Government Surplus Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act;
- b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
- c) Interest bearing time deposits or savings accounts in qualified public depositories;
- d) Direct obligations of the U.S. Treasury.

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due.

The District records all interest revenue related to investment activities in the respective funds. Investments are measured at amortized cost or reported at fair value as required by generally accepted accounting principles.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Inventories and Prepaid Items

Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets which include property, plant and equipment, and infrastructure assets (e.g., roads, sidewalks and similar items) are reported in the government activities columns in the government-wide financial statements. Capital assets are defined by the government 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 or estimated 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 assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

| | <u>Assets</u> | <u>Years</u> |
|--|------------------------------------|--------------|
| | Buildings | 30 |
| | Storm water | 25 |
| | Water and sewer systems | 25 |
| | Roadways, parks, courts and fields | 20 |
| | Landscaping and entry features | 15 |
| | Motor vehicles | 5 |

In the governmental fund financial statements, amounts incurred for the acquisition of capital assets are reported as fund expenditures. Depreciation expense is not reported in the governmental fund financial statements.

Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized ratably over the life of the Bonds. Bonds payable are reported net of applicable premiums or discounts. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to future reporting period(s). For example, the District would record deferred outflows of resources on the statement of net position related to debit amounts resulting from current and advance refundings resulting in the defeasance of debt (i.e. when there are differences between the reacquisition price and the net carrying amount of the old debt).

Deferred inflows of resources represent an acquisition of net position that applies to future reporting period(s). For example, when an asset is recorded in the governmental fund financial statements, but the revenue is unavailable, the District reports a deferred inflow of resources on the balance sheet until such times as the revenue becomes available.

Fund Equity/Net Position

In the fund financial statements, governmental funds report non spendable and restricted fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Assignments of fund balance represent tentative management plans that are subject to change.

The District can establish limitations on the use of fund balance as follows:

Committed fund balance – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Board of Supervisors. Commitments may be changed or lifted only by the Board of Supervisors taking the same formal action (resolution) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category.

Assigned fund balance – Includes spendable fund balance amounts established by the Board of Supervisors that are intended to be used for specific purposes that are neither considered restricted nor committed. The Board may also assign fund balance as it does when appropriating fund balance to cover differences in estimated revenue and appropriations in the subsequent year's appropriated budget. Assignments are generally temporary and normally the same formal action need not be taken to remove the assignment.

The District first uses committed fund balance, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net position is the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position in the government-wide financial statements are categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents net position related to infrastructure and property, plant and equipment. Restricted net position represents the assets restricted by the District's Bond covenants or other contractual restrictions. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

Other Disclosures

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 3 - BUDGETARY INFORMATION

The District is required to establish a budgetary system and an approved Annual Budget. Annual Budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund. All annual appropriations lapse at fiscal year-end.

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 public comments.
- c) Prior to October 1, the budget is legally adopted by the District Board.
- d) All budget changes must be approved by the District Board.
- e) The budgets are adopted on a basis consistent with generally accepted accounting principles.
- f) Unused appropriations for annually budgeted funds lapse at the end of the year.

NOTE 4 - DEPOSITS AND INVESTMENTS

Deposits

The District's cash balances were entirely covered by federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", requires all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. Governmental and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

Investments

The District's investments were held as follows at September 30, 2017:

| | <u>Amortized cost</u> | <u>Credit Risk</u> | <u>Maturities</u> |
|----------------|-----------------------|--------------------|-------------------|
| US Bank Mmkt 5 | \$ 1,085,406 | N/A | N/A |
| | <u>\$ 1,085,406</u> | | |

Credit risk – For investments, credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investment ratings by investment type are included in the preceding summary of investments.

Concentration risk – The District places no limit on the amount the District may invest in any one issuer.

Interest rate risk – The District does not have a formal policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

However, the Bond Indenture limits the type of investments held using unspent proceeds.

Fair Value Measurement – When applicable, the District measures and records its investments using fair value measurement guidelines established in accordance with GASB Statements. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques.

