

HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT



AGENDA

APRIL 7, 2022

PREPARED BY:

JPWARD & ASSOCIATES, LLC, 2301 NORTHEAST 37TH STREET, FORT LAUDERDALE, FL 33308

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HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT

March 31, 2022

Board of Supervisors

Heritage Harbour Market Place Community Development District

Dear Board Members:

The regular meeting of the Board of Supervisors of the Heritage Harbour Market Place Community Development District will be held on **Thursday, April 7, 2022, at 1:00 P.M.** at the **River Strand Golf and Country Clubhouse, 7155 Grand Estuary Trail, Bradenton, Florida 34212.**

The following WebEx link and telephone number are provided to join/watch the meeting:

<https://districts.webex.com/districts/onstage/g.php?MTID=e94eed290c310911b0e776754575643e>

Access Code: **2333 685 5819**, Event password: **Jpward**

Or Phone: **408-418-9388** and enter the access code **2333 685 5819** to join the meeting.

Agenda

1. Call to Order & Roll Call.
2. Notice of Advertisement of Public Hearing.
3. Consideration of Minutes:
 - I. February 3, 2022 – Regular meeting minutes.
4. **PUBLIC HEARING.**
 - a) **FISCAL YEAR 2023 BUDGET.**
 - I. Public Comment and Testimony.
 - II. Board Comment and Consideration.
 - III. Consideration of **Resolution 2022-3**, a resolution of the Board of Supervisors adopting the annual appropriation and Budget for Fiscal Year 2023.
 - b) **FISCAL YEAR 2023 IMPOSING SPECIAL ASSESSMENTS; ADOPTING AN ASSESSMENT ROLL AND APPROVING THE GENERAL FUND SPECIAL ASSESSMENT METHODOLOGY.**
 - I. Public Comment and Testimony.
 - II. Board Comment and Consideration.
 - III. Consideration of **Resolution 2022-4**, a resolution of the Board of Supervisors imposing special assessments, adopting an assessment roll, and approving the general fund special assessment methodology.

5. Consideration of **Resolution 2022-5**, a resolution of the Board of Supervisors designating the dates, time, and location for regular meetings of the Board of Supervisors of the District.
6. Consideration of **Resolution 2022-6**, a resolution of the Board of Supervisors designating a date, time, and location for a landowners' meeting and election; providing for publication; and establishing forms for the landowners' election.
7. Consideration and acceptance of the Audited Financial Statements for the Fiscal Year ended September 30, 2021.
8. Consideration of proposals for providing audit services to the District for the Fiscal Years 2022-2026.
9. Staff Reports:
 - I. District Attorney.
 - II. District Engineer.
 - a) Update to Stormwater Reporting.
 - III. District Manager.
 - a) Financial Statement for period ending January 31, 2022 (unaudited).
 - b) Financial Statement for period ending February 28, 2021 (unaudited).
10. Supervisor's Requests and Audience Comments.
11. Adjournment.

The first order of business is the call to order and roll call.

The second order of business is the Notice of Advertisement of the Public Hearing.

The third order of business is the consideration of the minutes from the Heritage Harbour Market Place, Board of Supervisors February 3, 2022, Regular Meeting.

The fourth order of business are the two (2) required Public Hearings to consider the adoption of the District's Fiscal Year 2023 Budget, Assessments and General Fund Special Assessment Methodology. The first Public Hearing deals with the adoption of the Fiscal Year 2023 Budget which includes both the General Fund operations and the Debt Service Fund for the Series 2005 Bonds. In the way of background, the Board approved the proposed Fiscal Year 2023 Budget at the February 3, 2022, meeting, solely for the purpose of permitting the District to move through the process towards this hearing to adopt the Budget and set the final assessment rates for the ensuing Fiscal Year. As a suggested form for the Public Hearing – it would be appropriate to formally open the Public Hearing for consideration of the Budget, take a few moments to have the District Manager review the salient points of the Budget for the Public, then seek Public Comment or testimony, and at the conclusion of the Public

Comment and testimony to close the Public Hearing by motion of the Board, then to move into the Board’s consideration of the Budget and once that is concluded, to consider **Resolution 2022-3** to adopt the annual appropriation and budget for the District. Once this item is concluded, then it would be recommended for the Board to move to the second Public Hearing utilizing the same process as just completed for the Budget Hearing.

This second Public Hearing is a consequence of the Budget Adoption process and sets in place the required documents that are all contained in the Fiscal Year 2023 Budget. **Resolution 2022-4** does essentially three (3) things. First, it imposes the special assessments for the general fund and the debt service fund; second, it arranges for the certification of an assessment roll by the Chairman his designee, which in this case is the District Manager, to the Manatee County Tax Collector and permits the District Manager to update the roll as it may be modified as limited by law subsequent to the adoption date of **Resolution 2022-4**, and finally it approves the General Fund Special Assessment Methodology.

The fifth item is the consideration of **Resolution 2022-5**, a resolution of the Board of Supervisors setting the proposed meeting schedule for Fiscal Year 2023. As you may re-call, to the extent that the District has a regular meeting schedule, the District is required to advertise this schedule (legal advertisement) on a periodic basis at the beginning of the Fiscal Year.

Currently, the Board will be scheduled to meet on the first Thursday of each month at **1:00 P.M.**, unless otherwise indicated, at the **River Strand Golf and Country Club, (Clubhouse), 7155 Grand Estuary Trail, Bradenton Florida, 34212.**

The Fiscal Year 2023 schedule is as follows:

| | |
|------------------|------------------------|
| October 6, 2022 | November 3, 2022 (LOE) |
| December 1, 2022 | January 5, 2023 |
| February 2, 2023 | March 2, 2023 |
| April 6, 2023 | May 4, 2023 |
| June 1, 2023 | July 6, 2023 |
| August 3, 2023 | September 7, 2023 |

The sixth order of business is the consideration of **Resolution 2022-6**, a resolution of the Board of Supervisors designating a date, time, and location for a landowners’ meeting and election; providing for publication; and establishing forms for the landowner election. The date and time are November 3, 2022, at 1:00 pm and it will be held at this location.

The seventh order of business is the acceptance of the Audited Financial Statements for Fiscal Year 2021, covering the period October 1, 2020, through September 30, 2021. A representative of the Audit Firm Grau & Associates will join the meeting to fully review the audit with the Board.

The eighth order of business is the consideration of auditor proposals that were received in response to the District's request for proposals for audits of the District's financial statements for Fiscal Years 2022-2026 and rankings. There were two proposals received, from the firms Grau & Associates and Berger, Toombs, Elam, Gaines & Frank. The required procedure to determine which auditor to award a contract requires the Board to rank the proposals (not based on price and instead based on the firm's or firms' qualifications), and I have enclosed an auditor ranking form for your use. The ranking form itself is NOT required, and you may use any procedure that you would like. Once ranked, then staff must negotiate a contract with the number one ranked firm and that proposed agreement will then be brought to the Board.

To shorten the process somewhat, I have also enclosed a form of auditor agreement that we will ask the Board to approve, subject only to non-substantive changes that may be needed once we review the agreement with the number one (1) ranked firm.

The ninth order of business are staff reports by the District Attorney, District Engineer, and the District Manager. The District Manager shall report on Financial Statements (unaudited) for the periods ending, January 31, 2022, and February 28, 2022. The District Manager will also provide an updated on the new State law reporting requirements for stormwater and wastewater management systems.

The balance of the agenda is standard in nature, and I look forward to seeing you at the meeting. In the meantime, if you have any questions and/or comments before the meeting, please do not hesitate to contact me directly at (954) 658-4900.

Sincerely,

Heritage Harbour Marketplace Community Development District



James P. Ward
District Manager



Beaufort Gazette
 Belleville News-Democrat
 Bellingham Herald
 Bradenton Herald
 Centre Daily Times
 Charlotte Observer
 Columbus Ledger-Enquirer
 Fresno Bee

The Herald - Rock Hill
 Herald Sun - Durham
 Idaho Statesman
 Island Packet
 Kansas City Star
 Lexington Herald-Leader
 Merced Sun-Star
 Miami Herald

el Nuevo Herald - Miami
 Modesto Bee
 Raleigh News & Observer
 The Olympian
 Sacramento Bee
 Fort Worth Star-Telegram
 The State - Columbia
 Sun Herald - Biloxi

Sun News - Myrtle Beach
 The News Tribune Tacoma
 The Telegraph - Macon
 San Luis Obispo Tribune
 Tri-City Herald
 Wichita Eagle

AFFIDAVIT OF PUBLICATION

| Account # | Order Number | Identification | Order PO | Amount | Cols | Depth |
|-----------|--------------|---------------------------------------|--------------------------|----------|------|---------|
| 15177 | 225839 | BRD/ PublicHearing for FY 2023 Budget | PublicHearing for FY 202 | \$350.00 | 6 | 5.00 in |

Attention:

HERITAGE HARBOUR MARKETPLACE
 2301 North East 37th street
 FORT LAUDERDALE, FL 33308

HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT

NOTICE OF PUBLIC HEARING TO DISCUSS THE ADOPTION OF THE FISCAL YEAR 2023 BUDGET; AND NOTICE OF PUBLIC HEARING TO DISCUSS THE DETERMINATION AND LUMP SUM PAYMENTS AND OPERATIONAL EXPENSES; OPERATIONAL EXPENSES; ADVERTISEMENTS BY AN OPERATIONAL BILL, AND THE COST OF THE BUDGET COLLECTIONS; AND CHARACTERISTICS OF THE BUDGET; AND NOTICE OF PUBLIC HEARING TO DISCUSS OPERATIONAL EXPENSES.

The Board of Supervisors for Heritage Harbour Market Place Community Development District will hold two public hearings and a regular meeting on April 12, 2022, at 5:00 pm, at the Blue Heron Golf and Country Club (Clubhouse), 1188 Blue Heron Trail, Fort Lauderdale, Florida 33308. The meeting is being held for the necessary public purpose of considering such matters as more fully described in the meeting agenda, a copy of which will be posted on the District's website at www.heritageharbourmarketplace.com/boards.

The purpose of the first public hearing is to receive public comment and objections on the Fiscal Year 2023 Proposed Budget. The first public hearing is being conducted pursuant to Chapter 190, Florida Statutes. The purpose of the second public hearing is to consider the imposition of special assessments to fund the District's proposed operation and maintenance budget for Fiscal Year 2023 upon the lands located within the District, in violation of which lands is shown below, and to consider the adoption of an assessment roll, for the uniform collector, and enforcement of the assessments. The second public hearing is being conducted pursuant to Florida law including Chapters 190 and 197, Florida Statutes. At the conclusion of the public hearings, the Board will, by resolution, adopt the budget and any amendments to fund the operation and maintenance budget as finally approved by the Board.

A regular board meeting of the District will also be held when the Board may consider any other business that may properly come before it.

A copy of the proposed budget, preliminary assessment roll, and the agenda for the hearings and meeting may be obtained at the office of the District Manager, P.O. Box 666-0900, during normal business hours or on the District's website www.heritageharbourmarketplace.com/boards at least seven (7) days in advance of the meeting.

In addition, you may obtain a copy of the proposed budget on the District's website: www.heritageharbourmarketplace.com/boards at any time.

The special assessments are annually recurring assessments and are in addition to previously levied capital debt assessments. The table below presents the proposed schedule of special and maintenance assessments for Fiscal Year 2023. Amounts are preliminary and subject to change at the hearing and in any future years. The amounts are subject to early payment discounts as offered by the uniform collector law. Note that the operations and maintenance assessments are levied below the millage rate and include any debt service assessments previously levied by the District and due to be collected for Fiscal Year 2023.

Proposed Schedule of Assessments
 For Area: 094702 (NET OF DISCOUNTS/COLLECTIONS) Fiscal Year 2023

The tax collector will collect the assessments pursuant to the uniform method. The District may choose to collect the assessments for developer owned land not pursuant to the uniform method.

Failure to pay the assessments collected by the Tax Collector using the uniform method will cause a tax certificate to be issued against the property which may result in a tax deed and loss of title. For delinquent assessments that were initially directly billed by the District, the District may initiate a foreclosure action or may place the delinquent assessments on the next year's county tax bill. All affected property owners have the right to appear at the public hearings and the right to file written objections with the District within twenty (20) days of publication of this notice.

The public hearings and meetings are open to the public and will be conducted in accordance with the provisions of Florida Law for Community Development Districts. The public hearings and meetings may be continued to a date, time, and place to be specified on the record at the hearings or meetings.

Any person requiring special accommodations at this meeting because of a disability or physical impairment should contact the District Office at (954) 558-4000 at least forty-eight (48) hours prior to the meeting. If you are hearing or speech impaired, please contact the Florida Relay Service by dialing 7-1-1, or 1-800-655-8771 (TTY), 1-800-655-8779 (Voice), for all in contacting the District Office.

Each person who decides to appeal any decision made by the Board with respect to any matter considered at the public hearings or meeting is advised that person will need a record of proceedings and that accordingly, the 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.

Heritage Harbour Market Place Community Development District
 James P. Ward, District Manager
 Public Notice 09/29/2022 and 09/29/2022



**THE STATE OF TEXAS
 COUNTY OF DALLAS**

Before the undersigned authority personally appeared Ryan Dixon, who, on oath, says that she is a Legal Advertising Representative of The Bradenton Herald, a daily newspaper published at Bradenton in Manatee County, Florida; that the attached copy of the advertisement, being a Legal Advertisement in the matter of Public Notice, was published in said newspaper in the issue(s) of:

No. of Insertions: 2
 Beginning Issue of: 03/20/2022
 Ending Issue of: 03/27/2022

**THE STATE OF FLORIDA
 COUNTY OF MANATEE**

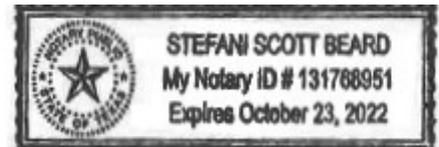
Affidavit further says that the said publication is a newspaper published at Bradenton, in said Manatee County, Florida, and that the said newspaper has heretofore been continuously published in said Manatee County, Florida, each day and has been entered as second-class mail matter at the post office in Bradenton, in said Manatee County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement; and affiant further says that she has neither paid nor promised any person, firm or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper.

Ryan Dixon

Sworn to and subscribed before me this 29th day of March in the year of 2022

Stefani Beard

Notary Public in and for the state of Texas, residing in Dallas County



Extra charge for lost or duplicate affidavits.
 Legal document please do not destroy!

