

BOARD OF SUPERVISOR'S

**HERITAGE HARBOUR MARKET PLACE
COMMUNITY DEVELOPMENT DISTRICT**

EXHIBIT A

**PROPOSED BUDGET
FISCAL YEAR 2018**

October 1, 2017 through September 30, 2018

Board of Supervisor's

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

James P. Ward
District Manager
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**Heritage Harbour Market Place
Community Development District
General Fund - Proposed Budget
Fiscal Year 2018**

Description	Anticipated			
	Fiscal Year 2017 Budget	Actual at 03/31/2017	Year End 09/30/17	Fiscal Year 2018 Budget
Revenues and Other Sources				
Carryforward	\$ -	\$ -	\$ -	\$ -
Interest Income - General Account	\$ 60	\$ 223	\$ 440	\$ 60
Miscellaneous Revenue	\$ -	\$ -	\$ -	\$ -
Special Assessment Revenue				
Special Assessment - Uniform Method	\$ 19,340	\$ 23,728	\$ 23,728	\$ 20,669
Special Assessment - Non-Uniform	\$ 345,958	\$ 97,206	\$ 97,206	\$ 369,723
Operating Transfers In				
Debt Service Fund - Series 2005 Bonds	\$ -	\$ -	\$ -	\$ -
Total Revenue & Other Sources	\$ 365,359	\$ 121,158	\$ 121,374	\$ 390,452

Appropriations

Legislative

Board of Supervisor's Fees	\$ 1,200	\$ 200	\$ 600	\$ 1,200
Board of Supervisor's - FICA	\$ 92	\$ 15	\$ 46	\$ 92

Executive

Executive Salaries	\$ 35,000	\$ 17,500	\$ 35,000	\$ 35,000
Executive Salaries - FICA	\$ 2,678	\$ 1,339	\$ 2,678	\$ 2,678
Executive Salaries - Insurance	\$ 3,100	\$ 1,944	\$ 3,100	\$ 3,100

Financial and Administrative

Audit Services	\$ 6,800	\$ 6,800	\$ 6,800	\$ 6,800
Accounting Services	\$ 4,400	\$ 1,946	\$ 4,400	\$ 4,400
Assessment Roll Preparation	\$ -	\$ -	\$ -	\$ -
Arbitrage Rebate Fees	\$ 500	\$ 500	\$ 500	\$ 500

Other Contractual Services

Recording and Transcription	\$ 250	\$ 48	\$ 250	\$ 250
Legal Advertising	\$ 2,400	\$ 101	\$ 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	\$ 235	\$ 500	\$ 500

Travel and Per Diem

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

Telephone	\$ -	\$ -	\$ -	\$ -
Postage, Freight & Messenger	\$ 300	\$ 77	\$ 160	\$ 300

Rentals and Leases

Miscellaneous Equipment	\$ -	\$ -	\$ -	\$ -
Computer Services and Website	\$ 8,000	\$ 3,351	\$ 8,000	\$ 8,000

Insurance

	\$ 6,300	\$ 5,778	\$ 5,778	\$ 6,300
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Printing and Binding

	\$ 100	\$ 202	\$ 400	\$ 100
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Office Supplies

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

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

General Counsel	\$ 60,000	\$ -	\$ 10,000	\$ 60,000
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Litigaton Counsel	\$ 150,000	\$ -	\$ -	\$ 150,000
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**Heritage Harbour Market Place
Community Development District
General Fund - Proposed Budget
Fiscal Year 2018**

Description	Fiscal Year 2017	Actual at	Anticipated	Fiscal Year
	Budget	03/31/2017	Year End 09/30/17	2018 Budget
Comprehensive Planning Services				
Professional Services - Planning	\$ 75,000	\$ -	\$ -	\$ 100,000
Other General Government Services				
Engineering Services	\$ 400	\$ 375	\$ 400	\$ 400
Contingencies	\$ -	\$ -	\$ -	\$ -
Capital Outlay	\$ -	\$ -	\$ -	\$ -
Other Fees and Charges				
Discounts and Fees	\$ 1,354	\$ -	\$ 1,354	\$ 1,447
Total Appropriations	\$ 365,359	\$ 40,587	\$ 89,351	\$ 390,452
Net Increase/(Decrease) in Fund Balance	\$ -	\$ 80,571	\$ 32,024	\$ -
Fund Balance - Beginning	\$ 8,325	\$ 8,325	\$ 8,325	\$ 40,349
Fund Balance - Ending (Projected)	\$ 42,540	\$ 88,896	\$ 40,349	\$ 40,349

Assessment Comparison					
Parcel Identification	Acres	Fiscal Year 2017		Fiscal Year 2018	
		Off-Roll	On-Roll	Off-Roll	On-Roll
Parcel 19/20	83.7	\$248,662.13		\$265,743.16	
Parcel 22	3.38		\$10,041.55		\$10,731.32
Parcel 23	2.13	\$6,327.96		\$6,762.64	
Parcel 24	3.13		\$9,298.33		\$9,937.59
Parcel 25	16.36	\$48,603.49		\$51,942.15	
Parcel 26	9.26	\$27,510.29		\$29,400.02	
Parcel 27	5	\$14,854.37		\$15,874.74	

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 2018**

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.		