These guidelines recognize a three-tiered fair value hierarchy, in order of highest priority, as follows:

- *Level 1:* Investments whose values are based on unadjusted quoted prices for identical investments in active markets that the District has the ability to access;
- *Level 2:* Investments whose inputs - other than quoted market prices - are observable either directly or indirectly; and,
- *Level 3:* Investments whose inputs are unobservable.

NOTE 4 - DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the entire fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

Money market investments that have a maturity at the time of purchase of one year or less and are held by governments other than external investment pools should be measured at amortized cost. Accordingly, the District's investments have been reported at amortized cost above.

NOTE 5 – INTERFUND TRANSFERS

Interfund transfers for the fiscal year ended September 30, 2017 were as follows:

| <u>Fund</u> | <u>Transfer in</u> | <u>Transfer out</u> |
|------------------|--------------------|---------------------|
| General | \$ 43,634 | \$ - |
| Debt service | - | 44,605 |
| Capital projects | 971 | - |
| Total | <u>\$ 44,605</u> | <u>\$ 44,605</u> |

The transfers were used to re-class prior fiscal year expenses that belong to the debt service fund.

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2017 was as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> |
|--|------------------------------|---------------------|-------------------|---------------------------|
| <u>Governmental activities</u> | | | | |
| Capital assets, being depreciated | | | | |
| Improvements other than buildings | \$ 414,241 | \$ - | \$ - | \$ 414,241 |
| Infrastructure | 6,512,852 | - | - | 6,512,852 |
| 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 | 409,616 | 4,246 | - | 413,862 |
| Infrastructure | 2,170,950 | 217,095 | - | 2,388,045 |
| Total accumulated depreciation | <u>2,580,566</u> | <u>221,341</u> | <u>-</u> | <u>2,801,907</u> |
| Total capital assets, being depreciated, net | <u>4,346,527</u> | <u>(221,341)</u> | <u>-</u> | <u>4,125,186</u> |
| Governmental activities capital assets, net | <u>\$ 4,346,527</u> | <u>\$ (221,341)</u> | <u>\$ -</u> | <u>\$ 4,125,186</u> |

Depreciation expense was all charged to maintenance and operations.

NOTE 7 - LONG TERM LIABILITIES

Series 2005

On October 3, 2005 the District issued \$16,755,000 of Capital Improvement Revenue Bonds, Series 2005. The Bonds are due on May 1, 2036 with a fixed interest rate of 5.6%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. Interest is to be paid semiannually on each May 1 and November 1. Principal is payable on an annual basis commencing May 1, 2007 through May 1, 2036.

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.

NOTE 7 - LONG TERM LIABILITIES (Continued)

Series 2005 (Continued)

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. 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 District was not compliance with the requirements of the Bond Indenture as if September 30, 2017.

During the prior and current fiscal years, there were significant delinquent assessments and, as a result, certain scheduled debt service payments due during prior fiscal years were made, in part, by draws on the debt service reserve account. Additionally, certain scheduled debt service payments were not made in the prior and current fiscal years resulting in events of default. As a result of these payments, there is a deficit of approximately \$317,590 in the debt service reserve account at September 30, 2017. The amount due has been reported in the financial statements as Due to Bondholders and reflects \$730,000 due for principal and \$1,521,800 due for interest. See Note 10 for additional information subsequent to fiscal year end.

Long-term Debt Activity

Changes in long-term liability activity for the fiscal year ended September 30, 2017 were as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year* |
|--------------------------------|----------------------|-----------|------------|-------------------|-------------------------|
| <u>Governmental activities</u> | | | | | |
| Bonds payable: | | | | | |
| Series 2005 | \$ 13,765,000 | \$ - | \$ - | \$ 13,765,000 | \$ 1,125,000 |
| Total | \$ 13,765,000 | \$ - | \$ - | \$ 13,765,000 | \$ 1,125,000 |

* Includes the missed debt service payments due for the Series 2005 Bonds which were not paid.

