

**Heritage Harbor
Community Development District**

November 16, 2017

Agenda Package

Heritage Harbor
Community Development District

Severn Trent Services, Management Services Division
210 N. University Drive, Suite 702 ~ Coral Springs, Florida 33071
Telephone (954) 603-0033 ~ Fax (954) 345-1292

November 9, 2017

Board of Supervisors
Heritage Harbor Community Development District

Dear Board Members:

A regular business meeting of the Board of Supervisors of the Heritage Harbor Community Development District will be held Thursday, November 16, 2017 beginning at 6:30 p.m. at the Heritage Harbor Clubhouse, 19502 Heritage Harbor Parkway, Lutz, Florida. The following is the advance agenda for the meeting:

- 1. Roll Call**
- 2. Audience Comments**
- 3. Approval of the Minutes of October 2, 2017 and October 19, 2017 Meetings**
- 4. Approval of Financial Statements**
- 5. Staff Reports**
 - A. Golf Course
- 6. Attorney's Report**
- 7. Engineer's Report**
- 8. District Manager's Report**
 - A. Audit Engagement Renewal from Berger, Toombs for the FY 2017 Audit
- 9. Operation Report**
- 10. Supervisor Requests**
- 11. Audience Comments**
- 12. Adjournment**

I look forward to seeing you at the meeting and in the meantime if you have any questions, please contact me.

Sincerely,

Andy Mendenhall/mm
District Manager

Third Order of Business

MINUTES OF MEETING HERITAGE HARBOR COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Heritage Harbor Community Development District was held Monday, October 2, 2017 at 6:30 p.m. at the Heritage Harbor Clubhouse; 19502 Heritage Harbor Parkway, Lutz, Florida.

Present and constituting a quorum were:

David Penzer	Chairman
Russ Rossi	Vice Chairman
Shelley Grandon	Assistant Secretary
Patrick Giambelluca	Assistant Secretary
Clint Swigart (via phone)	Assistant Secretary

Also present were:

Andy Mendenhall	District Manager
Lynn Jackson	Severn Trent

Residents

The following is a summary of the discussions and actions taken at the October 2, 2017 Heritage Harbor Board of Supervisors meeting

FIRST ORDER OF BUSINESS

Roll Call

Mr. Penzer called the meeting to order and roll was called.

The Board discussed purchasing a separate crime coverage insurance policy for the CDD increasing the coverage amount to \$3 Million.

On MOTION by Ms. Grandon seconded by Mr. Rossi with all in favor increasing the current criminal insurance coverage to \$3 Million was approved.

SECOND ORDER OF BUSINESS

Audience Comments

None.

THIRD ORDER OF BUSINESS

Discussion of Strategic Plan for the Golf Course

A document, Heritage Harbor 2017 Project List, prepared by Mr. Rossi and golf staff was distributed and discussed by the Board.

Mr. Poertner explained each item on the Project List.

The Project List will be forwarded to Mr. Wendel Gaertner for his review.

Mr. Jim Panno updated the Board on a golf cart incident.

FOURTH ORDER OF BUSINESS

Audience Comments

Ms. Jackson handed out and discussed a proposal/invoice from Design Scapes regarding Christmas decorations.

Audience members inquired about marketing plans.

FIFTH ORDER OF BUSINESS

Adjournment

On MOTION by Ms. Grandon seconded by Mr. Rossi with all in favor the meeting was adjourned.

David Penzer
Chairman

MINUTES OF MEETING HERITAGE HARBOR COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Heritage Harbor Community Development District was held Thursday, October 19, 2017 at 6:30 p.m. at the Heritage Harbor Clubhouse; 19502 Heritage Harbor Parkway, Lutz, Florida.

Present and constituting a quorum were:

David Penzer	Chairman
Russ Rossi	Vice Chairman
Shelley Grandon	Assistant Secretary
Patrick Giambelluca	Assistant Secretary
Clint Swigart	Assistant Secretary

Also present were:

Andy Mendenhall	District Manager
Chris Tarase	VP Severn Trent
Mark Straley	District Counsel
Lynn Jackson	Operations

Residents

The following is a summary of the discussions and actions taken at the October 19, 2017 Heritage Harbor Board of Supervisors meeting.

FIRST ORDER OF BUSINESS

Roll Call

Mr. Penzer called the meeting to order and roll was called.

SECOND ORDER OF BUSINESS

Audience Comments

None.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the September 21, 2017 Meeting

On MOTION by Mr. Giambelluca seconded by Mr. Swigart with all in favor the minutes of September 21, 2017 were approved.

FOURTH ORDER OF BUSINESS

Approval of the Financial Statements

The memorandum included with the financials was reviewed.

On MOTION by Ms. Grandon seconded by Mr. Swigart with all in favor the financial statements were accepted.

SIXTH ORDER OF BUSINESS

**Presentation of Potential
Refunding (Wendell Gaertner, PRAG)**

Mr. Gaertner of PRAG gave a brief follow up on the original direction he was given when contracted to act as financial adviser to the District.

The PRAG presentation prepared by Mr. Gaertner was included in the agenda package, provided to the Board and he expounded on it and explained the options.

A question and answer segment ensued between the Board and Mr. Gaertner.

The discussion concluded with the Board indicating they will continue to review the options and keep Mr. Gaertner informed of their progress.

EIGHTH ORDER OF BUSINESS

Staff Reports

A. Golf Course

Mr. Poertner and Mr. Panno gave brief golf reports.

FIFTH ORDER OF BUSINESS

District Management Company Presentations

Representatives from two management companies addressed the Board regarding their proposals to provide district management services; DPFG and Rizzetta and Company.

The presentations concluded and Mr. Rossi offered to check references for one of the presenting companies and he asked District Counsel to check references of the other one. A decision should be made at the next meeting.

Mr. Penzer offered the representatives of Severn Trent the opportunity to address them.

Mr. Chris Tarase, Vice President of Severn Trent Management Services addressed the Board and noted Severn Trent appreciates the District's business and partnership. He understands the Board's dissatisfaction with the previous District Manager and wants to do what is reasonable to help along the way, with the assistance of Mr. Gaertner of PRAG, with finding a resolution to the District's financial issues and the Board's decision regarding the bond debt. We value the Heritage Harbor CDD as a client.

SEVENTH ORDER OF BUSINESS

**Discussion of Strategic Plan for the Golf
Course**

This item was previously discussed.

NINTH ORDER OF BUSINESS

Attorney's Report

None.

TENTH ORDER OF BUSINESS

Engineer's Report

None.

ELEVENTH ORDER OF BUSINESS

District Manager's Report

A. Motion to Assign Reserves

It was explained that this is a housekeeping item, which is done every year. A copy of the six reserves to be assigned is included in the agenda package.

On MOTION by Mr. Penzer seconded by Ms. Grandon with all in favor assigning fund balances per the 9/30/17 Balance Sheet as indicated in the document included in the agenda package was approved.

Mr. Mendenhall noted the next interest payment on the Recreational Bond is due on November 1st. After speaking with the District Accountant, if the Board wants to make the payment on the bond, the recommendation is to use funds from the General Fund in the amount of \$34,293.

On MOTION by Mr. Penzer seconded by Ms. Grandon with all in favor authorization for the District Accountant to arrange for the November 1, 2017 bond interest payment in the amount of \$34,293 with funds from the General Fund was approved.

TWELFTH ORDER OF BUSINESS

Operation Report

Ms. Lynn Jackson reported the following:

- We had a lot of pressure washing going on this week; lights, monuments, fountain, gatehouse, and fence.
- The leak under the gatehouse window was fixed.
- The lights on the waterfall were ordered.

THIRTEENTH ORDER OF BUSINESS

Supervisors Requests

Mr. Giambelluca reported the traffic light at the main entrance will be installed within the next several months.

FOURTEENTH ORDER OF BUSINESS

Audience Comments

An audience member expressed her opinion on the management companies.

FIFTEENTH ORDER OF BUSINESS

Adjournment

On MOTION by Ms. Grandon seconded by Mr. Rossi with all in favor the meeting was adjourned.

David Penzer
Chairman

Fourth Order of Business

FINANCIALS

MEMORANDUM



TO: Heritage Harbor Board of Supervisors
FROM: Terri Lusk, District Accountant
CC: Andy Mendenhall
DATE: November 12, 2017
SUBJECT: Heritage Harbor – October Financial Report

Please find below the monthly update from the Finance Department. At this point in the fiscal year (through October), the expenditures should be around 8.33% of the adopted budget.

Finance Report

General Fund

- Special Assessment collections start in November.
- Total expenses through October were at 8.54% of the annual budget compared to 8.86% at the same time last year.
 - See Notes to the Financials for detailed explanations of variances.

Enterprise Fund

- Total operating revenues through October were at 10.29% of the annual budget compared to 6.04% at the same time last year.
 - The golf course revenues are at 6.87% of the annual budget compared to 5.83% last year.
 - The pro shop revenues are at 36.16% of the annual budget compared to 8.32% last year.
- Total operating expenses through October were at 8.39% of the annual budget compared to 8.81% at the same time last year.
 - See Notes to the Financials for detailed explanations.
- Total operating gain is \$7,619 compared to a loss of (\$33,029) at this time last year. The Pro Shop and the Restaurant received a reimbursement of \$34,440 from the HOA for overpayment of Reserves for FY 2015 and FY 2016 per the HOA Reserve Study. Without the HOA reimbursement, there would have been an operating loss of (\$26,821).
- The Enterprise Fund owes the General Fund (\$374,416). This is due to the General Fund funding the debt service payments less amounts paid back.

