

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

The Regular Board Meeting of the Heritage Harbour Market Place Community Development District's Board of Supervisors was held on Thursday, August 7, 2014 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:

Anthony Burdett	Chairman
William Riley	Vice Chairman
Terry Kirschner	Assistant Secretary
Matthew Morris	Assistant Secretary

Also present were:

James P. Ward	District Manager
Kenza Van Assenderp	District Counsel (Telephonic)
Shane Cooper	Banks Engineering
Steve Akins	Auditor, Keefe McCullough (Telephonic)

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Ward called the meeting to order and noted that all members of the Board were present at roll call at 2:40 p.m. with the exception of Supervisor Edwards.

SECOND ORDER OF BUSINESS

Consideration of Minutes

a) May 1, 2014, Regular Meeting

Mr. Ward stated you've been previously distributed a copy. If there are any additions, corrections or deletions, it would appropriate at this time to so indicate, otherwise a motion for their approval would be in order.

On MOTION by Mr. Kirschner and seconded by Mr. Morris, with all in favor of approving the May 1, 2014, Regular Meeting minutes.

THIRD ORDER OF BUSINESS

Public Hearings

a) FISCAL YEAR 2015 BUDGET

I. Public Comment and Testimony

Mr. Ward stated the first part of it is any public comment or testimony. The budget has not changed since it had been presented to you at your May Board meeting. there's two parts to it. One is the debt service with respect to your Series 2005 bonds, The second part is related to the general fund operations of the District itself. The assessment levels for both the debt service and the operating parts of the District remain relatively consistent with what they were in the prior year. We can go ahead and open it up at this point to any public comment or testimony you have with respect to the consideration of your budget.

Hearing no comments.

Mr. Ward asked for a motion to close your public hearing would be in order.

On MOTION by Mr. Riley and seconded by Mr. Morris with all in favor of closing the public hearing to the public.

II. Board Comment and Consideration

Mr. Ward asked is there any comments from the Board? Hearing none.

III. Consideration of Resolution 2014-2, adopting the annual appropriation and adopting the budget for Fiscal Year 2015

Mr. Ward stated the final action with respect to the adoption of your budget is to consider Resolution 2014-2, which by title is the annual appropriation resolution of the Heritage Harbour Market Place Community Development District. It is related to the annual appropriations, and adopting the budget for the fiscal year beginning October 1, 2014, and ending September 30, 2015, providing for severability, providing for conflict, and providing for an effective date. That resolution is in order and recommended for your consideration.

A MOTION by Mr. Morris and seconded by Mr. Kirschner with all in favor of approving Resolution 2014-2.

b) FISCAL YEAR 2015, IMPOSING SPECIAL ASSESSEMENTS; ADOPTING AN ASSESSMENT ROLL AND APPROVING THE GENERAL FUND SPECIAL ASSESSMENT METHODOLOGY AND APPROVING A GENERAL FUND ASSESSMENT CAP RATE

Mr. Ward stated Resolution 2014-3 goes through and does impose those assessments for both the debt service fund, which were previously handled through a separate assessment proceeding, and most specifically for the general fund for the District itself.

I. Public Comment and Testimony

Mr. Ward stated this is a public hearing. I'll go ahead and open it up to any public comment or testimony that you may have.

A male speaker stated no comment.

Mr. Ward stated I'll ask, secondly, for a motion to close your public hearing.

A MOTION by Mr. Morris and seconded by Mr. Riley with all in favor of closing the public hearing to the public.

II. Board Comment and Consideration

No comments

III. Consideration of Resolution 2014-3, imposing special assessments, adopting an assessment roll and approving the general fund special assessment methodology

Mr. Ward stated the action with respect to this public hearing is a motion to adopt Resolution 2014-3.

A MOTION by Mr. Kirschner and seconded by Mr. Morris with all in favor of approving Resolution 2014-3.

IV. Consideration of Resolution 2014-4, establishing an operations and maintenance cap for notice purposes only

Mr. Ward stated the resolution establishes an operation and maintenance cap for this District for all future years. The assessment cap rate is \$751.54 per acre for notice purposes only. It only comes into effect if, and to the extent, the District will go over that rate at some point in the future. If you have any questions with respect to the resolution, I'd

be glad to answer them for you. However, that resolution is in order and recommended for your consideration.

A MOTION by Mr. Riley and seconded by Mr. Kirschner with all in favor of approving Resolution 2014-4.

