

BOARD OF SUPERVISOR'S

**HERITAGE HARBOUR MARKET PLACE
COMMUNITY DEVELOPMENT DISTRICT**

EXHIBIT A

**PROPOSED BUDGET
FISCAL YEAR 2017**

October 1, 2016 through September 30, 2017

Board of Supervisor's

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

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

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

Appropriations

Legislative

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

Executive

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

Financial and Administrative

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

Other Contractual Services

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

Travel and Per Diem

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

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

Rentals and Leases

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

Insurance

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

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

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

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

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

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

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

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

Notes:

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

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

Revenues and Other Sources

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

Appropriations

Legislative

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

Executive

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

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

Financial and Administrative

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

Other Contractual Services

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

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

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

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

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

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

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

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

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

**Heritage Harbour Market Place
Community Development District**

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

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

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