

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

The Regular Meeting of the Heritage Harbour Market Place Community Development District's Board of Supervisors was held on Thursday, **April 7, 2016**, at **2:25 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
Chris Kemper	Assistant Secretary
Matt Morris	Assistant Secretary

Board Members Absent:

David Negip	Assistant Secretary
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Also present were:

James P. Ward	District Manager
Ken van Assenderp (telephonically)	District Counsel
Cindy Calvert (telephonically)	Keefe McCullough & Co.

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 Mr. Negip.

SECOND ORDER OF BUSINESS

Administration of Oath of Office for Supervisors Negip and Morris, elected at the Landowner's Meeting of November 5, 2015

Mr. Ward administered the Oath of Office to Mr. Morris, being authorized as a Notary of the State of Florida to do so.

- **Guide to Sunshine Amendment and Code of Ethics for Public Officers and Employees**
- **Membership Obligations and Responsibilities**
- **Form 1 – Statement of Financial Interests**

THIRD ORDER OF BUSINESS

Consideration of Minutes

Mr. Ward asked if there were any questions on the minutes of the two meetings. There being none, he recommended a motion be made for their approval.

- **Landowner's Meeting, November 5, 2015**

MOTION was made by Mr. Morris and seconded by Mr. Riley to approve the November 5, 2015 Landowner's Meeting Minutes, and with all in favor the motion was approved.

- **Regular Meeting, November 5, 2015**

MOTION was made by Mr. Riley and seconded by Mr. Morris to approve the November 5, 2015 Regular Meeting Minutes, and with all in favor the motion was approved.

FOURTH ORDER OF BUSINESS

Consideration of acceptance of Audited Financial Statements for Fiscal Year ending September 30, 2015

Mr. Ward introduced the Cindy Calvert, Keefe McCullough & Co., who spoke to the Board by phone, going over the Audited Financial Statements under consideration. In keeping with required professional standards, she pointed out that the accounting policy used by the District was described in No. 2 of the Financial Statement. There were no new accounting policies adopted and the application of existing policies was not changed during the year. They did not move any transactions entered into by the District for which there was a lack of guidance or consensus. Keefe McCullough believed that all significant transactions had been recognized in the Financial Statement in the proper period. Ms. Calvert went on to say depreciation of capital assets figured importantly in the estimates of the District. The District informed her company that they had used all relevant facts available to them at the time of acquisition, to make the best judgments about the depreciation method and the estimated useful life of their capital assets. There was no difficulty dealing with management and no disagreements arose during the course of the audit. Lastly, there were no uncorrected misstatements noted during the audit.

Ms. Calvert reported that their opinion was unmodified and at the highest level of assurance that they could provide. She directed the Board's attention to page 9,

showing the Balance Sheet of the Governmental Fund, which reflected that all their funds had a positive fund balance, including the General Fund, the Debt Service Fund, and the Capital Projects Fund. The only big difference in the year in the Balance Sheet was that the Assessments Receivable, or revenues associated with those investments, were not recognized, being unavailable. Consequently, they had to be listed as a liability rather than revenue. They figured as a delinquent assessment at year's end, and not as received. Not being able to recognize the assessments she specified on page 11, the General Fund saw a decrease in Fund Balance of about \$63,000, along with a decrease in the Debt Service Fund of roughly \$776,000, caused basically by the delinquent assessments. Page 22 contained the footnotes, and under Long- Term Debt footnotes, they had to say that the Debt Service Reserve Requirement was underfunded by approximately \$275,000 at year's end, since the reserve funds had to be used to pay the principal because of the unpaid assessments. For the same reason, on page 25 under their Opinion of Compliance, there was a note that the District was not in compliance with the bond indenture requiring them to maintain a certain amount of funds in the Debt Service Reserve Account. The District was able to give a response to that finding, as seen directly below in the report. Other than that particular compliance issue, the auditor didn't identify any deficiencies. On pages 26 and 27, it was stated that they did not note any current or prior year findings or recommendations, and that the District was not in a state of financial emergency.