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

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The Regular Meeting of the Board of Supervisors of the Heritage Harbour Market Place Community Development District was held on Thursday, February 3, 2022, at 1:00 p.m., at the River Strand Golf and Country Club, 7155 Grand Estuary Trail, Bradenton, Florida 34212.

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Present and constituting a quorum:

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| Russell Smith | Chairperson |
| Danielle Graef | Vice Chairperson |
| Bill Nesbitt | Assistant Secretary |
| Dan Huglas | Assistant Secretary |
| Bill Riley | Assistant Secretary |

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Also present were:

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| James P. Ward | District Manager |
| Wes Haber | District Counsel |
| Dave Underhill | District Engineer |

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Audience:

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All resident's names were not included with the minutes. If a resident did not identify themselves or the audio file did not pick up the name, the name was not recorded in these minutes.

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PORTIONS OF THIS MEETING WERE TRANSCRIBED VERBATIM. ALL VERBATIM PORTIONS WERE TRANSCRIBED IN *ITALICS*.

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FIRST ORDER OF BUSINESS

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Call to Order/Roll Call

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District Manager James P. Ward called the meeting to order at approximately 1:00 p.m. He called roll and all Members of the Board were present, with the exception of Supervisor Riley, constituting a quorum. Supervisor Riley arrived during the Second Order of Business.

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SECOND ORDER OF BUSINESS

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Consideration of Minutes

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October 7, 2021 – Regular Meeting Minutes

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Mr. Ward asked if there were any questions or changes to the Minutes. Hearing none, he called for a motion.

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On MOTION made by Ms. Danielle Graef, seconded by Mr. Russell Smith, and with all in favor, the October 7, 2021, Regular Meeting Minutes were approved.

48 **THIRD ORDER OF BUSINESS****Consideration of Resolution 2022-2**

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50 **Consideration of Resolution 2022-2, Approving the Proposed Fiscal Year 2023 Budget and setting the**
 51 **Public Hearing on Thursday, April 7, 2022, at 1:00 P.M. at the River Strand Golf & Country Club (Club**
 52 **House), 7155 Grand Estuary Trail, Bradenton, Florida 34212**

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54 *Mr. Ward: The approval of the Budget does not bind the Board to any of the costs or assessment rates*
 55 *contemplated as a result of the preparation of the Budget, it merely allows you to move forward through*
 56 *the process such that by your public hearing date on April 7 you will be asked to adopt the budget and*
 57 *set in place the assessment rates included herein. There are two funds for this District, one is a General*
 58 *Fund which covers essentially the administrative operations of the District and a Debt Service Fund which*
 59 *covers the principal and interest due on your previously issued bonds for this District. The General Fund*
 60 *is the only fund that your assessment rates set by the appropriations of the District. He reviewed the*
 61 *total expenditures for the current fiscal year noting there was a relatively minor increase in the overall*
 62 *budget. He explained debt service assessments were based only on the principal and interest due for*
 63 *the bonds. He asked if there were any questions; hearing none, he called for a motion.*

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On MOTION made by Ms. Danielle Graef, seconded by Mr. Bill Riley, and with all in favor, Resolution 2022-2 was adopted, and the Chair was authorized to sign.

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69 **FOURTH ORDER OF BUSINESS****Staff Reports**

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71 **Staff Reports**

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73 **I. District Attorney**

74 No report.

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76 **II. District Engineer**

77 No report.

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79 **III. District Manager**80 **a) State Law Requirements for new Stormwater Reporting**81 **b) Financial Statement for period ending September 30, 2021 (unaudited)**82 **c) Financial Statement for period ending October 31, 2021 (unaudited)**83 **d) Financial Statement for period ending November 30, 2021 (unaudited)**84 **e) Financial Statement for period ending December 31, 2021 (unaudited)**

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86 *Mr. Ward: The only item I have for you today is to advise you of a law which came out in the prior*
 87 *year related to the District's requirement to provide ongoing long term capital costs and operating*
 88 *costs to the State for your stormwater management system. That report is due by June 30 of this*
 89 *year. We have already asked your engineer, Banks Engineering, to begin the process of the*
 90 *preparation of that report for you. I have enclosed in your Agenda the background of the statute*
 91 *itself and some of the requirements. Staff will be working on this and have this ready for inclusion*
 92 *to go to the State by June 30. He asked if there were any questions; there were none.*

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94 **FIFTH ORDER OF BUSINESS****Supervisor's Requests and Audience Comments**

RESOLUTION 2022-3

THE ANNUAL APPROPRIATION RESOLUTION OF THE HERITAGE HARBOUR MARKETPLACE COMMUNITY DEVELOPMENT DISTRICT (“THE DISTRICT”) RELATING TO THE ANNUAL APPROPRIATIONS AND ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2021, AND ENDING SEPTEMBER 30, 2022; AUTHORIZING BUDGET AMENDMENTS; AND PROVIDING AN EFFECTIVE DATE.

RECITALS

WHEREAS, the District Manager has, prior to the fifteenth (15th) day in June, 2022, submitted to the Board of Supervisors (“the **Board**”) of the Heritage Harbour Marketplace Community Development District (“**District**”) proposed budget (“**Proposed Budget**”) for the fiscal year beginning October 1, 2022, and ending September 30, 2023 (“**Fiscal Year 2023**”) along with an explanatory and complete financial plan for each fund of the District, pursuant to the provisions of Section 190.008(2)(a), *Florida Statutes*; and

WHEREAS, at least sixty (60) days prior to the adoption of the Proposed Budget, the District filed a copy of the Proposed Budget with the local governing authorities having jurisdiction over the area included in the District pursuant to the provisions of Section 190.008(2)(b), *Florida Statutes*; and

WHEREAS, the Board set April 7, 2022, as the date for a public hearing thereon and caused notice of such public hearing to be given by publication pursuant to Section 190.008(2)(a), *Florida Statutes*; and

WHEREAS, the District Manager posted the Proposed Budget on the District’s website at least two days before the public hearing; and

WHEREAS, Section 190.008(2)(a), *Florida Statutes*, requires that, prior to October 1st of each year, the Board, by passage of the Annual Appropriation Resolution, shall adopt a budget for the ensuing fiscal year and appropriate such sums of money as the Board deems necessary to defray all expenditures of the District during the ensuing fiscal year; and

WHEREAS, the District Manager has prepared a Proposed Budget, whereby the budget shall project the cash receipts and disbursements anticipated during a given period, including reserves for contingencies for emergency or other unanticipated expenditures during the fiscal year.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE HERITAGE HARBOUR MARKETPLACE COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1. BUDGET.

- a. The Board has reviewed the Proposed Budget, a copy of which is on file with the office of the District Manager and at the District’s Local Records Office, and hereby approves certain amendments thereto, as shown in Section 2 below.
- b. The Proposed Budget, attached hereto as **Exhibit “A,”** as amended by the Board, is hereby adopted in accordance with the provisions of Section 190.008(2)(a), *Florida Statutes* (“**Adopted Budget**”), and incorporated herein by reference; provided, however, that the comparative figures contained in the Adopted Budget may be subsequently revised as deemed necessary by the District Manager to reflect actual revenues and expenditures for Fiscal Year 2023 and/or revised projections for Fiscal Year 2023.
- c. The Adopted Budget, as amended, shall be maintained in the office of the District Manager and at the District’s Local Records Office and posted on the District’s web site at www.heritageharbourmarketplacecdd.org identified as “The Budget for the Heritage Harbour

RESOLUTION 2022-3

THE ANNUAL APPROPRIATION RESOLUTION OF THE HERITAGE HARBOUR MARKETPLACE COMMUNITY DEVELOPMENT DISTRICT (“THE DISTRICT”) RELATING TO THE ANNUAL APPROPRIATIONS AND ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2021, AND ENDING SEPTEMBER 30, 2022; AUTHORIZING BUDGET AMENDMENTS; AND PROVIDING AN EFFECTIVE DATE.

Marketplace Community Development District for the Fiscal Year Ending September 30, 2023.” As adopted by the Board of Supervisors on April 7, 2022.

- d. The Adopted Budget shall be posted by the District Manager on the District’s official website within thirty (30) days after adoption and shall remain on the website for at least 2 years.

SECTION 2. APPROPRIATIONS. There is hereby appropriated out of the revenues of the Heritage Harbour Marketplace Community Development District, for fiscal year beginning October 1, 2022, and ending September 30, 2023, the sum of **\$1,242,150.00** to be raised by the levy of assessments and otherwise, which sum is deemed by the Board to be necessary to defray all expenditures of the District during said budget year, to be divided and appropriated in the following fashion:

| | |
|---|------------------------------|
| TOTAL GENERAL FUND | \$ 87,763.00 |
| <u>DEBT SERVICE FUND (SERIES 2005)</u> | <u>\$1,154,387.00</u> |
| TOTAL ALL FUNDS | \$1,242,150.00 |

SECTION 3. BUDGET AMENDMENTS. Pursuant to Section 189.016, *Florida Statutes*, the District at any time within Fiscal Year 2023 or within 60 days following the end of the Fiscal Year 2023 may amend its Adopted Budget for that fiscal year as follows:

- a. The Board may authorize an increase or decrease in line-item appropriations within a fund by motion recorded in the minutes if the total appropriations of the fund do not increase.
- b. The District Manager or Treasurer may authorize an increase or decrease in line-item appropriations within a fund if the total appropriations of the fund do not increase and if the aggregate change in the original appropriation item does not exceed \$10,000.
- c. By resolution, the Board may increase any appropriation item and/or fund to reflect receipt of any additional unbudgeted monies and make the corresponding change to appropriations or the unappropriated balance.
- d. Any other budget amendments shall be adopted by resolution and consistent with Florida law.

The District Manager or Treasurer must establish administrative procedures to ensure that any budget amendments are in compliance with this Section 3 and Section 189.016, *Florida Statutes*, among other applicable laws. Among other procedures, the District Manager or Treasurer must ensure that any amendments to budget under subparagraphs c. and d. above are posted on the District’s website within 5 days after adoption and remain on the website for at least 2 years.

SECTION 4. SEVERABILITY. The invalidity or unenforceability of any one or more provisions of this Resolution shall not affect the validity or enforceability of the remaining portions of this Resolution, or any part thereof.

SECTION 5. CONFLICT. That all Sections or parts of Sections of any Resolutions, Agreements, or actions of the Board of Supervisors in conflict are hereby repealed to the extent of such conflict.

RESOLUTION 2022-3

THE ANNUAL APPROPRIATION RESOLUTION OF THE HERITAGE HARBOUR MARKETPLACE COMMUNITY DEVELOPMENT DISTRICT (“THE DISTRICT”) RELATING TO THE ANNUAL APPROPRIATIONS AND ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2021, AND ENDING SEPTEMBER 30, 2022; AUTHORIZING BUDGET AMENDMENTS; AND PROVIDING AN EFFECTIVE DATE.

SECTION 6. EFFECTIVE DATE. This Resolution shall take effect upon the passage and adoption of this Resolution by the Board of Supervisors of the Heritage Harbour Market Place Community Development District.

SECTION 7. EFFECTIVE DATE. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED THIS 7th DAY OF APRIL 2022.

ATTEST:

**HERITAGE HARBOUR MARKET PLACE COMMUNITY
DEVELOPMENT DISTRICT**

James P. Ward Secretary

Russell R. Smith, Chairperson

HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT



PROPOSED BUDGET

FISCAL YEAR 2023

PREPARED BY:

JPWARD & ASSOCIATES, LLC, 2301 NORTHEAST 37 STREET, FORT LAUDERDALE, FLORIDA 33308

T: 954-658-4900 E: JimWard@JPWardAssociates.com

**Heritage Harbour Market Place
Community Development District**

**General Fund
Fiscal Year 2023**

| Description | Fiscal Year 2022 Budget | Actual as of 11/30/2021 | Anticipated as of 09/30/2022 | Fiscal Year 2023 Budget |
|--|----------------------------|----------------------------|---------------------------------|----------------------------|
| Revenues and Other Sources | | | | |
| Carryforward | \$ - | \$ - | | |
| Interest Income - General Account | \$ 10 | \$ - | \$ - | \$ - |
| Miscellaneous Revenue | \$ - | \$ - | \$ - | \$ - |
| Special Assessment Revenue | | | | |
| Special Assessment - Uniform Method | \$ 29,444 | \$ 2,502 | \$ 29,444 | \$ 29,328 |
| Special Assessment - Non-Uniform | \$ 58,666 | \$ 11,215 | \$ 58,666 | \$ 58,435 |
| Total Revenue & Other Sources | \$ 88,120 | \$ 13,716 | \$ 88,110 | \$ 87,763 |
| Appropriations | | | | |
| Legislative | | | | |
| Board of Supervisor's Fees | \$ 1,600 | \$ 400 | \$ 1,600 | \$ 1,600 |
| Board of Supervisor's - FICA | \$ 122 | \$ 31 | \$ 122 | \$ 122 |
| Executive | | | | |
| Executive Salaries | \$ 41,000 | \$ 5,385 | \$ 41,000 | \$ 41,000 |
| Executive Salaries - FICA | \$ 3,137 | \$ 412 | \$ 3,137 | \$ 3,137 |
| Executive Salaries - Insurance | \$ - | \$ - | \$ - | \$ - |
| Financial and Administrative | | | | |
| Audit Services | \$ 5,900 | \$ - | \$ 5,900 | \$ 6,200 |
| Accounting Services | \$ 3,000 | \$ 410 | \$ 2,500 | \$ 2,600 |
| Assessment Roll Preparation | | \$ - | \$ - | |
| Arbitrage Rebate Fees | \$ 500 | \$ - | \$ 500 | \$ 500 |
| Other Contractual Services | | | | |
| Recording and Transcription | \$ 200 | \$ 48 | \$ 150 | \$ 150 |
| Legal Advertising | \$ 2,400 | \$ 489 | \$ 2,400 | \$ 2,400 |
| Trustee Services | \$ 5,300 | \$ 5,064 | \$ 5,064 | \$ 5,100 |
| Dissemination Agent Services | \$ 5,000 | \$ - | \$ 5,000 | \$ 5,000 |
| Bank Service Fees | \$ 400 | \$ 109 | \$ 500 | \$ 500 |
| Travel and Per Diem | | \$ - | \$ - | |
| Communications and Freight Services | | | | |
| Telephone | \$ - | \$ - | \$ - | \$ - |
| Postage, Freight & Messenger | \$ 200 | \$ 7 | \$ 100 | \$ 100 |
| Rentals and Leases | | | | |
| Miscellaneous Equipment | \$ - | \$ - | \$ - | \$ - |
| Computer Services and Website | \$ 7,560 | \$ 659 | \$ 7,560 | \$ 7,560 |
| Insurance | \$ 6,600 | \$ 6,436 | \$ 6,436 | \$ 6,600 |
| Printing and Binding | \$ 100 | \$ 61 | \$ 100 | \$ 100 |
| Office Supplies | \$ - | \$ - | \$ - | \$ - |
| Subscriptions and Memberships | \$ 175 | \$ 175 | \$ 175 | \$ 175 |
| Legal Services | | | | |
| General Counsel | \$ 3,000 | \$ 1,324 | \$ 2,700 | \$ 3,000 |
| Litigaton Counsel | \$ - | \$ - | \$ - | \$ - |
| Other General Government Services | | | | |
| Engineering Services | \$ - | \$ - | \$ - | \$ - |
| Contingencies | \$ - | \$ - | \$ - | \$ - |
| Capital Outlay | \$ - | \$ - | \$ - | \$ - |