HERITAGE HARBOR
Community Development District

Financial Report

October 31, 2017

Prepared by



HERITAGE HARBOR

Community Development District

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HERITAGE HARBOR

Community Development District

Governmental Financial Statements

(Unaudited)

October 31, 2017

Balance Sheet
October 31, 2017

ACCOUNT DESCRIPTION	GENERAL FUND	SERIES 2008 DEBT SERVICE	ENTERPRISE FUND	TOTAL
ASSETS				
Current Assets				
Cash - Checking Account	\$ 229,851	\$ -	\$ 32,617	\$ 262,468
Cash On Hand/Petty Cash	-	-	600	600
Accounts Receivable	4,635	-	1,731	6,366
Accounts Receivable - Other	-	-	951	951
Due to / Due from Enterprise Fund	374,416	-	-	374,416
Due To / Due From Debt Service Fund	(1,877)	1,877	-	-
Inventory:				
Golf Balls	-	-	8,042	8,042
Golf Clubs	-	-	198	198
Gloves	-	-	3,600	3,600
Headwear	-	-	2,480	2,480
Ladies' Wear	-	-	590	590
Men's Wear	-	-	4,000	4,000
Shoes	-	-	52	52
Miscellaneous	-	-	2,461	2,461
Investments:				
Certificates of Deposit - 12 Months	-	-	21,299	21,299
Money Market Account	102,312	-	-	102,312
Interest Account	-	-	34,398	34,398
Principal	-	-	2,015	2,015
Reserve Fund	-	28,329	100,000	128,329
Revenue Fund	-	77,550	-	77,550
Prepaid Items	4,665	-	-	4,665
Deposits	1,890	-	3,456	5,346
Total Current Assets	715,892	107,756	218,490	1,042,138
Noncurrent Assets				
Fixed Assets				
Land	-	-	1,204,598	1,204,598
Infrastructure	-	-	6,011,912	6,011,912
Accum Depr - Infrastructure	-	-	(5,010,362)	(5,010,362)
Equipment and Furniture	-	-	865,444	865,444
Accum Depr - Equip/Furniture	-	-	(865,444)	(865,444)
Total Noncurrent Assets	-	-	2,206,148	2,206,148
TOTAL ASSETS	\$ 715,892	\$ 107,756	\$ 2,424,638	\$ 3,248,286

Balance Sheet
October 31, 2017

ACCOUNT DESCRIPTION	GENERAL FUND	SERIES 2008 DEBT SERVICE	ENTERPRISE FUND	TOTAL
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 14,908	\$ -	\$ 6,609	\$ 21,517
Accrued Expenses	6,639	-	10,481	17,120
Accounts Payable - Other	-	-	943	943
Due To HOA	-	-	10,423	10,423
Accrued Interest Payable	-	-	32,292	32,292
Accrued Wages Payable	-	-	491	491
Accrued Taxes Payable	854	-	-	854
Sales Tax Payable	-	-	4,699	4,699
Deposits	-	-	19,500	19,500
Gift Certificates	-	-	703	703
Due To Other Funds	-	-	374,416	374,416
Total Current Liabilities	22,401	-	460,557	482,958
Long-Term Liabilities				
Revenue Bonds Payable-LT	-	-	1,000,000	1,000,000
Total Long-Term Liabilities	-	-	1,000,000	1,000,000
TOTAL LIABILITIES	22,401	-	1,460,557	1,482,958
FUND BALANCES / NET ASSETS				
<i>Fund Balances</i>				
Nonspendable:				
Prepaid Items	4,665	-	-	4,665
Deposits	1,890	-	-	1,890
Restricted for:				
Debt Service	-	107,756	-	107,756
Assigned to:				
Operating Reserves	190,753	-	-	190,753
Reserves - Fountains	21,600	-	-	21,600
Reserves - Gate/Entry Features	55,191	-	-	55,191
Reserves- Irrigation System	100,000	-	-	100,000
Reserves - Lake Embankments	64,800	-	-	64,800
Reserves - Landscape	64,800	-	-	64,800
Unassigned:	189,792	-	-	189,792
<i>Net Assets</i>				
Invested in capital assets, net of related debt	-	-	1,205,445	1,205,445
Restricted for Debt Service	-	-	104,121	104,121
Unrestricted/Unreserved	-	-	(345,485)	(345,485)
TOTAL FUND BALANCES / NET ASSETS	\$ 693,491	\$ 107,756	\$ 964,081	\$ 1,765,328
TOTAL LIABILITIES & FUND BALANCES / NET ASSETS	\$ 715,892	\$ 107,756	\$ 2,424,638	\$ 3,248,286

Balance Sheet
October 31, 2017

ACCOUNT DESCRIPTION	GENERAL FUND	SERIES 2008 DEBT SERVICE FUND	ENTERPRISE FUND	TOTAL
<u>LIABILITIES</u>				
Current Liabilities				
Accounts Payable	\$ 14,908	\$ -	\$ 6,609	\$ 21,517
Accrued Expenses	6,639	-	10,481	17,120
Accounts Payable - Other	-	-	943	943
Due To HOA	-	-	10,423	10,423
Accrued Interest Payable	-	-	32,292	32,292
Accrued Wages Payable	-	-	491	491
Accrued Taxes Payable	854	-	-	854
Sales Tax Payable	-	-	4,699	4,699
Deposits	-	-	19,500	19,500
Gift Certificates	-	-	703	703
Due To Other Funds	-	-	374,416	374,416
Total Current Liabilities	22,401	-	460,557	482,958
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Revenue Bonds Payable-LT	-	-	1,000,000	1,000,000
Total Long-Term Liabilities	-	-	1,000,000	1,000,000
TOTAL LIABILITIES	22,401	-	1,460,557	1,482,958
<u>FUND BALANCES / NET ASSETS</u>				
<i>Fund Balances</i>				
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Prepaid Items	4,665	-	-	4,665
Deposits	1,890	-	-	1,890
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Debt Service	-	107,756	-	107,756
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Reserves - Fountains	21,600	-	-	21,600
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Reserves - Lake Embankments	64,800	-	-	64,800
Reserves - Landscape	64,800	-	-	64,800
Unassigned:	189,792	-	-	189,792
<i>Net Assets</i>				
Invested in capital assets, net of related debt	-	-	1,205,445	1,205,445
Restricted for Debt Service	-	-	104,121	104,121
Unrestricted/Unreserved	-	-	(345,485)	(345,485)
TOTAL FUND BALANCES / NET ASSETS	\$ 693,491	\$ 107,756	\$ 964,081	\$ 1,765,328
TOTAL LIABILITIES & FUND BALANCES / NET ASSETS	\$ 715,892	\$ 107,756	\$ 2,424,638	\$ 3,248,286

HERITAGE HARBOR

Community Development District

General Fund**Statement of Revenues, Expenditures and Changes in Fund Balances**

For the Period Ending October 31, 2017

ACCOUNT DESCRIPTION	FY 2018 ADOPTED BUDGET	FY 2018 YEAR TO DATE BUDGET	FY 2018 YEAR TO DATE ACTUAL	FY 2017 YEAR TO DATE ACTUAL	YTD ACTUAL AS A % OF ADOPTED BUD	OCT-17 ACTUAL	OCT-16 ACTUAL
REVENUES							
Interest - Investments	\$ 2,700	\$ 225	\$ 70	\$ 69	2.59%	\$ 70	\$ 69
Special Assmnts- Tax Collector	997,112	-	-	-	0.00%	-	-
Special Assmnts- Discounts	(39,884)	-	-	-	0.00%	-	-
TOTAL REVENUES	959,928	225	70	69	0.01%	70	69
EXPENDITURES							
Administration							
P/R-Board of Supervisors	12,000	1,000	1,000	800	8.33%	1,000	800
FICA Taxes	918	77	77	61	8.39%	77	61
ProfServ-Engineering	9,000	750	467	514	5.19%	467	514
ProfServ-Legal Services	6,000	500	-	140	0.00%	-	140
ProfServ-Mgmt Consulting Serv	56,100	4,675	4,675	3,910	8.33%	4,675	3,910
Accounting Services	600	50	50	50	8.33%	50	50
Auditing Services	8,275	-	-	-	0.00%	-	-
Postage and Freight	900	75	76	33	8.44%	76	33
Insurance - General Liability	12,429	12,429	12,001	10,819	96.56%	12,001	10,819
Printing and Binding	2,400	200	63	18	2.63%	63	18
Legal Advertising	1,200	676	613	676	51.08%	613	676
Miscellaneous Services	960	80	42	-	4.38%	42	-
Misc-Assessmnt Collection Cost	19,942	-	-	-	0.00%	-	-
Misc-Web Hosting	1,000	83	83	83	8.30%	83	83
Office Supplies	600	50	-	-	0.00%	-	-
Annual District Filing Fee	175	175	175	175	100.00%	175	175
Total Administration	132,499	20,820	19,322	17,279	14.58%	19,322	17,279
Operations and Maintenance							
Field							
Payroll-Hourly	45,600	3,800	3,769	3,806	8.27%	3,769	3,806
FICA Taxes	7,200	600	581	1,213	8.07%	581	1,213
Life and Health Insurance	4,800	400	285	299	5.94%	285	299
ProfServ-Field Management	15,000	1,250	1,250	1,250	8.33%	1,250	1,250
Contracts-Guard Services	147,660	12,305	10,171	10,814	6.89%	10,171	10,814
Contracts-Fountain	1,680	140	140	140	8.33%	140	140
Contracts-Landscape	136,800	11,400	11,400	11,400	8.33%	11,400	11,400
Contracts-Lakes	41,736	3,478	3,478	3,128	8.33%	3,478	3,128
Contracts-Gates	50,280	4,190	4,572	3,992	9.09%	4,572	3,992
Utility -General	74,700	6,225	6,214	5,773	8.32%	6,214	5,773
R&M-General	9,000	750	-	7,600	0.00%	-	7,600
R&M-Gate	4,800	400	-	-	0.00%	-	-
R&M-Other Landscape	28,800	2,400	-	360	0.00%	-	360
R&M-Irrigation	6,000	500	-	-	0.00%	-	-
R&M-Lake	1,200	100	1,142	-	95.17%	1,142	-
R&M-Mitigation	2,260	-	-	-	0.00%	-	-
R&M-Trees and Trimming	10,000	-	-	-	0.00%	-	-
R&M-Parks & Facilities	3,600	-	-	-	0.00%	-	-

