



***HERITAGE HARBOR
COMMUNITY DEVELOPMENT DISTRICT***

Agenda Package

Regular Meeting

***Tuesday,
January 10, 2023
5:30 p.m.***

***Location:
Heritage Harbor Clubhouse
19502 Heritage Harbor Parkway
Lutz, FL 33558***

Note: The Advanced Meeting Package is a working document and thus all materials are considered DRAFTS prior to presentation and Board acceptance, approval or adoption.

Heritage Harbor Community Development District

DPFG Management & Consulting

[X] 250 International Parkway, Suite 208
Lake Mary FL 32746
(321) 263-0132

Board of Supervisors
Heritage Harbor Community Development District

Dear Board Members:

The Regular Meeting of the Board of Supervisors of the Heritage Harbor Community Development District is scheduled for **Tuesday, January 10, 2023 at 5:30 p.m.** at the **Heritage Harbor Clubhouse, 19502 Heritage Harbor Parkway, Lutz, FL 33558.**

The advanced copy of the agenda for the meeting is attached along with associated documentation for your review and consideration. Any additional support material will be distributed at the meeting.

Should you have any questions regarding the agenda, please contact me at (321) 263-0132 X-285 or tdobson@dpfgmc.com. We look forward to seeing you at the meeting.

Sincerely,

Tish Dobson

Tish Dobson
District Manager

Cc: Attorney
Engineer
District Records

District: **HERITAGE HARBOR COMMUNITY DEVELOPMENT DISTRICT**

Date of Meeting: Tuesday, January 10, 2023

Time: 5:30 PM

Location: Heritage Harbor Clubhouse
19502 Heritage Harbor Parkway
Lutz, Florida 33558

Call-in Number: +1 (929) 205-6099

Meeting ID: 913 989 9080

Passcode: 842235

Zoom Link:

<https://vestapropertyservices.zoom.us/j/9139899080?pwd=aFdWVzFxb3Y0L2w4eG9VTnZRakl0UT09>

Revised Agenda

I. Roll Call

II. Audience Comments – (limited to 3 minutes per individual for agenda items)

III. Landscape & Pond Maintenance

A. Greenview Landscape as Inspected by OLM – December 22, 2022 – 94% [Exhibit 1](#)

B. Steadfast Environmental – Waterway Inspection Report [Exhibit 2](#)

IV. Golf Operations

A. Golf Course Report

V. Consent Agenda

A. Consideration for Approval – The Minutes of the Board of Supervisors Regular Meeting Held December 13, 2022 [Exhibit 3](#)

B. Consideration for Acceptance – The November 2022 Unaudited Financial Report [Exhibit 4](#)

VI. Business Matters

A. Discussion of CDD Email Address Accounts [Exhibit 5](#)

B. Consideration of VGlobal Tech Website Hosting, Email Hosting, & ADA Compliance Proposal [Exhibit 6](#)

C. Presentation & Acceptance of FY 2021 Annual Audited Financial Statements [Exhibit 7](#)

D. Discussion of Communication

VII. Staff Reports

A. District Manager & Field Operations Report [Exhibit 8](#)

B. District Attorney

C. District Engineer

VIII. Supervisors Requests

IX. Audience Comments – New Business – *(limited to 3 minutes per individual for non-agenda items)*

X. Next Meeting Quorum Check: February 14th, 5:30 PM

Benjamin Delaney	<input type="checkbox"/> IN PERSON	<input type="checkbox"/> REMOTE	<input type="checkbox"/> NO
Russ Rossi	<input type="checkbox"/> IN PERSON	<input type="checkbox"/> REMOTE	<input type="checkbox"/> NO
Clint Swigart	<input type="checkbox"/> IN PERSON	<input type="checkbox"/> REMOTE	<input type="checkbox"/> NO
Shelley Grandon	<input type="checkbox"/> IN PERSON	<input type="checkbox"/> REMOTE	<input type="checkbox"/> NO
Jeffrey Witt	<input type="checkbox"/> IN PERSON	<input type="checkbox"/> REMOTE	<input type="checkbox"/> NO

XI. Adjournment

EXHIBIT 1



HERITAGE HARBOR CDD

LANDSCAPE INSPECTION

December 22, 2022

ATTENDING:

LARRY RHUM – GREENVIEW LANDSCAPING

ADAM RHUM – GREENVIEW LANDSCAPING

PAUL WOODS – OLM, INC.

SCORE: 94%

**NEXT INSPECTION
JANUARY 26, 2023 AT 9:00 AM**

CATEGORY I: MAINTENANCE CARRYOVER ITEMS

NONE

CATEGORY II: MAINTENANCE ITEMS

HARBOR TOWNE

1. Remove Oak leaves matting on St. Augustine turf in parking lot islands.
2. Use a metal blade edger to reestablish uniform and crisp soft lines around newly mulched tree wells.
3. Front of The Club and Pro Shop: Continue fertilizing multi stem Gardenias.
4. Tennis court parking area: Use a flat shovel to remove sand and debris accumulations.
5. **Golf course parking lot: Trench and tuck mulch along curb lines.**

PARKWAY

6. Remove windfall and debris from newly mulched beds. Rake out or remove leaf drop; do not blow leaves from sidewalks up into bed areas.
7. Improve fertility of St. Augustine along right-of-ways, continuing selective herbicides to control Carpet and Crabgrass.
8. Lutz Lake Fern Road frontage: Remove trash and debris.
9. Remove unapproved commercial signage from District right-of-ways.
10. Cypress Glen entrance: Improve fertility of St. Augustine turf.

CATEGORY III: IMPROVEMENTS – PRICING

1. Between Monterey Bay and south towards Harbor Lake: Provide a price to remove Brazilian Pepper encroaching along sidewalk.

CATEGORY IV: NOTES TO OWNER

1. Projected cold temperatures over the Christmas weekend may result in freeze damage to sensitize plant material including Variegated Ginger. Contractor will be covering

seasonal color plants and turning irrigation systems off until the threat of freeze subsides.

CATEGORY V: NOTES TO CONTRACTOR

1. Monitor drainage along the LLF frontage where the traffic light installation has changed grade and resulted in standing water.

cc: Jackie Leger jleger@dpfgmc.com
Tish Dobson tdobson@dpfgmc.com
Ray Leonard rleonard@greenacre.com
Larry Rhum debs@greenviewfl.com

HERITAGE HARBOR CDD

MONTHLY LANDSCAPE MAINTENANCE INSPECTION GRADESHEET

A. LANDSCAPE MAINTENANCE	VALUE	DEDUCTION	REASON FOR DEDUCTION
TURF	5		
TURF FERTILITY	15		
TURF EDGING	5	-3	Improve soft edging
WEED CONTROL – TURF AREAS	10		
TURF INSECT/DISEASE CONTROL	10		
PLANT FERTILITY	5		
WEED CONTROL – BED AREAS	10	-1	Crack weed
PLANT INSECT/DISEASE CONTROL	10		
PRUNING	10	-3	Moss and stubs, street trees up to 15'-0"
CLEANLINESS	10	-2	Remove windfall in new mulch
MULCHING	5		
WATER/IRRIGATION MANAGEMENT	15		Reduce to zero during
CARRYOVERS	5		

B. SEASONAL COLOR/PERENNIAL MAINTENANCE	VALUE	DEDUCTION	REASON FOR DEDUCTION
VIGOR/APPEARANCE	10		Cover seasonal color for freeze
INSECT/DISEASE CONTROL	10		
DEADHEADING/PRUNING	10		
MAXIMUM VALUE	145		



Date: 12-22-22 ____ Score: 94% Performance Payment™100__

Contractor Signature: _____

Inspector Signature: _____

Property Representative Signature: _____

EXHIBIT 2



Heritage Harbor CDD Aquatics

Inspection Date:

12/19/2022 11:37 AM

Prepared by:

Lee Smith

Account Manager

STEADFAST OFFICE:

WWW.STEADFASTENV.COM
813-836-7940

Inspection Report

SITE: 55

Condition: ☒Excellent Great Good Poor Mixed Condition Improving



Comments:

Pond is in excellent condition. Routine maintenance and monitoring will occur here.

<u>WATER:</u>	<input checked="" type="checkbox"/> Clear	Turbid	Tannic
<u>ALGAE:</u>	<input checked="" type="checkbox"/> N/A	Subsurface Filamentous	Surface Filamentous
		Planktonic	Cyanobacteria
<u>GRASSES:</u>	<input checked="" type="checkbox"/> N/A	Minimal	Moderate
			Substantial
<u>NUISANCE SPECIES OBSERVED:</u>			
	Torpedo Grass	Pennywort	Babytears
	Hydrilla	Slender Spikerush	Other:
			Chara

SITE: 49

Condition: ☒Excellent Great Good Poor Mixed Condition Improving



Comments:

Very minimal sub surface algae present. Pond looks to be in excellent condition otherwise.

<u>WATER:</u>	<input checked="" type="checkbox"/> Clear	Turbid	Tannic
<u>ALGAE:</u>	N/A	<input checked="" type="checkbox"/> Subsurface Filamentous	Surface Filamentous
		Planktonic	Cyanobacteria
<u>GRASSES:</u>	<input checked="" type="checkbox"/> N/A	Minimal	Moderate
			Substantial
<u>NUISANCE SPECIES OBSERVED:</u>			
	Torpedo Grass	Pennywort	Babytears
	Hydrilla	Slender Spikerush	Other:
			Chara

Inspection Report

SITE: 65

Condition: ☒Excellent Great Good Poor Mixed Condition Improving



Comments:

Pond is in excellent condition. Technician will continue to monitor and treat.

<u>WATER:</u>	<input checked="" type="checkbox"/> Clear	Turbid	Tannic	
<u>ALGAE:</u>	<input checked="" type="checkbox"/> N/A	Subsurface Filamentous	Surface Filamentous	
		Planktonic	Cyanobacteria	
<u>GRASSES:</u>	<input checked="" type="checkbox"/> N/A	Minimal	Moderate	Substantial
<u>NUISANCE SPECIES OBSERVED:</u>				
	Torpedo Grass	Pennywort	Babytears	Chara
	Hydrilla	Slender Spikerush	Other:	

SITE: 21

Condition: ☒Excellent Great Good Poor Mixed Condition Improving



Comments:

Pond is in excellent condition. Very minimal torpedo grass present.

<u>WATER:</u>	<input checked="" type="checkbox"/> Clear	Turbid	Tannic	
<u>ALGAE:</u>	<input checked="" type="checkbox"/> N/A	Subsurface Filamentous	Surface Filamentous	
		Planktonic	Cyanobacteria	
<u>GRASSES:</u>	<input checked="" type="checkbox"/> N/A	Minimal	Moderate	Substantial
<u>NUISANCE SPECIES OBSERVED:</u>				
	<input checked="" type="checkbox"/> Torpedo Grass	Pennywort	Babytears	Chara
	Hydrilla	Slender Spikerush	Other:	

Inspection Report

SITE: 46

Condition: ☒Excellent Great Good Poor Mixed Condition ☒Improving



Comments:

Grasses that were previously present in this pond have been treated and are decaying.

<u>WATER:</u>	<input checked="" type="checkbox"/> Clear	Turbid	Tannic
<u>ALGAE:</u>	<input checked="" type="checkbox"/> N/A	Subsurface Filamentous	Surface Filamentous
		Planktonic	Cyanobacteria
<u>GRASSES:</u>	<input checked="" type="checkbox"/> N/A	Minimal	Moderate
			Substantial
<u>NUISANCE SPECIES OBSERVED:</u>			
	Torpedo Grass	Pennywort	Babytears
	Hydrilla	Slender Spikerush	Other:
			Chara

SITE: 45

Condition: ☒Excellent Great Good Poor Mixed Condition Improving



Comments:

Pond is in excellent condition. Routine monitoring and maintenance will occur here.

<u>WATER:</u>	<input checked="" type="checkbox"/> Clear	Turbid	Tannic
<u>ALGAE:</u>	<input checked="" type="checkbox"/> N/A	Subsurface Filamentous	Surface Filamentous
		Planktonic	Cyanobacteria
<u>GRASSES:</u>	<input checked="" type="checkbox"/> N/A	Minimal	Moderate
			Substantial
<u>NUISANCE SPECIES OBSERVED:</u>			
	Torpedo Grass	Pennywort	Babytears
	Hydrilla	Slender Spikerush	Other:
			Chara

Inspection Report

SITE: 41

Condition: Excellent Great ✓Good Poor Mixed Condition ✓Improving



Comments:

Pond is dominated by grasses. Grasses appear to have been treated. They are slowly decaying but still present in the middle of pond. Technician will target this area during next maintenance event.

<u>WATER:</u>	<input checked="" type="checkbox"/> Clear	Turbid	Tannic
<u>ALGAE:</u>	<input checked="" type="checkbox"/> N/A	Subsurface Filamentous	Surface Filamentous
		Planktonic	Cyanobacteria
<u>GRASSES:</u>	N/A	Minimal	<input checked="" type="checkbox"/> Moderate
			Substantial
<u>NUISANCE SPECIES OBSERVED:</u>			
	<input checked="" type="checkbox"/> Torpedo Grass	Pennywort	Babytears
	Hydrilla	Slender Spikerush	Other:
			Chara

SITE:

Condition: ✓Excellent Great Good Poor Mixed Condition Improving



Comments:

Beneficial Gulf Coast Spikerush and Duckpotato are the only vegetation present in this pond. One side of pond has serious erosion problems along the whole bank.

<u>WATER:</u>	<input checked="" type="checkbox"/> Clear	Turbid	Tannic
<u>ALGAE:</u>	<input checked="" type="checkbox"/> N/A	Subsurface Filamentous	Surface Filamentous
		Planktonic	Cyanobacteria
<u>GRASSES:</u>	<input checked="" type="checkbox"/> N/A	Minimal	Moderate
			Substantial
<u>NUISANCE SPECIES OBSERVED:</u>			
	Torpedo Grass	Pennywort	Babytears
	Hydrilla	Slender Spikerush	Other:
			Chara

Inspection Report

SITE: 5

Condition: ✓Excellent Great Good Poor Mixed Condition Improving



Comments:

Pond is in excellent condition. Routine maintenance and monitoring will occur here.