Mr. Ward stated that the Audited Financial Statements had been filed as a matter of law with the appropriate regulatory agencies, and the document could be found on Heritage Harbour Market Place's website as available to the public, also. Mr. Ward said that if there were no questions from the Board, a motion to accept the Statements report for purpose of inclusion in the record would be in order.

MOTION was made by Mr. Kirschner and seconded by Mr. Kemper to accept the Audited Financial Statements for Fiscal Year ending September 30, 2015, and with all in favor the motion was approved.

FIFTH ORDER OF BUSINESS

**Consideration of Resolution 2016-3
Approving the Proposed Budget for
Fiscal Year 2016 and setting a Public
Hearing for Thursday, September 1,
2016 on the Proposed Budget**

Mr. Ward explained that approval of the Resolution did not bind the Board to any costs contained in the Budget programs or to assessment rates used in the Budget's preparation. It did, however, set the maximum assessment rate that the Board could charge specifically for the General Fund.

The Budget was the same form as the prior year's. It was important to note for the record, that in that District, Parcels 19 and 20, constituting a significant portion of the

District, were currently not paying their assessments. As a result, the District was in default on its Series 2007 Bonds. In addition to that, the District had initiated foreclosure proceedings on the property owner in order to collect the assessments. The litigation was ongoing. The assessment rates on the General Fund were significantly higher than what they were two years earlier, but they were funded so that they could continue to pay the operations of the District in the interim when one of the parcels wasn't paying its assessment. Mr. Ward stated that he would be happy to answer any questions, otherwise the Resolution was in order and was recommended for their consideration. A question was posed with reference to Fiscal Year 2017's Principal Debt Service on page 5, on whether it was reasonable to expect that they would receive the \$375,000. Mr. Ward replied no, there was \$1,109,000 in total revenue and they expected to receive maybe \$200,000 or \$100,000 of it. The rest was on Parcels 19 and 20, so that they were levying the assessment for the total that they needed and accelerating the debt on Parcels 19 and 20 for non-payment, adding it to the foreclosure proceedings. They wouldn't receive it, but it was budgeted as if they were. They were going to bill it, knowing that they would not be receiving it then, unless there were a change of heart on the part of the property owner.

Mr. Ward asked for a motion to approve the Resolution.

MOTION was made by Mr. Kemper and seconded by Mr. Riley to approve Resolution 2016-3, and with all in favor the motion was approved.

SIXTH ORDER OF BUSINESS

Staff Reports

- a) Attorney – No report was given.
- b) Engineer – No report was given.
- c) Manager
 - I. Financial Statements for the month ending February 29, 2016

Mr. Ward had nothing further to report.

SEVENTH ORDER OF BUSINESS

Supervisor's Requests and Audience Comments

There were no requests from the Supervisors and no audience was present.

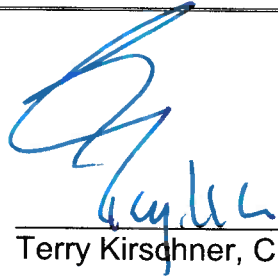
- 7. Adjournment

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

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



James P. Ward, Secretary



Terry Kirschner, Chairperson

OATH OR AFFIRMATION OF OFFICE

I, MATHEW J. MORRIS, 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.

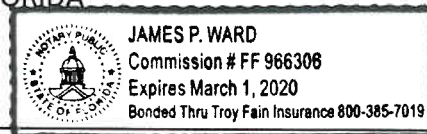
Matthew J. Morris
Signature

Printed Name: MATHEW J. MORRIS

STATE OF FLORIDA
COUNTY OF MANATEE

Sworn to (or affirmed) before me this 7th day of April, 2016, by MATHEW J. MORRIS, whose signature appears hereinabove, who is personally known to me or who produced _____ as identification.

James P. Ward
NOTARY PUBLIC
STATE OF FLORIDA



Print Name: _____

My Commission Expires: _____