At September 30, 2017, the scheduled debt service requirements on the long-term debt were as follows:

| Year ending September 30: | Governmental Activities | | |
|------------------------------|-------------------------|----------------------|----------------------|
| | Principal | Interest | Total |
| 2018 | \$ 1,125,000 * | \$ 2,251,760 * | \$ 3,376,760 |
| 2019 | 420,000 | 707,840 | 1,127,840 |
| 2020 | 440,000 | 684,320 | 1,124,320 |
| 2021 | 470,000 | 659,680 | 1,129,680 |
| 2022 | 495,000 | 633,360 | 1,128,360 |
| 2023-2027 | 2,940,000 | 2,717,120 | 5,657,120 |
| 2028-2032 | 3,880,000 | 1,795,080 | 5,675,080 |
| 2033-2036 | 3,995,000 | 575,120 | 4,570,120 |
| | <u>\$ 13,765,000</u> | <u>\$ 10,024,280</u> | <u>\$ 23,789,280</u> |

* Includes the missed debt service payments due for the Series 2005 Bonds which were not paid.

NOTE 8 – DEFICIT FUND EQUITY

The debt service fund had a deficit fund balance of (\$1,404,100) at September 30, 2017. The deficit will be covered by assessments collected, through the settlement, in the subsequent fiscal year. See Note 10 for additional information subsequent to fiscal year end.

NOTE 9 - 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. There were no settled claims during the past three years.

NOTE 10 – SUBSEQUENT EVENTS

Debt Service Payments

The District did not have sufficient funds available to make certain scheduled debt service payments. The non-payment of interest and principal payments, when due, are considered events of default.

Settlement Agreement with LNR

Subsequent to fiscal year end, the District settled with a Developer. Pursuant to the settlement agreement, \$1,818,205 represented a Debt Settlement while \$286,669 was a Settlement for the O&M assessments levied on Parcel 19 and 20. The Debt Settlement is in addition to future debt service assessments. The Settlement was used to pay the outstanding balance on the Series 2005 Bonds and the Bonds are now current.

Accepting Project completion and Deferred Cost Release

Subsequent to fiscal year end, the District accepted the Engineer's certificate regarding Series 2005 project completion. In addition, Lennar Homes, LLC ("the Developer"), and the District acknowledged that the Developer has been paid in full for the Series 2005 project.

**HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT
MANATEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017**

| | Budgeted Amounts | Actual Amounts | Final Budget - Positive (Negative) |
|--|---------------------|-------------------|--|
| | Original & Final | | |
| REVENUES | | | |
| Assessments | \$ 365,299 | \$ 115,387 | \$ (249,912) |
| Interest earnings | 60 | 630 | 570 |
| Total revenues | 365,359 | 116,017 | (249,342) |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 365,359 | 91,189 | 274,170 |
| Total expenditures | 365,359 | 91,189 | 274,170 |
| Excess (deficiency) of revenues over (under) expenditures | - | 24,828 | 24,828 |
| OTHER FINANCING SOURCES | | | |
| Transfer in | - | 43,634 | 43,634 |
| Total other financing sources | - | 43,634 | 43,634 |
| Net change in fund balances | \$ - | 68,462 | \$ 68,462 |
| Fund balance - beginning | | 8,325 | |
| Fund balance - ending | | \$ 76,787 | |

See notes to required supplementary information

**HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT
MANATEE COUNTY, FLORIDA**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

The District is required to establish a budgetary system and an approved Annual Budget for the general fund. The District's budgeting process is based on estimates of cash receipts and cash expenditures which are approved by the Board. The budget approximates a basis consistent with accounting principles generally accepted in the United States of America (generally accepted accounting principles).

The legal level of budgetary control, the level at which expenditures may not exceed budget, is in the aggregate. Any budget amendments that increase the aggregate budgeted appropriations must be approved by the Board of Supervisors. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2017.



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, Manatee County, Florida ("District") as of and for the fiscal year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated June 22, 2018, which includes an emphasis of matter paragraph.

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 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the District in a separate letter dated June 22, 2018.

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

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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bhav & Associates

June 22, 2018



Grau & Associates
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE
REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY
RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

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, Manatee County, Florida's ("District") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2017. Management is responsible for District's compliance with those requirements. Our responsibility is to express an opinion on 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced in Section 218.415, Florida Statutes. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide 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 fiscal year ended September 30, 2017.