<u>WATER:</u>	<input checked="" type="checkbox"/> Clear	Turbid	Tannic
<u>ALGAE:</u>	<input checked="" type="checkbox"/> N/A	Subsurface Filamentous	Surface Filamentous
		Planktonic	Cyanobacteria
<u>GRASSES:</u>	<input checked="" type="checkbox"/> N/A	Minimal	Moderate
			Substantial
<u>NUISANCE SPECIES OBSERVED:</u>			
	Torpedo Grass	Pennywort	Babytears
	Hydrilla	Slender Spikerush	Other:
			Chara

SITE: 11

Condition: ✓Excellent Great Good Poor Mixed Condition ✓Improving



Comments:

Cattails present in back corner of pond appear to be decaying. Technician will continue to monitor this area during future visits.

<u>WATER:</u>	<input checked="" type="checkbox"/> Clear	Turbid	Tannic
<u>ALGAE:</u>	<input checked="" type="checkbox"/> N/A	Subsurface Filamentous	Surface Filamentous
		Planktonic	Cyanobacteria
<u>GRASSES:</u>	<input checked="" type="checkbox"/> N/A	Minimal	Moderate
			Substantial
<u>NUISANCE SPECIES OBSERVED:</u>			
	Torpedo Grass	Pennywort	Babytears
	Hydrilla	Slender Spikerush	<input checked="" type="checkbox"/> Other: Cattails
			Chara

MANAGEMENT SUMMARY



With January here, winter intensifies. Mornings and night temperatures have decreased (40-50), with the occasional higher daytime temperature. The growth rate for both algae and nuisance plants are slowing as a result, giving technicians the ability to make headway in more overgrown areas. Rainfall events have been few and far between, and with only the occasional isolated event; the water levels of most ponds have decreased as winter progresses. Decreased rainfall provides assistance in the growth of algae, as well as decreased nighttime temperatures extending the time it takes for treated algae to decay (beyond the usual 7-10 day period). Additionally, most types of vegetation that enter a dormant period will do so during winter's shortened light-cycles. It may look as though many types of vegetation are "dead" or "dying" but are simply awaiting the return of spring, where these species will return to life.

On this visit, nearly all ponds noted were in excellent condition, with algal activity under control. Nuisance grasses are still present in minor amounts and will continue to be treated and monitored. Some forms of vegetation that are present in the ponds are going dormant due to the decreasing temperatures. Shoreline grasses were noted and will be taken care of. Algae was practically non-existent. Any surface growth had been previously treated and was already beginning to decay.

Overgrowth in pond 41 has seen improvements, but this area will continue to be on our radar for future treatments.

RECOMMENDATIONS

Continue to treat ponds for algae, administer follow-ups to ponds experiencing extended decay times.

Administer treatments to any nuisance grasses growing along shorelines and within water.

Monitor the overgrowth in pond 41.

Stay alert for debris items that find their way to the pond's shore.

Thank you for choosing Steadfast Environmental!

MAINTENANCE AREA

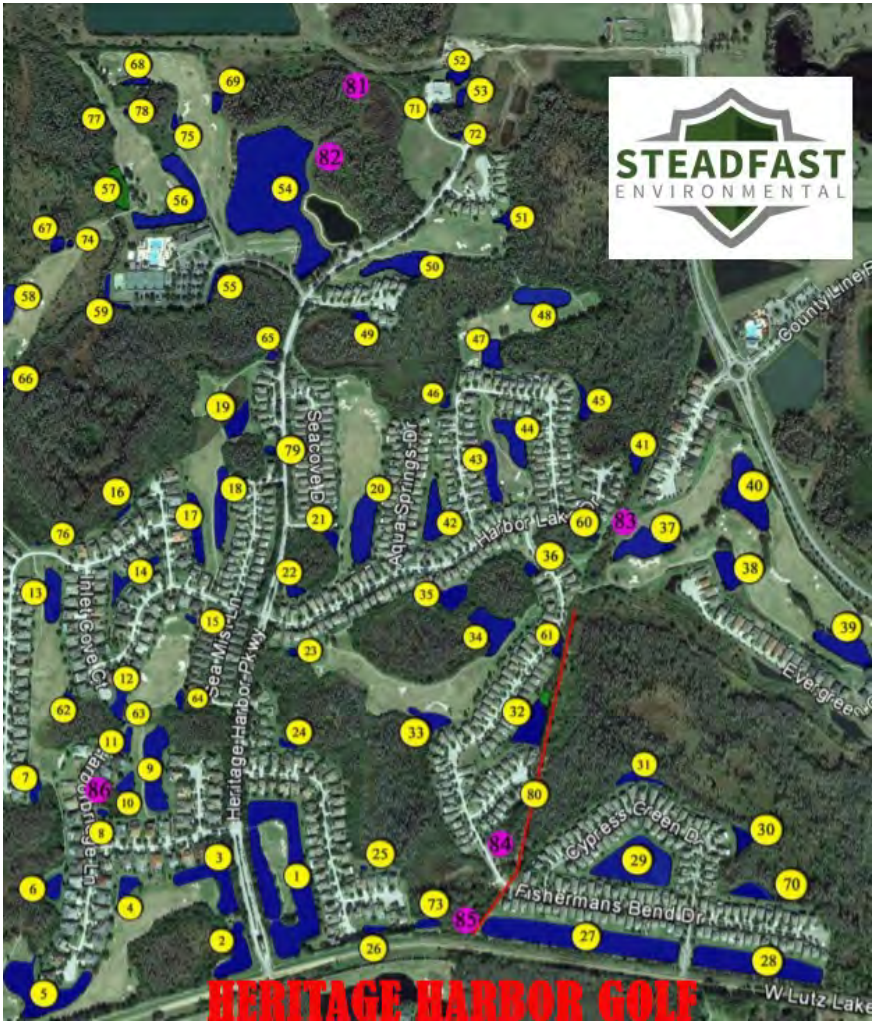


EXHIBIT 3

1 **MINUTES OF MEETING**

2 **HERITAGE HARBOR**

3 **COMMUNITY DEVELOPMENT DISTRICT**

4 The Regular Meeting of the Board of Supervisors of the Heritage Harbor Community Development
5 District was held on Tuesday, December 13, 2022 at 5:37 p.m. at the Heritage Harbor Clubhouse, 19502
6 Heritage Harbor Parkway, Lutz, Florida 33558.

7 **FIRST ORDER OF BUSINESS – Roll Call**

8 Ms. Dobson called the meeting to order and conducted roll call.

9 Present and constituting a quorum were:

10	Russ Rossi	Board Supervisor, Vice Chairman
11	Clint Swigart	Board Supervisor, Assistant Secretary
12	Jeffrey Witt	Board Supervisor, Assistant Secretary
13	Shelley Grandon	Board Supervisor, Assistant Secretary

14 Also present were:

15	Tish Dobson	District Manager, DPFG Management & Consulting
16	Tracy Robin	District Counsel, Straley Robin Vericker
17	John Panno	Pro Shop Manager, Heritage Harbor Golf
18	Marty Ford	Golf Course Superintendent
19	Ben Delaney	Resident, Board Supervisor-elect

20 *The following is a summary of the discussions and actions taken at the December 13, 2022 Heritage Harbor*
21 *CDD Board of Supervisors Regular Meeting.*

22 **SECOND ORDER OF BUSINESS – Audience Comments**

23 There being none, the next item followed.

24 **THIRD ORDER OF BUSINESS – Office of Elected Supervisors & Form 1**

25 A. Seat 4 – Russ Rossi

26 B. Seat 5 – Ben Delaney

27 C. Exhibit 1: Oath of Office

28 Mr. Rossi and Mr. Delaney both received the Oath of Office.

29 D. Acceptance or Waiver of Compensation

30 E. Exhibit 2: New Supervisor Information Sheet

31 F. Exhibit 3: Form 1

32 G. Exhibit 4: Review of Sunshine Law & Supervisor Duties

33 Mr. Robin provided an overview of the Supervisor information sheet, the Form 1 purpose for
34 financial disclosure and submission deadline, and responsibilities and Sunshine Law
35 communication restrictions for Supervisors.

36 H. Consideration of Vote to Appoint Chair & Vice Chair

37 Ms. Dobson stated that the Board could make a motion to appoint a Supervisor as the new Chair.

On a MOTION by Mr. Rossi, SECONDED by Mr. Witt, WITH ALL IN FAVOR, the Board approved appointing Shelley Grandon as Chair of the Board of Supervisors for the Heritage Harbor Community Development District.

Following the motion, Ms. Dobson asked for a motion to appoint a Supervisor as Vice Chair of the Board.

On a MOTION by Ms. Grandon, SECONDED by Mr. Witt, WITH ALL IN FAVOR, the Board approved appointing Russ Rossi as Vice Chair of the Board of Supervisors for the Heritage Harbor Community Development District.

I. Exhibit 5: Consideration & Adoption of **Resolution 2023-01**, Designating Officers

Ms. Dobson stated that the remaining members of the Board would be designated as Assistant Secretaries, and DPFG staff would be appointed in other positions, namely herself as Secretary, Ms. Lee as Treasurer, Ms. Alexander as Assistant Treasurer, and Ms. Leger as Assistant Secretary.

On a MOTION by Mr. Rossi, SECONDED by Ms. Grandon, WITH ALL IN FAVOR, the Board adopted **Resolution 2023-01**, Designating Officers, as presented, for the Heritage Harbor Community Development District.

FOURTH ORDER OF BUSINESS – Landscape & Pond Maintenance

A. Exhibit 6: Greenview Landscape as Inspected by OLM – November 17, 2022 – 93%

B. Exhibit 7: Steadfast Environmental – Waterway Inspection Report

The Board and Ms. Dobson discussed the specifics of the conservation erosion plan developed in 2018, with Supervisor comments expressing concerns about staff cutting to the waterline rather than leaving a berm. Ms. Dobson explained that not all of the ponds in the community were under the specific situation where roots were holding everything together. Ms. Dobson noted that Steadfast had presented a proposal on pond remediation, included under Exhibit 8.

C. Exhibit 8: Consideration of Steadfast Proposals

1. Pond 56 Bank Restoration - \$41,300.00

This item was tabled, pending additional competing proposals from Finn Outdoors & Site Masters.

2. Bare Root Pickerelweed Planting - \$670.00

This item was tabled, pending a meeting with the District Engineer.

D. Exhibit 9: Presentation of Stantec Stormwater Pond Slope Erosion Article

FIFTH ORDER OF BUSINESS – Golf Operations

A. Golf Course Report – *To Be Distributed*

Mr. Panno reported that November had seen record-breaking numbers, and noted an influx of snowbirds. The Board and Mr. Panno discussed green fee adjustments planned for January based on competitor rates, as well as operating timeframes. Additional discussion regarding payroll and accounting ensued, with Ms. Dobson stating that there was ongoing work to set up the Truist account for the Pro Shop.

Mr. Ford noted conditions on the greens and for the pond water, commenting that the course was seeing some wear and tear from both increased activity, particularly on the driving range, and individuals after hours.

SIXTH ORDER OF BUSINESS – Consent Agenda

A. Exhibit 10: Consideration for Approval – The Minutes of the Board of Supervisors Regular Meeting Held November 8, 2022

On a MOTION by Mr. Rossi, SECONDED by Mr. Witt, WITH ALL IN FAVOR, the Board approved the Minutes of the Board of Supervisors Regular Meeting Held November 8, 2022, for the Heritage Harbor Community Development District.

B. Exhibit 11: Consideration for Acceptance – The October 2022 Unaudited Financial Report

On a MOTION by Mr. Rossi, SECONDED by Mr. Swigart, WITH ALL IN FAVOR, the Board accepted the October 2022 Unaudited Financial Report, for the Heritage Harbor Community Development District.

C. Exhibit 12: Ratification of Envera Gate Repair Proposal - \$1,289.00

Ms. Dobson explained that the gate camera for plates had been damaged by vehicles attempting to rush the gate. The Board discussed potentially installing signage or taking other measures for increased gate visibility.

On a MOTION by Ms. Grandon, SECONDED by Mr. Swigart, WITH ALL IN FAVOR, the Board approved the Ratification of the Envera Gate Repair Proposal, in the amount of \$1,289.00, for the Heritage Harbor Community Development District.

D. Ratification of Raises & Medical Increases

On a MOTION by Mr. Rossi, SECONDED by Mr. Witt, WITH ALL IN FAVOR, the Board approved the employee raises in the amount of 10%, and approved the Humana medical insurance increase, retroactive to October 1, 2022, for the Heritage Harbor Community Development District.

E. Exhibit 13: Ratification of Bayside Roofing Pump House Roof Proposal - \$7,575.00

On a MOTION by Mr. Rossi, SECONDED by Mr. Witt, WITH ALL IN FAVOR, the Board approved the Ratification of the Bayside Roofing Pump House Roof Proposal, in the amount of \$7,575.00, for the Heritage Harbor Community Development District.

SEVENTH ORDER OF BUSINESS – Business Matters

A. Exhibit 14: Consideration of Southscapes Landscape Maintenance Proposals

1. Tree Pruning - \$17,000.00
2. Tree Pruning – 193001 Sea Cove - \$23,800.00
3. Tree Pruning - \$19,200.00

Ms. Dobson recommended that the Board pass over the tree pruning proposals outside of the golf course trimming proposal.

4. Golf Course Tree Trimming - \$24,950.00

Ms. Dobson noted that Mr. Ford was requesting for the lawn service for the tee shot path on Hole 14 included as a specific component on this proposal to be approved.

On a MOTION by Ms. Grandon, SECONDED by Mr. Rossi, WITH ALL IN FAVOR, the Board approved the Southscapes Golf Course Lawn Service Proposal for the tee shot path on Hole 14, in the amount of \$1,500.00, for the Heritage Harbor Community Development District.

B. Exhibit 15: Consideration of Greenview Landscaping Proposals

1. Tennis Court Perimeter - \$3,500.00

Following discussion, the Board requested for this item to be submitted to the HOA for consideration as it fell under their responsibility.

2. Pro Shop - \$1,500.00

On a MOTION by Mr. Rossi, SECONDED by Ms. Grandon, WITH ALL IN FAVOR, the Board approved the Greenview Landscaping Pro Shop Proposal, in the amount of \$1,500.00, with the cost to be split 50/50 with the HOA, for the Heritage Harbor Community Development District.