HERITAGE HARBOR

Community Development District

General Fund**Statement of Revenues, Expenditures and Changes in Fund Balances**

For the Period Ending October 31, 2017

ACCOUNT DESCRIPTION	FY 2018 ADOPTED BUDGET	FY 2018 YEAR TO DATE BUDGET	FY 2018 YEAR TO DATE ACTUAL	FY 2017 YEAR TO DATE ACTUAL	YTD ACTUAL AS A % OF ADOPTED BUD	OCT-17 ACTUAL	OCT-16 ACTUAL
Field (continued)							
Misc-Holiday Decor	8,500	3,150	3,150	-	37.06%	3,150	-
Misc-Contingency	15,000	-	-	810	0.00%	-	810
Reserve - Fountain	2,000	-	-	-	0.00%	-	-
Reserve - Gate/Entry Feature	6,000	-	-	-	0.00%	-	-
Reserve - Lake Embankm/Drainage	6,000	-	-	-	0.00%	-	-
Reserve - Landscaping	6,000	-	-	-	0.00%	-	-
Total Field	634,616	51,088	46,152	50,585	7.27%	46,152	50,585
TOTAL EXPENDITURES	767,115	71,908	65,474	67,864	8.54%	65,474	67,864
Excess (deficiency) of revenues Over (under) expenditures	192,813	(71,683)	(65,404)	(67,795)	-33.92%	(65,404)	(67,795)
OTHER FINANCING SOURCES (USES)							
Operating Transfers-Out	(192,813)	-	-	-	0.00%	-	-
TOTAL FINANCING SOURCES (USES)	(192,813)	-	-	-	0.00%	-	-
Net change in fund balance	\$ -	\$ (71,683)	\$ (65,404)	\$ (67,795)	0.00%	\$ (65,404)	\$ (67,795)
FUND BALANCE, BEGINNING (OCT 1, 2016)	767,894	758,895	758,895	767,894			
FUND BALANCE, ENDING	\$ 767,894	\$ 687,212	\$ 693,491	\$ 700,099			

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Period Ending October 31, 2017

ACCOUNT DESCRIPTION	FY 2018 ADOPTED BUDGET	FY 2018 YEAR TO DATE BUDGET	FY 2018 YEAR TO DATE ACTUAL	FY 2017 YEAR TO DATE ACTUAL	YTD ACTUAL AS A % OF ADOPTED BUD	OCT-17 ACTUAL	OCT-16 ACTUAL
REVENUES							
Interest - Investments	\$ -	\$ -	\$ 18	\$ 8	0.00%	\$ 18	\$ 8
Special Assmnts- Tax Collector	307,928	-	-	-	0.00%	-	-
Special Assmnts- Discounts	(12,317)	-	-	-	0.00%	-	-
TOTAL REVENUES	295,611	-	18	8	0.01%	18	8
EXPENDITURES							
Administration							
ProfServ-Trustee Fees	4,337	-	-	-	0.00%	-	-
Misc-Assessmnt Collection Cost	6,159	-	-	-	0.00%	-	(1,175)
Total Administration	10,496	-	-	-	0.00%	-	(1,175)
Debt Service							
Principal Debt Retirement	255,000	-	-	-	0.00%	-	-
Interest Expense Series A	22,365	-	-	-	0.00%	-	-
Total Debt Service	277,365	-	-	-	0.00%	-	-
TOTAL EXPENDITURES	287,861	-	-	-	0.00%	-	(1,175)
Excess (deficiency) of revenues Over (under) expenditures	<u>7,750</u>	<u>-</u>	<u>18</u>	<u>8</u>	<u>0.23%</u>	<u>18</u>	<u>1,183</u>
OTHER FINANCING SOURCES (USES)							
Contribution to (Use of) Fund Balance	7,750	-	-	-	0.00%	-	-
TOTAL FINANCING SOURCES (USES)	7,750	-	-	-	0.00%	-	-
Net change in fund balance	<u>\$ 7,750</u>	<u>\$ -</u>	<u>\$ 18</u>	<u>\$ 8</u>	<u>0.23%</u>	<u>\$ 18</u>	<u>\$ 1,183</u>
FUND BALANCE, BEGINNING (OCT 1, 2016)	102,034	107,738	107,738	102,034			
FUND BALANCE, ENDING	<u>\$ 109,784</u>	<u>\$ 107,738</u>	<u>\$ 107,756</u>	<u>\$ 102,042</u>			

Notes to the Financial Statements

Balance Sheet

Account Name	Annual Budget	YTD Actual	% of Budget	Explanation
Assets				
Accounts Receivable		4,635		HOA's 50% portion of Clubhouse maintenance and Front Desk personnel
Due to / Due from Enterprise Fund		374,416		Due from Enterprise to General Fund for loan to pay principal and interest payments for the Recreation Bond
Due to / Due from Debt Service Fund		(1,877)		Due from General Fund to the Debt Service Fund
Prepaid Items		4,665		Gate monitoring, maintenance
Deposits		1,890		TECO utility deposits
Liabilities				
Accounts Payable		14,908		Current months invoices not paid in current month
Accrued Expenses		6,639		Utilities, electric

Variance Analysis

Account Name	Annual Budget	YTD Actual	% of Budget	Explanation
General Fund 001				
Expenses				
<i>Administrative</i>				
Postage and Freight	900	76	8.44%	ST charges, FedEx charges for agenda packages
Insurance-General Liability	12,429	12,001	96.56%	General Liability insurance paid for the year
Legal Advertising	1,200	613	51.08%	Advertisement and notices for meetings for the year
<i>Field Expenses</i>				
Payroll-Hourly	45,600	3,806	8.35%	Employees for Clubhouse maintenance and the Front Desk-shared expense with HOA
FICA Taxes	7,200	1,213	16.85%	Payroll fees increased more than expected
Contracts-Gates	50,280	4,572	9.09%	Monthly gate access monitoring, qtrly East gate monitoring, Frontier phone service
R&M-Lake	1,200	1,142	95.17%	Fountain lights repair
Misc-Holiday Décor	8,500	3,150	37.06%	Deposit for Installation of Holiday lights at front entrance includes take down

HERITAGE HARBOR

Community Development District

Enterprise Financial Statements

(Unaudited)

October 31, 2017

Statement of Revenues, Expenses and Changes in Net Assets
For the Period Ending October 31, 2017

ACCOUNT DESCRIPTION	FY 2018 ADOPTED BUDGET	FY 2018 YEAR TO DATE BUDGET	FY 2018 YEAR TO DATE ACTUAL	FY 2017 YEAR TO DATE ACTUAL	YTD ACTUAL AS A % OF ADOPTED BUD	OCT-17 ACTUAL	OCT-16 ACTUAL
OPERATING REVENUES							
Golf Course							
Green Fees	\$ 890,997	\$ 69,462	\$ 61,447	\$ 68,393	6.90%	\$ 61,447	\$ 68,393
Club Rentals	25	2	-	-	0.00%	-	-
Range Fees	38,804	3,025	2,390	2,732	6.16%	2,390	2,732
Handicaps	100	8	20	-	20.00%	20	-
Total Golf Course	929,926	72,497	63,857	71,125	6.87%	63,857	71,125
Pro Shop							
Golf Ball Sales	22,750	1,896	1,708	2,033	7.51%	1,708	2,033
Glove Sales	5,576	465	317	506	5.69%	317	506
Headwear Sales	3,664	305	246	458	6.71%	246	458
Ladies' Wear Sales	-	-	105	-	0.00%	105	-
Men's Wear Sales	1,470	123	176	118	11.97%	176	118
Miscellaneous Sales	2,402	200	83	44	3.46%	83	44
Other Miscellaneous Revenues	-	-	10,332	-	0.00%	10,332	-
Total Pro Shop	35,862	2,989	12,967	3,159	36.16%	12,967	3,159
Restaurant							
Rents or Royalties	78,000	6,500	6,500	6,500	8.33%	6,500	6,500
Other Miscellaneous Revenues	-	-	24,108	-	0.00%	24,108	-
Total Restaurant	78,000	6,500	30,608	6,500	39.24%	30,608	6,500
Other							
Interest - Investments	300	25	18	9	6.00%	18	9
Total Other	300	25	18	9	6.00%	18	9
TOTAL OPERATING REVENUES	1,044,088	82,011	107,450	80,793	10.29%	107,450	80,793
COST OF GOODS SOLD							
COS - Golf Balls	10,500	875	553	40	5.27%	553	40
COS - Gloves	3,200	267	260	503	8.13%	260	503
COS - Headwear	1,600	133	140	171	8.75%	140	171
COS - Ladies' Wear	-	-	(383)	-	0.00%	(383)	-
COS - Men's Wear	875	73	(1,682)	124	-192.23%	(1,682)	124
COS - Miscellaneous	1,500	125	80	99	5.33%	80	99
Total Cost of Goods Sold	17,675	1,473	(1,032)	937	-5.84%	(1,032)	937
GROSS PROFIT	1,026,413	80,538	108,482	79,856	10.57%	108,482	79,856

HERITAGE HARBOR

Community Development District

Consolidated Enterprise Fund**Statement of Revenues, Expenses and Changes in Net Assets**

For the Period Ending October 31, 2017

ACCOUNT DESCRIPTION	FY 2018 ADOPTED BUDGET	FY 2018 YEAR TO DATE BUDGET	FY 2018 YEAR TO DATE ACTUAL	FY 2017 YEAR TO DATE ACTUAL	YTD ACTUAL AS A % OF ADOPTED BUD	OCT-17 ACTUAL	OCT-16 ACTUAL
OPERATING EXPENSES							
Golf Course							
Payroll-Hourly	272,173	22,681	23,710	25,836	8.71%	23,710	25,836
Incentive	500	-	-	-	0.00%	-	-
FICA Taxes	45,000	3,750	3,654	3,914	8.12%	3,654	3,914
Life and Health Insurance	23,842	1,987	1,663	1,364	6.98%	1,663	1,364
Accounting Services	9,000	750	750	750	8.33%	750	750
Contracts-Security Alarms	239	60	60	60	25.10%	60	60
Communication - Telephone	2,296	191	197	189	8.58%	197	189
Postage and Freight	200	17	-	52	0.00%	-	52
Electricity - General	14,400	1,200	875	1,377	6.08%	875	1,377
Utility - Refuse Removal	5,644	470	454	426	8.04%	454	426
Utility - Water & Sewer	6,600	550	450	484	6.82%	450	484
Rental/Lease - Vehicle/Equip	44,090	3,674	2,535	2,535	5.75%	2,535	2,535
Lease - Ice Machines	1,500	125	125	125	8.33%	125	125
Insurance - Property	15,996	15,996	13,652	14,542	85.35%	13,652	14,542
R&M-Buildings	480	40	-	-	0.00%	-	-
R&M-Equipment	15,900	1,325	250	1,067	1.57%	250	1,067
R&M-Fertilizer	23,200	1,933	-	-	0.00%	-	-
R&M-Irrigation	3,600	300	-	12	0.00%	-	12
R&M-Golf Course	5,025	419	-	306	0.00%	-	306
R&M-Pumps	2,760	230	229	229	8.30%	229	229
Misc-Property Taxes	1,500	-	-	-	0.00%	-	-
Misc-Licenses & Permits	125	-	-	-	0.00%	-	-
Op Supplies - General	4,800	400	386	337	8.04%	386	337
Op Supplies - Fuel, Oil	18,000	1,500	917	1,290	5.09%	917	1,290
Op Supplies - Chemicals	20,730	1,728	-	1,622	0.00%	-	1,622
Op Supplies - Hand tools	1,000	-	-	-	0.00%	-	-
Supplies - Sand	1,800	-	-	652	0.00%	-	652
Supplies - Top Dressing	2,400	-	-	-	0.00%	-	-
Total Golf Course	542,800	59,326	49,907	57,169	9.19%	49,907	57,169