**Heritage Harbour Market Place
Community Development District**

**General Fund
Fiscal Year 2023**

| Description | Fiscal Year 2022 Budget | Actual as of 11/30/2021 | Anticipated as of 09/30/2022 | Fiscal Year 2023 Budget |
|--|----------------------------|----------------------------|---------------------------------|----------------------------|
| Other Fees and Charges | | | | |
| Discounts and Fees | \$ 1,926 | \$ - | \$ 1,926 | \$ 1,919 |
| Total Appropriations | \$ 88,120 | \$ 21,009 | \$ 86,870 | \$ 87,763 |
| Net Increase/(Decrease) in Fund Balance | \$ - | \$ (7,293) | \$ 1,240 | |
| Fund Balance - Beginning | \$ 156,458 | \$ 156,458 | \$ 156,458 | \$ 157,698 |
| Fund Balance - Ending (Projected) | \$ 156,458 | \$ 149,166 | \$ 157,698 | \$ 157,698 |

| Assessment Comparison | | | | | |
|---------------------------------|---------------|------------------|--------------|------------------|--------------|
| Parcel Identification | Acres | Fiscal Year 2022 | | Fiscal Year 2023 | |
| | | On-Roll | Off-Roll | On-Roll | Off-Roll |
| Parcel 19/20 (TH Harbour LLLP) | 67.7 | | \$ 47,451.61 | | \$ 47,264.41 |
| Parcel 19 THH Tract 1 LLC | 16 | | \$ 11,214.56 | | \$ 11,170.32 |
| Parcel 22 | 3.38 | \$ 2,534.91 | | \$ 2,524.91 | |
| Parcel 23 | 2.13 | \$ 1,597.44 | | \$ 1,591.14 | |
| Parcel 24 | 3.13 | \$ 2,347.42 | | \$ 2,338.16 | |
| Parcel 25 | 16.36 | \$ 12,269.57 | | \$ 12,221.17 | |
| Parcel 26 moved to split folios | | \$ - | | \$ - | |
| Parcel 26 (split 2018) | 3.36 | \$ 2,520.69 | | \$ 2,510.75 | |
| Parcel 26 (split 2018) | 1.37 | \$ 1,028.85 | | \$ 1,024.79 | |
| Parcel 26 Common - Parking Lot | | | | | |
| Parcel 26 (split 2018) | 1.03 | \$ 771.64 | | \$ 768.60 | |
| Parcel 26 (split 2018) | 3.50 | \$ 2,623.57 | | \$ 2,613.22 | |
| Parcel 27 - Unit 1 | 1.34 | \$ 1,004.96 | | \$ 1,001.00 | |
| Parcel 27 - Unit 2 | 1.47 | \$ 1,102.46 | | \$ 1,098.11 | |
| Parcel 27 - Unit 3 | 0.96 | \$ 719.97 | | \$ 717.13 | |
| Parcel 27 - Unit 4 | 1.23 | \$ 922.47 | | \$ 918.83 | |
| Total Acres | 122.96 | | | | |

**Heritage Harbour Market Place
Community Development District**

**General Fund
Fiscal Year 2023**

Revenues and Other Sources

| | | | |
|--|---|----|---|
| Carryforward | | \$ | - |
| | The amount of anticipated Fund Balance is recommended to be utilized to fund the operating expenses of the District for the first three (3) months of the Fiscal Year, pending the receipt of assessment collections. | | |
| Interest Income - General Account | | \$ | - |
| | With the levy of Special Assessments - the District's operating account will earn interest on it's funds. This amount reflect's the anticipated earnings. | | |

Appropriations

| | | | |
|----------------------------|--|----|-------|
| Legislative | | | |
| Board of Supervisor's Fees | | \$ | 1,722 |
| | The Board's fees are statutorily set at \$200 for each meeting of the Board of Supervisor's not to exceed \$4,800 for each Fiscal Year. The Budgeted amount reflects that the anticipated meetings for the District. | | |

| | | | |
|---------------------------------|---|----|--------|
| Executive | | | |
| Executive Saleries and Benefits | | \$ | 44,137 |
| | The District has one employee - that is the District Manager who handles the daily activities of the District, and which is shared with other CDD's. The expenditures are this District's anticipated share of those costs. | | |

| | FY 2022 | FY 2023 |
|---------------|------------------|------------------|
| Salary | \$ 41,000 | \$ 41,000 |
| FICA | \$ 2,675 | \$ 3,137 |
| Total: | \$ 43,675 | \$ 44,137 |

| | | | |
|-------------------------------------|--|----|-------|
| Financial and Administrative | | | |
| Audit Services | | \$ | 6,200 |
| | Statutorily required for the District to undertake an independent examination of its books, records and accounting procedures. | | |
| Accounting Services | | \$ | 2,600 |
| | For the maintenance of the District's books and records on a daily basis. | | |
| Assessment Roll Preparation | | \$ | - |
| | For the preparation by the Financial Advisor of the Methodology for the General Fund and the Assessment Rolls including transmittal to the Manatee County Property Appraiser. | | |
| Arbitrage Rebate Fees | | \$ | 500 |
| | For requied Federal Compliance - this fee is paid for an in-depth analysis of the District's earnings on all of the funds in trust for the benefit of the Bondholder's to insure that the earnings rate does not exceed the interest rate on the Bond's. | | |

| | | | |
|-----------------------------------|--|----|-------|
| Other Contractual Services | | | |
| Recording and Transcription | | \$ | 150 |
| Legal Advertising | | \$ | 2,400 |
| Trustee Services | | \$ | 5,100 |
| | With the issuance of the District's Bonds, the District is required to maintain the accounts established for the Bond Issue with a bank that holds trust powers in the State of Florida. The primary purpose of the trustee is to safeguard the assets of the Bondholder's, to insure the timely payment of the principal and interest due on the Bonds, and to insure the investment of the funds in the trust are made pursuant to the requirments of the trust. | | |

**Heritage Harbour Market Place
Community Development District**

**General Fund
Fiscal Year 2023**

| | | |
|--|----|------------------|
| Dissemination Agent Services | \$ | 5,000 |
| <p>With the issuance of the District's Bonds, the District is required to report on a periodic basis the same information that is contained in the Official Statement that was issued for the Bonds. These requirements are pursuant to requirements of the Securities and Exchange Commission and sent to national repositories.</p> | | |
| Bank Service Fees | \$ | 500 |
| Travel and Per Diem | \$ | - |
| Communitcations and Freight Services | | |
| Telephone | \$ | - |
| Postage, Freight & Messenger | \$ | 100 |
| Rentals and Leases | | |
| Miscellaneous Equipment | \$ | - |
| Computer Services & Web Site Maintenance | \$ | 7,560 |
| <p>The District maintains all of it's Public Records, including all of it's programs for accounting and the administration of the District in a cloud computing envrionment with constant redundancy of the system. The fee includes the yearly hardware and annual software licenses to maintain the District's records, along with the continued development/maintenance of a web site for the District.</p> | | |
| Insurance | \$ | 6,600 |
| Printing and Binding | \$ | 100 |
| Office Supplies | \$ | - |
| Subscriptions and Memberships | \$ | 175 |
| Legal Services | | |
| General Counsel | \$ | 3,000 |
| <p>The District's general counsel provides on-going legal representation relating to issues such as public finance, public bidding, rulemaking, open meetings, public records, real property dedications, conveyances and contracts. In this capacity, they provide services as "local government lawyers".</p> | | |
| Litigaton Counsel | \$ | - |
| Comprehensive Planning Services | | |
| Professional Services - Planning | \$ | - |
| Other General Government Services | | |
| Engineering Services | \$ | - |
| <p>The District's engineering firm provides a broad array of engineering, consulting and construction services, which assists the District in crafting solutions with sustainability for the long term interests of the Community while recognizing the needs of government, the environment and maintenance of the District's facilities.</p> | | |
| Contingencies | \$ | - |
| Other Fees and Charges | | |
| Discounts and Tax Collector Fees | \$ | 1,919 |
| <p>4% Discount permitted by Law for early payment and 3% Tax Collector Fee and Property Appraiser Fee</p> | | |
| Total Appropriations: | | \$ 87,763 |

Heritage Harbour Market Place
Community Development District

Debt Service Fund
Fiscal Year 2023

| Description | Fiscal Year 2022 Budget | Actual as of 11/30/2021 | Anticipated as of 09/30/2022 | Fiscal Year 2023 Budget |
|---|----------------------------|----------------------------|---------------------------------|----------------------------|
| Revenues and Other Sources | | | | |
| Carryforward | \$ - | \$ - | \$ - | \$ - |
| Interest Income | \$ 10 | \$ 4 | \$ 10 | \$ 10 |
| Special Assessment Revenue | | | | |
| Special Assessment - Uniform Method | \$ 362,261 | \$ 30,764 | \$ 362,261 | \$ 362,993 |
| Special Assessment - Non-Uniform Method | \$ 789,788 | \$ 278,600 | \$ 789,788 | \$ 791,384 |
| Special Assessment - Prepayment | \$ - | \$ - | \$ - | \$ - |
| Operating Transfers In | | | | |
| Deferred Cost Account | \$ - | \$ - | \$ - | \$ - |
| Total Revenue & Other Sources | \$ 1,152,059 | \$ 309,367 | \$ 1,152,059 | \$ 1,154,387 |
| Appropriations | | | | |
| Debt Service | | | | |
| Principal Debt Service - Mandatory | | | | |
| Series 2007 Bonds | \$ 495,000 | \$ - | \$ 495,000 | \$ 525,000 |
| Principal Debt Service - Early Redemptions | | | | |
| Series 2007 Bonds | \$ - | \$ - | \$ - | \$ - |
| Interest Expense | | | | |
| Series 2007 Bonds | \$ 633,360 | \$ 316,680 | \$ 633,360 | \$ 605,640 |
| Trustee Services | \$ - | \$ - | \$ - | \$ - |
| Legal - Foreclosure Counsel | \$ - | \$ - | \$ - | \$ - |
| Operating Transfers Out | \$ - | \$ - | \$ - | \$ - |
| Other Fees and Charges | | | | |
| Discounts and Fees | \$ 23,699 | \$ - | \$ 23,699 | \$ 23,747 |
| Total Appropriations | \$ 1,152,059 | \$ 316,680 | \$ 1,152,059 | \$ 1,154,387 |
| Net Increase/(Decrease) in Fund Balance | | | | |
| | - | (7,313) | - | - |
| Fund Balance - Beginning | 606,682 | 606,682 | 606,682 | 606,682 |
| Fund Balance - Ending (Projected) | 958,772 | 599,369 | 606,682 | 606,682 |
| Restricted Fund Balance: | | | | |
| Reserve Account Requirement | | | 200,000 | |
| Restricted for November 1, 2023 Interest Payment | | | \$ 288,120 | |
| Total - Restricted Fund Balance: | | | \$ 488,120 | |

| Assessment Comparison | | | | | |
|---|---------------|------------------|---------------|------------------|---------------|
| Parcel Identification | Acres | Fiscal Year 2022 | | Fiscal Year 2023 | |
| | | Off-Roll | On-Roll | Off-Roll | On-Roll |
| Parcel 19/20 (TH Harbour LLLP) | 67.7 | \$ 638,813.30 | | \$ 640,104.12 | |
| Parcel 19 | 16 | \$150,975.08 | | \$ 151,280.15 | |
| Parcel 22 | PREPAID | | PREPAID | | PREPAID |
| Parcel 23 | 2.13 | | \$ 21,505.46 | | \$ 21,548.91 |
| Parcel 24 | 3.13 | | \$ 31,601.91 | | \$ 31,665.77 |
| Parcel 25 | 16.36 | | \$ 165,178.06 | | \$ 165,511.83 |
| Parcel 26 moved to split folios | | | \$ - | | \$ - |
| Parcel 26 (split 2018) | 3.36 | | \$ 33,934.57 | | \$ 34,003.14 |
| Parcel 26 (split 2018) | 1.37 | | \$ 13,850.85 | | \$ 13,878.83 |
| Parcel 26 Appraiser move this to common parking lot | | | \$ - | | \$ - |
| Parcel 26 (split 2018) | 1.03 | | \$ 10,388.13 | | \$ 10,409.12 |
| Parcel 26 (split 2018) | 3.50 | | \$ 35,319.66 | | \$ 35,391.02 |
| Parcel 27 - Unit 1 | 1.34 | | \$ 13,529.25 | | \$ 13,556.59 |
| Parcel 27 - Unit 2 | 1.47 | | \$ 14,841.79 | | \$ 14,871.78 |
| Parcel 27 - Unit 3 | 0.96 | | \$ 9,692.60 | | \$ 9,712.19 |
| Parcel 27 - Unit 4 | 1.23 | | \$ 12,418.64 | | \$ 12,443.74 |
| Total Acres | 119.58 | | | | |