3. Waterfall Area - \$1,770.00

On a MOTION by Ms. Grandon, SECONDED by Mr. Rossi, WITH ALL IN FAVOR, the Board approved the Greenview Landscaping Waterfall Area Proposal, in the amount of \$1,770.00, with the cost to be split 50/50 with the HOA, for the Heritage Harbor Community Development District.

C. Discussion of Golf Course Maintenance & Improvement Priorities

Ms. Dobson suggested that the Board determine a high-watermark amount for the replacement of the maintenance irrigation pump prior to making the motion, as no direction had been given by the Board to take it out to bid yet. Mr. Robin recommended acquiring a minimum of two proposals for the work.

On a MOTION by Ms. Grandon, SECONDED by Mr. Rossi, WITH ALL IN FAVOR, the Board approved the replacement of the maintenance irrigation pump, in an amount not to exceed \$15,000.00, for the Heritage Harbor Community Development District.

Following the motion, Ms. Dobson stated that she could meet with Mr. Rossi and Mr. Ford to discuss golf course maintenance improvement priorities following the holidays.

D. Discussion of Staff Wages & Insurance

EIGHTH ORDER OF BUSINESS – Staff Reports

A. Exhibit 16: Field Operations Report & District Manager

Ms. Dobson noted that she had requested for Envera to supply information regarding the broken gate arm, and that she would likely be making the order as she anticipated that it would be under a \$1,000 threshold.

B. District Attorney

Mr. Robin stated that the audit had been delivered to the State, along with a letter from him providing additional context for the situation. Mr. Robin additionally advised that the CDD had been dismissed from the ongoing slip-and-fall case.

C. District Engineer

There being none, the next item followed.

NINTH ORDER OF BUSINESS – Supervisors Requests

Mr. Rossi expressed appreciation for Mr. Penzer's work during his time as a Supervisor, particularly with his work with County Commissioners and in developing the outsourcing arrangement for the restaurant. Mr. Rossi suggested that Mr. Panno be the representative in attendance for all golf course matters and the generation/presentation of reports for future meetings. Ms. Grandon additionally commented on the oversight roles and responsibilities of the golf course director position. Discussion ensued.

On a MOTION by Mr. Rossi, SECONDED by Ms. Grandon, WITH ALL IN FAVOR, the Board approved for John Panno to be the employee responsible for all golf course communications to the Board, including the Golf Pro Shop, for the Heritage Harbor Community Development District.

Following the motion, Mr. Rossi asked for clarification on whether a Supervisor could work for the CDD they were a Board member for. Mr. Robin advised that this was not allowed, per Chapter 112 of Florida Statutes. Mr. Delaney and Mr. Robin discussed the terms of Mr. Delaney's previous employment and ongoing volunteer work with the golf course, with Mr. Robin advising that no form of compensation was permissible, including free or discounted golf play. Following further discussion, suggestions were made to discuss the matter with the District's insurance carrier regarding a Board member continuing to volunteer at the Pro Shop.

TENTH ORDER OF BUSINESS – Audience Comments – New Business

There being none, the next item followed.

ELEVENTH ORDER OF BUSINESS – January 10th, 5:30 PM

All Board members indicated that they would be present for the next meeting, scheduled for January 10, 2023, at 5:30 p.m., which would constitute the necessary quorum.

TWELFTH ORDER OF BUSINESS – Adjournment

Mr. Penzer asked for final questions, comments, or corrections before requesting a motion to adjourn the meeting. There being none, Ms. Grandon made a motion to adjourn the meeting.

On a MOTION by Ms. Grandon, SECONDED by Mr. Rossi, WITH ALL IN FAVOR, the Board adjourned the meeting at 7:42 p.m. for the Heritage Harbor Community Development District.

**Each person who decides to appeal any decision made by the Board with respect to any matter considered at the meeting is advised that person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.*

Meeting minutes were approved at a meeting by vote of the Board of Supervisors at a publicly noticed meeting held on January 10, 2023.

Signature

Printed Name

Signature

Printed Name

Title: ☐ Secretary ☐ Assistant Secretary

Title: ☐ Chairman ☐ Vice Chairman

EXHIBIT 4

Heritage Harbor Community Development District

Financial Statements
(Unaudited)

Preliminary

November 30, 2022

Financial Snapshot - General Fund				
Revenue: Net Assessments % Collected YTD				
		FY 2022 YTD		FY 2023 YTD
General Fund		22.4%		23.3%
Debt Service Fund		22.4%		0.0%
Expenditures: Amount Spent YTD				
		FY 2022 YTD		FY 2023 YTD
General Fund				
Administration	\$	42,126	\$	57,893
Field		84,802		99,751
Total General Fund	\$	126,928	\$	157,644
% of Actual Expenditures Spent of Budgeted Expenditures				14%
Cash and Investment Balances				
		Prior Year YTD		Current Year YTD
Operating Accounts		\$ 752,722		\$ 851,387

Financial Snapshot - Enterprise Fund - Restaurant/Pro Shop				
Restaurant / Pro Shop Concession Stand Gross Revenue YTD				
	FY2021	FY2022	FY2023	
October	21,976	1,729	1,489	
November	22,076	1,148	1,441	
December	19,027	1,627	N/A	
January	24,999	1,169	N/A	
February	21,423	1,332	N/A	
March	21,047	1,757	N/A	
April	25,887	2,056	N/A	
May	54,302	2,484	N/A	
June	27	1,884	N/A	
July	2,510	2,195	N/A	
August	2,402	2,375	N/A	
September	1,406	1,573	N/A	
Yearly Total	\$ 217,083	\$ 21,328	\$ 2,930	

Restaurant/Concession Stand Gross Revenue YTD

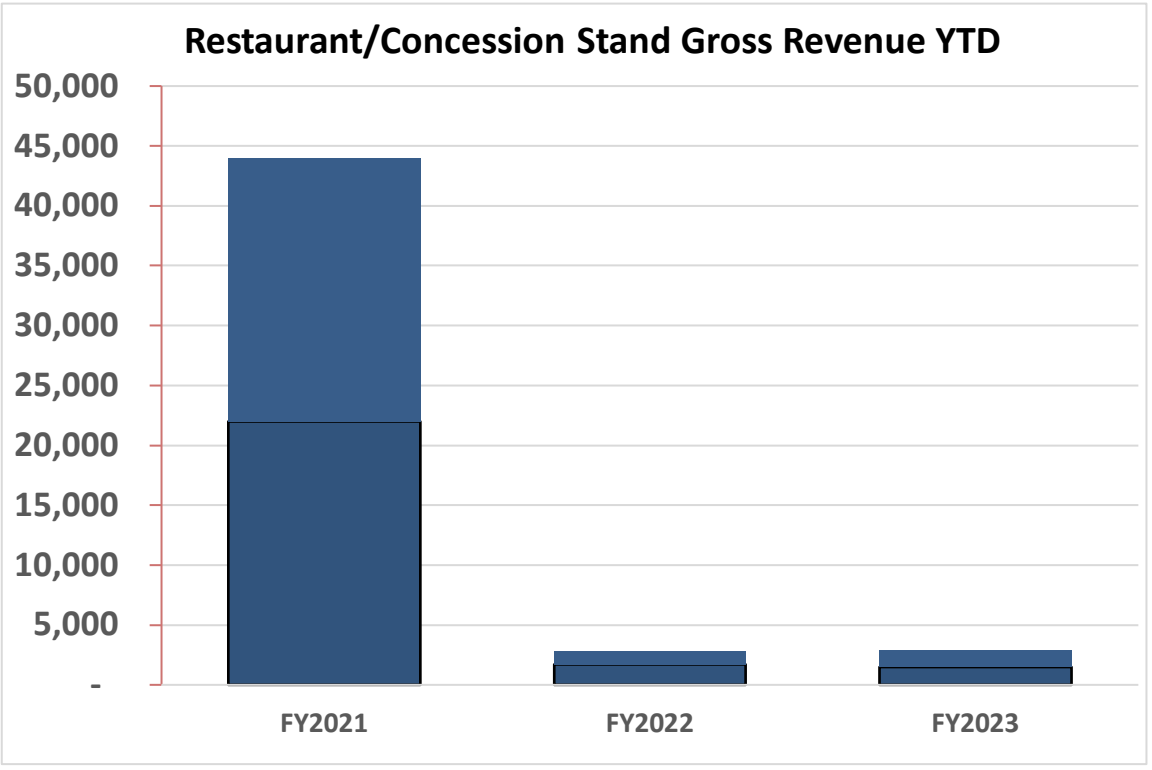
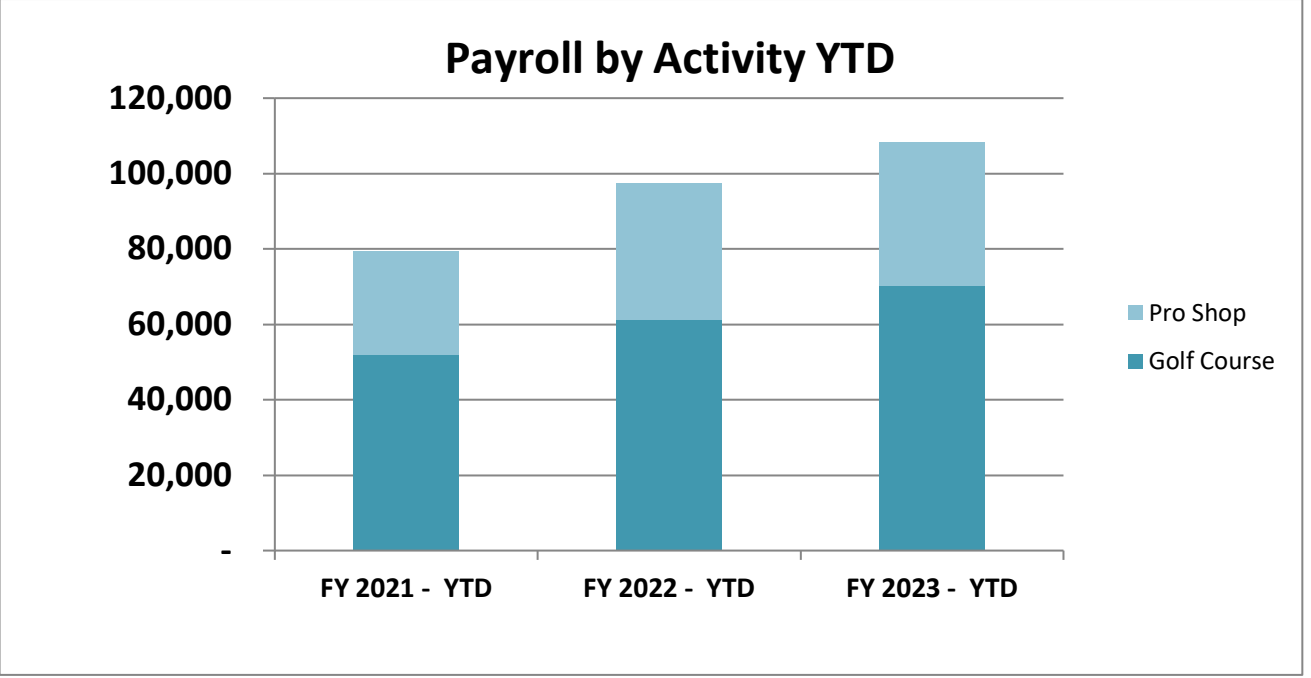
Fiscal Year	Gross Revenue
FY2021	\$217,083
FY2022	\$21,328
FY2023	\$2,930

Financial Snapshot - Enterprise Fund - Golf Activity

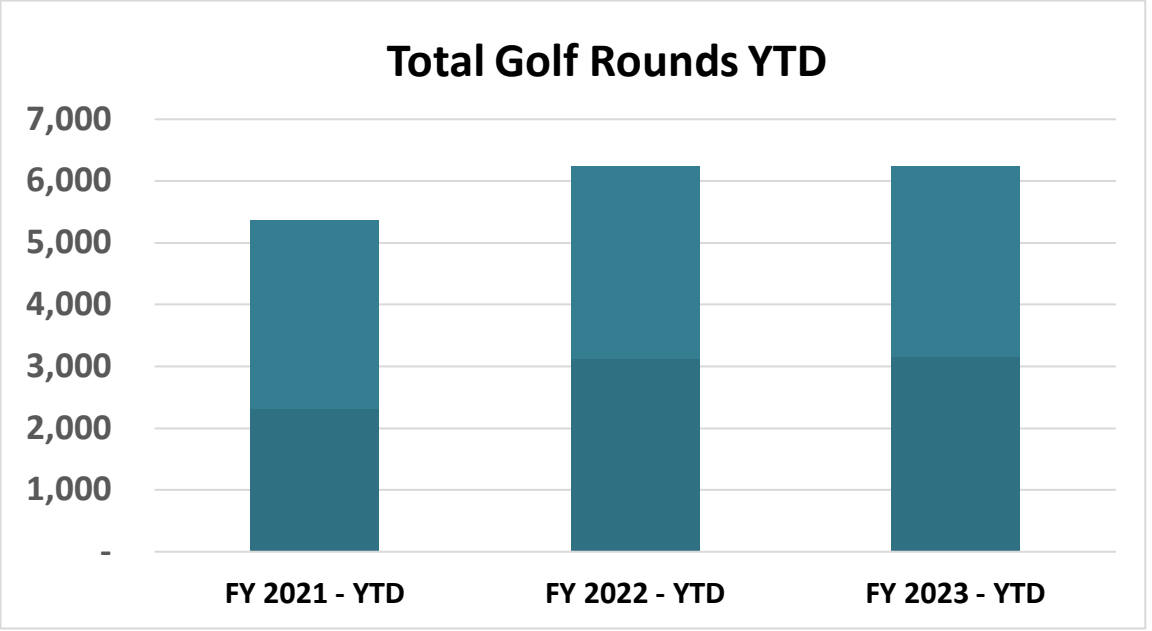
Gross Profit by Golf Activity		Actual	Actual	Actual
		FY 2021 - YTD	FY 2022 - YTD	FY 2023 - YTD
Golf Course	\$	156,094	\$ 180,570	\$ 201,375
Pro Shop		6,356	8,018	12,857
Cost of Goods Sold		(2,755)	(6,751)	(9,942)
Total Gross Profit	\$	159,695	\$ 181,836	\$ 204,290
Expenses by Golf Activity		Actual	Actual	Actual
		FY 2021 - YTD	FY 2022 - YTD	FY 2023 - YTD
Golf Course	\$	106,163	\$ 137,948	\$ 158,238
Pro Shop		42,530	58,358	70,435
Total Expenses	\$	148,693	\$ 196,306	\$ 228,673
Net Income (Loss) by Golf Activity		Actual	Actual	Actual
		FY 2021 - YTD	FY 2022 - YTD	FY 2023 - YTD
Golf Course	\$	49,932	\$ 42,621	\$ 43,138
Pro Shop		(38,930)	(57,091)	(67,521)
Total Net Income (Loss) B4 Depreciation	\$	11,002	\$ (14,470)	\$ (24,383)
Total Depreciation Expense		37,111	37,111	-
Total Net Income (Loss) After Depreciation	\$	(26,108)	\$ (51,580)	\$ (24,383)