HERITAGE HARBOR

Community Development District

Consolidated Enterprise Fund**Statement of Revenues, Expenses and Changes in Net Assets**

For the Period Ending October 31, 2017

ACCOUNT DESCRIPTION	FY 2018 ADOPTED BUDGET	FY 2018 YEAR TO DATE BUDGET	FY 2018 YEAR TO DATE ACTUAL	FY 2017 YEAR TO DATE ACTUAL	YTD ACTUAL AS A % OF ADOPTED BUD	OCT-17 ACTUAL	OCT-16 ACTUAL
Pro Shop							
Payroll-Hourly	149,000	12,417	13,452	12,635	9.03%	13,452	12,635
FICA Taxes	22,500	1,875	2,073	1,914	9.21%	2,073	1,914
Life and Health Insurance	17,489	1,457	896	978	5.12%	896	978
ProfServ-Web Site Development	1,000	250	188	188	18.80%	188	188
Accounting Services	9,000	750	750	750	8.33%	750	750
Contracts-Janitorial Services	11,700	975	520	569	4.44%	520	569
Contracts-Security Alarms	2,157	211	120	448	5.56%	120	448
Communication - Telephone	3,900	325	301	302	7.72%	301	302
Postage and Freight	240	20	-	52	0.00%	-	52
Electricity - General	12,000	1,000	648	774	5.40%	648	774
Utility - Refuse Removal	519	43	60	42	11.56%	60	42
Utility - Water & Sewer	3,240	270	135	293	4.17%	135	293
Lease - Copier	996	83	72	90	7.23%	72	90
Lease - Carts	70,560	5,880	5,880	5,880	8.33%	5,880	5,880
Insurance - Property	9,096	9,096	7,763	8,269	85.35%	7,763	8,269
R&M-General	6,000	500	1,856	1,435	30.93%	1,856	1,435
R&M-Air Conditioning	450	38	126	7	28.00%	126	7
R&M-Pest Control	2,148	179	-	20	0.00%	-	20
Advertising	10,500	875	275	1,373	2.62%	275	1,373
Misc-Bank Charges	27,000	2,250	1,474	1,448	5.46%	1,474	1,448
Misc-Cable TV Expenses	1,455	121	118	117	8.11%	118	117
Misc-Property Taxes	5,500	-	-	921	0.00%	-	921
Misc-Handicap Fees	500	-	-	-	0.00%	-	-
Office Supplies	1,200	100	-	13	0.00%	-	13
Computer Expense	966	-	-	790	0.00%	-	790
Op Supplies - General	900	75	20	20	2.22%	20	20
Supplies - Scorecards	500	-	-	-	0.00%	-	-
Reserve	10,505	875	540	875	5.14%	540	875
Total Pro Shop	381,021	39,665	37,267	40,203	9.78%	37,267	40,203

Statement of Revenues, Expenses and Changes in Net Assets
For the Period Ending October 31, 2017

ACCOUNT DESCRIPTION	FY 2018 ADOPTED BUDGET	FY 2018 YEAR TO DATE BUDGET	FY 2018 YEAR TO DATE ACTUAL	FY 2017 YEAR TO DATE ACTUAL	YTD ACTUAL AS A % OF ADOPTED BUD	OCT-17 ACTUAL	OCT-16 ACTUAL
Restaurant							
Payroll-Hourly	4,895	408	486	408	9.93%	486	408
ProfServ-Web Site Development	1,200	188	188	188	15.67%	188	188
Accounting Services	1,200	100	100	100	8.33%	100	100
Contracts-Janitorial Services	2,440	203	34	161	1.39%	34	161
Contracts-Security Alarms	1,883	420	-	258	0.00%	-	258
Communication - Telephone	1,932	161	333	202	17.24%	333	202
Electricity - General	12,480	1,040	838	986	6.71%	838	986
Utility - Refuse Removal	4,674	390	542	378	11.60%	542	378
Utility - Water & Sewer	3,600	300	135	293	3.75%	135	293
Lease - Copier	1,200	100	72	90	6.00%	72	90
Lease - Dishwasher	720	60	60	60	8.33%	60	60
Insurance - Property	8,963	8,963	7,316	8,148	81.62%	7,316	8,148
R&M-Air Conditioning	900	714	714	41	79.33%	714	41
R&M-Buildings	2,100	175	1,588	1,049	75.62%	1,588	1,049
R&M-Pest Control	3,617	301	-	114	0.00%	-	114
Misc-Property Taxes	2,000	-	-	921	0.00%	-	921
Misc-Cable Music	847	71	23	69	2.72%	23	69
Office Supplies	60	5	-	3	0.00%	-	3
Computer Expense	1,200	-	-	-	0.00%	-	-
Reserve	24,511	2,043	1,260	2,043	5.14%	1,260	2,043
Total Restaurant	80,422	15,642	13,689	15,512	17.02%	13,689	15,512
Debt Service							
ProfServ-Arbitrage Rebate	300	-	-	-	0.00%	-	-
ProfServ-Dissemination Agent	1,000	-	-	-	0.00%	-	-
ProfServ-Trustee	3,563	-	-	-	0.00%	-	-
Principal Debt Retirement	125,000	-	-	-	0.00%	-	-
Interest Expense	67,813	-	-	-	0.00%	-	-
Total Debt Service	197,676	-	-	-	0.00%	-	-
TOTAL OPERATING EXPENSES	1,201,919	114,633	100,863	112,884	8.39%	100,863	112,884
Operating income (loss)	(175,506)	(34,095)	7,619	(33,028)	-4.34%	7,619	(33,028)
OTHER FINANCING SOURCES (USES)							
Interfund Transfer - In	192,813	-	-	-	0.00%	-	-
TOTAL FINANCING SOURCES (USES)	192,813	-	-	-	0.00%	-	-
Change in net assets	\$ 17,307	\$ (34,095)	\$ 7,619	\$ (33,028)	44.02%	\$ 7,619	\$ (33,028)

HERITAGE HARBOR

Community Development District

Golf Course / Pro Shop**Statement of Revenues, Expenses and Changes in Net Assets**

For the Period Ending October 31, 2017

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	FY 2018 YEAR TO DATE BUDGET	FY 2018 YEAR TO DATE ACTUAL	FY 2017 YEAR TO DATE ACTUAL	YTD ACTUAL AS A % OF ADOPTED BUD	OCT-17 ACTUAL	OCT-16 ACTUAL
GOLF COURSE REVENUES							
Green Fees	\$ 890,997	\$ 69,462	\$ 61,447	\$ 68,393	6.90%	\$ 61,447	\$ 68,393
Club Rentals	25	2	-	-	0.00%	-	-
Range Fees	38,804	3,025	2,390	2,732	6.16%	2,390	2,732
Handicaps	100	8	20	-	20.00%	20	-
Total Golf Course Revenues	929,926	72,497	63,857	71,125	6.87%	63,857	71,125
PRO SHOP REVENUES							
Golf Ball Sales	22,750	1,896	1,708	2,033	7.51%	1,708	2,033
Glove Sales	5,576	465	317	506	5.69%	317	506
Headwear Sales	3,664	305	246	458	6.71%	246	458
Ladies' Wear Sales	-	-	105	-	0.00%	105	-
Men's Wear Sales	1,470	123	176	118	11.97%	176	118
Miscellaneous Sales	2,402	200	83	44	3.46%	83	44
Other Miscellaneous Revenues	-	-	10,332	-	0.00%	10,332	-
Total Pro Shop Revenues	35,862	2,989	12,967	3,159	36.16%	12,967	3,159
TOTAL OPERATING REVENUES	965,788	75,486	76,824	74,284	7.95%	76,824	74,284
COST OF GOODS SOLD							
COS - Golf Balls	10,500	875	553	40	5.27%	553	40
COS - Gloves	3,200	267	260	503	8.13%	260	503
COS - Headwear	1,600	133	140	171	8.75%	140	171
COS - Ladies' Wear	-	-	(383)	-	0.00%	(383)	-
COS - Men's Wear	875	73	(1,682)	124	-192.23%	(1,682)	124
COS - Miscellaneous	1,500	125	80	99	5.33%	80	99
Total Cost of Goods Sold	17,675	1,473	(1,032)	937	-5.84%	(1,032)	937
GROSS PROFIT	948,113	74,013	77,856	73,347	8.21%	77,856	73,347
OPERATING EXPENSES							
Golf Course							
Payroll-Hourly	272,173	22,681	23,710	25,836	8.71%	23,710	25,836
Incentive	500	-	-	-	0.00%	-	-
FICA Taxes	45,000	3,750	3,654	3,914	8.12%	3,654	3,914
Life and Health Insurance	23,842	1,987	1,663	1,364	6.98%	1,663	1,364
Accounting Services	9,000	750	750	750	8.33%	750	750
Contracts-Security Alarms	239	60	60	60	25.10%	60	60
Communication - Telephone	2,296	191	197	189	8.58%	197	189
Postage and Freight	200	17	-	52	0.00%	-	52
Electricity - General	14,400	1,200	875	1,377	6.08%	875	1,377
Utility - Refuse Removal	5,644	470	454	426	8.04%	454	426
Utility - Water & Sewer	6,600	550	450	484	6.82%	450	484
Rental/Lease - Vehicle/Equip	44,090	3,674	2,535	2,535	5.75%	2,535	2,535
Lease - Ice Machines	1,500	125	125	125	8.33%	125	125
Insurance - Property	15,996	15,996	13,652	14,542	85.35%	13,652	14,542
R&M-Buildings	480	40	-	-	0.00%	-	-

HERITAGE HARBOR

Community Development District

Golf Course / Pro Shop**Statement of Revenues, Expenses and Changes in Net Assets**