This report 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, management, and the Board of Supervisors of Heritage Harbour Market Place Community Development District, Manatee County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

Grau & Associates

June 22, 2018



**MANAGEMENT LETTER PURSUANT TO THE RULES OF
THE AUDITOR GENERAL FOR THE STATE OF FLORIDA**

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 basic financial statements of Heritage Harbour Market Place Community Development District, St. Cloud, Florida ("District") as of and for the fiscal year ended September 30, 2017, and have issued our report thereon dated June 22, 2018, which an emphasis of matter paragraph.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; 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 Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on 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*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 22, 2018, should be considered in conjunction with this management letter.

Purpose of this Letter

The purpose of this letter is to comment on those matters required by Chapter 10.550 of the Rules of the Auditor General for the State of Florida. Accordingly, in connection with our audit of the financial statements of the District, as described in the first paragraph, we report the following:

- I. **Current year findings and recommendations.**
- II. **Status of prior year findings and recommendations.**
- III. **Compliance with the Provisions of the Auditor General of the State of Florida.**

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, as applicable, management, and the Board of Supervisors of Heritage Harbour Market Place Community Development District, Manatee County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank Heritage Harbour Market Place Community Development District, Manatee County, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements, and the courtesies extended to us.

Grau & Associates

June 22, 2018

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

2017-01: Financial Condition Assessment

Observation: The debt service fund had a deficit fund balance of (\$1,404,100) at September 30, 2017. In the prior, current, and subsequent fiscal years, the District has been unable to make its debt service payments on the Series 2005 bonds since November 2015 due to lack of funds. In addition, the District has not met the debt service reserve requirement. The non-payment of interest and principal payments, when due, are considered events of default.

The District settled the lawsuit, and all prior assessments were paid by LNR in March 2018. The District has brought its bonds current for both principal and interest and has brought the reserve account requirements current as of March 2018. Subsequent to current fiscal year end, finding no longer applies.

II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

2015-01, 2016-01: Financial Condition Assessment

Current Status: See finding 2017-01 above.

III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2016, except as noted above.

2. Any recommendations to improve the local governmental entity's financial management.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2017, except as noted above.

3. 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 the attention of those charged with governance.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2017, except as noted above.

4. The name or official title and legal authority of the District are disclosed in the notes to the financial statements.

5. The financial report filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes agrees with the September 30, 2017 financial audit report.

REPORT TO MANAGEMENT (Continued)

6. In connection with our audit, we determined that the District has met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes. The District failed to make certain scheduled debt service payments due on the Series 2005 Bonds, as a result of a lack of funds. We applied financial condition assessment procedures pursuant to Rule 10.556(7) and determined that a deteriorating financial condition was noted. See Findings section above for additional information. It is management's responsibility to monitor 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.

BOARD OF SUPERVISOR'S

HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT

FINANCIAL STATEMENTS

July 31, 2018

Board of Supervisor's

Terry Kirschner, Chairman
William Riley, Vice Chairman
Russell Smith, Assistant Secretary
Scott Edwards, Assistant Secretary
Matthew Morris, Assistant Secretary

James P. Ward
District Manager
2900 NE 12th Terrace, Suite 1
Oakland Park, Florida 33334