Financial Snapshot - Debt Service Fund			
	Actual	Actual	Actual
	FY 2021 - YTD	FY 2022 - YTD	FY 2023 - YTD
Principal Payment	\$ -	\$ -	\$ -
Interest Payment	17,941	12,205	11,551
Prepayment Call	-	-	-
Total Debt Service Payments	\$ 17,941	\$ 12,205	\$ 11,551

Payroll by Activity		Actual	Actual	Actual
		FY 2021 - YTD	FY 2022 - YTD	FY 2023 - YTD
Golf Course				
Payroll- Hourly	\$	44,317	\$ 52,249	\$ 57,422
FICA Taxes		3,871	5,971	6,705
Life and Health Insurance		3,567	3,057	6,210
Total Golf Course		51,754	61,277	70,337
Pro Shop				
Payroll- Hourly		23,867	29,914	28,765
FICA Taxes		2,519	4,388	7,086
Life and Health Insurance		1,265	1,984	2,019
Total Pro Shop		27,651	36,287	37,870
Total Payroll	\$	79,405	\$ 97,564	\$ 108,207
% of Revenues		49.72%	53.65%	52.97%



Actual Rounds of Golf by Month			
	FY 2021 - YTD	FY 2022 - YTD	FY 2023 - YTD
October	2,312	3,112	3,163
November	3,053	3,124	3,085
December	3,242	3,359	N/A
January	4,054	3,833	N/A
February	3,227	2,934	N/A
March	4,024	3,727	N/A
April	3,154	3,937	N/A
May	2,936	3,932	N/A
June	2,620	3,236	N/A
July	2,671	3,293	N/A
August	2,573	3,043	N/A
September	2,573	2,483	N/A
Total Rounds	36,439	40,013	6,248



Heritage Harbor CDD

Balance Sheet

November 30, 2022

	General Fund	Capital Reserve Fund	Golf Course & Pro Shop	Debt Service Series 2018	Debt Service Series 2021	Acq & Cons 2018	Acq & Cons 2021	TOTAL
1 ASSETS								
2 CASH - BU OPERATING	\$ 62,948	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,948
3 CASH - BU MONEY MARKET	431,273	-	-	-	-	-	-	431,273
4 CASH - SOUTHSTATE OPERATING	8,266	-	-	-	-	-	-	8,266
5 CASH - SUNTRUST	4,340	-	-	-	-	-	-	4,340
6 CASH - HANCOCK WHITNEY OPERATING	208,051	-	-	-	-	-	-	208,051
7 CASH - HANCOCK WHITNEY LOAN	136,508	-	-	-	-	-	183,304	319,813
8 CASH - BU GOLF ACCOUNT	-	-	749,822	-	-	-	-	749,822
9 CASH - SOUTHSTATE GOLF ACCOUNT	-	-	165,235	-	-	-	-	165,235
10 CASH - DEBIT CARD	-	-	-	-	-	-	-	-
11 CASH ON HAND	-	-	1,672	-	-	-	-	1,672
12 INVESTMENTS:								
13 REVENUE FUND	-	-	-	36,159	2	-	-	36,161
14 RESERVE TRUST FUND	-	-	-	65,884	-	-	-	65,884
15 INTEREST FUND	-	-	-	1	-	-	-	1
16 SINKING FUND	-	-	-	-	-	-	-	-
17 COST OF ISSUANCE	-	-	-	-	-	-	-	-
18 US BANK CONSTRUCTION TRUST FUND	-	-	-	-	-	31,963	11	31,974
19 ACCOUNTS RECEIVABLE	24,420	-	63	-	-	-	-	24,483
20 ON ROLL ASSESSMENT RECEIVABLE	822,609	87,250	-	-	-	-	-	909,858
21 DEPOSITS	1,890	-	3,456	-	-	-	-	5,346
22 PREPAID	4,944	-	8,770	-	-	-	-	13,713
23 ON ROLL IN TRANSIT	-	-	-	-	-	-	-	-
24 DUE FROM OTHER FUNDS	121,178	26,450	5,746	2,645	-	1,441	-	157,461
25 INVENTORY ASSETS:								
26 GOLF BALLS	-	-	14,551	-	-	-	-	14,551
27 GOLF CLUBS	-	-	442	-	-	-	-	442
28 GLOVES	-	-	2,852	-	-	-	-	2,852
29 HEADWEAR	-	-	2,662	-	-	-	-	2,662
30 LADIES WEAR	-	-	1,253	-	-	-	-	1,253
31 MENS WEAR	-	-	2,563	-	-	-	-	2,563
32 SHOES/SOCKS	-	-	370	-	-	-	-	370
33 MISCELLANEOUS	-	-	5,401	-	-	-	-	5,401
34 TOTAL CURRENT ASSETS	1,826,427	113,700	964,858	104,690	2	33,404	183,316	3,226,397

Heritage Harbor CDD

Balance Sheet

November 30, 2022

	General Fund	Capital Reserve Fund	Golf Course & Pro Shop	Debt Service Series 2018	Debt Service Series 2021	Acq & Cons 2018	Acq & Cons 2021	TOTAL
35 <u>NONCURRENT ASSETS</u>								
36 LAND	-	-	1,204,598	-	-	-	-	1,204,598
37 INFRASTRUCTURE	-	-	6,054,583	-	-	-	-	6,054,583
38 ACC. DEPRECIATION - INFRASTRUCTURE	-	-	(6,015,863)	-	-	-	-	(6,015,863)
39 EQUIPMENT & FURNITURE	-	-	1,065,890	-	-	-	-	1,065,890
40 ACC. DEPRECIATION - EQUIP/FURNITURE	-	-	(941,334)	-	-	-	-	(941,334)
41 <u>TOTAL NONCURRENT ASSETS</u>	-	-	1,367,874	-	-	-	-	1,367,874
42 <u>TOTAL ASSETS</u>	\$ 1,826,427	\$ 113,700	\$ 2,332,732	\$ 104,690	\$ 2	\$ 33,404	\$ 183,316	\$ 4,594,271
43 <u>LIABILITIES</u>								
44 ACCOUNTS PAYABLE	\$ 18,661	\$ -	\$ 5,773	\$ -	\$ -	\$ 5,586	\$ 28,295	\$ 58,314
45 DEFERRED ON ROLL ASSESSMENTS	822,609	87,250	-	-	-	-	-	909,858
46 SALES TAX PAYABLE	2,688	-	37,734	-	-	-	-	40,422
47 ACCRUED WAGES PAYABLE	-	-	-	-	-	-	-	-
48 ACCRUED EXPENSES	5,338	-	25,452	-	-	-	-	30,790
49 DEFERRED REVENUE	-	-	-	-	-	-	-	-
50 GIFT CERTIFICATES	-	-	764	-	-	-	-	764
51 RESTAURANT DEPOSITS	6,000	-	-	-	-	-	-	6,000
52 ACCRUED INTEREST PAYABLE	-	-	-	-	-	-	-	-
53 DUE TO OTHER FUNDS	36,282	-	89,758	-	-	-	-	126,040
54 SALES TAX PAYABLE	-	-	-	-	-	-	-	-
55 REVENUE BONDS PAYABLE-CURRENT	-	-	-	-	-	-	-	-
56 <u>TOTAL LIABILITIES</u>	891,578	87,250	159,480	-	-	5,586	28,295	1,172,188
57 <u>FUND BALANCES</u>								
58 NONSPENDABLE								
59 PREPAID & DEPOSITS	6,834	-	12,226	-	-	-	-	19,060
60 CAPITAL RESERVE	-	-	275,000					275,000
61 OPERATING CAPITAL	188,936	-	82,304	-	-	-	-	271,240
62 INVESTED IN CAPITAL ASSETS		-	1,538,158					1,538,158
63 UNASSIGNED	739,080	26,450	265,564	104,690	2	27,818	155,021	1,318,625
64 <u>TOTAL FUND BALANCE</u>	934,850	26,450	2,173,252	104,690	2	27,818	155,021	3,422,082
65 <u>TOTAL LIABILITIES & FUND BALANCES</u>	\$ 1,826,427	\$ 113,700	\$ 2,332,732	\$ 104,690	\$ 2	\$ 33,404	\$ 183,316	\$ 4,594,271

Heritage Harbor CDD
General Fund
Statement of Revenue, Expenses, and Change in Fund Balance
For the period from October 1, 2022 through November 30, 2022

	FY 2023 Adopted Budget	FY 2023 Month of November	FY 2023 Total Actual Year-to-Date	VARIANCE Over (Under) to Budget	% Actual YTD / FY Budget
1 <u>REVENUE</u>					
2 SPECIAL ASSESSMENTS - ON-ROLL	\$ 1,071,986	\$ 249,378	\$ 249,378	\$ (822,609)	23%
3 RESTAURANT LEASE	61,632	4,800	9,600	(52,032)	16%
4 INTEREST	1,000	846	1,515	515	152%
5 MISCELLANEOUS	-	-	-	-	
6 <u>TOTAL REVENUE</u>	1,134,618	255,024	260,493	(874,125)	23%
7 <u>EXPENDITURES</u>					
8 <u>ADMINISTRATIVE</u>					
9 SUPERVISORS' COMPENSATION	12,000	1,000	2,000	(10,000)	17%
10 PAYROLL TAXES & SERVICE	2,129	82	164	(1,965)	8%
11 ENGINEERING SERVICES	10,000	905	1,357	(8,643)	14%
12 LEGAL SERVICES	30,000	2,651	5,861	(24,139)	20%
13 DISTRICT MANAGEMENT	69,445	5,788	11,576	(57,869)	17%
14 DISSEMINATION FEE	2,000	-	2,000	-	100%
15 AUDITING SERVICES	6,200	-	-	(6,200)	0%
16 POSTAGE & FREIGHT	1,500	38	38	(1,462)	3%
17 INSURANCE (Liability, Property and Casualty)	17,396	-	16,064	(1,332)	92%
18 PRINTING & BINDING	1,500	-	-	(1,500)	0%
19 LEGAL ADVERTISING	1,200	-	-	(1,200)	0%
20 MISC. (BANK FEES, BROCHURES & MISC)	1,500	408	473	(1,027)	32%
21 WEBSITE HOSTING & MANAGEMENT	2,115	50	1,615	(500)	76%
22 EMAIL HOSTING	1,500	-	-	(1,500)	0%
23 OFFICE SUPPLIES	200	-	199	(1)	99%
24 ANNUAL DISTRICT FILING FEE	175	-	175	-	100%
25 ALLOCATION OF HOA SHARED EXPENDITURES	27,081	1,940	4,108	(22,973)	15%
26 TRUSTEE FEE	4,041	-	-	(4,041)	0%
27 SERIES 2018 BANK LOAN	329,422	-	-	(329,422)	0%
28 SERIES 2021 BANK LOAN	17,170	-	5,333	(11,837)	31%
29 RESTAURANT EXPENSES	50,644	3,552	6,930	(43,714)	14%
30 STATE SALES TAX	4,314	-	-	(4,314)	0%
31 <u>TOTAL ADMINISTRATIVE</u>	591,532	16,415	57,893	(533,640)	10%

Heritage Harbor CDD
General Fund
Statement of Revenue, Expenses, and Change in Fund Balance
For the period from October 1, 2022 through November 30, 2022

	FY 2023 Adopted Budget	FY 2023 Month of November	FY 2023 Total Actual Year-to-Date	VARIANCE Over (Under) to Budget	% Actual YTD / FY Budget
32 FIELD OPERATIONS					
33 PAYROLL	55,406	8,978	13,291	(42,115)	24%
34 FICA, TAXES & PAYROLL FEES	14,960	1,002	1,443	(13,517)	10%
35 LIFE AND HEALTH INSURANCE	8,311	1,059	1,544	(6,767)	19%
36 CONTRACT- GUARD SERVICES	60,000	6,535	10,087	(49,913)	17%
37 CONTRACT-FOUNTAIN	-	-	-	-	
38 CONTRACT-LANDSCAPE	150,480	23,880	24,880	(125,600)	17%
39 CONTRACT-LAKE	36,000	2,978	5,955	(30,045)	17%
40 CONTRACT-GATES	51,889	4,249	8,376	(43,513)	16%
41 GATE - COMMUNICATIONS - TELEPHONE	4,440	772	1,046	(3,394)	24%
42 UTILITY-GENERAL	80,500	1,572	9,352	(71,148)	12%
43 R&M-GENERAL	3,000	192	192	(2,808)	6%
44 R&M-GATE	3,000	-	-	(3,000)	0%
45 R&M-OTHER LANDSCAPE	25,000	192	1,912	(23,088)	8%
46 R&M-IRRIGATION	3,500	-	398	(3,102)	11%
47 R&M-LAKE	-	-	-	-	
48 R&M-MITIGATION	-	-	-	-	
49 R&M-TREES AND TRIMMING	7,500	-	-	(7,500)	0%
50 R&M-PARKS & FACILITIES	1,000	-	-	(1,000)	0%
51 MISC-HOLIDAY DÉCOR	8,500	-	-	(8,500)	0%
52 MISC-CONTINGENCY	29,600	2,300	2,300	(27,300)	8%
53 CAPITAL OUTLAY (Moved to Capital Reserve Fund-CRF)	-	14,990	18,975	18,975	
54 TOTAL FIELD OPERATIONS	543,086	68,698	99,751	(443,335)	18%
55 TOTAL EXPENDITURES	1,134,618	85,113	157,644	(976,975)	14%
56 EXCESS OF REVENUE OVER (UNDER) EXPEND.	-	169,911	102,850	102,850	