For the Period Ending October 31, 2017

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	FY 2018 YEAR TO DATE BUDGET	FY 2018 YEAR TO DATE ACTUAL	FY 2017 YEAR TO DATE ACTUAL	YTD ACTUAL AS A % OF ADOPTED BUD	OCT-17 ACTUAL	OCT-16 ACTUAL
R&M-Equipment	15,900	1,325	250	1,067	1.57%	250	1,067
R&M-Fertilizer	23,200	1,933	-	-	0.00%	-	-
R&M-Irrigation	3,600	300	-	12	0.00%	-	12
R&M-Golf Course	5,025	419	-	306	0.00%	-	306
R&M-Pumps	2,760	230	229	229	8.30%	229	229
Misc-Property Taxes	1,500	-	-	-	0.00%	-	-
Misc-Licenses & Permits	125	-	-	-	0.00%	-	-
Op Supplies - General	4,800	400	386	337	8.04%	386	337
Op Supplies - Fuel, Oil	18,000	1,500	917	1,290	5.09%	917	1,290
Op Supplies - Chemicals	20,730	1,728	-	1,622	0.00%	-	1,622
Op Supplies - Hand tools	1,000	-	-	-	0.00%	-	-
Supplies - Sand	1,800	-	-	652	0.00%	-	652
Supplies - Top Dressing	2,400	-	-	-	0.00%	-	-
Total Golf Course	542,800	59,326	49,907	57,169	9.19%	49,907	57,169
Pro Shop							
Payroll-Hourly	149,000	12,417	13,452	12,635	9.03%	13,452	12,635
FICA Taxes	22,500	1,875	2,073	1,914	9.21%	2,073	1,914
Life and Health Insurance	17,489	1,457	896	978	5.12%	896	978
ProfServ-Web Site Development	1,000	250	188	188	18.80%	188	188
Accounting Services	9,000	750	750	750	8.33%	750	750
Contracts-Janitorial Services	11,700	975	520	569	4.44%	520	569
Contracts-Security Alarms	2,157	211	120	448	5.56%	120	448
Communication - Telephone	3,900	325	301	302	7.72%	301	302
Postage and Freight	240	20	-	52	0.00%	-	52
Electricity - General	12,000	1,000	648	774	5.40%	648	774
Utility - Refuse Removal	519	43	60	42	11.56%	60	42
Utility - Water & Sewer	3,240	270	135	293	4.17%	135	293
Lease - Copier	996	83	72	90	7.23%	72	90
Lease - Carts	70,560	5,880	5,880	5,880	8.33%	5,880	5,880
Insurance - Property	9,096	9,096	7,763	8,269	85.35%	7,763	8,269
R&M-General	6,000	500	1,856	1,435	30.93%	1,856	1,435
R&M-Air Conditioning	450	38	126	7	28.00%	126	7
R&M-Pest Control	2,148	179	-	20	0.00%	-	20
Advertising	10,500	875	275	1,373	2.62%	275	1,373
Misc-Bank Charges	27,000	2,250	1,474	1,448	5.46%	1,474	1,448
Misc-Cable TV Expenses	1,455	121	118	117	8.11%	118	117
Misc-Property Taxes	5,500	-	-	921	0.00%	-	921
Misc-Handicap Fees	500	-	-	-	0.00%	-	-
Office Supplies	1,200	100	-	13	0.00%	-	13
Computer Expense	966	-	-	790	0.00%	-	790
Op Supplies - General	900	75	20	20	2.22%	20	20
Supplies - Scorecards	500	-	-	-	0.00%	-	-
Reserve	10,505	875	540	875	5.14%	540	875
Total Pro Shop	381,021	39,665	37,267	40,203	9.78%	37,267	40,203
TOTAL OPERATING EXPENSES	923,821	98,991	87,174	97,372	9.44%	87,174	97,372
Operating income (loss)	24,292	(24,978)	(9,318)	(24,025)	-38.36%	(9,318)	(24,025)

HERITAGE HARBOR
Community Development District

Restaurant

Statement of Revenues, Expenses and Changes in Net Assets
For the Period Ending October 31, 2017

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	FY 2018 YEAR TO DATE BUDGET	FY 2018 YEAR TO DATE ACTUAL	FY 2017 YEAR TO DATE ACTUAL	YTD ACTUAL AS A % OF ADOPTED BUD	OCT-17 ACTUAL	OCT-16 ACTUAL
OPERATING REVENUES							
Rents or Royalties	\$ 78,000	\$ 6,500	\$ 6,500	\$ 6,500	8.33%	\$ 6,500	\$ 6,500
Other Miscellaneous Revenues	-	-	24,108	-	0.00%	24,108	-
TOTAL OPERATING REVENUES	78,000	6,500	30,608	6,500	39.24%	30,608	6,500
OPERATING EXPENSES							
Restaurant							
Payroll-Hourly	4,895	408	486	408	9.93%	486	408
ProfServ-Web Site Development	1,200	188	188	188	15.67%	188	188
Accounting Services	1,200	100	100	100	8.33%	100	100
Contracts-Janitorial Services	2,440	203	34	161	1.39%	34	161
Contracts-Security Alarms	1,883	420	-	258	0.00%	-	258
Communication - Telephone	1,932	161	333	202	17.24%	333	202
Electricity - General	12,480	1,040	838	986	6.71%	838	986
Utility - Refuse Removal	4,674	390	542	378	11.60%	542	378
Utility - Water & Sewer	3,600	300	135	293	3.75%	135	293
Lease - Copier	1,200	100	72	90	6.00%	72	90
Lease - Dishwasher	720	60	60	60	8.33%	60	60
Insurance - Property	8,963	8,963	7,316	8,148	81.62%	7,316	8,148
R&M-Air Conditioning	900	714	714	41	79.33%	714	41
R&M-Buildings	2,100	175	1,588	1,049	75.62%	1,588	1,049
R&M-Pest Control	3,617	301	-	114	0.00%	-	114
Misc-Property Taxes	2,000	-	-	921	0.00%	-	921
Misc-Cable Music	847	71	23	69	2.72%	23	69
Office Supplies	60	5	-	3	0.00%	-	3
Computer Expense	1,200	-	-	-	0.00%	-	-
Reserve	24,511	2,043	1,260	2,043	5.14%	1,260	2,043
Total Restaurant	80,422	15,642	13,689	15,512	17.02%	13,689	15,512
TOTAL OPERATING EXPENSES	80,422	15,642	13,689	15,512	17.02%	13,689	15,512
Operating income (loss)	(2,422)	(9,142)	16,919	(9,012)	-698.55%	16,919	(9,012)

HERITAGE HARBOR

Community Development District

Other

Statement of Revenues, Expenses and Changes in Net Assets
For the Period Ending October 31, 2017

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	FY 2018 YEAR TO DATE BUDGET	FY 2018 YEAR TO DATE ACTUAL	FY 2017 YEAR TO DATE ACTUAL	YTD ACTUAL AS A % OF ADOPTED BUD	OCT-17 ACTUAL	OCT-16 ACTUAL
OPERATING REVENUES							
Interest - Investments	\$ 300	\$ 25	\$ 18	\$ 9	6.00%	\$ 18	\$ 9
Other Miscellaneous Revenues	-	-	-	-	0.00%	-	-
TOTAL OPERATING REVENUES	300	25	18	9	6.00%	18	9
OPERATING EXPENSES							
Debt Service							
ProfServ-Arbitrage Rebate	300	-	-	-	0.00%	-	-
ProfServ-Dissemination Agent	1,000	-	-	-	0.00%	-	-
ProfServ-Trustee	3,563	-	-	-	0.00%	-	-
Principal Debt Retirement	125,000	-	-	-	0.00%	-	-
Interest Expense	67,813	-	-	-	0.00%	-	-
Total Debt Service	197,676	-	-	-	0.00%	-	-
TOTAL OPERATING EXPENSES	197,676	-	-	-	0.00%	-	-
Operating income (loss)	(197,376)	25	18	9	-0.01%	18	9
OTHER FINANCING SOURCES (USES)							
Interfund Transfer - In	192,813	-	-	-	0.00%	-	-
TOTAL FINANCING SOURCES (USES)	192,813	-	-	-	0.00%	-	-
Change in net assets	\$ (4,563)	\$ 25	\$ 18	\$ 9	-0.39%	\$ 18	\$ 9

Notes to the Financial Statements

Balance Sheet

Account Name	Annual Budget	YTD Actual	% of Budget	Explanation
Assets				
Accounts Receivable		1,731		Due from Olympian Restaurant for phone & bev cart
Accounts Receivable-Other		951		TECO utility bills that will clear in October
Investments - CD		21,299		Olympian Restaurant deposit was re-invested in a 12 month CD
Deposits		3,456		TECO utility deposits
Liabilities				
Accounts Payable		6,609		Current months invoices not paid in current month
Accrued Expenses		10,481		Electricity, utilities, cart lease
Due to HOA		10,423		Heritage Harbor Intercompany charges
Accrued Interest Payable		32,292		Accrued interest payment
Accrued Wages Payable		491		Accrued wages thru end of month
Sales Tax Payable		4,699		Sales Tax owed to the State - paid the following month
Deposits		19,500		Olympian Restaurant deposit
Gift Certificates		703		Gift certificates not redeemed
Due to / Due from General Fund		374,416		Due to General Fund from Enterprise Fund for loan to pay principal and interest payments for Recreation Bond

Variance Analysis

Account Name	Annual Budget	YTD Actual	% of Budget	Explanation
Golf Course				
Expenses				
Payroll - Hourly	272,173	23,710	8.71%	Golf Course employees
Contracts-Security Alarms	239	60	25.10%	Maintenance Bldg monitoring - paid 1st quarter
Communication-Telephone	2,296	197	8.58%	Monthly phone service with Frontier
Insurance - Property	15,996	13,652	85.35%	Property insurance paid in full
Pro Shop				
Revenues				
Other Miscellaneous Revenues	-	10,332	0.00%	Refund from HOA for overage of Reserve funds paid for FY 2015 & FY 2016 per Reserve Study
Expenses				
Payroll - Hourly	149,000	13,452	9.03%	Pro Shop employees
ProfServ-Web Site Development	1,000	188	18.80%	HOA Intercompany charges - paid thru 1st qtr
Utility - Refuse Removal	519	60	11.56%	HOA Intercompany charges - monthly trash service - includes dumpster fee which will be refunded next month
Insurance - Property	9,096	7,763	85.35%	Property Insurance paid in full for year
R&M - General	6,000	1,856	30.93%	HOA Intercompany charges - Fire alarm monitoring, remodel design fee, Holiday decorations, balance on reception area ceilings
R&M - Air Conditioning	450	126	28.00%	HOA Intercompany charges - air conditioning repairs
Restaurant				
Revenues				
Other Miscellaneous Revenues	-	24,108	0.00%	Refund from HOA for overage of Reserve funds paid for FY 2015 & FY 2016 per Reserve Study
Expenses				
Communication-Telephone	1,932	333	17.24%	HOA Intercompany charges - monthly phone service plus long distance
Insurance - Property	8,963	7,316	81.62%	Property Insurance paid in full for year
R&M-Air Conditioning	900	714	79.33%	HOA Intercompany charges - a/c repairs
R&M-Buildings	2,100	1,588	75.62%	HOA Intercompany charges - Fire alarm monitoring, remodel design fee, Holiday decorations, balance on reception area ceilings
Other				
Revenues				
Interest - Investments	300	18	6.00%	Interest earned on the DS Trust Statement and the CD