**Heritage Harbour Market Place
Community Development District
Debt Service Fund**

| Description | Principal | Coupon Rate | Interest | Annual Debt Service |
|--|---------------------|--------------|---------------|---------------------|
| Principal Balance - at March 14, 2017 | \$13,035,000 | 5.60% | | |
| 5/1/2018 | \$ 395,000 | 5.60% | \$ 364,980.00 | \$ 1,095,140 |
| 11/1/2018 | | | \$ 353,920.00 | |
| 5/1/2019 | \$ 420,000 | 5.60% | \$ 353,920.00 | \$ 1,127,840 |
| 11/1/2019 | | | \$ 342,160.00 | |
| 5/1/2020 | \$ 440,000 | 5.60% | \$ 342,160.00 | \$ 1,124,320 |
| 11/1/2020 | | | \$ 329,840.00 | |
| 5/1/2021 | \$ 470,000 | 5.60% | \$ 329,840.00 | \$ 1,129,680 |
| 11/1/2021 | | | \$ 316,680.00 | |
| 5/1/2022 | \$ 495,000 | 5.60% | \$ 316,680.00 | \$ 1,128,360 |
| 11/1/2022 | | | \$ 302,820.00 | |
| 5/1/2023 | \$ 525,000 | 5.60% | \$ 302,820.00 | \$ 1,130,640 |
| 11/1/2023 | | | \$ 288,120.00 | |
| 5/1/2024 | \$ 555,000 | 5.60% | \$ 288,120.00 | \$ 1,131,240 |
| 11/1/2024 | | | \$ 272,580.00 | |
| 5/1/2025 | \$ 585,000 | 5.60% | \$ 272,580.00 | \$ 1,130,160 |
| 11/1/2025 | | | \$ 256,200.00 | |
| 5/1/2026 | \$ 620,000 | 5.60% | \$ 256,200.00 | \$ 1,132,400 |
| 11/1/2026 | | | \$ 238,840.00 | |
| 5/1/2027 | \$ 655,000 | 5.60% | \$ 238,840.00 | \$ 1,132,680 |
| 11/1/2027 | | | \$ 220,500.00 | |
| 5/1/2028 | \$ 690,000 | 5.60% | \$ 220,500.00 | \$ 1,131,000 |
| 11/1/2028 | | | \$ 201,180.00 | |
| 5/1/2029 | \$ 730,000 | 5.60% | \$ 201,180.00 | \$ 1,132,360 |
| 11/1/2029 | | | \$ 180,740.00 | |
| 5/1/2030 | \$ 775,000 | 5.60% | \$ 180,740.00 | \$ 1,136,480 |
| 11/1/2030 | | | \$ 159,040.00 | |
| 5/1/2031 | \$ 820,000 | 5.60% | \$ 159,040.00 | \$ 1,138,080 |
| 11/1/2031 | | | \$ 136,080.00 | |
| 5/1/2032 | \$ 865,000 | 5.60% | \$ 136,080.00 | \$ 1,137,160 |
| 11/1/2032 | | | \$ 111,860.00 | |
| 5/1/2033 | \$ 915,000 | 5.60% | \$ 111,860.00 | \$ 1,138,720 |
| 11/1/2033 | | | \$ 86,240.00 | |
| 5/1/2034 | \$ 970,000 | 5.60% | \$ 86,240.00 | \$ 1,142,480 |
| 11/1/2034 | | | \$ 59,080.00 | |
| 5/1/2035 | \$ 1,025,000 | 5.60% | \$ 59,080.00 | \$ 1,143,160 |
| 11/1/2035 | | | \$ 30,380.00 | |
| 5/1/2036 | \$ 1,085,000 | 5.60% | \$ 30,380.00 | \$ 1,145,760 |

RESOLUTION 2022-4

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT IMPOSING AND LEVYING SPECIAL ASSESSMENTS, CERTIFYING AN ASSESSMENT ROLL AND APPROVING THE GENERAL FUND SPECIAL ASSESSMENT METHODOLOGY; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR CONFLICT AND PROVIDING AN EFFECTIVE DATE.

RECITALS

WHEREAS, the Heritage Harbour Market Place Community Development District (the “District”) is a local unit of special and single purpose government established pursuant to Chapter 190, Florida Statutes for the purpose of providing, operating, and maintaining infrastructure improvements, facilities and services to the lands within the District; and

WHEREAS, the District is located in Manatee County, Florida (the “County”); and

WHEREAS, the District has constructed or acquired various infrastructure improvements and provides certain services in accordance with the District’s adopted Improvement Plan and Chapter 190, Florida Statutes; and

WHEREAS, the Board of Supervisors (the “Board”) of the District hereby determines to undertake various operations and maintenance activities described in the District’s budget for Fiscal Year 2023 (“Operations and Maintenance Budget”), attached hereto as Exhibit “A” and incorporated by reference herein; and

WHEREAS, the District must obtain sufficient funds to provide for the operation and maintenance of the services and facilities provided by the District as described in the District’s budget for Fiscal Year 2023; and

WHEREAS, the provision of such services, facilities, and operations result in a special benefit peculiar to lands within the district; and

WHEREAS, Chapter 190, Florida Statutes, provides that the District may impose and levy special assessments on benefitted lands within the District; and

WHEREAS, the District has previously imposed and levied an assessment for debt service, which the District desires to collect on the Tax Collector’s collection roll for certain property pursuant to the Uniform Method and which is also indicated on Exhibit “A” and “B” the Budget and Methodology respectively; and

WHEREAS, Chapter 197, Florida Statutes, provides a mechanism pursuant to which such special assessments may be placed on the Tax Collector’s collection roll and collected by the local tax collector (“Uniform Method”) and the District has previously evidenced its intention to utilize this Uniform Method for non-developer owned property; and

WHEREAS, the District has approved an Agreement with the Property Appraiser and Tax Collector of the County to provide for the roll adoption and collection of the special assessments under the Uniform Method; and

WHEREAS, it is in the best interests of the District to proceed with the imposition and levy of the special assessments for operations and maintenance on platted lots in the amount contained in the budget; and

WHEREAS, the District desires to levy and collect on developer owned lands special assessments reflecting their portion of the District’s operations and maintenance budget; and

WHEREAS, it is in the best interests of the District to adopt the General Fund Special Assessment Methodology of the Heritage Harbour Market Place Community Development District (the “Methodology”) attached to this Resolution as Exhibit “B” and incorporated as a material part of this Resolution by this reference: and

RESOLUTION 2022-4

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT IMPOSING AND LEVYING SPECIAL ASSESSMENTS, CERTIFYING AN ASSESSMENT ROLL AND APPROVING THE GENERAL FUND SPECIAL ASSESSMENT METHODOLOGY; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR CONFLICT AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, it is in the best interests of the District to adopt the Assessment Roll of the Heritage Harbour Market Place Community Development District (the "Assessment Roll") attached to this Resolution as Table 1 contained in Exhibit "B" and incorporated as a material part of this Resolution by this reference, and to confirm the designation by the Chairman of the District Manager's appointment to certify the portion of the Assessment Roll on non-developer owned lands to the County Tax Collector pursuant to the Uniform Method and to the District Manager for developer owned lands for use of the non-uniform collection method; and

WHEREAS, it is in the best interests of the District to permit the District Manager to amend the Assessment Roll adopted herein, including that portion certified to the County Tax Collector by this Resolution, as the Property Appraiser updates the property tax roll, for such time as authorized by Florida law.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1. BENEFIT. The provision of the services, facilities, and operations as described in Exhibit "A" and "B" the Budget and Methodology respectively confer a special benefit peculiar to the lands within the District, which benefits exceed or equal the costs and the assessments. The allocation of the costs to the specially benefitted lands is shown in Exhibit "B".

SECTION 2. ASSESSMENT IMPOSITION AND LEVY. A special assessment for operation and maintenance as provided for in Chapter 190, Florida Statutes, is hereby imposed and levied on benefitted lands within the District in accordance with Exhibit "B" the Methodology. The lien of the special assessments for operations and maintenance imposed and levied by this Resolution shall be effective upon passage of this Resolution.

SECTION 3. COLLECTION AND ENFORCEMENT; PENALTIES; INTEREST. The collection of the previously levied debt service assessments and operation and maintenance special assessments on certain lands shall be at the same time and in the same manner as County taxes in accordance with the Uniform Method, as set forth in Exhibit "B" the Methodology. The previously levied debt service assessments and operations and maintenance assessments on certain lands will be collected directly by the District in accordance with Florida law, as set forth in Exhibit "A" and "B" the Budget and Methodology respectively. The Uniform Method will not be used for collection of assessments on certain lands more specifically identified as Parcels, 19 and 20, and all other properties will be billed utilizing the uniform method of collection.

In the event that an assessment payment is not made in accordance with the schedule stated above, such assessment and any future scheduled assessment payments due for Fiscal Year 2023 shall be delinquent and shall accrue penalties and interest in the amount of one percent (1%) per month plus all costs of collection and enforcement, and shall either be enforced pursuant to a foreclosure action, or, at the District's discretion, collected pursuant to the Uniform Method on a future tax bill, which amount may include penalties, interest, and costs of collection and enforcement. In the event an assessment subject to direct collection by the District shall be delinquent, the District Manager and District Counsel, without further authorization by the Board, may initiate foreclosure proceedings to collect and enforce the delinquent and remaining assessments.

SECTION 4. ASSESSMENT ROLL. The District's Assessment Roll, attached to this Resolution as Table 1 to Exhibit "B," is hereby certified by the Chairman or his designee the District Manager. The proceeds therefrom shall be paid to the Heritage Harbour Market Place Community Development District.

RESOLUTION 2022-4

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT IMPOSING AND LEVYING SPECIAL ASSESSMENTS, CERTIFYING AN ASSESSMENT ROLL AND APPROVING THE GENERAL FUND SPECIAL ASSESSMENT METHODOLOGY; PROVIDING A SEVERABILITY CLAUSE; PROVIDING FOR CONFLICT AND PROVIDING AN EFFECTIVE DATE.

SECTION 5. ASSESSMENT ROLL AMENDMENT. The District Manager shall keep apprised of all updates made to the County property roll by the Property Appraiser after the date of this Resolution and shall amend the District's Assessment Roll in accordance with any such updates, for such time as authorized and limited by Florida law, to the District's roll.

SECTION 6. CONFLICT. That all Sections or parts of Sections of any Resolutions, Agreements, or actions of the Board of Supervisors in conflict are hereby repealed to the extent of such conflict.

SECTION 7. SEVERABILITY. The invalidity or unenforceability of any one or more provisions of this Resolution shall not affect the validity or enforceability of the remaining portions of this Resolution, or any part thereof.

SECTION 8. EFFECTIVE DATE. This Resolution shall take effect upon the passage and adoption of this Resolution by the Board of Supervisors of the Heritage Harbour Market Place Community Development District.

PASSED AND ADOPTED this 7th day of April 2022.

ATTEST:

**HERITAGE HARBOUR MARKET PLACE COMMUNITY
DEVELOPMENT DISTRICT**

James P. Ward, Secretary

Russell R. Smith, Chairperson

HERITAGE HARBOUR MARKETPLACE COMMUNITY DEVELOPMENT DISTRICT



GENERAL FUND SPECIAL ASSESSMENT METHODOLOGY

FISCAL YEAR 2023

PREPARED BY:

JPWARD & ASSOCIATES, LLC, 2301 NORTHEAST 37TH STREET, FORT LAUDERDALE, FLORIDA 33308

T: 954-658-4900 E: JimWard@JPWardAssociates.com

HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT

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James P. Ward
District Manager

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1.0 PURPOSE

This report is intended to introduce to the Heritage Harbour Market Place Community Development District an operations methodology to fund the annual operations and maintenance requirements for the District. The methodology will outline the properties within the District that are subject to the Assessment and the benefit conferred on each property by the services and projects provided by the Districts' operational and maintenance activities. This report covers the District Fiscal Year 2023, which begins on October 1, 2022 and ends on September 30, 2023.

The Methodology will have two (2) primary objectives: (1) to determine the special and peculiar benefits that flow to the assessable properties in the District; and (2) apportioning the proportionate benefits on a basis that is fair and reasonable. The Methodology herein is intended to set forth a framework to allocate the costs associated with the operations and maintenance expenditures benefiting properties. The report is designed to conform to the requirements of Chapter's 189, 190 and 197, Florida Statutes and is consistent with the District's understanding of the case law on this subject.

2.0 BACKGROUND

The District was established by Manatee County effective on September 9, 2002, and is located within unincorporated Manatee County and encompasses approximately 258.42 acres of land. The development called Heritage Harbour is situated within the Heritage Sound Development of Regional Impact, and approved DRI located at the northeast corner of the State Road 64 and Interstate 75 interchange in northeast Manatee County. The District manages provision of infrastructure to a part of the Heritage Harbour development which is approximately 2,500 acres of land, and consists of three (3) Community Development District's.

3.0 REQUIREMENTS FOR A VALID ASSESSMENT METHODOLOGY

Valid assessments under Florida Law have two (2) requirements. First, the properties assessed must receive a special and peculiar benefit as a logical connection from the systems and services constituting improvements. The courts recognize the special benefits that flow as a logical connection peculiar to the property which in turn may result in decreased insurance premiums, increased value and marketability. Second, the assessments must be fairly and reasonably apportioned in relation to the benefit received by the various properties being assessed.



James P. Ward
District Manager

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If these two tests for lienability are determined in a manner that is informed and non-arbitrary by the Board of Supervisors of the District, as a legislative determination, then the special assessments may be levied, imposed and collected as a first lien on the property. Florida courts have found that it is not necessary to calculate benefit with mathematical precision at the time of imposition and levy so long as the levying and imposition process is not arbitrary, capricious or unfair.

4.0 STRUCTURE

Special benefits flow as a logical connection and peculiar to the property from the operation and maintenance related services provided within the boundary of the District. These special benefits are peculiar to the acreage and later down to the actual platted units or parcels. The special benefits that justify imposing the assessment on the acreage include enhanced enjoyment and increased use, which may result in such positive consequences as increased value and marketability and decreased insurance premiums when levied on the various platted units or parcels of property. Then the allocation of the costs per parcel is modified to match the apportioned special benefits resulting in the assessments per parcel.

5.0 ASSIGNMENT OF ASSESSMENTS

The apportionment of special benefit in such a methodology report is based on accepted practices in accordance with applicable laws and the procedure for the imposition, levy and collection of non ad valorem special assessments as set forth in the District Act and in conformity with State Laws applicable to such assessments.

The standard assessment analysis utilizes an apportionment based upon the benefit that a property receives from each separate component of the District's O&M activities. The Fiscal Year 2021 General Fund Budget is financial and administrative in nature so the special benefits should be based equally and ratably on and peculiar to the assessable lands of the District on an equal acre basis, and consistent with the District's Adopted Master and Supplemental Assessment Reports prepared by the District's Financial Advisor (Fishkind & Associates, Inc.)