Heritage Harbor CDD
General Fund
Statement of Revenue, Expenses, and Change in Fund Balance
For the period from October 1, 2022 through November 30, 2022

	FY 2023 Adopted Budget	FY 2023 Month of November	FY 2023 Total Actual Year-to-Date	VARIANCE Over (Under) to Budget	% Actual YTD / FY Budget
57 OTHER FINANCING SOURCES & USES					
58 TRANSFERS IN	-	40,325	40,325	40,325	
59 TRANSFERS OUT	(304,133)	-	-	304,133	
60 TOTAL OTHER FINANCING RESOURCES & USES	(304,133)	40,325	40,325	344,458	
61 FUND BALANCE - BEGINNING - UNAUDITED	793,887		791,675	(2,212)	
62 NET CHANGE IN FUND BALANCE	(304,133)	210,236	143,175	447,308	
63 FUND BALANCE - ENDING - PROJECTED	489,754		934,850	445,096	
64 ANALYSIS OF FUND BALANCE					
65 NON SPENDABLE DEPOSITS					
66 PREPAID & DEPOSITS	6,834		6,834		
67 CAPITAL RESERVES	-		-		
68 OPERATING CAPITAL	188,936		188,936		
69 UNASSIGNED	293,984		739,080		
70 TOTAL FUND BALANCE	\$ 489,754		\$ 934,850		

Heritage Harbor CDD
Golf Course & Pro Shop Enterprise Fund
Statement of Revenue, Expenses, and Change in Fund Balance
For the period from October 1, 2022 through November 30, 2022

	FY 2023 Adopted Budget	FY 2023 Month of November	FY 2023 Total Actual Year-to-Date	VARIANCE Over (Under) to Budget	% Actual YTD / FY Budget
1 REVENUE					
2 GOLF COURSE REVENUE					
3 GREEN FEES	\$ 1,013,175	\$ 95,395	\$ 188,207	\$ (824,968)	19%
4 CLUB RENTALS	62,500	6,199	13,169	(49,331)	21%
5 HANDICAPS	1,000	-	-	(1,000)	0%
6 INTEREST	100	-	-	(100)	0%
7 TOTAL GOLF COURSE REVENUE	1,076,775	101,595	201,375	(875,400)	19%
8 PRO SHOP REVENUE					
9 CLUB RENTALS	1,000	180	480	(520)	48%
10 GOLF BALL SALES	22,800	2,775	6,021	(16,779)	26%
11 GLOVES SALES	6,000	802	2,049	(3,951)	34%
12 HEADWEAR SALES	3,000	171	475	(2,525)	16%
13 LADIES' WEAR SALES	100	-	-	(100)	0%
14 MEN'S WEAR SALES	1,500	80	210	(1,290)	14%
15 MISC./CONCESSION SALES	2,000	1,892	3,621	1,621	181%
16 TOTAL PRO SHOP REVENUE	36,400	5,900	12,857	(23,543)	35%
17 TOTAL OPERATING REVENUE	1,113,175	107,495	214,232	(898,943)	19%
18 COST OF GOODS SOLD					
19 GOLF BALL	12,500	4,143	5,411	(7,089)	43%
20 GLOVES	3,500	1,307	1,307	(2,193)	37%
21 HEADWEAR	1,300	436	1,521	221	117%
22 LADIES' WEAR	50	-	-	(50)	0%
23 MEN'S WEAR	1,000	-	-	(1,000)	0%
24 MISC./CONCESSION	1,000	652	1,703	703	170%
25 TOTAL COST OF GOODS SOLD	19,350	6,538	9,942	(9,408)	51%
26 GROSS PROFIT	\$ 1,093,825	\$ 100,957	\$ 204,290	\$ (889,535)	19%

Heritage Harbor CDD
Golf Course & Pro Shop Enterprise Fund
Statement of Revenue, Expenses, and Change in Fund Balance
For the period from October 1, 2022 through November 30, 2022

	FY 2023 Adopted Budget	FY 2023 Month of November	FY 2023 Total Actual Year-to-Date	VARIANCE Over (Under) to Budget	% Actual YTD / FY Budget
27 <u>EXPENSES</u>					
28 GOLF COURSE					
29 PAYROLL-HOURLY	\$ 297,825	\$ 33,573	\$ 57,422	\$ (240,403)	19%
30 INCENTIVE	5,000	-	-	(5,000)	0%
31 FICA TAXES & ADMINISTRATIVE	44,674	3,730	6,705	(37,968)	15%
32 LIFE AND HEALTH INSURANCE	31,680	3,105	6,210	(25,470)	20%
33 ACCOUNTING SERVICES	4,880	407	813	(4,067)	17%
34 CONTRACTS-SECURITY ALARMS	800	-	60	(740)	7%
35 COMMUNICATION-TELEPHONE	3,600	-	262	(3,338)	7%
36 POSTAGE AND FREIGHT	200	-	-	(200)	0%
37 ELECTRICITY	20,141	-	704	(19,437)	3%
38 UTILITY-REFUSE REMOVAL - MAINTENANCE	6,235	553	1,107	(5,128)	18%
39 UTILITY-WATER AND SEWER	7,616	517	1,014	(6,602)	13%
40 RENTAL/LEASE - VEHICLE/EQUIP	34,996	3,903	6,215	(28,780)	18%
41 LEASE - ICE MACHINES	1,500	-	250	(1,250)	17%
42 INSURANCE-PROPERTY and GENERAL LIABILITY	52,568	-	50,996	(1,573)	97%
43 R&M-BUILDINGS	500	-	-	(500)	0%
44 R&M-EQUIPMENT	17,000	1,487	3,428	(13,572)	20%
45 R&M-FERTILIZER	42,000	-	-	(42,000)	0%
46 R&M-IRRIGATION	5,000	-	354	(4,646)	7%
47 R&M-GOLF COURSE	4,000	560	560	(3,440)	14%
48 R&M-PUMPS	11,000	-	-	(11,000)	0%
49 MISC-PROPERTY TAXES	2,100	-	-	(2,100)	0%
50 MISC-LICENSES AND PERMITS	600	-	180	(420)	30%
51 OP SUPPLIES - GENERAL	7,000	-	234	(6,766)	3%
52 OP SUPPLIES - FUEL / OIL	25,000	1,552	3,182	(21,818)	13%
53 OP SUPPLIES - CHEMICALS	33,000	904	4,451	(28,549)	13%
54 OP SUPPLIES - HAND TOOLS	1,750	-	-	(1,750)	0%
55 SUPPLIES - SAND	3,000	-	-	(3,000)	0%
56 SUPPLIES - TOP DRESSING	3,400	-	-	(3,400)	0%
57 SUPPLIES - SEEDS	6,500	-	-	(6,500)	0%
58 ALLOCATION OF HOA SHARED EXPENDITURES	969	60	114	(855)	12%
59 RESERVE	12,000	8,039	13,977	1,977	116%
60 TOTAL GOLF COURSE	686,534	58,391	158,238	(528,296)	23%

Heritage Harbor CDD
Golf Course & Pro Shop Enterprise Fund
Statement of Revenue, Expenses, and Change in Fund Balance
For the period from October 1, 2022 through November 30, 2022

	FY 2023 Adopted Budget	FY 2023 Month of November	FY 2023 Total Actual Year-to-Date	VARIANCE Over (Under) to Budget	% Actual YTD / FY Budget
61 PRO SHOP					
62 PAYROLL- HOURLY	181,993	14,651	28,765	(153,228)	16%
63 BONUS	2,500	325	325	(2,175)	13%
64 FICA TAXES & ADMINISTRATIVE	27,299	3,861	7,086	(20,213)	26%
65 LIFE AND HEALTH INSURANCE	18,700	1,010	2,019	(16,681)	11%
66 ACCOUNTING SERVICES	4,880	407	813	(4,067)	17%
67 CONTRACT-SECURITY ALARMS	2,157	-	120	(2,037)	6%
68 POSTAGE AND FREIGHT	250	-	-	(250)	0%
69 ELECTRICITY	9,660	-	614	(9,046)	6%
70 LEASE-CARTS	92,669	-	15,445	(77,224)	17%
71 R&M-GENERAL	3,000	461	1,264	(1,736)	42%
72 R&M-RANGE	8,000	-	6,480	(1,520)	81%
73 ADVERTISING	7,500	200	1,000	(6,500)	13%
74 MISC-BANK CHARGES	26,000	2,475	4,508	(21,492)	17%
75 MISC-CABLE TV EXPENSES	1,680	-	110	(1,570)	7%
76 MISC-PROPERTY TAXES	5,500	-	-	(5,500)	0%
77 MISC-HANDICAP FEES	500	-	-	(500)	0%
78 OFFICE SUPPLIES	1,200	-	-	(1,200)	0%
79 COMPUTER EXPENSE	2,000	425	425	(1,575)	21%
80 OP SUPPLIES - GENERAL	2,000	-	-	(2,000)	0%
81 SUPPLIES - SCORECARDS	1,000	-	-	(1,000)	0%
82 CONTINGENCY	2,000	10	20	(1,980)	1%
83 ALLOCATION OF HOA SHARED EXPENDITURES	6,804	782	1,441	(5,363)	21%
84 TOTAL PRO SHOP	407,291	24,605	70,435	(336,856)	17%
85 TOTAL EXPENSES	1,093,825	82,997	228,673	(865,152)	21%
86 EXCESS OF PROFIT OVER (UNDER) EXPEND.	-	17,960	(24,383)	(24,383)	

Heritage Harbor CDD
Golf Course & Pro Shop Enterprise Fund
Statement of Revenue, Expenses, and Change in Fund Balance
For the period from October 1, 2022 through November 30, 2022

	FY 2023 Adopted Budget	FY 2023 Month of November	FY 2023 Total Actual Year-to-Date	VARIANCE Over (Under) to Budget	% Actual YTD / FY Budget
87 OTHER FINANCING SOURCES & USES					
88 TRANSFERS IN	-	-	-	-	
89 TRANSFERS OUT	-	-	-	-	
90 TOTAL OTHER FINANCING RESOURCES & USES	-	-	-	-	
91 FUND BALANCE - BEGINNING - UNAUDITED	467,685		659,352	191,667	
92 NET CHANGE IN FUND BALANCE	-	17,960	(24,383)	(24,383)	
93 FUND BALANCE - ENDING - PROJECTED	467,685		634,969	167,284	
94 ANALYSIS OF FUND BALANCE					
95 ASSIGNED					
96 NONSPENDABLE DEPOSITS	11,571		12,226		
97 CAPITAL RESERVES	275,000		275,000		
98 OPERATING CAPITAL	82,304		82,304		
99 UNASSIGNED	98,810		265,439		
100 TOTAL FUND BALANCE	\$ 467,685		\$ 634,969		

Heritage Harbor CDD
Capital Reserve Fund (CRF)
Statement of Revenue, Expenditures, and Changes in Fund Balance
For the period from October 1, 2022 through November 30, 2022

	FY 2023 Adopted Budget	FY 2023 Total Actual Year-to-Date	VARIANCE Over (Under) to Budget
1 REVENUE			
2 SPECIAL ASSESSMENTS - ON ROLL (NET)	\$ 113,700	\$ 26,450	\$ (87,250)
3 INTEREST & MISCELLANEOUS	100	-	(100)
4 TOTAL REVENUE	113,800	26,450	(87,350)
5 EXPENDITURES			
6 HOA RESERVE CONTRIBUTION	29,700	-	(29,700)
7 SITE RESERVE CONTRIBUTION	44,000	-	(44,000)
8 CAPITAL IMPROVEMENT PLAN	40,000	-	(40,000)
9 TOTAL EXPENDITURES	113,700	-	(113,700)
10 EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	100	26,450	26,350
11 OTHER FINANCING SOURCES & USES			
12 TRANSFERS IN	304,133	-	(304,133)
13 TRANSFERS OUT	-	-	-
14 TOTAL OTHER FINANCING SOURCES & USES	304,133	-	(304,133)
15 FUND BALANCE - BEGINNING	-	-	-
16 NET CHANGE IN FUND BALANCE	304,233	26,450	(277,783)
17 FUND BALANCE - ENDING	\$ 304,233	\$ 26,450	\$ (277,783)

Heritage Harbor CDD
Debt Service Series 2018
Statement of Revenue, Expenses, and Change in Fund Balance
For the period from October 1, 2022 through November 30, 2022

	FY 2023 Adopted Budget	FY 2023 Actual Year-to-Date
1 <u>REVENUE</u>		
2 SPECIAL ASSESSMENTS - ON ROLL (NET)	\$ -	\$ -
3 INTEREST REVENUE	-	422
4 MISC REVENUE	-	-
5 <u>TOTAL REVENUE</u>	<u>-</u>	<u>422</u>
6 <u>EXPENDITURES</u>		
7 INTEREST EXPENSE		
8 November 1, 2022	-	6,218
9 May 1, 2023	-	-
10 November 1, 2023	-	-
11 PRINCIPAL RETIREMENT		
12 May 1, 2023	-	-
13 <u>TOTAL EXPENDITURES</u>	<u>-</u>	<u>6,218</u>
14 <u>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</u>	<u>-</u>	<u>(5,796)</u>
15 <u>OTHER FINANCING SOURCES (USES)</u>		
16 TRANSFERS IN	-	-
17 TRANSFERS OUT	-	-
18 <u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>-</u>	<u>-</u>
19 FUND BALANCE - BEGINNING	110,486	110,486
20 NET CHANGE IN FUND BALANCE	-	(5,796)
21 <u>FUND BALANCE - ENDING</u>	<u>\$ 110,486</u>	<u>\$ 104,690</u>

Heritage Harbor CDD
Debt Service Series 2021
Statement of Revenue, Expenses, and Change in Fund Balance
For the period from October 1, 2022 through November 30, 2022