HERITAGE HARBOR
Community Development District

Supporting Schedules

October 31, 2017

**Cash and Investment Report
October 31, 2017**

<u>ACCOUNT NAME</u>	<u>BANK NAME</u>	<u>MATURITY</u>	<u>YIELD</u>	<u>BALANCE</u>
GENERAL FUND				
Operating Checking Account	SunTrust	N/A	0.10%	\$5,014
Operating Checking Account	Harbor Community	N/A	0.00%	\$224,837
			Subtotal	\$229,851
Money Market Account	BankUnited	N/A	0.45%	\$102,312 (2)
			General Fund Total	\$332,163
DEBT SERVICE FUND				
Series 2008 Reserve Fund	US Bank	N/A	0.15%	\$28,329 (3)
Series 2008 Revenue Fund	US Bank	N/A	0.15%	\$77,550 (3)
			Debt Service Total	\$105,879
ENTERPRISE FUND				
Operating Checking Account	Harbor Community	N/A	0.00%	\$16,711
Operating Checking Account	Fifth Third	N/A	0.00%	\$15,905
			SubTotal	\$32,617
Petty Cash	Cash	N/A	0.00%	\$600
Certificate of Deposit - 12 months	BankUnited	03/24/18	0.80%	\$21,299 (1)
Series 1997 Interest Account	US Bank	N/A	0.00%	\$34,398 (4)
Series 1997 Principal Account	US Bank	N/A	0.15%	\$2,015 (3)
Series 1997 Reserve Account	US Bank	N/A	0.15%	\$100,000 (3)
			Enterprise Total	\$190,928
			Total	\$628,970

NOTE 1 - Invested in Certificate of Deposit with BankUnited at .797% for 12 months starting on 3/24/17 and maturing on 3/24/18.

NOTE 2 - Invested in Money Market Account at BankUnited.

NOTE 3 - Invested in US Bank Open Ended Interest Bearing Corporate Commercial Paper.

NOTE 4 - Invested in First American Gov't Obligation Funds

HERITAGE HARBOR COMMUNITY DEVELOPMENT DISTRICT
FY 2018 Cash Flow Statement - (Enterprise Fund - split by activity)

	Actual Oct 2017	Projected Nov 2017	Projected Dec 2017	Projected Jan 2018	Projected Feb 2018	Projected Mar 2018	Projected Apr 2018	Projected May 2018	Projected June 2018	Projected July 2018	Projected Aug 2018	Projected Sept 2018	Total
Revenue													
Golf Course /Pro Shop	76,824	87,494	91,078	85,224	96,658	110,252	101,855	80,546	67,526	62,876	55,627	51,167	967,127
Restaurant	30,608	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	102,108
Other	18	48,228	121,497	5,809	3,881	1,953	5,809	1,953	3,881	25	25	25	193,106
Total	107,450	142,222	219,075	97,533	107,039	118,705	114,164	88,999	77,907	69,401	62,152	57,692	1,262,341
Expenses													
Golf Course /Pro Shop	86,142	74,608	82,591	75,537	74,608	74,608	75,037	74,633	75,270	75,036	74,608	80,808	923,486
Restaurant	13,689	4,626	7,174	5,398	4,671	4,602	5,155	4,574	5,174	4,762	4,810	5,231	69,866
Other	-	34,294	-	3,563	-	300	1,000	158,519	-	-	-	-	197,676
Total	99,831	113,528	89,765	84,498	79,279	79,510	81,192	237,726	80,444	79,798	79,418	86,039	1,191,028
Net Income													
Golf Course /Pro Shop	(9,318)	12,886	8,487	9,687	22,050	35,644	26,818	5,913	(7,744)	(12,160)	(18,981)	(29,641)	43,641
Restaurant	16,919	1,874	(674)	1,102	1,829	1,898	1,345	1,926	1,326	1,738	1,690	1,269	32,242
Other	18	13,935	121,497	2,246	3,881	1,653	4,809	(156,566)	3,881	25	25	25	(4,570)
Total	7,619	28,695	129,310	13,035	27,760	39,195	32,972	(148,727)	(2,537)	(10,397)	(17,266)	(28,347)	71,313

(1) Includes assessment revenue which will be transferred from General Fund.

HERITAGE HARBOR COMMUNITY DEVELOPMENT DISTRICT
Enterprise Fund Reconciliation - (Due to General Fund Balance)

	Beginning Bal	Monthly Activity												Year To		Notes	
		Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17	April 17	May 17	June 17	July 17	Aug 17	Sept 17	Oct 17	Date		
Beginning Balance	-	146,294	220,936	234,020	213,154	185,705	166,498	112,747	230,208	294,607	237,860	264,375	293,257	297,947	-		
Principal & Interest Payments	153,206	38,750	-	-	-	-	-	153,206	-	-	-	-	-	-	34,294	379,456	Principal & Interest payments
Amount utilized for operations (reimbursed) (1)	(6,912)	35,892	13,083	(20,865)	(27,449)	(19,206)	(53,752)	(35,744)	64,399	(56,747)	26,515	28,882	4,690	42,175	(5,040)		Net amount available to pay back Loan
Ending Balance	146,294	220,936	234,020	213,154	185,705	166,498	112,747	230,208	294,607	237,860	264,375	293,257	297,947	374,416	374,416		Total owed as of 10/31/17
Monthly Difference		74,642	13,083	(20,865)	(27,449)	(19,206)	(53,752)	117,462	64,399	(56,747)	26,515	28,882	4,690	76,469			
Available Cash-Enterprise Fund		20,182	20,155	20,129	20,102	20,075	20,075	22,075	90,365	16,025	28,015	36,897	30,024	32,617	32,617		
Net Amount Available / (Due to General Fund) (2)		(200,754)	(213,864)	(193,026)	(165,603)	(146,424)	(92,672)	(208,133)	(204,243)	(221,835)	(236,360)	(256,360)	(267,923)	(341,799)	(341,799)		

Notes

- 1.) The amount reimbursed / utilized by the Enterprise fund will fluctuate throughout the year based on the cash flow generated from operations (golf, restaurant, pro-shop activities). In total, the revenue generated has been sufficient to fund all enterprise invoices (operational) without assistance from the General Fund.
- 2.) The balance due to the General Fund net of available cash.

HERITAGE HARBOR
Community Development District

General Fund Check Register
For the Period from 10/01/17 to 10/31/17
(Sorted by Check No.)

Fund No.	Check No.	Check Date	Payee	Invoice No.	Invoice Description	G/L Account Name	G/L Account #	Check Amount
GENERAL FUND - 001								
001	1273	10/06/17	AT&T MOBILITY II LLC	87263625970X09282017	287263625970 8/22/17-9/21/17	Contracts-Guard Services	534020-53901	\$62.87
001	1274	10/06/17	HILLSBOROUGH COUNTY SHERIFF'S OFFICE	30536	SEC SVC 9/1/17-9/30/17	Contracts-Guard Services	534020-53901	\$1,249.25
001	1285	10/11/17	AQUATIC SYSTEMS INC.	387590	LAKE/WETLAND SVC OCT 2017	Contracts-Lakes	534084-53901	\$3,478.00
001	1286	10/11/17	GREENVIEW LANDSCAPING, INC	10HHMO17	OCT 2017 MTHLY MAINT	Contracts-Landscape	534050-53901	\$10,400.00
001	1287	10/11/17	HERITAGE HARBOR HOA	100817	HOA CHGS LESS SHARED PR-JUL17	Accounts Receivable	115000	(\$4,656.98)
001	1288	10/11/17	OLM, INC.	32117	LANDSCAPE INSPECTION 10/5/17	Contracts-Landscape	534050-53901	\$1,000.00
001	1289	10/11/17	STANTEC CONSULTING SERVICES INC	1255347	GEN CONSULTING THRU 9/15/17	ProfServ-Engineering	531013-51501	\$78.75
001	1290	10/11/17	STRALEY & ROBIN	14826	GEN MATTERS THRU 9/15/17	ProfServ-Legal Services	531023-51401	\$6,666.61
001	1292	10/12/17	HERITAGE HARBOR HOA	101017	HOA CHGS LESS SHARED PR 8/17	Accounts Receivable	115000	(\$4,579.77)
001	1293	10/18/17	A-QUALITY POOL SERVICE	89352	OCT 2017 FOUNTAIN SVC	Contracts-Fountain	534023-53901	\$140.00
001	1296	10/18/17	FEDEX	5-956-31483	POSTAGE 10/4/17	Postage and Freight	541006-51301	\$10.51
001	1297	10/18/17	FEDEX	5-947-86901	POSTAGE 9/26/17	Postage and Freight	541006-51301	\$76.53
001	1298	10/18/17	FRONTIER COMMUNICATIONS	100117-1055	E MAIN GATE 10/1/17-10/31/17	Contracts-Gates	534140-53901	\$180.34
001	1300	10/18/17	HIDDEN EYES LLC	664652	GATE MONITOR 11/1/17-11/30/17	Prepaid Items	155000-53901	\$3,700.00
001	1304	10/18/17	TIMES PUBLISHING COMPANY	532117	10/2/17 MTG NOTICE	Legal Advertising	548002-51301	\$288.00
001	1305	10/18/17	TIMES PUBLISHING COMPANY	525135	NOTICE OF MEETINGS FY 2018	Legal Advertising	548002-51301	\$325.00
001	1323	10/24/17	FRONTIER COMMUNICATIONS	100717-6721	W MAIN GATE 10/7/17-11/6/17	Contracts-Gates	534140-53901	\$121.98
001	1324	10/24/17	HOSPITALITY DATA SYSTEMS	14827	SVC MAINT AGMT 12/1/17-5/31/18	Prepaid Items	155000	\$985.00
001	1328	10/27/17	HERITAGE HARBOR HOA	HOA SEPT17	HOA CHGS LESS SHRD PR SEP17	Accounts Receivable	115000	(\$4,585.36)
001	DD8258-00221	10/04/17	Payment of Invoice 010831	91317-ACH	BILL PRD 8/5/17-9/7/17	Utility - General	543001-53901	\$2,211.13
001	DD8258-00222	10/18/17	Payment of Invoice 010860	92717-ACH	BILL PRD 8/22/17-9/21/17	Utility - General	543001-53901	\$3,964.05
001	DD8258-00230	10/24/17	Payment of Invoice 010893	100317-ACH	BILL PRD 8/29/17-9/28/17	Utility - General	543001-53901	\$275.79
001	1270	10/03/17	SHELLEY L. GRANDON	PAYROLL	October 03, 2017 Payroll Posting			\$183.87
001	1271	10/03/17	DAVID L. PENZER	PAYROLL	October 03, 2017 Payroll Posting			\$184.70
001	DD8258-00212	10/03/17	RUSS W. ROSSI	PAYROLL	October 03, 2017 Payroll Posting			\$184.70
001	DD8258-00213	10/03/17	PATRICK GIAMBELLUCA	PAYROLL	October 03, 2017 Payroll Posting			\$184.70
001	DD8258-00214	10/03/17	CLINTON D. SWIGART	PAYROLL	October 03, 2017 Payroll Posting			\$184.70
001	1277	10/13/17	TOBIAS A. SMITH	PAYROLL	October 13, 2017 Payroll Posting			\$527.37
001	1278	10/13/17	DAVID J. EVARTS	PAYROLL	October 13, 2017 Payroll Posting			\$379.27
001	1279	10/13/17	DONALD R. RIZER	PAYROLL	October 13, 2017 Payroll Posting			\$132.37
001	1280	10/13/17	ANTHONY M. ROBBINS	PAYROLL	October 13, 2017 Payroll Posting			\$495.30
001	1281	10/13/17	GREGORY A. WEHR	PAYROLL	October 13, 2017 Payroll Posting			\$277.05
001	1282	10/13/17	ROBERT D. BARLOW	PAYROLL	October 13, 2017 Payroll Posting			\$271.47
001	1283	10/13/17	ASHELY M. LINDEMAN	PAYROLL	October 13, 2017 Payroll Posting			\$138.52
001	1284	10/13/17	CHRISTOPHER J. CULLINAN	PAYROLL	October 13, 2017 Payroll Posting			\$138.52
001	DD8258-00216	10/12/17	JOSEPH C. SAPONARA	PAYROLL	October 12, 2017 Payroll Posting			\$138.52