Phone: 954-658-4900
E-mail:
JimWard@jpwardassociates.com



Heritage Harbour Market Place Community Development District

Balance Sheet - All Funds and Account Groups

as of July 31, 2018

| | Governmental Funds | | | Account Groups | | Totals (Memorandum Only) |
|--|--------------------|----------------------|--------------------------|---------------------------|-------------------------|-----------------------------|
| | General Fund | Debt Service Fund | Capital Projects Fund | General Long Term Debt | General Fixed Assets | |
| Assets | | | | | | |
| Cash and Investments | | | | | | |
| General Fund - Invested Cash | \$ 138,446 | \$ - | \$ - | \$ - | \$ - | \$ 138,446 |
| Capital Projects Fund-Deferred Cost Account | - | - | - | - | - | - |
| Debt Service Fund | | | | | | |
| Revenue Account | - | 121,114 | - | - | - | 121,114 |
| Reserve Account | - | 200,000 | - | - | - | 200,000 |
| Interest Account | - | 840 | - | - | - | 840 |
| Due from Other Funds | | | | | | |
| General Fund | - | - | - | - | - | - |
| Debt Service - Series 2005 | - | - | - | - | - | - |
| Capital Projects Fund | - | - | - | - | - | - |
| Market Valuation Adjustments | - | - | - | - | - | - |
| Due from Other Governments | - | - | - | - | - | - |
| Accounts Receivable | - | - | - | - | - | - |
| Prepaid Expenses | - | - | - | - | - | - |
| Amount Available in Debt Service Funds | - | - | - | 321,954 | - | 321,954 |
| Amount to be Provided by Debt Service Funds | - | - | - | 13,088,046 | - | 13,088,046 |
| General Fixed Assets | - | - | - | - | 4,346,527 | 4,346,527 |
| Total Assets | \$ 138,446 | \$ 321,954 | \$ - | \$ 13,410,000 | \$ 4,346,527 | \$ 18,216,927 |

Heritage Harbour Market Place Community Development District

Balance Sheet - All Funds and Account Groups as of July 31, 2018

| | Governmental Funds | | | Account Groups | | Totals (Memorandum Only) |
|---|--------------------|---------------------|-----------------------|------------------------|----------------------|-----------------------------|
| | General Fund | Debt Service Fund | Capital Projects Fund | General Long Term Debt | General Fixed Assets | |
| Liabilities | | | | | | |
| Accounts Payable & Payroll Liabilities | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Deferred Revenue | - | - | - | - | - | - |
| Due to Other Governments | - | - | - | - | - | - |
| Due to Other Funds | | | | | | |
| General Fund | - | - | - | - | - | - |
| Debt Service - Series 2005 | - | - | - | - | - | - |
| Matured Bonds Payable - Series 2005 | - | 375,000 | - | - | - | 375,000 |
| Matured Interest Payable - Series 2005 | - | 750,960 | - | - | - | 750,960 |
| Bonds Payable - Series 2005 | - | - | - | 13,410,000 | - | 13,410,000 |
| Total Liabilities | \$ - | \$ 1,125,960 | \$ - | \$ 13,410,000 | \$ - | \$ 14,535,960 |
| Fund Equity and Other Credits | | | | | | |
| Investment in General Fixed Assets | - | - | | - | 4,346,527 | 4,346,527 |
| Fund Balance | | | | | | |
| Restricted | | | | | | |
| Beginning: October 1, 2017 | - | (1,404,100) | 237,803 | - | - | (1,166,297) |
| Results from Current Operations | - | 600,094 | (237,803) | - | - | 362,292 |
| Unassigned | | | | | | |
| Beginning: October 1, 2017 | 76,788 | - | - | - | - | 76,788 |
| Results from Current Operations | 61,658 | - | - | - | - | 61,658 |
| Total Fund Equity and Other Credits | 138,446 | (804,006) | - | - | 4,346,527 | 3,680,967 |
| Total Liabilities, Fund Equity and Other Credits | \$ 138,446 | \$ 321,954 | \$ - | \$ 13,410,000 | \$ 4,346,527 | \$ 18,216,927 |