	FY 2023 Adopted Budget	FY 2023 Actual Year-to-Date
1 REVENUE		
2 SPECIAL ASSESSMENTS - ON ROLL (NET)	\$ -	\$ -
3 INTEREST REVENUE	-	2
4 MISC REVENUE	-	-
5 TOTAL REVENUE	-	2
6 EXPENDITURES		
7 INTEREST EXPENSE		
8 November 1, 2022	-	5,333
9 May 1, 2023	-	-
10 November 1, 2023	-	-
11 PRINCIPAL RETIREMENT		
12 May 1, 2023	-	-
13 TOTAL EXPENDITURES	-	5,333
14 EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	-	(5,331)
15 OTHER FINANCING SOURCES (USES)		
16 TRANSFERS IN	-	5,333
17 TRANSFERS OUT	-	-
18 TOTAL OTHER FINANCING SOURCES (USES)	-	5,333
19 FUND BALANCE - BEGINNING	-	-
20 NET CHANGE IN FUND BALANCE	-	2
21 FUND BALANCE - ENDING	\$ -	\$ 2

Heritage Harbor CDD
Acquisition & Construction Fund 2018
Statement of Revenue, Expenses, and Change in Fund Balance
For the period from October 1, 2022 through November 30, 2022

	FY 2023 Adopted Budget	FY 2023 Actual Year-to-Date
1 REVENUE		
2 INTEREST REVENUE	\$ -	\$ 389
3 MISCELLANEOUS	-	-
4 TOTAL REVENUE	-	389
5 EXPENDITURES		
6 CONSTRUCTION IN PROGRESS	-	36,363
7 TOTAL EXPENDITURES	-	36,363
8 EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	-	(35,975)
9 OTHER FINANCING SOURCES (USES)		
10 TRANSFERS IN	-	-
11 TRANSFERS OUT	-	(40,325)
12 TOTAL OTHER FINANCING SOURCES (USES)	-	(40,325)
13 FUND BALANCE - BEGINNING	104,118	104,118
14 NET CHANGE IN FUND BALANCE	-	(76,300)
15 FUND BALANCE - ENDING	\$ 104,118	\$ 27,818

Heritage Harbor CDD
Acquisition & Construction Fund 2021
Statement of Revenue, Expenses, and Change in Fund Balance
For the period from October 1, 2022 through November 30, 2022

	FY 2023 Adopted Budget	FY 2023 Actual Year-to-Date
1 REVENUE		
2 INTEREST REVENUE	\$ -	\$ -
3 MISCELLANEOUS	-	-
4 TOTAL REVENUE	-	-
5 EXPENDITURES		
6 CONSTRUCTION IN PROGRESS	-	42,045
7 TOTAL EXPENDITURES	-	42,045
8 EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	-	(42,045)
9 OTHER FINANCING SOURCES (USES)		
10 TRANSFERS IN	-	-
11 TRANSFERS OUT	-	-
12 TOTAL OTHER FINANCING SOURCES (USES)	-	-
13 FUND BALANCE - BEGINNING		197,066
14 NET CHANGE IN FUND BALANCE	-	(42,045)
15 FUND BALANCE - ENDING	\$ -	\$ 155,021

EXHIBIT 5

VenturesIn.com, Inc.

P.O. Box 272855
Tampa FL 33688-2855



Invoice

Date	Invoice #
12/1/2022	46153

Bill To:

Heritage Harbor CDD
C/O DPFG
250 International Parkway
Suite 208
Lake Mary, FL 32746

For additional information, or for questions about your bill,
call (813) 205-0054, or email danderson@venturesin.com.

Please visit us on the web at www.venturesin.com

Due Date		P.O. No.	Terms	Project
12/1/2022			Due on receipt	
Description	Qty	Rate	Amount	
Email Essentials - Professional Email	5	10.00	50.00	
			Subtotal	\$50.00
			Sales Tax (0.0%)	\$0.00
			Total	\$50.00
			Payments/Credits	\$0.00
			Balance Due	\$50.00

Payment Instructions
Do not send cash. Please reference the invoice number on your check or money order and make payable to: VenturesIn.com, Inc.

Late Fee Policy
A late fee of 5% per month will be assessed on the unpaid total balance due when more than 30 days past due.

EXHIBIT 6

VGlobalTech

636 Fanning Drive
Winter Springs, FL 32708 US
contact@vglobaltech.com
www.vglobaltech.com



Estimate

ADDRESS

Heritage Harbor CDD
250 International Parkway,
Suite 208
Lake Mary, FL 32746 USA

ESTIMATE # 1024**DATE 12/23/2022**

DATE	ACTIVITY	QTY	RATE	AMOUNT
01/02/2023	Web Design:Web Design ONE TIME: Web Layout and Design, Organic SEO, ADA & WCAG compliant website in line with Florida Statute for District websites along with VGlobalTech compliance seal - This is a One Time Charge Only	1	995.00	995.00
01/02/2023	Web Maintenance:Web Hosting, Server Maintenance, Storage YEARLY: Domain Registration, Domain Hosting, Website Hosting services on our industry leading, Secure Private Servers including control panel, Unlimited space for files, documents, bandwidth. Backups, OS Updates, Virus checks, and system administration tasks for 99.9% server uptime guarantee	1	720.00	720.00
01/02/2023	Email:Email hosting YEARLY: Email hosting. Up to 5 emails customized as per need with website domain address. Up to maximum 5 GB storage per inbox. Backup and archival not included. Customers will be able to take their own local backup as needed. Customers also responsible to manage the inbox overflow by deleting unwanted emails, large attachments. Spam and virus filters included and will	1	720.00	720.00

DATE	ACTIVITY	QTY	RATE	AMOUNT
	be configured. Email forwarding service (to any email of customer choice) included. Full access through browser from any device (tablets, mobile or desktop) provided including steps to setup the client.			
01/02/2023	Web Maintenance:ADA Website Maintenance YEARLY: Ongoing website maintenance, content updates, ADA and WCAG Compliance checks, Unlimited document conversions (PDF to RTF for compliance). Quarterly VGlobalTech ADA & WCAG Seal updates	1	480.00	480.00
01/02/2023	Social Media Integration NO CHARGE: Integrate website with top social media platforms like Facebook, Instagram, twitter etc. as per customer needs. * Social media accounts will need to be created by the customer and provided to VGT team for integration.	1	0.00	0.00

VGlobalTech is Florida’s #1 ADA & WCAG Web-design company and is currently hosting more than 125 District Websites with 99.99% uptime.

TOTAL

\$2,915.00

All inclusive estimate: Web Hosting, Email Hosting & Inbox, Web-ADA compliance and maintenance.

Accepted By

Accepted Date

EXHIBIT 7

HERITAGE HARBOR COMMUNITY DEVELOPMENT DISTRICT

FINANCIAL STATEMENTS

September 30, 2021

HERITAGE HARBOR COMMUNITY DEVELOPMENT DISTRICT
FINANCIAL STATEMENTS
September 30, 2021

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INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors
Heritage Harbor Community Development District
Hillsborough County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Heritage Harbor Community Development District, Hillsborough County, Florida ("District") as of and for the year ended September 30, 2021, 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, business-type activities, and each major fund of the District as of September 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 on pages 3 - 7 and page 30 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 September 19, 2022, on our consideration of Heritage Harbor Community Development District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 Heritage Harbor Community Development District's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

We have also issued our report dated September 19, 2022 on our consideration of the District's compliance with 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.

DiBartolomeo, McBee, Hartley & Barnes

DiBartolomeo, McBee, Hartley & Barnes, P.A.
Fort Pierce, Florida
September 19, 2022

HERITAGE HARBOR COMMUNITY DEVELOPMENT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2021

Our discussion and analysis of Heritage Harbor Community Development District, Hillsborough County, Florida ("District") financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2021. 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 assets of the District exceeded its liabilities at the close of the most recent fiscal year resulting in a net position balance of \$7,860,916.
- The change in the District's total net position in comparison with the prior fiscal year was \$148,371, an increase.
- At September 30, 2021, the District's governmental funds reported combined ending fund balances of \$806,252. A portion of fund balance is restricted for debt service and future capital repairs and replacement, and the remainder is unassigned fund balance which is available for spending at the District's discretion.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is 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 and liabilities, with the difference between the two 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.

HERITAGE HARBOR COMMUNITY DEVELOPMENT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2021

Both of the government-wide financial statements distinguish functions of the District that are principally supported by special assessment revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the District include the general government (management) and maintenance and operations. The business-type activities of the District include the operations of the golf course, and pro shop.

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.

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 two individual governmental funds for external reporting. Information is presented in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and capital projects fund. All funds are 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.

HERITAGE HARBOR COMMUNITY DEVELOPMENT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2021

Proprietary Funds

The District maintains one type of proprietary fund: enterprise. The District maintains one enterprise fund. An enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses an enterprise fund to account for the operations of the water and sewer utility. Proprietary funds provide the same type of information as government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the water and sewer fund, which is considered a major fund.

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. A portion of the District's net position reflects its investment in capital assets (e.g. land, land improvements and infrastructure). These assets are used to provide services to residents; consequently, these assets are not available for future spending. The remaining balance of unrestricted net position may be used to meet the District's other obligations.

Key components of net position were as follows:

Statement of Net Position

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2021	2020	2021	2020	2021	2020
Current assets	\$ 834,933	\$ 799,402	\$ 883,745	\$ 725,238	\$ 1,718,678	\$ 1,524,640
Capital assets	5,576,504	5,822,382	1,367,874	1,514,228	6,944,378	7,336,610
Total assets	6,411,437	6,621,784	2,251,619	2,239,466	8,663,056	8,861,250
Current liabilities	349,830	432,257	129,310	82,450	479,140	514,707
Long-term liabilities	323,000	634,000	-	-	323,000	634,000
Total liabilities	672,830	1,066,257	129,310	82,450	802,140	1,148,707
Net position						
Net invested in capital assets	4,942,504	4,890,382	1,367,874	1,514,228	6,310,378	6,404,610
Restricted for debt service	102,096	97,858	-	-	102,096	97,858
Unrestricted	694,007	567,287	754,435	642,788	1,448,442	1,210,075
Total net position	\$ 5,738,607	\$ 5,555,527	\$ 2,122,309	\$ 2,157,016	\$ 7,860,916	\$ 7,712,543

The District's net position increased during the most recent fiscal year. The majority of the change represents the degree to which program revenues exceeded ongoing cost of operations.

HERITAGE HARBOR COMMUNITY DEVELOPMENT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2021

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

	Change in Net Position					
	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2021	2020	2021	2020	2021	2020
Program revenues	\$ 1,199,793	\$ 1,078,973	\$ 1,129,771	\$ 1,039,480	\$ 2,329,564	\$ 2,118,453
General revenues	24,928	76,417	13	3,419	24,941	79,836
Total revenues	1,224,721	1,155,390	1,129,784	1,042,899	2,354,505	2,198,289
Expenses						
General government	219,215	188,082	-	-	219,215	188,082
Physical environment	791,313	792,062	-	-	791,313	792,062
Golf course and restaurant	-	-	1,164,493	1,124,338	1,164,493	1,124,338
Interest on long-term debt	31,113	42,338	-	-	31,113	42,338
Cost of issuance	-	-	-	-	-	-
Total expenses	1,041,641	1,022,482	1,164,493	1,124,338	2,206,134	2,146,820
Change in net position	183,080	132,908	(34,709)	(81,439)	148,371	51,469
Transfers	-	36,134	-	(36,134)	-	-
Net position - beginning of year	5,555,527	5,386,485	2,157,018	2,274,589	7,712,545	7,661,074
Net position - end of year	\$ 5,738,607	\$ 5,555,527	\$ 2,122,309	\$ 2,157,016	\$ 7,860,916	\$ 7,712,543

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2021 was \$2,206,134, which primarily consisted of interest on long-term debt and costs associated with constructed and maintaining certain capital improvements. The costs of the District's activities were funded by special assessments.

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, 2021.

The variance between budgeted and actual general fund revenues is not considered significant. The actual general fund expenditures for the current fiscal year were lower than budgeted amounts due primarily to anticipated costs were not incurred in the current fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2021, the District had \$6,944,378 invested in land and land improvements, infrastructure, and equipment. More detailed information about the District's capital assets is presented in the notes of the financial statements.

HERITAGE HARBOR COMMUNITY DEVELOPMENT DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2021

Capital Debt

At September 30, 2021, the District had a \$634,000 Note outstanding for its governmental activities. More detailed information about the District's capital debt is presented in the accompanying notes to the financial statements.

ECONOMIC FACTORS, NEXT YEAR'S BUDGET AND OTHER INFORMATION

For the fiscal year 2022, the District anticipates the cost of general operations to fluctuate and projections are that cost will be higher due to inflationary impacts to cost of goods sold and vender services. In connection with the District's future infrastructure maintenance and replacement plan, the District Board has included in the budget, an estimate of those anticipated future costs and has assigned a portion of current available resources for that purpose.

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 Heritage Harbor Community Development District's Finance Department at 250 International Parkway, Suite 208, Lake Mary, Florida 32746.