6.0 ASSESSMENT ROLL



James P. Ward
District Manager

2301 NORTHEAST 37TH STREET
FORT LAUDERDALE, FLORIDA 33308

PHONE (954) 658-4900

E-MAIL JimWard@JPWardAssociates.com

As described above, the allocation of costs and apportionment of special benefits peculiar to the property associated with the District's General Fund Activities will be initially distributed across all assessable units within the boundaries of the District. Table 1 provides the assessment roll based on updated parcel account information provided by the Manatee County Property Appraiser's office assigning the appropriate parcel identification numbers for the lands currently platted within the boundaries of the District. As all District lands are platted and the appropriate parcel identification numbers assigned by the Property Appraiser are known, the following table will be updated to reflect any changes in parcel amounts within the boundaries of the Development.



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Heritage Harbour Market Place Community Development District
Assessment Roll - Fiscal Year 2023
Table 1

| Parcel ID | Lot | Owner | Legal Description | O&M |
|------------------|-----|---|--|--------------|
| 1101900119 | | LENNAR HOMES LLC | FRAC W1/2 OF SEC 23-34-18 - PART SUBM - LESS: BEG AT THE SE COR OF SEC 22; TH N 0 DEG 08 MIN 54 SEC E, 463 FT; TH S 89 DEG 51 MIN 06 SEC E, 42 FT; TH S 00 DEG 08 MIN 54 SEC W, 463 | \$ - |
| 1102022609 | | HERITAGE HARBOUR SOUTH COMMUNITY DEVELOPMENT DISTRICT | TRACT 800 (RIVER HERITAGE BLVD) STONEYBROOK AT HERITAGE HARBOUR SUBPHASE A UNIT 1 PI#11020.2260/9 | \$ - |
| 1102022659 | | HERITAGE HARBOUR SOUTH COMMUNITY DEVELOPMENT DISTRICT | TRACT 801 (HERITAGE GREEN WAY) STONEYBROOK AT HERITAGE HARBOUR SUBPHASE A UNIT 1 PI#11020.2265/9 | \$ - |
| 1102022709 | | HERITAGE HARBOUR SOUTH COMMUNITY DEVELOPMENT DISTRICT | TRACT 802 (GRAND HARBOUR PARKWAY) STONEYBROOK AT HERITAGE HARBOUR SUBPHASE A UNIT 1 PI#11020.2270/9 | \$ - |
| 1102200309 | | AQUATERRA UTILITIES INC | LAKE 59 AT HERITAGE HARBOUR: A LAKE TRACT BEING THAT PART OF SEC 25, TWN 34S, RNG 18E MORE PARTICULARLY DESC AS FOLLOWS: COM AT THE NE COR OF HERITAGE HARBOUR, PARCEL 22, AS REC IN | \$ - |
| 1102200339 | | LENNAR HOMES LLC | ALL OF SEC 25, SUBJ TO EASMT TO FP&L DESC IN OR 546 P 135, LESS 1/16 INT IN OIL & MINERAL RIGHTS DESC IN DB240 P 45;(1548/4275-4356) ALSO SUBJ TO FP&L EASMT AS DESC IN OR | \$ - |
| 1102200659 | | AQUATERRA UTILITIES INC | A TRACT OR PARCEL OF LAND SITUATED IN THE STATE OF FLORIDA COUNTY OF MANATEE, LYING IN SEC 25, TWN 34S, RNG 18E, BEING FURTHER BOUND AND DESC AS FOLLOWS; COM AT THE NE COR OF | \$ - |
| 1102400319 | | LENNAR HOMES LLC | BEG AT NW COR OF SEC 26-34-18, TH RUN E 2681.25 FT, THS3769FT, TH W 2681.25 FT, TH N TO THE POB, LESS THE S1640.5FTTHEREOF; LESS 21.642 AC M/L TO DOT FOR I-75 DESC | \$ - |
| 1102400559 | | AQUATERRA UTILITIES INC | A TRACT OR PARCEL OF LAND SITUATED IN THE STATE OF FLORIDA, COUNTY OF MANATEE LYING IN SEC 26, TWN 34S, RNG 18E, BEING FURTHER BOUND AND DESC AS FOLLOWS: BEG AT THE NE COR OF | \$ - |
| 1102600079 | | LENNAR HOMES LLC | COM AT NE COR OF W1/2 OF SEC 26; TH S 00 DEG 43 MIN 08 SEC W ALG E LN OF SD W1/2 TO NE COR OF S 1640.50 FT OF N 3769 FT OF SD W1/2 FOR POB; TH CONT S 00 DEG 43 MIN 08 SEC W 1596.95 | \$ - |
| 1108601659 19/20 | | THH TRACT 1 LLC | LOT 1, THE LANDINGS AT HERITAGE HARBOUR PH II PI #11086.0165/9 | \$ 11,170.32 |
| 1108601709 19/20 | | TH HARBOUR LLLP | LOT 2, THE LANDINGS AT HERITAGE HARBOUR PH II PI #11086.0170/9 | \$ 8,599.46 |
| 1108601759 19/20 | | TH HARBOUR LLLP | TRACT 100 (PRIVATE ROAD), THE LANDINGS AT HERITAGE HARBOUR PH II PI #11086.0175/9 | \$ 3,640.05 |
| 1108601919 19/20 | | TH HARBOUR LLLP | THOSE PARTS OF SEC 25, 26, 35 & 36, TWN 34S, RNG 18E, MORE PARTICULARLY DESC AS FOLLOWS: BEG AT A PT ON W R/ LN OF GRAND HARBOUR PKWY AS SHOWN ON PLAT OF STONEYBROOK | \$ 35,024.90 |
| 1442300319 | | LENNAR HOMES LLC | ALL OF SEC 35 & 36 LESS THAT PART OF THE SAME LYING S OF BRADENTON-ARCADIA RD AS RELOCATED SUBJ TO EASMT TO FLA POWER & LIGHT DESC (546/135), LESS RD R/W FOR I-75 DESC | \$ - |
| 1442300359 | | AQUATERRA UTILITIES INC | A TRACT OR PARCEL OF LAND SITUATED IN THE STATE OF FLORIDA, COUNTY OF MANATEE LYING IN SEC 36, TWN 34S, RNG 18E BEING FURTHER BOUND AND DESC AS FOLLOWS: COM AT THE SLY MOST COR | \$ - |

Heritage Harbour Market Place Community Development District
Assessment Roll - Fiscal Year 2023
Table 1

| Parcel ID | Lot | Owner | Legal Description | O&M |
|--------------|-------------|---|---|---------------------|
| 1442300409 | 24 | RICKS, CHARLES V | THAT PART OF SEC 36, TWN 34S, RNG 18E, BEING MORE PARTICULARY DESC AS FOLLOWS: COM AT THE INT OF RIVER HERITAGE BLVD (TRACT 800 OF THE PLAT OF STONEYBROOK AT | \$ 2,338.16 |
| 1442300459 | | HERITAGE HARBOUR MASTER ASSOCIATION INC | A TRACT OR PARCEL OF LAND SITUATED IN THE STATE OF FLORIDA, COUNTY OF MANATEE LYING IN SEC 36, TWN 34S, RNG 18E, BEING FURTHER BOUND AND DESC AS FOLLOWS: COM AT THE NE COR OF SD | \$ - |
| 1442300509 | 23 | BRADENTON PARCEL 23 LLC | A TRACT OR PARCEL OF LAND SITUATED IN THE STATE OF FLORIDA, COUNTY OF MANATEE LYING IN SEC 36, TWN 34S, RNG 18E, MANATEE COUNTY, FL BEING FURTHER BOUND AND DESC AS FOLLOWS: COM AT | \$ 1,591.14 |
| 1442300559 | 25 | BRADENTON PARCEL 25 LLC | A TRACT OR PARCEL OF LAND SITUATED IN THE STATE OF FLORIDA, COUNTY OF MANATEE LYING IN SEC 36, TWN 34 S, RNG 18E, BEING FURTHER BOUND AND DESC AS FOLLOW: COM AT THE NE COR OF SD | \$ 12,221.17 |
| 1442302209 | | HERITAGE HARBOUR SOUTH COMMUNITY DEVELOPMENT DISTRICT | LAKE 57: COM AT THE NE COR OF SEC 36, TWN 34S, R 18E; TH ALG THE N LN OF SD SEC 36, N 88 DEG 14 MIN 56 SEC W, 4183.21 FT; TH S 01 DEG 45 MIN 04 SEC W, 850.40 FT TO THE POB OF | \$ - |
| 1442304009 | 22 | SARASOTA COUNTY PUBLIC HOSPITAL DISTRICT | PARCEL 22 HERITAGE HARBOUR PARCEL 22 PI#14423.0400/9 | \$ 2,524.91 |
| 1442304559 | 26 | BROWNSTAR PROPERTIES LLC | PARCEL A, HERITAGE HARBOUR LAND CONDO. PI #14423.0455/9 | \$ 2,510.75 |
| 1442304609 | 26 | BROWNSTAR PROPERTIES LLC | PARCEL B, HERITAGE HARBOUR LAND CONDO. PI #14423.0460/9 | \$ 2,613.22 |
| 1442304659 | 26 | BROWNSTAR PROPERTIES LLC | PARCEL C, HERITAGE HARBOUR LAND CONDO. PI #14423.0465/9 | \$ 768.60 |
| 1442304709 | 26 | BROWNSTAR PROPERTIES LLC | PARCEL D, HERITAGE HARBOUR LAND CONDO. PI #14423.0470/9 | \$ 1,024.79 |
| 1442304759 | 26 | HERITAGE HARBOUR LAND CONDOMINIUM ASSOCIATION INC | TRACT 1, HERITAGE HARBOUR LAND CONDO. PI #14423.0475/9 | \$ - |
| 1442305059 | 27 - Unit 1 | YORAISH LLC | UNIT 1 OF PARCEL 27 LAND CONDOMINIUM, PI#14423.0505/9 | \$ 1,001.00 |
| 1442305109 | 27 - Unit 2 | TWAS PROPERTIES LLC | UNIT 2 OF PARCEL 27 LAND CONDOMINIUM, PI#14423.0510/9 | \$ 1,098.11 |
| 1442305159 | 27 - Unit 3 | CHABER LLC | UNIT 3 OF PARCEL 27 LAND CONDOMINIUM, PI#14423.0515/9 | \$ 717.13 |
| 1442305209 | 27 - Unit 4 | 8355 SR 64 LLC | UNIT 4 OF PARCEL 27 LAND CONDOMINIUM, PI#14423.0520/9 | \$ 918.83 |
| TOTAL | | | | \$ 87,762.54 |

RESOLUTION 2022-5

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT DESIGNATING DATES, TIME, AND LOCATION FOR REGULAR MEETINGS OF THE BOARD OF SUPERVISORS OF THE DISTRICT; PROVIDING FOR CONFLICT; PROVIDING FOR SEVERABILITY AND PROVIDING AN EFFECTIVE DATE.

RECITALS

WHEREAS, the Heritage Harbour Market Place Community Development District (the “District”) is a local unit of special-purpose government established pursuant to Chapter 190, Florida Statutes for the purpose of providing, operating, and maintaining infrastructure improvements, facilities, and services to the lands within the District; and

WHEREAS, in accordance with the provisions of Chapter 189.415, Florida Statutes, the District is required to file quarterly, semiannually, or annually a schedule of its regular meetings with the local governing authority or authorities; and

WHEREAS, in accordance with the above referenced Statute, the District shall also publish quarterly, semiannually, or annually its regular meeting schedule in a newspaper of general paid circulation in the County in which the District is located and shall appear in the legal notices section of the classified advertisements.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1. DESIGNATION OF DATES, TIME, AND LOCATION OF REGULAR MEETINGS.

a. **Date:** The first Thursday of each month for Fiscal Year 2023, which covers the period October 1, 2022, through September 30, 2023.

The Fiscal Year 2023 schedule is as follows:

| | |
|------------------|------------------------|
| October 6, 2022 | November 3, 2022 (LOE) |
| December 1, 2022 | January 5, 2023 |
| February 2, 2023 | March 2, 2023 |
| April 6, 2023 | May 4, 2023 |
| June 1, 2023 | July 6, 2023 |
| August 3, 2023 | September 7, 2023 |

b. **Time:** 1:00 P.M. (Eastern Standard Time)

c. **Location:** River Strand Golf and Country Club (Clubhouse), 7155 Grand Estuary Trail, Bradenton, Florida 34212

SECTION 2. SUNSHINE LAW AND MEETING CANCELATIONS AND CONTINUATIONS. The meetings of the Board of Supervisors are open to the public and will be conducted in accordance with the

RESOLUTION 2022-5

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT DESIGNATING DATES, TIME, AND LOCATION FOR REGULAR MEETINGS OF THE BOARD OF SUPERVISORS OF THE DISTRICT; PROVIDING FOR CONFLICT; PROVIDING FOR SEVERABILITY AND PROVIDING AN EFFECTIVE DATE.

provisions of Florida Law for Community Development Districts. The District by and through its District Manager may cancel any meeting of the Board of Supervisors and all meetings may be continued to a date, time, and place to be specified on the record at the hearings or meeting.

SECTION 2. CONFLICT. That all Sections or parts of Sections of any Resolutions, Agreements, or actions of the Board of Supervisors in conflict are hereby repealed to the extent of such conflict.

SECTION 2. SEVERABILITY. The invalidity or unenforceability of any one or more provisions of this Resolution shall not affect the validity or enforceability of the remaining portions of this Resolution, or any part thereof.

SECTION 3. EFFECTIVE DATE. This Resolution shall take effect upon the passage and adoption of this Resolution by the Board of Supervisors of the Heritage Harbour Market Place Community Development District.