Heritage Harbour Market Place Community Development District

General Fund

**Statement of Revenue, Expenditures and Changes in Fund Balance
for the Period Ending July 31, 2018**

| | October | November | December | January | February | March | April | May | June | July | Year to Date | Annual Budget | % of Budget |
|--|--------------|------------------|------------------|--------------|--------------|-------------------|--------------|--------------|--------------|--------------|-------------------|-------------------|-------------|
| Revenue and Other Sources | | | | | | | | | | | | | |
| Carryforward | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Miscellaneous Revenue | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| Interest | | | | | | | | | | | | | |
| Interest - General Checking | 40 | 51 | 143 | 91 | 77 | 174 | 94 | 81 | 76 | 75 | 903 | - | N/A |
| Special Assessment Revenue | | | | | | | | | | | | | |
| Special Assessments - Uniform Method | - | 25,939 | (6,690) | - | - | - | - | - | - | - | 19,248 | 4,183 | 460% |
| Special Assessments - Non-Uniform Mthd | - | 58,705 | 45,307 | - | - | - | - | - | - | - | 104,011 | 74,822 | 139% |
| Developer Contribution | | | | | | | | | | | | | |
| Parcel 19/20 to Fund Litigation Expenses | | | | | | 20,000 | | | | | 20,000 | 20,000 | 100% |
| Parcel 19/20 to Fund Repayment to Remaining Parcels for FY 15-18 Litigation Expenses | | | | | | 266,669 | | | | | 266,669 | 266,669 | 100% |
| Inter-Fund Group Transfers In | | | | | | | | | | | | | |
| | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| Total Revenue and Other Sources: | \$ 40 | \$ 84,695 | \$ 38,759 | \$ 91 | \$ 77 | \$ 286,843 | \$ 94 | \$ 81 | \$ 76 | \$ 75 | \$ 410,832 | \$ 365,674 | 112% |
| Expenditures and Other Uses | | | | | | | | | | | | | |
| Legislative | | | | | | | | | | | | | |
| Board of Supervisor's Fees | \$ 200 | \$ - | \$ - | \$ - | \$ - | \$ 400 | \$ - | \$ - | \$ 400 | \$ - | \$ 1,000 | \$ 1,200 | 83% |
| Board of Supervisor's - FICA | 15 | - | - | - | - | 31 | - | - | 31 | - | 77 | 92 | 83% |
| Executive | | | | | | | | | | | | | |
| Executive Salaries | 2,692 | 2,692 | 4,038 | 2,692 | 2,692 | 2,692 | 2,692 | 2,692 | 4,038 | 2,692 | 29,615 | 35,000 | 85% |
| Executive Salaries - FICA | 206 | 206 | 309 | 206 | 206 | 206 | 206 | 206 | 309 | 206 | 2,266 | 2,678 | 85% |
| Executive Salaries - Insurance | - | 685 | 342 | 342 | 342 | 342 | 342 | 342 | 324 | 360 | 3,423 | 3,100 | 110% |
| Financial and Administrative | | | | | | | | | | | | | |
| Audit Services | - | - | - | - | - | - | - | - | - | 5,500 | 5,500 | 6,800 | 81% |
| Accounting Services | - | 315 | 206 | 34 | 839 | 148 | 704 | 379 | 154 | 589 | 3,367 | 4,400 | 77% |
| Assessment Roll Preparation | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| Arbitrage Rebate Services | - | 500 | - | - | - | - | - | - | - | - | 500 | 500 | 100% |
| Other | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| Other Contractual Services | | | | | | | | | | | | | |
| Recording and Transcription | 48 | - | - | - | - | - | 48 | - | 96 | - | 192 | 250 | 77% |
| Legal Advertising | 106 | 129 | - | 101 | - | - | - | 192 | - | - | 528 | 2,400 | 22% |
| Trustee Services | - | - | - | - | - | - | - | - | - | - | - | 5,810 | 0% |
| Dissemination Agent Services | 5,000 | - | - | - | - | - | - | - | - | - | 5,000 | 1,000 | 500% |