HERITAGE HARBOR
Community Development District

General Fund Check Register
For the Period from 10/01/17 to 10/31/17
(Sorted by Check No.)

Fund No.	Check No.	Check Date	Payee	Invoice No.	Invoice Description	G/L Account Name	G/L Account #	Check Amount
001	DD8258-00217	10/12/17	BENJAMIN R. CODDINGTON	PAYROLL	October 12, 2017 Payroll Posting			\$138.52
001	DD8258-00218	10/12/17	BRIAN T. DAWSY	PAYROLL	October 12, 2017 Payroll Posting			\$529.10
001	DD8258-00219	10/12/17	ARTURO PERALTA	PAYROLL	October 12, 2017 Payroll Posting			\$394.99
001	1313	10/20/17	SHELLEY L. GRANDON	PAYROLL	October 20, 2017 Payroll Posting			\$183.87
001	1314	10/20/17	DAVID L. PENZER	PAYROLL	October 20, 2017 Payroll Posting			\$184.70
001	DD8258-00223	10/20/17	RUSS W. ROSSI	PAYROLL	October 20, 2017 Payroll Posting			\$184.70
001	DD8258-00224	10/20/17	PATRICK GIAMBELLUCA	PAYROLL	October 20, 2017 Payroll Posting			\$184.70
001	DD8258-00225	10/20/17	CLINTON D. SWIGART	PAYROLL	October 20, 2017 Payroll Posting			\$184.70
001	1315	10/27/17	TOBIAS A. SMITH	PAYROLL	October 27, 2017 Payroll Posting			\$527.37
001	1316	10/27/17	DAVID J. EVARTS	PAYROLL	October 27, 2017 Payroll Posting			\$727.35
001	1317	10/27/17	DONALD R. RIZER	PAYROLL	October 27, 2017 Payroll Posting			\$132.37
001	1318	10/27/17	ANTHONY M. ROBBINS	PAYROLL	October 27, 2017 Payroll Posting			\$132.37
001	1319	10/27/17	GREGORY A. WEHR	PAYROLL	October 27, 2017 Payroll Posting			\$277.05
001	1320	10/27/17	ROBERT D. BARLOW	PAYROLL	October 27, 2017 Payroll Posting			\$271.47
001	1321	10/27/17	CHRISTOPHER J. CULLINAN	PAYROLL	October 27, 2017 Payroll Posting			\$277.05
001	DD8258-00226	10/26/17	JOSEPH C. SAPONARA	PAYROLL	October 26, 2017 Payroll Posting			\$96.97
001	DD8258-00227	10/26/17	BENJAMIN R. CODDINGTON	PAYROLL	October 26, 2017 Payroll Posting			\$403.84
001	DD8258-00228	10/26/17	BRIAN T. DAWSY	PAYROLL	October 26, 2017 Payroll Posting			\$390.57
001	DD8258-00229	10/26/17	ARTURO PERALTA	PAYROLL	October 26, 2017 Payroll Posting			\$271.47
Fund Total								\$30,275.92
Total Checks Paid								\$30,275.92

HERITAGE HARBOR
Community Development District

Enterprise Fund Check Register
For the Period from 10/01/17 to 10/31/17
(Sorted by Check No.)

Fund No.	Check No.	Check Date	Payee	Invoice No.	Invoice Description	G/L Account Name	G/L Account #	Check Amount
ENTERPRISE FUND - 401								
401	1272	10/06/17	ANDERSON BATTERY	30031908	ACID/SP-70	R&M-Equipment	546022-57209	\$97.90
401	1275	10/06/17	SITEONE LANDSCAPE SUPPLY	82406006	20-20-20/IRON/SEVIN/REVOLVER	Op Supplies - Chemicals	552035-57209	\$1,004.56
401	1275	10/06/17	SITEONE LANDSCAPE SUPPLY	82406006	20-20-20/IRON/SEVIN/REVOLVER	R&M-Fertilizer	546026-57209	\$121.34
401	1276	10/06/17	TCF EQUIPMENT FINANCE	5210301	TORO TURF EQUIP SEPT 2017	Rental/Lease - Vehicle/Equip	544003-57209	\$2,100.00
401	1287	10/11/17	HERITAGE HARBOR HOA	100817	HOA CHGS LESS SHARED PR-JUL17	Due To HOA	206010	\$8,742.43
401	1291	10/11/17	TIMES PUBLISHING COMPANY	AUG 2017	SPORTS AD 8/20/17	Advertising	548001-57211	\$480.00
401	1292	10/12/17	HERITAGE HARBOR HOA	101017	HOA CHGS LESS SHARED PR 8/17	Due To HOA	206010	\$9,417.65
401	1294	10/18/17	CARROLLWOOD AREA BUSINESS ASSOC	300004132	CABA MEMBERSHIP RENEWAL	Advertising	548001-57211	\$275.00
401	1295	10/18/17	DIAMOND R FERTILIZER CO., INC	N59106	DISMISS	Op Supplies - Chemicals	552035-57209	\$590.00
401	1299	10/18/17	HARRELL'S LLC	01064952	13-4-13 GREENS GRADE	R&M-Fertilizer	546026-57209	\$1,466.30
401	1301	10/18/17	LIQUID ED, INC	124584	VOLT REG/GASKET/CARB CLNR/TIRE	R&M-Equipment	546022-57209	\$197.85
401	1302	10/18/17	ROCKMOUNT RESEARCH & ALLOYS, INC	1229839	DRILL BITS (6)	R&M-Equipment	546022-57209	\$117.61
401	1303	10/18/17	TIMES PUBLISHING COMPANY	514666	SPORTS AD 9/3, 9/10, 9/17	Advertising	548001-57211	\$1,920.00
401	1306	10/18/17	TITLEIST ACUSHNET COMPANY	904784678	GOLF BALLS	COS - Golf Balls	552100-57211	\$229.64
401	1307	10/18/17	TITLEIST ACUSHNET COMPANY	904771202	HEADWEAR	COS - Headwear	552102-57211	\$199.32
401	1308	10/18/17	TITLEIST ACUSHNET COMPANY	904796418	GOLF BALLS	COS - Golf Balls	552100-57211	\$126.26
401	1309	10/18/17	VGM FINANCIAL SERVICES	5225781	CART LEASE SEPT 2017	Lease - Carts	544020-57211	\$5,880.00
401	1310	10/18/17	WASTE MANAGEMENT TAMPA	9384548-2206-6	REFUSE REMOVAL OCT 2017	Utility - Refuse Removal	543020-57209	\$454.39
401	1311	10/18/17	WESCO TURF, INC.	40801939	PIN-CLEVIS	R&M-Equipment	546022-57209	\$19.34
401	1312	10/18/17	WESCO TURF, INC.	40801593	ROLLER MNT/BRKT/BEDKNIFE/SCREW	R&M-Equipment	546022-57209	\$366.80
401	1322	10/24/17	BRIGHT HOUSE NETWORKS	040990201101317	BILL PRD 10/18/17-11/17/17	Misc-Cable TV Expenses	549039-57211	\$118.02
401	1325	10/24/17	TOWN TALK MFG CO INC	500187	EMBROIDERED HEADWEAR	COS - Headwear	552102-57211	\$633.95
401	1326	10/24/17	HERITAGE HARBOR % US BANK N.A.	97REC-INT NOV17	INTEREST SERIES 1997 REC BOND	Due From Other Funds	131000	\$34,293.75
401	1327	10/26/17	FRONTIER COMMUNICATIONS	101617-4336	813-909-4336 10/16/17-11/15/17	Communication - Telephone	541003-57209	\$196.89
401	1328	10/27/17	HERITAGE HARBOR HOA	HOA SEPT17	HOA CHGS LESS SHRD PR SEP17	Due To HOA	206010	\$9,107.47
401	DD8258-00221	10/04/17	Payment of Invoice 010831	91317-ACH	BILL PRD 8/5/17-9/7/17	Electricity - General	543006-57209	\$914.04
401	DD8258-00221	10/04/17	Payment of Invoice 010831	91317-ACH	BILL PRD 8/5/17-9/7/17	Electricity - General	543006-57211	\$699.09
401	DD8258-00232	10/24/17	Payment of Invoice 010900	102417-ACH	BILL PRD 8/29/17-9/28/17	Utility - Water & Sewer	543021-57209	\$40.08
Fund Total								\$79,809.68

Total Checks Paid **\$79,809.68**

Eighth Order of Business

8A.