HERITAGE HARBOR COMMUNITY DEVELOPMENT DISTRICT**STATEMENT OF NET POSITION**

September 30, 2021

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<u>ASSETS</u>			
Cash and cash equivalents	\$ 625,414	\$ 645,952	\$ 1,271,366
Accounts receivable	14,125	63	14,188
Assessments receivable	7,155	-	7,155
Inventory	-	18,419	18,419
Due from other funds	80,940	-	80,940
Deposits	1,890	3,456	5,346
Prepaid items	6,345	6,790	13,135
Restricted assets:			
Cash and investments	96,311	209,065	305,376
Assessments receivable	2,753	-	2,753
Capital assets:			
Assets not being depreciated	906,667	1,204,598	2,111,265
Assets, net of depreciation	4,669,837	163,276	4,833,113
TOTAL ASSETS	<u>\$ 6,411,437</u>	<u>\$ 2,251,619</u>	<u>\$ 8,663,056</u>
<u>LIABILITIES</u>			
Accounts payable and accrued expenses	\$ 22,681	\$ 48,370	\$ 71,051
Due to developer	6,000	-	6,000
Due to other funds	-	80,940	80,940
Accrued interest payable	10,149	-	10,149
Note payable:			
Due within one year	311,000	-	311,000
Due in more than one year	323,000	-	323,000
TOTAL LIABILITIES	<u>672,830</u>	<u>129,310</u>	<u>802,140</u>
<u>NET POSITION</u>			
Net investment in capital assets	4,942,504	1,367,874	6,310,378
Restricted for:			
Debt service	102,096	-	102,096
Unrestricted	694,007	754,435	1,448,442
TOTAL NET POSITION	<u>\$ 5,738,607</u>	<u>\$ 2,122,309</u>	<u>\$ 7,860,916</u>

The accompanying notes are an integral part of this financial statement

HERITAGE HARBOR COMMUNITY DEVELOPMENT DISTRICT

STATEMENT OF ACTIVITIES Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues	Net (Expense) Revenues and Changes in Net Position		Total
		Charges for Services	Governmental Activities	Business-type Activities	
Governmental activities					
General government	\$ 219,215	\$ 182,619	\$ (36,596)	\$ -	\$ (36,596)
Physical environment	791,313	683,832	(107,481)	-	(107,481)
Interest on long-term debt	31,113	333,342	302,229	-	302,229
Total governmental activities	1,041,641	1,199,793	158,152	-	158,152
Business-type activities					
Golf course	1,164,493	1,129,771	-	(34,722)	(34,722)
Total business-type activities	1,164,493	1,129,771	-	(34,722)	(34,722)
Total primary government	\$ 2,206,134	\$ 2,329,564	158,152	(34,722)	123,430
General revenues:					
Investment earnings			907	13	920
Miscellaneous income			24,021	-	24,021
Total general revenues and transfers			24,928	13	24,941
Change in net position			183,080	(34,709)	148,371
Net position - October 1, 2020			5,555,527	2,157,018	7,712,545
Net position - September 30, 2021			\$ 5,738,607	\$ 2,122,309	\$ 7,860,916

The accompanying notes are an integral part of this financial statement

HERITAGE HARBOR COMMUNITY DEVELOPMENT DISTRICT**BALANCE SHEET – GOVERNMENTAL FUNDS**

September 30, 2021

	MAJOR FUNDS		TOTAL
	GENERAL	DEBT SERVICE	GOVERNMENTAL FUNDS
<u>ASSETS</u>			
Cash and cash equivalents	\$ 625,414	\$ -	\$ 625,414
Accounts receivable	14,125	-	14,125
Assessments receivable	7,155	-	7,155
Due from other funds	67,759	13,181	80,940
Deposits	1,890	-	1,890
Prepaid items	6,345	-	6,345
Restricted assets:			
Investments	-	96,311	96,311
Assessments receivable	-	2,753	2,753
TOTAL ASSETS	<u>\$ 722,688</u>	<u>\$ 112,245</u>	<u>\$ 834,933</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable and accrued expenses	\$ 22,681	\$ -	\$ 22,681
Due to developer	6,000	-	6,000
TOTAL LIABILITIES	<u>28,681</u>	<u>-</u>	<u>28,681</u>
FUND BALANCES			
Nonspendable:			
Prepaid items and deposits	8,235	-	8,235
Restricted for:			
Debt service	-	112,245	112,245
Unassigned	685,772	-	685,772
TOTAL FUND BALANCES	<u>694,007</u>	<u>112,245</u>	<u>806,252</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 722,688</u>	<u>\$ 112,245</u>	<u>\$ 834,933</u>

The accompanying notes are an integral part of this financial statement

HERITAGE HARBOR COMMUNITY DEVELOPMENT DISTRICT
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
September 30, 2021

Total Governmental Fund Balances in the Balance Sheet, Page 10	\$ 806,252
Amount reported for governmental activities in the Statement of Net Assets are different because:	
Capital asset used in governmental activities are not financial resources and therefore are not reported in the governmental funds:	
Governmental capital assets	10,747,134
Less accumulated depreciation	(5,170,630)
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Accrued interest payable	(10,149)
Governmental bonds payable	(634,000)
Net Position of Governmental Activities, Page 8	<u>\$ 5,738,607</u>

The accompanying notes are an integral part of this financial statement

HERITAGE HARBOR COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
Year Ended September 30, 2021

	MAJOR FUNDS		TOTAL
	GENERAL	DEBT SERVICE	GOVERNMENTAL FUNDS
REVENUES			
Special assessments	\$ 866,451	\$ 333,342	\$ 1,199,793
Miscellaneous revenue	24,021	-	24,021
Investment earnings	898	9	907
TOTAL REVENUES	<u>891,370</u>	<u>333,351</u>	<u>1,224,721</u>
EXPENDITURES			
General government	219,215	-	219,215
Physical environment	545,435	-	545,435
Debt			
Principal	-	298,000	298,000
Interest expense	-	35,882	35,882
TOTAL EXPENDITURES	<u>764,650</u>	<u>333,882</u>	<u>1,098,532</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	126,720	(531)	126,189
FUND BALANCE			
Beginning of year	<u>567,287</u>	<u>112,776</u>	<u>680,063</u>
End of year	<u>\$ 694,007</u>	<u>\$ 112,245</u>	<u>\$ 806,252</u>

The accompanying notes are an integral part of this financial statement

HERITAGE HARBOR COMMUNITY DEVELOPMENT DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended September 30, 2021

Net Change in Fund Balances - Total Governmental Funds, Page 12	\$ 126,189
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Amount 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:

Payments on long-term debt	298,000
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Certain items reported in the Statement of Activities do not require
the use of current financial resources and therefore are not reported
expenditures in the governmental funds:

Current year provision for depreciation	(245,878)
Change in accrued interest payable	4,769

Change in Net Position of Governmental Activities, Page 9	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; width: 100%;">\$ 183,080</div>
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The accompanying notes are an integral part of this financial statement

HERITAGE HARBOR COMMUNITY DEVELOPMENT DISTRICT

STATEMENT OF NET POSITION – ENTERPRISE FUND

September 30, 2021

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 645,952
Accounts receivable	63
Inventory	18,419
Deposits	3,456
Prepaid items	6,790
Restricted assets:	
Investments	209,065
	<hr/>
TOTAL CURRENT ASSETS	883,745
	<hr/>

NONCURRENT ASSETS

Capital assets:	
Land	1,204,598
Infrastructure	6,054,583
Equipment and furniture	1,065,890
	<hr/>
	8,325,071
Less accumulated depreciation	6,957,197
	<hr/>
Total capital assets (net of depreciation)	1,367,874
	<hr/>
TOTAL NONCURRENT ASSETS	1,367,874
	<hr/>
TOTAL ASSETS	\$ 2,251,619
	<hr/>

LIABILITIES

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$ 48,370
Due to other funds	80,940
	<hr/>
TOTAL CURRENT LIABILITIES	129,310
	<hr/>

NET POSITION

Net investment in capital assets	1,367,874
Unrestricted	754,435
	<hr/>
TOTAL NET POSITION	2,122,309
	<hr/>

The accompanying notes are an integral part of this financial statement

HERITAGE HARBOR COMMUNITY DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION –
ENTERPRISE FUND
Year Ended September 30, 2021

OPERATING REVENUES

Charges for services	
Golf course and pro shop	\$ 1,129,771
TOTAL OPERATING REVENUES	<u>1,129,771</u>

OPERATING EXPENSES

Cost of sales and services	21,677
Golf course and pro shop	989,940
Depreciation	152,876
TOTAL OPERATING EXPENSES	<u>1,164,493</u>

OPERATING LOSS (34,722)

NONOPERATING REVENUES(EXPENSES)

Interest earnings	<u>13</u>
TOTAL NONOPERATING REVENUES(EXPENSES)	<u>13</u>

CHANGE IN NET POSITION (34,709)

NET POSITION

Beginning of year	<u>2,157,018</u>
End of year	<u><u>\$ 2,122,309</u></u>

The accompanying notes are an integral part of this financial statement

HERITAGE HARBOR COMMUNITY DEVELOPMENT DISTRICT

STATEMENT OF CASH FLOWS – ENTERPRISE FUND

Year Ended September 30, 2021

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 1,212,152
Cash paid to suppliers	(1,053,762)
NET CASH PROVIDED BY OPERATING ACTIVITIES	158,390
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of fixed assets	(6,522)
Sale of investments	30,433
Interest income	13
NET CASH PROVIDED BY INVESTING ACTIVITIES	23,924
NET INCREASE IN CASH	182,314
CASH	
Beginning of Year	463,638
End of Year	\$ 645,952
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating loss	\$ (34,722)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	152,876
(Increase) Decrease in:	
Due from other funds	1,441
Inventory	(3,181)
Prepaid items	(4,884)
Increase (Decrease) in:	
Accounts payable and accrued expenses	(34,080)
Due to other funds	80,940
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 158,390

The accompanying notes are an integral part of this financial statement

HERITAGE HARBOR COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

September 30, 2021

NOTE A- NATURE OF ORGANIZATION AND REPORTING ENTITY

Heritage Harbor Community Development District ("District") was created on August 26, 1997 by Hillsborough County Ordinance 97-9 pursuant to the Uniform 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 was established for the purposes 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. All of the Board members are affiliated with the Developer. The Supervisors are elected on an at large basis by the qualified electors of the property owners within the District. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes.

The Board has the responsibility for:

1. Assessing 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 Board of Supervisors 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 B - 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.

HERITAGE HARBOR COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

September 30, 2021

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (continued)

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.

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 economic 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.

Assessments

Assessments are non-ad valorem assessments on benefited lands within the District. Assessments are levied to pay for the operations and maintenance of the District. The fiscal year for which annual assessments are levied begins on October 1 with discounts available for payments through February 28 and become delinquent on April 1. The District's annual assessments for operations are billed and collected by the County Tax Collector. The amounts remitted to the District are net of applicable discounts or fees and include interest on monies held from the day of collection to the day of distribution.

Assessments and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. The portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

HERITAGE HARBOR COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

September 30, 2021

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

Debt Service Fund

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

The District reports the following major proprietary funds:

Enterprise Fund

The enterprise fund accounts for the operations of the golf course, and pro shop, which are funded by proceeds from operations of these facilities, included green fees, cart fees, rental fees and food sales.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund are charges to customers for sales and services. Operating expenses of the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Assets, Liabilities and Net Position or Equity

Restricted Assets

These assets represent cash and investments set aside pursuant to contractual restrictions.

HERITAGE HARBOR COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

September 30, 2021

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (continued)

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. In addition, surplus funds may be deposited into certificates of deposit which are insured.

The District records all interest revenue related to investment activities in the respective funds and reports investments at fair value.

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 (amount not rounded) and an estimated useful life in excess of one year. 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.

HERITAGE HARBOR COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

September 30, 2021

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (continued)

Capital Assets (continued)

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>
Infrastructure	5-40
Equipment	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/Deferred 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 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 uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

The statement of net position reports, as applicable, a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future reporting period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. For example, the District would record deferred outflows of resources 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).

HERITAGE HARBOR COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

September 30, 2021

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (continued)

Deferred Outflows/Inflows of Resources (continued)

The statement of net position reports, as applicable, a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to future reporting period(s) and so will not be recognized as an inflow of resources (revenue) until that time. For example, when an asset is recorded in the governmental fund financial statements, but the revenue is not available, the District reports a deferred inflow of resources until such times as the revenue becomes available.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one item, deferred revenue, which qualifies for reporting in this category.

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.

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.

In the fund financial statements, the enterprise fund is presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, enterprise funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Enterprise fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

HERITAGE HARBOR COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

September 30, 2021

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (continued)

Fund Equity/Net Position (continued)

Assigned fund balance - Includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted nor committed. The Board can 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 C - 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.

HERITAGE HARBOR COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

September 30, 2021

NOTE C - BUDGETARY INFORMATION (CONTINUED)

- b) Public hearings are 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 appropriation for annually budgeted funds lapse at the end of the year.

NOTE D – DEPOSITS AND INVESTMENTS

Deposits

The District's cash balances, including certificates of deposit, 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, 2021:

Investment	Fair Value	Credit Risk	Maturities
Money Market Mutual Funds - First American Treasury Obligation CL Y	305,376	S&P AAAM	Weighted average of the fund portfolio: 13 days
Total Investments	<u>\$ 305,376</u>		

Custodial credit risk - For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The District has no formal policy for custodial risk. The investments listed in the schedule above are not evidenced by securities that exist in physical or book entry form.

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.

HERITAGE HARBOR COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

September 30, 2021

NOTE D – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (continued)

Concentration risk - The District places no limit on the amount the District may invest in anyone 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.

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.

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.

HERITAGE HARBOR COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

September 30, 2021

NOTE E - CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2021 was as follows:

	Balance 10/01/2020	Increases	Decreases	Balance 09/30/2021
Governmental activities:				
Capital assets, not being depreciated:				
Land and land improvements	\$ 906,667	\$ -	\$ -	\$ 906,667
Total capital assets, not being depreciated	<u>906,667</u>	<u>-</u>	<u>-</u>	<u>906,667</u>
Capital assets, being depreciated				
Infrastructure:				
Water and sewer systems	5,725,401	-	-	5,725,401
Roadways and other improvements	3,987,100	-	-	3,987,100
Recreational and security	127,966	-	-	127,966
Total capital assets, being depreciated	<u>9,840,467</u>	<u>-</u>	<u>-</u>	<u>9,840,467</u>
Less accumulated depreciation for:				
Infrastructure:				
Water and sewer systems	2,869,401	142,800	-	3,012,201
Roadways and other improvements	1,964,817	99,678	-	2,064,495
Recreational and security	90,534	3,400	-	93,934
Total accumulated depreciation	<u>4,924,752</u>	<u>245,878</u>	<u>-</u>	<u>5,170,630</u>
Total capital assets, being depreciated - net	<u>4,915,715</u>	<u>(245,878)</u>	<u>-</u>	<u>4,669,837</u>
Governmental activities capital assets - net	<u>\$ 5,822,382</u>	<u>\$ (245,878)</u>	<u>\$ -</u>	<u>\$ 5,576,504</u>

Depreciation of \$245,878 was charged to physical environment.

HERITAGE HARBOR COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

September 30, 2021

NOTE E - CAPITAL ASSETS (CONTINUED)

	Balance 10/01/2020	Increases	Decreases	Balance 09/30/2021
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,204,598	\$ -	\$ -	\$ 1,204,598
Total capital assets, not being depreciated	1,204,598	-	-	1,204,598
Capital assets, being depreciated				
Infrastructure	6,054,583	-	-	6,054,583
Equipment	1,059,368	6,522	-	1,065,890
Total capital assets, being depreciated	7,113,951	6,522	-	7,120,473
Less accumulated depreciation for:				
Infrastructure	5,903,387	112,477	-	6,015,864
Equipment	900,934	40,399	-	941,333
Total accumulated depreciation	6,804,321	152,876	-	6,957,197
Total capital assets, being depreciated - net	309,630	(146,354)	-	163,276
Governmental activities capital assets - net	\$ 1,514,228	\$ (146,354)	\$ -	\$ 1,367,874

Depreciation of \$152,876 was charged to golf course.