Heritage Harbour Market Place Community Development District

General Fund

**Statement of Revenue, Expenditures and Changes in Fund Balance
for the Period Ending July 31, 2018**

| | October | November | December | January | February | March | April | May | June | July | Year to Date | Annual Budget | % of Budget |
|--|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------|
| Property Appraiser Fees | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| Bank Services | 32 | 47 | 48 | 33 | 31 | 32 | 48 | 32 | 32 | 32 | 367 | 500 | 73% |
| Travel and Per Diem | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| Communications & Freight Services | | | | | | | | | | | | | |
| Telephone | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| Postage, Freight & Messenger | - | 27 | - | - | 10 | 83 | 99 | 10 | 55 | 51 | 336 | 300 | 112% |
| Rentals & Leases | | | | | | | | | | | | | |
| Miscellaneous Equipment Leasing | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| Computer Services and Website | - | - | - | - | - | - | - | - | - | - | - | - | |
| Development | 559 | 559 | 559 | 559 | 559 | 1,609 | 609 | 609 | 609 | 609 | 6,835 | 8,000 | 85% |
| Insurance | 5,778 | - | - | - | - | - | - | - | - | - | 5,778 | 6,300 | 92% |
| Printing & Binding | - | - | - | - | 11 | - | 33 | - | 91 | - | 135 | 100 | 135% |
| Office Supplies | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| Subscription & Memberships | 175 | - | - | - | - | - | - | - | - | - | 175 | 175 | 100% |
| Legal Services | | | | | | | | | | | | | |
| Legal - General Counsel | 0 | - | 1,429 | - | 4,977 | - | 8,235 | 1,215 | 214 | 440 | 16,510 | 20,000 | 83% |
| Legal - Litigation Counsel | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| Comprehensive Planning | | | | | | | | | | | | | |
| Professional Services-Planning | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| Other General Government Services | | | | | | | | | | | | | |
| Engineering Services - General Fund | - | - | - | - | 900 | - | - | - | - | - | 900 | 400 | 225% |
| Property Owner Refunds | - | - | - | - | - | 266,669 | - | - | - | - | 266,669 | 266,669 | 100% |
| Payroll Expenses | - | - | - | - | - | - | - | - | 2 | - | 2 | - | N/A |
| Capital Outlay | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| Total Expenditures and Other Uses: | \$ 14,812 | \$ 5,159 | \$ 6,932 | \$ 3,967 | \$ 10,566 | \$ 272,212 | \$ 13,017 | \$ 5,677 | \$ 6,355 | \$ 10,478 | \$ 349,174 | \$ 365,674 | 95% |
| Net Increase/ (Decrease) of Fund Balance | (14,772) | 79,536 | 31,827 | (3,876) | (10,489) | 14,632 | (12,923) | (5,596) | (6,279) | (10,403) | 61,658 | | N/A |
| Fund Balance - Beginning | 76,788 | 62,016 | 141,552 | 173,379 | 169,503 | 159,015 | 173,646 | 160,724 | 155,128 | 148,849 | 76,788 | 40,349 | |
| Fund Balance - Ending | <u>\$ 62,016</u> | <u>\$ 141,552</u> | <u>\$ 173,379</u> | <u>\$ 169,503</u> | <u>\$ 159,015</u> | <u>\$ 173,646</u> | <u>\$ 160,724</u> | <u>\$ 155,128</u> | <u>\$ 148,849</u> | <u>\$ 138,446</u> | <u>\$ 138,446</u> | <u>\$ 40,349</u> | |