	FY 2016	FY 2017
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 2018**

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 envrionment 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	\$	100,000
<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	\$	1,447
<p> 4% Discount permitted by Law for early payment and 3% Tax Collector Fee and Property Appraiser Fee</p>		
Total Appropriations:		\$ 390,452

**Heritage Harbour Market Place
Community Development District
Debt Service Fund - Proposed Budget
Fiscal Year 2018**

Description	Fiscal Year		Actual at	Anticipated	Fiscal Year
	2017	Budget	03/31/2017	Year End 09/30/17	2018 Budget
Revenues and Other Sources					
Carryforward	\$ -		\$ -	\$ -	\$ -
Interest Income	\$ -		\$ 514	\$ 1,000	\$ -
Special Assessment Revenue					
Special Assessment - Uniform Method	\$ 29,034		\$ 27,214	\$ 27,214	\$ 29,008
Special Assessment - Non-Uniform Method	\$ 1,080,198		\$ 300,791	\$ 300,791	\$ 1,079,223
Special Assessment - Prepayment	\$ -		\$ -	\$ -	\$ -
Total Revenue & Other Sources	\$ 1,109,232		\$ 328,519	\$ 329,005	\$ 1,108,231
Appropriations					
Debt Service					
Principal Debt Service - Mandatory					
Series 2007 Bonds	\$ 375,000		\$ -	\$ -	\$ 395,000
Principal Debt Service - Early Redemptions					
Series 2007 Bonds	\$ -		\$ -	\$ -	\$ -
Interest Expense					
Series 2007 Bonds	\$ 732,200		\$ -	\$ -	\$ 711,200
Trustee Services					
			\$ 7,827	\$ 7,827	
Legal - Foreclosure Counsel					
			\$ 122,642	\$ 122,642	
Operating Transfers Out					
	\$ -		\$ 362	\$ 362	\$ -
Other Fees and Charges					
Discounts and Fees	\$ 2,032		\$ -	\$ 2,032	\$ 2,031
Total Appropriations	\$ 1,109,232		\$ 130,831	\$ 132,863	\$ 1,108,231
Net Increase/(Decrease) in Fund Balance					
	-		197,688	196,142	-
Fund Balance - Beginning	958,772		(300,334)	(300,334)	(104,192)
Fund Balance - Ending (Projected)	958,772		(102,645)	(104,192)	(104,192)
Restricted Fund Balance:					
Reserve Account Requirement				949,510	
Restricted for November 1, 2018 Interest Payment				\$ 344,540	
Total - Restricted Fund Balance:				\$ 1,294,050	

Assessment Comparison					
Parcel Identification	Acres or Square Ft.	Fiscal Year 2017		Fiscal Year 2018	
		Off-Roll	On-Roll	Off-Roll	On-Roll
Parcel 19/20	83.7	\$ 776,407.01		\$ 775,705.78	
Parcel 22	0		PREPAID		PREPAID
Parcel 23	2.13	\$ 19,758.03		\$ 19,740.18	
Parcel 24	3.13		\$ 29,001.58		\$ 29,007.87
Parcel 25	16.36	\$ 151,756.50		\$ 151,619.43	
Parcel 26	9.26	\$ 85,896.40		\$ 85,818.82	
Parcel 27	5	\$ 46,380.35		\$ 46,338.46	

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	\$ 355,000	5.60%	\$ 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 2018**

Description	Fiscal Year 2017 Budget	Actual at 03/31/2017	Anticipated Year End 09/30/17	Fiscal Year 2018 Budget
Revenues and Other Sources				
Carryforward	\$ -	\$ -	\$ -	\$ -
Interest Income	\$ -	\$ 135	\$ 120	\$ -
Operating Transfers In	\$ -	\$ 362	\$ 362	\$ -
Total Revenue & Other Sources	\$ -	\$ 497	\$ 482	\$ -
Expenditures and Other Uses				
Flood Control - Stormwater Management				
Engineering Services	\$ -	\$ -	\$ -	\$ -
Legal Services	\$ -	\$ -	\$ -	\$ -
Capital Outlay	\$ -	\$ -	\$ -	\$ -
Total Expenditures and Other Uses	\$ -	\$ -	\$ -	\$ -
Net Increase/(Decrease) in Fund	\$ -	\$ 497	\$ 482	\$ -
Fund Balance - Beginning	\$ 235,293	\$ 236,468	\$ 236,468	\$ 236,950
Fund Balance - Ending (Projected)	\$ 235,293	\$ 236,966	\$ 236,950	\$ 236,950

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