NOTE F – LONG-TERM LIABILITIES

Governmental Activities Debt

\$1,495,000 Special Assessment Refunding Note, Series 2018 – July 25, 2018, the District issued \$1,495,000 in a Special Assessment Refunding Note, Series 2018. The Note was issued to finance the acquisition and construction of certain improvements for the benefit of the property within the District and to payoff outstanding debt. The Note is payable in annual principal installments through May 2023. The Bonds bear interest at 3.85% payable semi-annually on the first day of each May and November. Principal is due serially each May 1, commencing May 2019.

The Bond Indenture established a debt service reserve requirement as well as other restrictions and requirements relating principally to the use of proceeds and the procedures to be followed by the District on assessments to property owners. The District agrees to levy special assessments in annual amounts adequate to provide payment of debt service and to meet the reserve requirements.

The District is in compliance with those requirements of the Bond Indenture at September 30, 2021.

HERITAGE HARBOR COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

September 30, 2021

NOTE F – LONG-TERM LIABILITIES (CONTINUED)

The following is a summary of activity in the long-term debt of the District for the year ended September 30, 2021:

	Balance 10/1/2020	Additions	Deletions	Balance 9/30/2021	Due Within One Year
Special Assessment Refunding Note, Series 2018	\$ 932,000	\$ -	\$ 298,000	\$ 634,000	\$ 311,000
	<u>\$ 932,000</u>	<u>\$ -</u>	<u>\$ 298,000</u>	<u>\$ 634,000</u>	<u>\$ 311,000</u>

The annual requirements to amortize the principal and interest of bonded debt outstanding as of September 30, 2021 are as follows:

September 30,	Principal	Interest	Total
2022	\$ 311,000	\$ 24,410	\$ 335,410
2023	323,000	12,436	335,436
2024	-	-	-
2025	-	-	-
2026	-	-	-
	<u>\$ 634,000</u>	<u>\$ 36,846</u>	<u>\$ 670,846</u>

NOTE G – INTERFUND BALANCES

	Interfund Receivables	Interfund Payables
General Fund	\$ 67,759	\$ -
Debt Service Fund	13,181	-
Enterprise Fund	-	80,940
Total	<u>\$ 80,940</u>	<u>\$ 80,940</u>

NOTE H – OPERATING LEASES

Business-Type Activities

The District leases golf carts and equipment under various operating lease agreements. The lease terms range from 48 to 60 months. During the year, golf cart and equipment lease payments totaled \$123,809. The future minimum payments on the leases are as follows:

September 30,	Payments
2022	\$ 117,272
2023	127,609
2024	94,169
2025	94,169
Thereafter	94,169
	<u>\$ 527,388</u>

HERITAGE HARBOR COMMUNITY DEVELOPMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

September 30, 2021

NOTE I – INTERLOCAL AGREEMENT

In a prior year, the District and Heritage Harbor Golf & Country Club Association, Inc. (the Association) entered into an agreement for shared costs. Reimbursements by the Association are reported as a reduction in the District's current year expenditures.

NOTE J – LEASE AGREEMENT

In January 2008, the District entered into a three-year lease agreement with Olympian Restaurant and Bar, Inc. to manage and operate its restaurant facility and golf course concessions. The agreement as amended to extend the contract for two additional three year terms with the option to extend for two additional terms of four years and two years. There is an annual base rent charge of \$78,000 payable in monthly installments plus five percent of gross revenues in excess of \$500,000. Rental income associated with the lease was \$78,000.

The Olympian Restaurant lease expired during the year, and the District subleased the restaurant to a private company with terms extending through December 31, 2026 with base rent totaling \$57,600 annually. In addition to the base rent, beginning in year two of the lease the agreement includes a one percent rent due on the gross revenues as defined in the sublease agreement. Option years are allowed, increases in base rent includes a CPI increase throughout the lease terms.

NOTE K - MANAGEMENT COMPANY

The District has contracted with a management company to perform services which include financial and accounting advisory services. Certain employees of the management company also serve as officers of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, computer and other administrative costs.

NOTE L - 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; natural disasters; and environmental remediation. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. Settled claims from these risks have not exceeded commercial insurance coverage over the past three years.

HERITAGE HARBOR COMMUNITY DEVELOPMENT DISTRICT**STATEMENT OF REVENUES AND EXPENDITURES****BUDGET AND ACTUAL – GENERAL FUND**

Year Ended September 30, 2021

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Special assessments	\$ 856,262	\$ 856,262	\$ 866,451	\$ 10,189
Miscellaneous revenue	28,200	28,200	24,021	(4,179)
Investment earnings	2,700	2,700	898	(1,802)
TOTAL REVENUES	887,162	887,162	891,370	4,208
EXPENDITURES				
Current				
General government	171,422	171,422	219,215	(47,793)
Physical environment	628,940	664,830	545,435	119,395
TOTAL EXPENDITURES	800,362	836,252	764,650	71,602
TOTAL EXPENDITURES AND RESERVES	800,362	836,252	764,650	71,602
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	86,800	50,910	126,720	75,810
OTHER FINANCING SOURCES (USES)				
Carry forward surplus	-	35,890	-	(35,890)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)	<u>\$ 86,800</u>	<u>\$ 86,800</u>	126,720	<u>\$ 39,920</u>
FUND BALANCES				
Beginning of year			567,287	
End of year			<u>\$ 694,007</u>	

HERITAGE HARBOR COMMUNITY DEVELOPMENT DISTRICT
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).

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, 2021.

The variance between budgeted and actual general fund revenues is not considered significant. The actual general fund expenditures for the current fiscal year were lower than budgeted amounts due primarily to anticipated costs were not incurred in the current fiscal year.

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 Harbor Community Development District
Hillsborough County, Florida

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Heritage Harbor Community Development District, as of September 30, 2021 and for the year ended September 30, 2021, which collectively comprise Heritage Harbor Community Development District's basic financial statements and have issued our report thereon dated September 19, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit, 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 over financial reporting.

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 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 of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant 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*.

Purpose of this Report

This report is intended 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.



DiBartolomeo, McBee, Hartley & Barnes, P.A.
Fort Pierce, Florida
September 19, 2022

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 Harbor Community Development District
Hillsborough County, Florida

We have examined the District's compliance with the requirements of Section 218.415, Florida Statutes with regards to the District's investments during the year ended September 30, 2021. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the 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 and, accordingly, included examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides 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 year ended September 30, 2021.

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 Harbor Community Development District, Hillsborough County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

DiBartolomeo, McBee, Hartley & Barnes

DiBartolomeo, McBee Hartley & Barnes, P.A.
Fort Pierce, Florida
September 19, 2022

Management Letter

To the Board of Supervisors
Heritage Harbor Community Development District
Hillsborough County, Florida

Report on the Financial Statements

We have audited the financial statements of the Heritage Harbor Community Development District ("District") as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated September 19, 2022.

Auditors' 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 Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards and Independent Accountants' 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 report, which are dated September 19, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding annual audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The information required is disclosed in the notes to the financial statements.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the District. It is management's responsibility to monitor the District's 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.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Specific Information

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Heritage Harbor Community Development District reported:

- a. The total number of district employees compensated in the last pay period of the District's fiscal year as 39.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as 1.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$474,831.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$73,215.
- e. Each construction project with a total cost of at least \$65,000 approved by the District that are scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as \$92,900.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, this information is included on the Statement of Revenues and Expenditures – Budget and Actual – General Fund.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the Heritage Harbor Community Development District reported:

- a. The rate or rates of non-ad valorem special assessments imposed by the District range from \$523 to \$1,360 per residential unit.
- b. The total amount of special assessments collected by or on behalf of the District as \$1,199,793.
- c. The total amount of outstanding bonds issued by the district as \$634,000.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate 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. In connection with our audit, we did not have any such findings.

Finding: The District did not submit the completed annual financial report by June 30, 2022 as required by Section 218.32(d) Florida Statutes and Rules of the Auditor General.

Management Response: The District will ensure that going forward the audit is completed by the June 30th deadline.

Purpose of this Letter

Our management letter is intended solely for the information and use of Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Supervisors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

DiBartolomeo, McBee, Hartley & Barnes

DiBartolomeo, McBee, Hartley & Barnes, P.A.
Fort Pierce, Florida
September 19, 2022

EXHIBIT 8



Heritage Harbor CDD Field Operations Report

January 2023

Aquatics

Pond Management: The ponds are in terrific condition considering the warm temperatures and recent rains. The water was a little murky in several ponds due to rains, but it will clear up in a few days. Continual monitoring of erosion on all the ponds is recommended. No new developments of erosion during the month of December.





Heritage Harbor CDD Field Operations Report

Routine Maintenance

Bed Maintenance: Greenview is doing a superb job in maintaining the community. The beds are in excellent shape. The soft and hard edging are well defined creating a well-manicured look. The hedges continue to thicken up with new growth and the new mulch is a welcomed addition as we head into the drier months.



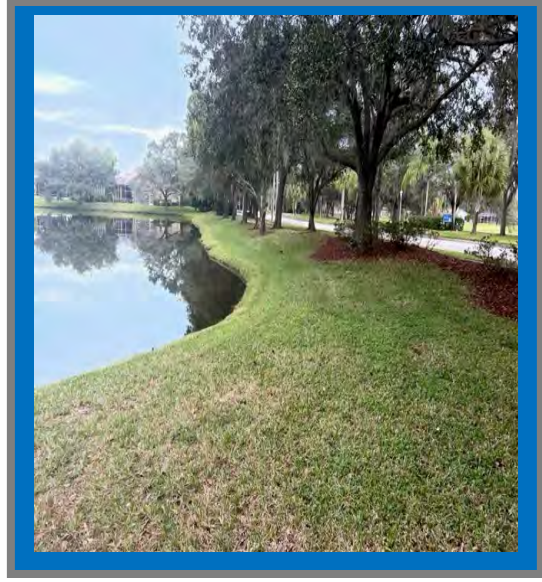


Heritage Harbor CDD Field Operations Report

Landscape Maintenance

Mowing: The sod is mostly dormant during the next few months so the mowing will be on a bi-weekly schedule until early spring.

Hedge Lines: The hedges are loving life right now, as this is their opportunity to thicken up before the summer months. The color of the turf and hedge lines both look good.





Heritage Harbor CDD Field Operations Report

Landscape Maintenance (Continued)

Community Trees: In the process of prioritizing the main parkway trees for crown thinning by Greenview Landscaping.

Clubhouse Landscape Enhancement: The sod and vegetation has taken well and looks fantastic!

Holiday Annuals: This round of annuals was an excellent choice for Heritage Harbor as they are full and healthy.



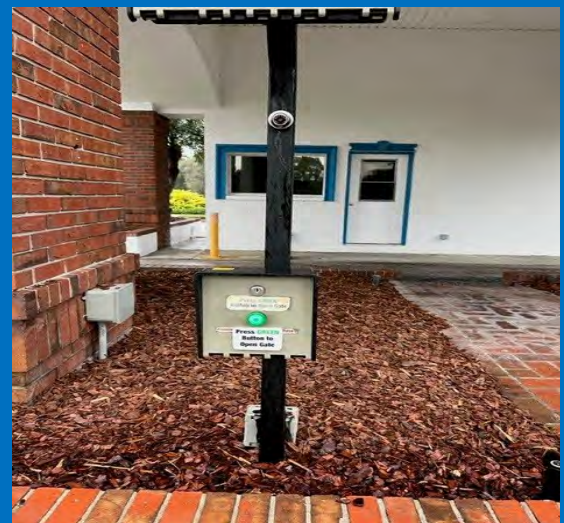


Heritage Harbor CDD Field Operations Report

Observations

Irrigation Pump House Door: The irrigation pump house door was completed right before the holidays and the roof is scheduled for repair on January 3rd.

Guard House Signage: After careful review of the directional signage, there are not many options left to explore. Both inbound lanes are well marked guiding traffic through the appropriate lane and once at the arm/push button, the final message is clearly stated.





Heritage Harbor CDD District Manager Report

January 2023

Cart Path Repairs: Assessed the repairs with Site Masters of Florida to ensure completion before payment was released.

Engage PEO Payroll Contractor: In the process of strengthening the employee verification and reporting process through which Engage PEO processes employee requests. Hillsborough County Sheriff's Department was notified of the security breach, and we were advised to report the incident to a higher authority. (Reporting in process.)

Erosion Plan: Tish and Marty will discuss further with Tonja and Steadfast in January.

Golf Course Irrigation Pump House: The installation of the sliding door was completed. The roofing project will commence on January 3rd.

Golf Course Monthly Reports: All Golf Course and Pro Shop reports will be presented to the Board by John Panno. The new reporting plan will continue to reflect requests for consideration of repairs and / or replacement of items, and updates on the maintenance of the Golf Course, while streamlining the meetings.

Golf Course Project List: Marty, John, and Tish are scheduled to meet on January 9th. A spreadsheet outlining the projects in order of Priority, Cost, Timeframe to Complete, Reserves / General Fund Item(s), and Risk Factor in not completing the project in the next 4 – 12 months will be submitted for review.

Guard House Roof: The roofing project will commence after the completion of the Irrigation Pump House roof.

Guard House Signage: Reviewed the directional signage, per the request of the Board and Egis. At this time, options for additional signage are limited, due to location / placement.

Heritage Harbor Clubhouse Email Account: In the process of ensuring the computer / email account has an antivirus / spyware detection program.

Heritage Harbor Maintenance: In the process of assisting Jay with securing proposals to repaint the foyer, due to an issue with the AC, repair the front entrance walkway decorative flooring, and inspect the main Back Flows.

Outdoor Restroom Facilities: Romaner Graphics continues to complete the approved repairs.

Pond 56 Erosion Proposals: Site Master's is scheduled to submit a repair proposal for consideration.

Pro Shop Truist Account: The Accounting Department is in the process of setting up the account.

Staff Raises: Employees received retro pay back to October 1st for the approved wage increase.