PASSED AND ADOPTED this 7th day of April 2022

ATTEST:

**HERITAGE HARBOUR MARKET PLACE
COMMUNITY DEVELOPMENT DISTRICT**

James P. Ward, Secretary

Russell R. Smith, Chairperson

RESOLUTION 2022-6

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT DESIGNATING A DATE, TIME, AND LOCATION FOR A LANDOWNERS' MEETING AND ELECTION; PROVIDING FOR PUBLICATION; ESTABLISHING FORMS FOR THE LANDOWNER ELECTION; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

RECITALS

WHEREAS, Heritage Harbour Market Place Community Development District ("**District**") is a local unit of special-purpose government created and existing pursuant to Chapter 190, *Florida Statutes*, being situated entirely within Manatee County, Florida; and

WHEREAS, pursuant to Section 190.006(1), *Florida Statutes*, the District's Board of Supervisors ("**Board**") "shall exercise the powers granted to the district pursuant to [Chapter 190, *Florida Statutes*]," and the Board shall consist of five members; and

WHEREAS, the District is statutorily required to hold a meeting of the landowners of the District for the purpose of electing Board Supervisors for the District on the first Tuesday in November, which shall be noticed pursuant to Section 190.006(2), *Florida Statutes*.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT:

1. **EXISTING BOARD SUPERVISORS; SEATS SUBJECT TO ELECTIONS.** The Board is currently made up of the following individuals:

| <u>Seat Number</u> | <u>Supervisor</u> | <u>Term Expiration Date</u> |
|--------------------|-------------------|-----------------------------|
| 1 | Bill Nesbitt | 2022 |
| 2 | Russell Smith | 2022 |
| 3 | Danielle Graef | 2024 |
| 4 | Daniel Hulgas | 2022 |
| 5 | Bill Riley | 2024 |

This year, Seat 1, currently held by Bill Nesbitt, and Seat 2, currently held by Russell Smith, and Seat 4, currently held by Daniel Hulgas are subject to election by landowners in November 2022. The two candidates receiving the highest number of votes shall be elected for a term of four (4) years. The candidate receiving the next highest number of votes shall be elected for a term of two (2) years. The term of office for each successful candidate shall commence upon election.

2. **LANDOWNER'S ELECTION.** In accordance with Section 190.006(2), *Florida Statutes*, the meeting of the landowners to elect Board Supervisor(s) of the District shall be held on the 3rd day of November 2022, at 1:00 p.m. and located at River Strand Golf and Country Clubhouse, 7155 Grand Estuary Trail, Bradenton, Florida 34212.

3. **PUBLICATION.** The District's Secretary is hereby directed to publish notice of the landowners' meeting and election in accordance with the requirements of Section 190.006(2), *Florida*

RESOLUTION 2022-6

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT DESIGNATING A DATE, TIME, AND LOCATION FOR A LANDOWNERS' MEETING AND ELECTION; PROVIDING FOR PUBLICATION; ESTABLISHING FORMS FOR THE LANDOWNER ELECTION; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.

Statutes.

4. **FORMS.** Pursuant to Section 190.006(2)(b), *Florida Statutes*, the landowners' meeting and election have been announced by the Board at its April 7, 2022, meeting. A sample notice of landowners' meeting and election, proxy, ballot form and instructions were presented at such meeting and are attached hereto as **Exhibit A**. Such documents are available for review and copying during normal business hours at the District's Local Records Office, located at the office of the District Manager, c/o JPWard and Associates, LLC, 2301 NE 37th Street, Fort Lauderdale, Florida 33308, Phone 954-658-4900, E-Mail: JimWard@JPWardAssociates.com.

5. **SEVERABILITY.** The invalidity or unenforceability of any one or more provisions of this Resolution shall not affect the validity or enforceability of the remaining portions of this Resolution, or any part thereof.

6. **EFFECTIVE DATE.** This Resolution shall become effective upon its passage.

PASSED AND ADOPTED THIS 7th DAY OF APRIL 2022.

ATTEST:

**HERITAGE HARBOUR MARKET PLACE
COMMUNITY DEVELOPMENT DISTRICT**

James Ward, Secretary

Russel Smith, Chairman

EXHIBIT A

NOTICE OF LANDOWNERS' MEETING AND ELECTION AND MEETING OF THE BOARD OF SUPERVISORS OF THE HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT

Notice is hereby given to the public and all landowners within Heritage Harbour Market Place Community Development District ("**District**") the location of which is generally described as comprising a parcel or parcels of land containing approximately 258 acres, and is located east of Interstate 75, north of State Road 64, and south of the Manatee River, in Manatee County, Florida, advising that a meeting of landowners will be held for the purpose of electing three (3) people to the District's Board of Supervisors ("**Board**", and individually, "**Supervisor**"). Immediately following the landowners' meeting there will be convened a meeting of the Board for the purpose of considering certain matters of the Board to include election of certain District officers, and other such business which may properly come before the Board.

DATE: November 3, 2022
TIME: 1:00 PM
PLACE: River Strand Golf and Country Clubhouse
7155 Grand Estuary Trail
Bradenton, Florida 34212

Each landowner may vote in person or by written proxy. Proxy forms may be obtained upon request at the office of the District Manager, c/o JPWard and Associates, LLC, 2301 NE 37th Street, Fort Lauderdale, Florida 33308, Phone 954-658-4900, E-Mail: JimWard@JPWardAssociates.com ("**District Manager's Office**"). At said meeting each landowner or his or her proxy shall be entitled to nominate persons for the position of Supervisor and cast one vote per acre of land, or fractional portion thereof, owned by him or her and located within the District for each person to be elected to the position of Supervisor. A fraction of an acre shall be treated as one acre, entitling the landowner to one vote with respect thereto. Platted lots shall be counted individually and rounded up to the nearest whole acre. The acreage of platted lots shall not be aggregated for determining the number of voting units held by a landowner or a landowner's proxy. At the landowners' meeting the landowners shall select a person to serve as the meeting chair and who shall conduct the meeting.

The landowners' meeting and the Board meeting are open to the public and will be conducted in accordance with the provisions of Florida law. One or both meetings may be continued to a date, time, and place to be specified on the record at such meeting. A copy of the agenda for these meetings may be obtained from the District Manager's Office. There may be an occasion where one or more supervisors will participate by telephone.

Any person requiring special accommodations to participate in these meetings is asked to contact the District Manager's Office, at least 48 hours before the hearing. If you are hearing or speech impaired, please contact the Florida Relay Service by dialing 7-1-1, or 1-800-955-8771 (TTY) / 1-800-955-8770 (Voice), for aid in contacting the District Manager's Office.

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

James P. Ward
District Manager
Run Date(s): October 9, 2022 & October 16, 2022

PUBLISH: ONCE A WEEK FOR 2 CONSECUTIVE WEEKS, THE LAST DAY OF PUBLICATION TO BE NOT FEWER THAN 14 DAYS OR MORE THAN 28 DAYS BEFORE THE DATE OF ELECTION, IN A NEWSPAPER WHICH IS IN GENERAL CIRCULATION IN THE AREA OF THE DISTRICT

**INSTRUCTIONS RELATING TO LANDOWNERS' MEETING OF
HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT
FOR THE ELECTION OF SUPERVISORS**

DATE OF LANDOWNERS' MEETING: **Thursday, November 3, 2022**

TIME: **1:00 P.M.**

LOCATION: **River Strand Golf and Country Clubhouse, 7155 Grand Estuary Trail, Bradenton, Florida
34212**

Pursuant to Chapter 190, *Florida Statutes*, and after a Community Development District ("**District**") has been established and the landowners have held their initial election, there shall be a subsequent landowners' meeting for the purpose of electing members of the Board of Supervisors ("**Board**") every two years until the District qualifies to have its board members elected by the qualified electors of the District. The following instructions on how all landowners may participate in the election are intended to comply with Section 190.006(2)(b), *Florida Statutes*.

A landowner may vote in person at the landowners' meeting, or the landowner may nominate a proxy holder to vote at the meeting in place of the landowner. Whether in person or by proxy, each landowner shall be entitled to cast one vote per acre of land owned by him or her and located within the District, for each position on the Board that is open for election for the upcoming term. A fraction of an acre shall be treated as one (1) acre, entitling the landowner to one vote with respect thereto. For purposes of determining voting interests, platted lots shall be counted individually and rounded up to the nearest whole acre. Moreover, please note that a particular parcel of real property is entitled to only one vote for each eligible acre of land or fraction thereof; therefore, two or more people who own real property in common, that is one acre or less, are together entitled to only one vote for that real property.

At the landowners' meeting, the first step is to elect a chair for the meeting, who may be any person present at the meeting. The landowners shall also elect a secretary for the meeting who may be any person present at the meeting. The secretary shall be responsible for the minutes of the meeting. The chair shall conduct the nominations and the voting. If the chair is a landowner or proxy holder of a landowner, he or she may nominate candidates and make and second motions. Candidates must be nominated and then shall be elected by a vote of the landowners. Nominees may be elected only to a position on the Board that is open for election for the upcoming term.

This year, three (3) seats on the Board will be up for election by landowners. The two candidates receiving the highest number of votes shall be elected for a term of four (4) years. The candidate receiving the next highest number of votes shall be elected for a term of two (2) years. The term of office for each successful candidate shall commence upon election.

A proxy is available upon request. To be valid, each proxy must be signed by one of the legal owners of the property for which the vote is cast and must contain the typed or printed name of the individual who signed the proxy; the street address, legal description of the property or tax parcel identification number; and the number of authorized votes. If the proxy authorizes more than one vote, each property must be listed and the number of acres of each property must be included. The signature on a proxy does not need to be notarized.

LANDOWNER PROXY

**HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT
MANATEE COUNTY, FLORIDA
LANDOWNERS' MEETING – NOVEMBER 3, 2022**

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, the fee simple owner of the lands described herein, hereby constitutes and appoints _____ (“**Proxy Holder**”) for and on behalf of the undersigned, to vote as proxy at the meeting of the landowners of the Heritage Harbour Market Place Community Development District to be held at River Strand Golf and Country Clubhouse, 7155 Grand Estuary Trail, Bradenton, Florida 34212, on November 3, 2022, at 1:00 p.m., and at any adjournments thereof, according to the number of acres of unplatted land and/or platted lots owned by the undersigned landowner that the undersigned would be entitled to vote if then personally present, upon any question, proposition, or resolution or any other matter or thing that may be considered at said meeting including, but not limited to, the election of members of the Board of Supervisors. Said Proxy Holder may vote in accordance with his or her discretion on all matters not known or determined at the time of solicitation of this proxy, which may legally be considered at said meeting.

Any proxy heretofore given by the undersigned for said meeting is hereby revoked. This proxy is to continue in full force and effect from the date hereof until the conclusion of the landowners’ meeting and any adjournment or adjournments thereof but may be revoked at any time by written notice of such revocation presented at the landowners’ meeting prior to the Proxy Holder’s exercising the voting rights conferred herein.

Printed Name of Legal Owner

Signature of Legal Owner

Date

| <u>Parcel Description</u> | <u>Acreage</u> | <u>Authorized Votes</u> |
|---------------------------|----------------|-------------------------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

[Insert above the street address of each parcel, the legal description of each parcel, or the tax identification number of each parcel. If more space is needed, identification of parcels owned may be incorporated by reference to an attachment hereto.]

Total Number of Authorized Votes: _____

NOTES: Pursuant to Section 190.006(2)(b), *Florida Statutes* (2019), a fraction of an acre is treated as one (1) acre entitling the landowner to one vote with respect thereto. For purposes of determining voting interests, platted lots shall be counted individually and rounded up to the nearest whole acre. Moreover, two (2) or more persons who own real property in common that is one acre or less are together entitled to only one vote for that real property.

If the fee simple landowner is not an individual, and is instead a corporation, limited liability company, limited partnership or other entity, evidence that the individual signing on behalf of the entity has the authority to do so should be attached hereto (e.g., bylaws, corporate resolution, etc.).

OFFICIAL BALLOT
HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT
MANATEE COUNTY, FLORIDA
LANDOWNERS' MEETING - NOVEMBER 3, 2022

For Election (3 Supervisors): The two (2) candidates receiving the highest number of votes will each receive a four (4) year term, and the one (1) candidate receiving the next highest number of votes will receive a two (2) year term, with the term of office for the successful candidates commencing upon election.

The undersigned certifies that he/she/it is the fee simple owner of land, or the proxy holder for the fee simple owner of land, located within the Heritage Harbour Market Place Community Development District and described as follows:

| <u>Description</u> | <u>Acreage</u> |
|--------------------|----------------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

[Insert above the street address of each parcel, the legal description of each parcel, or the tax identification number of each parcel.] [If more space is needed, identification of parcels owned may be incorporated by reference to an attachment hereto.]

or

Attach Proxy.

I, _____, as Landowner, or as the proxy holder of _____ (Landowner) pursuant to the Landowner's Proxy attached hereto, do cast my votes as follows:

| SEAT # | NAME OF CANDIDATE | NUMBER OF VOTES |
|--------|-------------------|-----------------|
| 1 | | |
| 2 | | |
| 4 | | |

Date: _____

Signed: _____

Printed Name: _____

**HERITAGE HARBOUR MARKET PLACE
COMMUNITY DEVELOPMENT DISTRICT
MANATEE COUNTY, FLORIDA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2021**

**HERITAGE HARBOUR MARKET PLACE
COMMUNITY DEVELOPMENT DISTRICT
MANATEE COUNTY, FLORIDA**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Heritage Harbour Market Place Community Development District
Manatee County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund, of Heritage Harbour Market Place Community Development District, Manatee County, Florida ("District") as of and for the fiscal 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 and each major fund of the District as of September 30, 2021, and the respective changes in financial position, thereof for the fiscal 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 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The information for compliance with FL Statute 218.39 (3) (c) is not a required part of the basic financial statements. The information for compliance with FL Statute 218.39 (3) (c) has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the District's 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 District's internal control over financial reporting and compliance.



March 7, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Heritage Harbour Market Place Community Development District, Manatee County, Florida ("District") provides a narrative 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 liabilities of the District exceeded its assets at the close of the most recent fiscal year resulting in a net position deficit balance of (\$7,843,823). The net position deficit balance is due to the District conveying improvements which were acquired with its Bonds in prior fiscal years.
- The change in the District's total net position in comparison with the prior fiscal year was \$272,585, an increase. The majority of the increase represents the extent to which ongoing program revenues exceeded the cost of operations and depreciation expense. Depreciation expense represents amortization of capital assets purchased by the District in prior fiscal years. It does not represent cash outflow of current year's program revenues. Since depreciation expense is not a cash outflow, it is not budgeted by the District. The key components of the District's net position and change in net position are reflected in the table in the government-wide financial analysis section.
- At September 30, 2021, the District's governmental funds reported combined ending fund balances of \$473,650, an increase of \$8,713 in comparison with the prior fiscal year. The total fund balance is restricted for debt service 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 are intended to serve as the introduction to the District's basic 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, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual amount being 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.