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 July 31, 2018

| | October | November | December | January | February | March | April | May | June | July | Year to Date | Budget | % of Budget |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------|
| Revenue and Other Sources | | | | | | | | | | | | | |
| Carryforward | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Interest Income | | | | | | | | | | | | | |
| Revenue Account | 37 | 37 | 38 | 63 | 83 | 77 | 90 | 180 | 26 | 25 | 656 | - | N/A |
| Reserve Account | 104 | 107 | 104 | 107 | 107 | 194 | 36 | 41 | 42 | 41 | 884 | - | N/A |
| Interest Account | - | - | - | - | - | - | - | - | 0 | 0 | 0 | - | N/A |
| Special Assessment Revenue | | | | | | | | | | | | | |
| Special Assessments - Uniform Method | - | 36,542 | (9,388) | - | - | - | - | - | - | - | 27,154 | 26,977 | 101% |
| Special Assessments - Non-Uniform Mthd | - | 171,360 | 132,250 | - | - | 2,366,594 | - | - | - | - | 2,670,204 | 1,079,223 | 247% |
| Inter-Fund Group Transfers In | - | - | - | - | - | 238,666 | - | - | - | - | 238,666 | - | N/A |
| Total Revenue and Other Sources: | \$ 141 | \$ 208,046 | \$ 123,004 | \$ 170 | \$ 191 | \$ 2,605,530 | \$ 127 | \$ 221 | \$ 68 | \$ 66 | \$ 2,937,564 | \$ 1,106,200 | 266% |
| Expenditures and Other Uses | | | | | | | | | | | | | |
| Debt Service | | | | | | | | | | | | | |
| Principal - Mandatory | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 375,000 | \$ - | \$ 395,000 | \$ - | \$ - | \$ 770,000 | \$ 395,000 | 195% |
| Principal - Early Redemptions | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| Interest Expense | - | - | - | - | - | 1,156,260 | - | 364,980 | - | - | 1,521,240 | 711,200 | 214% |
| Legal Services | | | | | | | | | | | | | |
| Legal - Foreclosure Counsel | - | - | 36,894 | - | - | - | - | - | - | - | 36,894 | - | N/A |
| Operating Transfers Out | 104 | 107 | 104 | 107 | 107 | 194 | - | - | - | - | 724 | - | N/A |
| Inter-Fund Group Transfers Out | | | | | | | | | | | | | |
| Trustee Services | - | - | 8,612 | - | - | - | - | - | - | - | 8,612 | - | N/A |
| GF-Litigation (Parcel 19/20) | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| CPF-Deferred Cost Account | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| Total Expenditures and Other Uses: | \$ 104 | \$ 107 | \$ 45,610 | \$ 107 | \$ 107 | \$ 1,531,454 | \$ - | \$ 759,980 | \$ - | \$ - | \$ 2,337,470 | \$ 1,106,200 | 211% |
| Net Increase/ (Decrease) of Fund Balance | 37 | 207,938 | 77,394 | 63 | 83 | 1,074,077 | 127 | (759,759) | 68 | 66 | 600,094 | - | |
| Fund Balance - Beginning | (1,404,100) | (1,404,063) | (1,196,124) | (1,118,730) | (1,118,668) | (1,118,584) | (44,508) | (44,381) | (804,140) | (804,072) | (1,404,100) | (104,192) | |
| Fund Balance - Ending | <u>\$ (1,404,063)</u> | <u>\$ (1,196,124)</u> | <u>\$ (1,118,730)</u> | <u>\$ (1,118,668)</u> | <u>\$ (1,118,584)</u> | <u>\$ (44,508)</u> | <u>\$ (44,381)</u> | <u>\$ (804,140)</u> | <u>\$ (804,072)</u> | <u>\$ (804,006)</u> | <u>\$ (804,006)</u> | <u>\$ (104,192)</u> | |

Heritage Harbour Market Place Community Development District

Capital Projects Fund

Statement of Revenue, Expenditures and Changes in Fund Balance

for the Period Ending July 31, 2018

| | October | November | December | January | February | March | April | May | June | July | Year to Date | Budget | % of Budget |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------|-------------|-------------|-------------|-------------------|-------------------|-------------|
| Revenue and Other Sources | | | | | | | | | | | | | |
| Carryforward | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Interest Income | | | | | | | | | | | | | |
| Deferred Cost Account | 39 | 40 | 39 | 40 | 40 | 37 | - | - | - | - | 236 | - | N/A |
| Operating Transfers In | 104 | 107 | 104 | 107 | 107 | 97 | - | - | - | - | 627 | - | N/A |
| Total Revenue and Other Sources: | \$ 143 | \$ 148 | \$ 143 | \$ 148 | \$ 148 | \$ 134 | \$ - | \$ - | \$ - | \$ - | \$ 863 | \$ - | N/A |
| Expenditures and Other Uses | | | | | | | | | | | | | |
| Flood Control - Stormwater Management | | | | | | | | | | | | | |
| Engineering Services | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Legal Services | - | - | - | - | - | - | - | - | - | - | - | - | N/A |
| Operating Transfers Out | - | - | - | - | - | 238,666 | - | - | - | - | 238,666 | - | N/A |
| Total Expenditures and Other Uses: | \$ - | \$ 238,666 | \$ - | \$ - | \$ - | \$ - | \$ 238,666 | \$ - | N/A |
| Net Increase/ (Decrease) of Fund Balance | 143 | 148 | 143 | 148 | 148 | (238,532) | - | - | - | - | (237,803) | - | |
| Fund Balance - Beginning | 237,803 | 237,946 | 238,093 | 238,236 | 238,384 | 238,532 | - | - | - | - | 237,803 | 236,950 | |
| Fund Balance - Ending | <u>\$ 237,946</u> | <u>\$ 238,093</u> | <u>\$ 238,236</u> | <u>\$ 238,384</u> | <u>\$ 238,532</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 236,950</u> | |