FOURTH ORDER OF BUSINESS

Consideration of Resolution 2014-5, designating the dates, time and location for regular meetings of the Board of Supervisors of the District

Mr. Ward stated it's set for the first Thursday of every month at 2:15 here at the River Strand Golf and Country Club. It's the same date, time and location as you currently have in your current fiscal year. If you have any questions, I'd be glad to answer them for you. However, that resolution is in order and recommended for your consideration also.

On MOTION by Mr. Riley and seconded by Mr. Kirschner, with all in favor of approving Resolution 2014-5 as presented.

* * *

Mr. Ward stated the add item that I had sent around to you yesterday was for the consideration of the acceptance of the Audited Financial Statements for Fiscal Year 2013. Mr. Steve Akins with the accounting firm of Keefe McCullough is on the phone with us today, and I'm going to ask him to take a few minutes and go through the audit with you. Once you have completed your review of it and answered any questions, I'll ask for you to accept it for purposes of inclusion in the record.

Mr. Akins stated my name is Steve Akins with Keefe McCullough & Co. in Fort Lauderdale. We do the audit for the District's financial statements. We've done it for several years now, and we appreciate being able to work with Mr. Ward, and appreciate his organization, and helping us to complete our auditing procedures. You should have a copy of the financial statements, and I'll just take a quick minute just to go through a couple things. The audit opinion, we had a good audit this year, a clean audit opinion, and that opinion is on pages one and two of the financial statements. It does say that we conducted our audit in accordance with government auditing standards, and that the financial

statements are fairly presented in accordance with accounting principles that are generally accepted in the United States.

One thing on the audit opinion on page 2, it does refer to another report that we are required to issue under government auditing standards. This report is on pages 23 and 24, and this is our report on the District's internal control over financial recording. Basically, it says that we consider the District's internal control over financial reporting, and we did not find any material weaknesses or significant deficiencies as a result of our audit procedures. So, overall, our evaluation of the District's internal controls showed that controls are implemented and operating effectively.

Behind that report, on page 25 and 26 is our report to District management. This is a report that is required by the State of Florida Auditor General, and they have specific things that we are required to look for, and if we find, we're supposed to report them to the Board of Directors. Overall, if you just go through the pages, you will see that there were no issues that are required to be reported to the State of Florida. Now just real quick, in the financial statements, the fund financial statements, which are the Districts three funds: the general fund, debt service fund, and capital projects fund. The balance sheet on page 9 looks at those funds, and you'll see that all funds have a positive fund balance at your end, and, overall, there was a slight increase in that fund balance in each one of those funds.

The District is operating with a health fund balance, and, as you'll see, about \$1.8 million of the fund balance is held in cash and cash equivalents, so the District is on a good financial footing. That statement is reported under modified accrual basis of accounting, which focuses on near term inflows and outflows for the District, rather than having the debt of the District, and **Inaudible 9:29** the District on that statement. Those are items are recorded on a statement in net assets, which is on page 7 of the financial statements. The difference between that balance sheet and the balance sheet of the governmental fund is the fixed assets and the debt, which are recorded, and that statement is presented on the full accrual basis of accounting, more like a business.

Overall, good year for the District, good fund balance, and we appreciate Mr. Ward working with us, and it was our pleasure to serve as the auditors of the District. If there are any questions, I'll be glad to take them now.

Mr. Ward asked any questions from the Board? Hearing none, a motion to accept the Audited Financial Statements for Fiscal Year 2013 would be in order.

On MOTION by Mr. Kirschner and seconded by Mr. Morris, with all in favor of accepting the Audited Financial Statements for Fiscal Year 2013 as presented.

FIFTH ORDER OF BUSINESS

Staff Reports

a. Attorney

No report.

b. Engineer

No report.

c. Manager

I. Report on the number of registered voters residing in the District

Mr. Ward stated the only item that I have for you is the requirement to report on the number of registered voters within the District. There are zero, there will always be zero, since you don't have any residential development. It won't have any effect on a transition of the Board to a landowner based to a qualified elector based election. If you have any questions, I'd be glad to answer them for you, but the information is provided as a matter of law.

II. Financial Statements for the month ended June 30, 2014

No discussion.

SIXTH ORDER OF BUSINESS

Supervisors' Requests and Audience Comments

Mr. Ward asked anything from the Board? Anything from the audience?

A male speaker stated no.

SEVENTH ORDER OF BUSINESS


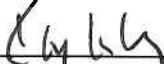
Adjournment

Mr. Ward stated a motion to adjourn would be in order.

On MOTION by Mr. Morris and seconded by Mr. Kirschner, with all in favor the meeting was adjourned at 2:50 p.m.



James P. Ward, Secretary

Terry Kirschner, Chairman