The government-wide financial statements include all governmental activities that are principally supported by special assessment revenues. The District does not have any business-type activities. The governmental activities of the District include the general government (management) and maintenance functions.

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.

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

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 governmental funds for external reporting. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and debt service fund, both of which are considered 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.

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.

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

| | NET POSITION | |
|-------------------------------------|----------------|----------------|
| | SEPTEMBER 30, | |
| | 2021 | 2020 |
| Current and other assets | \$ 763,659 | \$ 466,431 |
| Capital assets, net of depreciation | 3,256,427 | 3,473,522 |
| Total assets | 4,020,086 | 3,939,953 |
| Current liabilities | 553,909 | 276,361 |
| Long-term liabilities | 11,310,000 | 11,780,000 |
| Total liabilities | 11,863,909 | 12,056,361 |
| Net Position | | |
| Net investment in capital assets | (8,053,573) | (8,306,478) |
| Restricted | 64,701 | 54,964 |
| Unrestricted | 145,049 | 135,106 |
| Total net position | \$ (7,843,823) | \$ (8,116,408) |

The District's net position reflects its investment in capital assets (e.g. land, land improvements, and infrastructure) less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to residents; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The restricted portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the District's other obligations.

The District's net position increased during the most recent fiscal year. Key elements of the change in net position are reflected in the following table:

| CHANGES IN NET POSITION FOR THE FISCAL YEAR ENDED SEPTEMBER 30, | | |
|--|-----------------------|-----------------------|
| | 2021 | 2020 |
| Revenues: | | |
| Program revenues: | | |
| Charges for services | \$ 1,214,804 | \$ 1,229,394 |
| Operating grants and contributions | 19 | 233 |
| Interest earnings | 13 | 59 |
| Total revenues | <u>1,214,836</u> | <u>1,229,686</u> |
| Expenses: | | |
| General government | 76,443 | 76,342 |
| Maintenance and operations* | 217,095 | 217,095 |
| Interest | 648,713 | 674,054 |
| Total expenses | <u>942,251</u> | <u>967,491</u> |
| Change in net position | <u>272,585</u> | <u>262,195</u> |
| Net position - beginning | <u>(8,116,408)</u> | <u>(8,378,603)</u> |
| Net position - ending | <u>\$ (7,843,823)</u> | <u>\$ (8,116,408)</u> |

*Includes depreciation expense of \$217,095 for the current fiscal year and \$217,095 for the prior fiscal year.

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2021, was \$942,251. The costs of the District's activities were primarily funded by program revenues. Program revenues, comprised primarily of assessments, decreased during the current fiscal year. In total, expenses, including depreciation, decreased from the prior fiscal year, the majority of the decrease was the due to a reduction in interest expense.

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.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2021, the District had \$6,927,093 invested in capital assets for its governmental activities. In the government-wide financial statements depreciation of \$3,670,666 has been taken, which resulted in a net book value of \$3,256,427. More detailed information about the District's capital assets is presented in the notes of the financial statements.

Capital Debt

At September 30, 2021, the District had \$11,310,000 Bonds outstanding. More detailed information about the District's capital debt is presented in the notes of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND OTHER EVENTS

The District does not anticipate any major projects or significant changes to its infrastructure maintenance program for the subsequent fiscal year. In addition, it is anticipated that the general operations of the District will remain fairly constant.

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 the Heritage Harbour Market Place Community Development District at the office of the District Manager, James P. Ward at 2301 Northeast 37th Street, Fort Lauderdale, FL 33308.

**HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT
MANATEE COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

| | Governmental Activities |
|----------------------------------|----------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 156,458 |
| Restricted assets: | |
| Investments | 607,201 |
| Capital assets: | |
| Depreciable, net | 3,256,427 |
| Total assets | 4,020,086 |
| LIABILITIES | |
| Accounts payable | 194 |
| Accrued interest payable | 263,900 |
| Unearned revenue | 289,815 |
| Non-current liabilities: | |
| Due within one year | 495,000 |
| Due in more than one year | 10,815,000 |
| Total liabilities | 11,863,909 |
| NET POSITION | |
| Net investment in capital assets | (8,053,573) |
| Restricted for debt service | 64,701 |
| Unrestricted | 145,049 |
| Total net position | \$ (7,843,823) |

See notes to the financial statements

**HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT
MANATEE COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

| <u>Functions/Programs</u> | <u>Expenses</u> | <u>Program Revenues</u> | | <u>Net (Expense) Revenue and Changes in Net Position</u> |
|-------------------------------|-----------------|-------------------------------------|---|--|
| Primary government: | | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Governmental Activities</u> |
| Governmental activities: | | | | |
| General government | \$ 76,443 | \$ 86,373 | \$ - | \$ 9,930 |
| Maintenance and operations* | 217,095 | - | - | (217,095) |
| Interest on long-term debt | 648,713 | 1,128,431 | 19 | 479,737 |
| Total governmental activities | 942,251 | 1,214,804 | 19 | 272,572 |
| | | | | |
| | | General revenues: | | |
| | | | Investment earnings | 13 |
| | | | Total general revenues | 13 |
| | | | Change in net position | 272,585 |
| | | | Net position - beginning | (8,116,408) |
| | | | Net position - ending | \$ (7,843,823) |

*Comprised of depreciation expense

See notes to the financial statements

**HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT
MANATEE COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

| | Major Funds | | Total |
|--------------------------------------|-------------|-----------------|-----------------------|
| | General | Debt Service | Governmental Funds |
| ASSETS | | | |
| Cash and cash equivalents | \$ 156,458 | \$ - | \$ 156,458 |
| Investments | - | 607,201 | 607,201 |
| Total assets | \$ 156,458 | \$ 607,201 | \$ 763,659 |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts payable | \$ 194 | \$ - | \$ 194 |
| Unearned revenue | 11,215 | 278,600 | 289,815 |
| Total liabilities | 11,409 | 278,600 | 290,009 |
| Fund balances: | | | |
| Restricted for: | | | |
| Debt service | - | 328,601 | 328,601 |
| Unassigned | 145,049 | - | 145,049 |
| Total fund balances | 145,049 | 328,601 | 473,650 |
| Total liabilities and fund balances | \$ 156,458 | \$ 607,201 | \$ 763,659 |

See notes to the financial statements

**HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT
MANATEE COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

Fund balance - governmental funds \$ 473,650

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. The statement of net position includes those capital assets, net of any accumulated depreciation, in the net position of the government as a whole.

| | | |
|--------------------------|--------------------|-----------|
| Cost of capital assets | 6,927,093 | |
| Accumulated depreciation | <u>(3,670,666)</u> | 3,256,427 |

Liabilities not due and payable from current available resources are not reported as liabilities in the governmental fund statements. All liabilities, both current and long-term, are reported in the government-wide financial statements.

| | | |
|--------------------------|---------------------|---------------------|
| Accrued interest payable | (263,900) | |
| Bonds payable | <u>(11,310,000)</u> | <u>(11,573,900)</u> |

| | | |
|---|--|-----------------------|
| Net position of governmental activities | | <u>\$ (7,843,823)</u> |
|---|--|-----------------------|

See notes to the financial statements

**HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT
MANATEE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

| | Major Funds | | Total Governmental Funds |
|--|-------------------|-------------------|--------------------------------|
| | General | Debt Service | |
| REVENUES | | | |
| Special assessments | \$ 86,373 | \$ 1,128,431 | \$ 1,214,804 |
| Interest earnings | 13 | 19 | 32 |
| Total revenues | <u>86,386</u> | <u>1,128,450</u> | <u>1,214,836</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 76,443 | - | 76,443 |
| Debt service: | | | |
| Principal | - | 470,000 | 470,000 |
| Interest | - | 659,680 | 659,680 |
| Total expenditures | <u>76,443</u> | <u>1,129,680</u> | <u>1,206,123</u> |
| Excess (deficiency) of revenues over (under) expenditures | 9,943 | (1,230) | 8,713 |
| Fund balances - beginning | <u>135,106</u> | <u>329,831</u> | <u>464,937</u> |
| Fund balances - ending | <u>\$ 145,049</u> | <u>\$ 328,601</u> | <u>\$ 473,650</u> |

See notes to the financial statements

**HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT
MANATEE COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

| | | |
|--|----|-------|
| Net change in fund balances - total governmental funds | \$ | 8,713 |
|--|----|-------|

Amounts 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. | | 470,000 |
|---|--|---------|

| | | |
|--|--|-----------|
| Depreciation of capital assets is not recognized in the governmental fund financial statements, but is reported as an expenses in the statement of activities. | | (217,095) |
|--|--|-----------|

| | | |
|--|--|---------------|
| The change in accrued interest on long-term liabilities between the current and prior fiscal year is recorded in the statement of activities, but not in the governmental fund financial statements. | | <u>10,967</u> |
|--|--|---------------|

| | | |
|---|----|-----------------------|
| Change in net position of governmental activities | \$ | <u><u>272,585</u></u> |
|---|----|-----------------------|

See notes to the financial statements

**HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT
MANATEE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - NATURE OF ORGANIZATION AND REPORTING ENTITY

The Heritage Harbour Market Place Community Development District ("District") was established on September 2, 2002 by Ordinance No. 02-28 of Manatee County, Florida, pursuant to the Uniform Community 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 is comprised of approximately 258 acres in Manatee County and was established for the purpose 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. The Supervisors are elected on an at large basis by the owners of the property within the District. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes. At September 30, 2021, only one of the Board members is affiliated with Lennar Homes, LLC (the "Developer").

The Board has the responsibility for:

1. Allocating 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 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 2 - 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.

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*.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 *current 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. However, debt service expenditures are recorded only when payment is due.

Assessments

The District's Assessments are included on the property tax bill that all landowner's receive. In addition, the District directly bills certain landowners within the District, not using the Uniform Method of Collection. The Florida Statutes provide that special assessments may be collected by using the Uniform Method. Under the Uniform Method, the District's Assessments will be collected together with County and other taxes. These Assessments will appear on a single tax bill issued to each landowner subject to such. The statutes relating to enforcement of County taxes provide that County taxes become due and payable on November 1 of the year when assessed or soon thereafter as the certified tax roll is received by the Tax Collector and constitute a lien upon the land from January 1 of such year until paid or barred by operation of law. Such taxes (together with any assessments, being collected by the Uniform Method) are to be billed, and landowners in the District are required to pay all such taxes and assessments, without preference in payment of any particular increment of the tax bill, such as the increment owing for the District's Assessments. Upon any receipt of moneys by the Tax Collector from the Assessments, such moneys will be delivered to the District.

All city, county, school and special district ad valorem taxes, non-ad valorem special assessments and voter-approved ad valorem taxes levied to pay principal of and interest on bonds, including the District Assessments, that are collected by the Uniform Method are payable at one time. If a taxpayer does not make complete payment of the total amount, he or she cannot designate specific line items on his or her tax bill as deemed paid in full and such partial payment is not to be accepted and is to be returned to the taxpayer, provided, however that a taxpayer may contest a tax assessment pursuant to certain conditions in Florida Statutes and other applicable law.

Under the Uniform Method, if the Assessments are paid during November when due or at any time within thirty (30) days after the mailing of the original tax notice or during the following three months, the taxpayer is granted a variable discount equal to 4% in November and decreasing one percentage point per month to 1% in February. March payments are without discount. Pursuant to Section 197.222, Florida Statutes, taxpayers may elect to pay estimated taxes, which may include non-ad valorem special assessments such as the District's Assessments in quarterly installments with a variable discount equal to 6% on June 30 decreasing to 3% on December 31, with no discount on March 31. All unpaid taxes and assessments become delinquent on April 1 of the year following assessment, and the Tax Collector is required to collect taxes prior to April 1 and after that date to institute statutory procedures upon delinquency to collect assessed taxes. Delay in the mailing of tax notices to taxpayers may result in a delay throughout this process.

Certain taxpayers that are entitled to claim homestead tax exemption under Section 196.031(1), Florida Statutes may defer payment of a portion of the taxes and non-ad valorem assessments and interest accumulated on a tax certificate, which may include non-ad valorem special assessments. Deferred taxes and assessments bear interest at a variable rate not to exceed 7%. The amount that may be deferred varies based on whether the applicant is younger than age 65 or is 65 years old or older; provided that applicants with a household income for the previous calendar year of less than \$10,000 or applicants with less than the designated amount for the additional homestead exemption under Section 196.075, Florida Statutes that are 65 years old or older may defer taxes and assessments in their entirety.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Assessments (Continued)

Collection of Delinquent Assessments under the Uniform Method is, in essence, based upon the sale by the Tax Collector of "tax certificates" and remittance of the proceeds of such sale to the District for payment of the Assessments due.

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.

Debt Service Fund

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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.

Assets, Liabilities and Net Position or Equity

Restricted Assets

These assets represent cash and investments set aside pursuant to Bond covenants or other contractual restrictions.

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.

The District records all interest revenue related to investment activities in the respective funds. Investments are measured at amortized cost or reported at fair value as required by generally accepted accounting principles.

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

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 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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> |
|-----------------------------------|--------------|
| Improvements other than buildings | 10 |
| Infrastructure | 30 |

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

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 ratably 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 sources while discounts 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

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

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.

The District can establish limitations on the use of fund balance as follows:

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.

Assigned fund balance – Includes spendable fund balance amounts established by the Board of Supervisors that are intended to be used for specific purposes that are neither considered restricted nor committed. The Board may also 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 3 - 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.
- b) A public hearing is 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 appropriations for annually budgeted funds lapse at the end of the year.

NOTE 4 - DEPOSITS AND INVESTMENTS

Deposits

The District's cash balances 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:

| | <u>Amortized cost</u> | <u>Credit Risk</u> | <u>Maturities</u> |
|----------------|-----------------------|--------------------|-------------------|
| US Bank Mmkt 5 | \$ 607,201 | S&P A-1+ | NA |
| | <u>\$ 607,201</u> | | |

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.

Concentration risk – The District places no limit on the amount the District may invest in any one issuer.

Interest rate risk – the bond indenture determines the allowable investments and maturities, while any surplus funds are covered by the alternative investments guidelines and are generally of a short duration thus limiting the District's exposure to interest rate risk.

The Bond Indenture limits the type of investments held using unspent proceeds.

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.