**Berger, Toombs, Elam,
Gaines & Frank**

Certified Public Accountants PL

600 Citrus Avenue
Suite 200
Fort Pierce, Florida 34950

772/461-6120 // 461-1155
FAX: 772/468-9278

October 20, 2017

Heritage Harbor Community Development District
c/o Severn Trent Management Services
210 North University Drive, Suite 702
Coral Springs, FL 33071

The Objective and Scope of the Audit of the Financial Statements

You have requested that we audit the financial statements of Heritage Harbor Community Development District, which comprise governmental activities, a discretely presented component unit, each major fund and the budgetary comparison for the General Fund as of and for the year ended September 30, 2017 which collectively comprise the basic financial statements. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter for the year ending September 30, 2017 and thereafter for two annual renewals if mutually agreed by Heritage Harbor Community Development District and Berger, Toombs, Elam, Gaines, & Frank, Certified Public Accountants, PL.

Our audit will be conducted with the objective of expressing an opinion on the financial statements.

The Responsibility of the Auditor

We will conduct the audit in accordance with auditing standards generally accepted in the United States of America and "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 of 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. 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.

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Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with generally accepted auditing standards. Also, an audit is not designed to detect errors or fraud that are immaterial to the financial statements. The determination of abuse is subjective; therefore, Government Auditing Standards do not expect us to provide reasonable assurance of detecting abuse.

In making our risk assessments, we consider internal control relevant to Heritage Harbor Community Development District'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. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

We will also communicate to the Board any fraud involving senior management and fraud that causes a material misstatement of the financial statements that becomes known to us during the audit, and any instances of noncompliance with laws and regulations that we become aware of during the audit.

The funds that you have told us are maintained by Heritage Harbor Community Development District and that are to be included as part of our audit are listed below:

1. General Fund
2. Debt Service Fund

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The Responsibilities of Management and Identification of the Applicable Financial Reporting Framework

Our audit will be conducted on the basis that management acknowledges and understands that it has responsibility:

1. For the preparation and fair presentations of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. To evaluate subsequent events through the date the financial statements are issued or available to be issued, and to disclose the date through which subsequent events were evaluated in the financial statements. Management also agrees that it will not evaluate subsequent events earlier than the date of the management representation letter referred to below;
3. For 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;
4. For establishing and maintaining effective internal control of financial reporting and for informing us of all significant deficiencies and material weaknesses in the design or operation of such controls of which it has knowledge; and
5. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters;
 - b. Additional information that we may request from management for the purpose of the audit; and
 - c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.

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Management is responsible for identifying and ensuring that Heritage Harbor Community Development District complies with the laws and regulations applicable to its activities, and for informing us about all known material violations of such laws or regulations. In addition, management is responsible for the design and implementation of programs and controls to prevent and detect fraud or abuse, and for informing us about all known or suspected fraud or abuse affecting the entity involving management, employees who have significant roles in internal control, and others where the fraud or abuse could have a material effect on the financial statements or compliance. Management is also responsible for informing us of its knowledge of any allegations of fraud or abuse, or, suspected fraud or abuse affecting the entity received in communications from employees, former employees, analysts, regulators, short sellers, or others.

The Board is responsible for informing us of its views about the risks of fraud or abuse within the entity, and its knowledge of any fraud or abuse, or, suspected fraud or abuse affecting the entity.

Heritage Harbor Community Development District agrees that it will not associate us with any public or private securities offering without first obtaining our consent. Therefore, Heritage Harbor Community Development District agrees to contact us before it includes our reports or otherwise makes reference to us, in any public or private securities offering.

Because Berger, Toombs, Elam, Gaines & Frank will rely on Heritage Harbor Community Development District and its management and Board of Supervisors to discharge the foregoing responsibilities, Heritage Harbor Community Development District holds harmless and releases Berger, Toombs, Elam, Gaines & Frank, its partners, and employees from all claims, liabilities, losses and costs arising in circumstances where there has been a known misrepresentation by a member of Heritage Harbor Community Development District's management, which has caused, in any respect, Berger, Toombs, Elam, Gaines & Frank's breach of contract or negligence. This provision shall survive the termination of this arrangement for services.

Heritage Harbor Community Development District's Records and Assistance

If circumstances arise relating to the condition of the Heritage Harbor Community Development District's records, the availability of appropriate audit evidence, or indications of a significant risk of material misstatement of the financial statements, because of error, fraudulent financial reporting, or misappropriation of assets, which, in our professional judgment, prevent us from completing the audit or forming an opinion, we retain the unilateral right to take any course of action permitted by professional standards, including: declining to express an opinion, issuing a report, or withdrawing from engagement.

During the course of our engagement, we may accumulate records containing data that should be reflected in the Heritage Harbor Community Development District's books and records. The

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District will determine that all such data, if necessary, will be so reflected. Accordingly, the District will not expect us to maintain copies of such records in our possession.

Other Relevant Information

In accordance with Government Auditing Standards, a copy of our most recent peer review report has been provided to you, for your information.

Fees, Costs, and Access to Workpapers

Our fees for the audit and accounting services described above are based upon the value of the services performed and the time required by the individuals assigned to the engagement, plus direct expenses. Invoices for fees will be submitted in sufficient detail to demonstrate compliance with the terms of this engagement. Billings are due upon submission. Our fee for the services described in this letter for the year ending September 30, 2017, will not exceed \$8,275, unless the scope of the engagement is changed, the assistance which Heritage Harbor Community Development District has agreed to furnish is not provided, or unexpected conditions are encountered, in which case, we will discuss the situation with you before proceeding. All other provisions of this letter will survive any fee adjustment. The two annual renewals must be mutually agreed and approved by the Board of Supervisors.

In the event we are requested or authorized by Heritage Harbor Community Development District or are required by government regulation, subpoena, or other legal process to produce our documents or our personnel as witnesses with respect to our engagement for Heritage Harbor Community Development District, Heritage Harbor Community Development District will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

The documentation for this engagement is the property of Berger, Toombs, Elam, Gaines, & Frank. However, you acknowledge and grant your assent that representatives of the cognizant or oversight agency or their designee, other government audit staffs, and the U.S. Government Accountability Office shall have access to the audit documentation upon their request and that we shall maintain the audit documentation for a period of at least three years after the date of the report, or for a longer period if we are requested to do so by the cognizant or oversight agency. Access to requested documentation will be provided under the supervision of Berger, Toombs, Elam, Gaines, & Frank audit personnel and at a location designated by our Firm.

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Reporting


We will issue a written report upon completion of our audit of Heritage Harbor Community Development District's financial statements. Our report will be addressed to the Board of Heritage Harbor Community Development District. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

In addition to our report on Heritage Harbor Community Development District's financial statements, we will also issue the following types of reports:

- Reports on internal control and compliance with laws, regulations, and the provisions of contracts or grant agreements. We will report on any internal control findings and/or noncompliance which could have a material effect on the financial statements.

This letter constitutes the complete and exclusive statement of agreement between Berger, Toombs, Elam, Gaines & Frank and Heritage Harbor Community Development District, superseding all proposals, oral or written, and all other communication, with respect to the terms of the engagement between the parties.

Please sign and return the attached copy of this letter to indicate your acknowledgement of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities.



Berger, Toombs, Elam, Gaines & Frank
J. W. GAINES, CPA

Confirmed on behalf of the addressee:

System Review Report

To the Directors

November 2, 2016

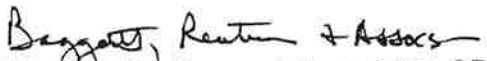
Berger, Toombs, Elam, Gaines & Frank, CPAs PL

and the Peer Review Committee of the Florida Institute of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Berger, Toombs, Elam, Gaines & Frank, CPAs PL (the firm), in effect for the year ended May 31, 2016. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control, and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards and audits of employee benefit plans*.

In our opinion, the system of quality control for the accounting and auditing practice of Berger, Toombs, Elam, Gaines & Frank, CPAs PL in effect for the year ended May 31, 2016 has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Berger, Toombs, Elam, Gaines & Frank, CPAs PL, has received a peer review rating of *pass*.



Baggett, Reutimann & Associates, CPAs, PA

(BERGER_REPORT16)

**ADDENDUM TO ENGAGEMENT LETTER
DATED OCTOBER 20, 2017**

Public Records. Auditor shall, pursuant to and in accordance with Section 119.0701, Florida Statutes, comply with the public records laws of the State of Florida, and specifically shall:

- a. Keep and maintain public records required by the District to perform the services or work set forth in this Agreement; and
- b. Upon the request of the District's custodian of public records, provide the District with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law; and
- c. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the Agreement if the Auditor does not transfer the records to the District; and
- d. Upon completion of the Agreement, transfer, at no cost to the District, all public records in possession of the Auditor or keep and maintain public records required by the District to perform the service or work provided for in this Agreement. If the Auditor transfers all public records to the District upon completion of the Agreement, the Auditor shall destroy any duplicate public records that are exempt or confidential and exempt from public disclosure requirements. If the Auditor keeps and maintains public records upon completion of the Agreement, the Auditor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the District, upon request from the District's custodian of public records, in a format that is compatible with the information technology systems of the District.

Auditor acknowledges that any requests to inspect or copy public records relating to this Agreement must be made directly to the District pursuant to Section 119.0701(3), Florida Statutes. If notified by the District of a public records request for records not in the possession of the District but in possession of the Auditor, the Auditor shall provide such records to the District or allow the records to be inspected or copied within a reasonable time. Auditor acknowledges that should Auditor fail to provide the public records to the District within a reasonable time, Auditor may be subject to penalties pursuant to Section 119.10, Florida Statutes.

IF THE AUDITOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE AUDITOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT/CONTRACT, THE AUDITOR MAY CONTACT THE CUSTODIAN OF PUBLIC RECORDS FOR THE DISTRICT AT:

**SEVERN TRENT MANAGEMENT SERVICES
210 North University Drive, Suite 702
Coral Springs, FL 33071**

Auditor: J. W. GAINES



Title: DIRECTOR

Date: October 20, 2017

District: Heritage Harbor

By: _____

Title: _____

Date: _____