Money market investments that have a maturity at the time of purchase of one year or less and are held by governments other than external investment pools should be measured at amortized cost. Accordingly, the District's investments have been reported at amortized cost above.

NOTE 5 - CAPITAL ASSETS

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

| | Beginning Balance | Additions | Reductions | Ending Balance |
|--|----------------------|--------------|------------|-------------------|
| <u>Governmental activities</u> | | | | |
| Capital assets, being depreciated | | | | |
| Improvements other than buildings | \$ 414,241 | \$ - | \$ - | \$ 414,241 |
| Infrastructure | 6,512,852 | - | - | 6,512,852 |
| Total capital assets, being depreciated | 6,927,093 | - | - | 6,927,093 |
| Less accumulated depreciation for: | | | | |
| Improvements other than buildings | 414,241 | - | - | 414,241 |
| Infrastructure | 3,039,330 | 217,095 | - | 3,256,425 |
| Total accumulated depreciation | 3,453,571 | 217,095 | - | 3,670,666 |
| Total capital assets, being depreciated, net | 3,473,522 | (217,095) | - | 3,256,427 |
| Governmental activities capital assets, net | \$ 3,473,522 | \$ (217,095) | \$ - | \$ 3,256,427 |

Depreciation expense was all charged to maintenance and operations.

NOTE 6 - LONG TERM LIABILITIES

Series 2005

On October 3, 2005 the District issued \$16,755,000 of Capital Improvement Revenue Bonds, Series 2005. The Bonds are due on May 1, 2036 with a fixed interest rate of 5.6%. The Bonds were issued to finance the acquisition and construction of certain improvements for the benefit of the District. Interest is to be paid semiannually on each May 1 and November 1. Principal is payable on an annual basis commencing May 1, 2007 through May 1, 2036.

The Bonds are subject to redemption at the option of the District prior to maturity as outlined in the Bond Indenture. The Bonds are also subject to extraordinary mandatory redemption prior to their maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond Indenture.

The Bond Indenture established a debt service reserve requirement as well as other restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements 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 was in compliance with the requirements at September 30, 2021.

Long-term Debt Activity

Changes in long-term liability activity for the fiscal year ended September 30, 2021, were as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|--------------------------------|----------------------|-----------|------------|-------------------|------------------------|
| <u>Governmental activities</u> | | | | | |
| Bonds payable: | | | | | |
| Series 2005 | \$ 11,780,000 | \$ - | \$ 470,000 | \$ 11,310,000 | \$ 495,000 |
| Total | \$ 11,780,000 | \$ - | \$ 470,000 | \$ 11,310,000 | \$ 495,000 |

NOTE 6 - LONG TERM LIABILITIES (Continued)

Long-term Debt Activity (Continued)

At September 30, 2021, the scheduled debt service requirements on the long-term debt were as follows:

| Year ending September 30: | Governmental Activities | | |
|------------------------------|-------------------------|---------------------|----------------------|
| | Principal | Interest | Total |
| 2022 | \$ 495,000 | \$ 633,360 | \$ 1,128,360 |
| 2023 | 525,000 | 605,640 | 1,130,640 |
| 2024 | 555,000 | 576,240 | 1,131,240 |
| 2025 | 585,000 | 545,160 | 1,130,160 |
| 2026 | 620,000 | 512,400 | 1,132,400 |
| 2027-2031 | 3,670,000 | 2,000,600 | 5,670,600 |
| 2032-2036 | 4,860,000 | 847,280 | 5,707,280 |
| | <u>\$ 11,310,000</u> | <u>\$ 5,720,680</u> | <u>\$ 17,030,680</u> |

NOTE 7 - 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; and natural disasters. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. There were no settled claims during the past three years.

NOTE 8 – CONCENTRATION

The District’s activity is dependent upon the continued involvement of the major Landowners, the loss of which could have a material adverse effect on the District’s operations.

NOTE 9 – MANAGEMENT COMPANY

The District has contracted with a manager to perform management advisory services, which include financial and accounting advisory services. The manager also serves as an officer (Board appointed non-voting positions) of the District.

**HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT
MANATEE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

| | Budgeted Amounts Original & Final | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|--|---|-------------------|---|
| REVENUES | | | |
| Special assessments | \$ 77,055 | \$ 86,373 | \$ 9,318 |
| Interest earnings | 300 | 13 | (287) |
| Total revenues | 77,355 | 86,386 | 9,031 |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 88,592 | 76,443 | 12,149 |
| Total expenditures | 88,592 | 76,443 | 12,149 |
| Excess (deficiency) of revenues over (under) expenditures | \$ (11,237) | 9,943 | \$ 21,180 |
| Fund balance - beginning | | 135,106 | |
| Fund balance - ending | | \$ 145,049 | |

See notes to required supplementary information

**HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT
MANATEE COUNTY, FLORIDA
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).

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.

**HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT
MANATEE COUNTY, FLORIDA
OTHER INFORMATION – DATA ELEMENTS
REQUIRED BY FL STATUTE 218.39(3)(C)
UNAUDITED**

| <u>Element</u> | <u>Comments</u> |
|---|--|
| Number of district employees compensated at 9/30/2021 | 0 |
| Number of independent contractors compensated in September 2021 | 3 |
| Employee compensation for FYE 9/30/2021 (paid/accrued) | 0 |
| Independent contractor compensation for FYE 9/30/2021 | \$5,747.31 |
| Construction projects to begin on or after October 1; (>\$65K) | Not applicable |
| Budget variance report | See page 21 of annual financial report |
| Ad Valorem taxes | Not applicable |
| | |
| Non ad valorem special assessments; | |
| Special assessment rate FYE 9/30/2021 | Operations and maintenance - \$702.36 |
| | Debt service - \$9,434.52/acre |
| Special assessments collected FYE 9/30/2021 | \$366,346.96 |
| Outstanding Bonds: | |
| Series 2005, due November 1, 2036 | \$11,310,000 |



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 Harbour Market Place Community Development District
Manatee County, Florida

We have audited, in accordance with the 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, the financial statements of the governmental activities and each major fund of Heritage Harbour Market Place Community Development District, Manatee County, Florida ("District") as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated March 7, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, 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.

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 and correct 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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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

The purpose of this report is 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.



March 7, 2022



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

951 Yamato Road ▪ Suite 280
Boca Raton, Florida 33431
(561) 994-9299 ▪ (800) 299-4728
Fax (561) 994-5823
www.graucpa.com

**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 Harbour Market Place Community Development District
Manatee County, Florida

We have examined Heritage Harbour Market Place Community Development District, Manatee County, Florida's ("District") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2021. Management is responsible for District's compliance with those requirements. Our responsibility is to express an opinion on 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced in Section 218.415, Florida Statutes. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide 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 fiscal 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 Harbour Market Place Community Development District, Manatee County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

Grau & Associates

March 7, 2022



**MANAGEMENT LETTER PURSUANT TO THE RULES OF
THE AUDITOR GENERAL FOR THE STATE OF FLORIDA**

To the Board of Supervisors
Heritage Harbour Market Place Community Development District
Manatee County, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of Heritage Harbour Market Place Community Development District, Manatee County, Florida ("District") as of and for the fiscal year ended September 30, 2021 and have issued our report thereon dated March 7, 2022.

Auditor's 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 Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Auditor's 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 reports, which are dated March 7, 2022, should be considered in conjunction with this management letter.

Purpose of this Letter

The purpose of this letter is to comment on those matters required by Chapter 10.550 of the Rules of the Auditor General for the State of Florida. Accordingly, in connection with our audit of the financial statements of the District, as described in the first paragraph, we report the following:

- I. Current year findings and recommendations.**
- II. Status of prior year findings and recommendations.**
- III. Compliance with the Provisions of the Auditor General of the State of Florida.**

Our management letter 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, Federal and other granting agencies, as applicable, management, and the Board of Supervisors of Heritage Harbour Market Place Community Development District, Manatee County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank Heritage Harbour Market Place Community Development District, Manatee County, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements, and the courtesies extended to us.

Grau & Associates

March 7, 2022

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None

III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2020.

2. Any recommendations to improve the local governmental entity's financial management.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2021.

3. 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.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2021.

4. The name or official title and legal authority of the District are disclosed in the notes to the financial statements.

5. The District has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.

6. We applied financial condition assessment procedures and no deteriorating financial conditions were noted as of September 30, 2021. It is management's responsibility to monitor 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.

7. Management has provided the specific information required by Section 218.39(3)(c) in the Other Information section of the financial statements on page 23.

HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT

March 9, 2022

To: Board of Supervisors

From: James P. Ward
District Manager

Subject: Audit Proposal

Attached is a set of the following for the selection of the auditor for Item 7 on the Agenda.

1. Analysis of Auditor Form
2. Fee Structure for Auditors
3. Bidder's List
4. Request for Proposal Master Form
5. Grau and Associates Proposal
6. Berger, Toombs, Elam, Gaines & Frank Proposal

Be sure to fill out the audit analysis form before the meeting that will be used for the selection of the auditor.

Thank you and if you have any questions, please let me know.

Heritage Harbour Market Place Community Development District

Analysis of Auditor Proposals

Firm Names:

Grau

No additional proposals submitted

1. Mandatory Elements

a. The audit firm is independent and licensed to practice in Florida.

Y

Y

b. The firm has no conflict of interest with regard to any other work performed by the firm for the District.

Y

Y

c. The firm adheres to the instructions in the Request for Proposal on preparing and submitting the proposal.

Y

Y

d. The firm submitted a copy of its last external quality control review report and the firm has a record of quality audit work.

Y

Y

e. The firm provides information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years, as well as, an explanation of all pending litigation (including all accounts of Federal indictments)

Y

Y

Legend for Mandatory Elements:

Y = Meets Criteria

N = Does Not Meet Criteria

2. Technical Qualifications:

Point Range

a. Expertise and Experience

(1)The firm's past experience and performance on comparable government engagements.

1-5

5

3

(2)The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.

1-5

5

4

(3)The firm provides information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years, as well as, an explanation of all pending litigation (including all accounts of Federal indictments)

1-5

5

5

b. Audit Approach

(1) Adequacy of proposed staffing plan for various segments of the engagement

1-5

5

3

(2) Adequacy of sampling techniques

1-5

5

4

(3) Adequacy of analytical procedures

1-5

5

3

Sub-Total: Technical

30

22

Total Points: Technical

30

22

3. Price:

1-5

4

5

2022 \$ 6,100

\$ 5,350

2023 \$ 6,300

\$ 5,350

2024 \$ 6,500

\$ 5,350

2025 \$ 6,700

\$ 5,675

2026 \$ 6,900

\$ 5,675

Total Points: Price

\$ 32,500

\$ 27,400

Total Points: Technical/Price:

34

27

**Heritage Harbour Market Place Community Development District
Audit Fee Proposals**

| Firm | 2022 | 2023 | 2024 | 2025 | 2026 | Total |
|----------------------------|-------------|-------------|-------------|-------------|-------------|---------------------|
| Grau and Associates | \$ 6,100.00 | \$ 6,300.00 | \$ 6,500.00 | \$ 6,700.00 | \$ 6,900.00 | \$ 32,500.00 |
| Berger, Toombs | \$ 5,350.00 | \$ 5,350.00 | \$ 5,350.00 | \$ 5,675.00 | \$ 5,675.00 | \$ 27,400.00 |

Bidder's List

Request for Proposals – Professional Audit Services For the Fiscal Year's 2022-2026

Mr. Jay Gaines
Berger, Toombs, Elam, Gaines & Frank
600 Citrus Avenue
Suite 200
Ft. Pierce, Florida 34950
Phone: 772-461-6120
JGaines@BTEF-CPAS.com

Ms. Linda Dufresne
Dufresne & Associates
PO Box 1179
Orange Park, Florida 32067
Phone: 641-832-7783
Linda@dufresnepas.com

Mr. Antonio Grau
Grau and Associates
951 Yamato Road, Suite 280
Boca Raton, Florida 33431
Phone 561-994-9299
TGrauJr@graucpa.com

William Benson
Keefe, McCullough & Company
6550 North Federal Highway
Suite 410
Fort Lauderdale, Florida 33308
Phone 954 771 0896
Bill.Benson@kmccpa.com

Ms. Tammy Campbell
McDermitt Davis & Company, LLC
934 N Magnolia Avenue
Suite 100
Orlando, Florida 32803
Phone: (407) 843-5406
tcampbell@mcdermittdavis.com

Bidder's List

**Request for Proposals – Professional Audit Services
For the Fiscal Year's 2022-2026**

Stephen C. Riggs, IV, CPA
Carr Riggs & Ingram
151 Mary Esther Boulevard
Suite 301
Mary Esther, Florida 32569
Phone 850-244-8395
sriggs@cricpa.com

**HERITAGE HARBOUR MARKET PLACE
COMMUNITY DEVELOPMENT DISTRICT**

**REQUEST FOR PROPOSALS FOR
PROFESSIONAL AUDITING SERVICES
JANUARY 28, 2022**

Prepared by:

***JPWard & Associates, LLC
2301 Northeast 37th Street
Fort Lauderdale, Florida 33308***

***James P. Ward
District Manager***

E-mail: JimWard@JPWardAssociates.com

Phone: (954) 658-4900

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- F. Joint Ventures

IV. TIME REQUIREMENTS

- A. Date Audit May Commence
- B. Schedule for each Fiscal Year Audit
 - 1. Fieldwork
 - 2. Draft Reports
- C. Date Final Report is Due

V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

- A. Assistance during Audit
- B. Information Solutions (IS) Assistance
- C. Statements and Schedules to be Prepared by the District
- D. Auditor Work Location
- E. Report Preparation

VI. PROPOSAL REQUIREMENTS

A. Technical Proposal

1. General Requirements
2. Independence
3. License to Practice in Florida
4. Firm Qualifications and Experience
5. Partner, Supervisory and Staff Qualifications and Experience
6. Prior Engagements with the District
7. Similar Engagements with Other Government Entities
8. Specific Audit Approach
9. Identification of Anticipated Potential Audit Problems
10. Report Format

B. Dollar Cost Proposal

1. Total All-Inclusive Maximum Price
2. Rates by Partner, Specialist, Supervisory and Staff Level Times Hours Anticipated for Each
3. Out-of-pocket Expenses in the Total All-inclusive Maximum Price and Reimbursement Rates
4. Rates for Additional Professional Services
5. Manner of Payment

VII. EVALUATION PROCEDURES

A. Review of Proposals

B. Evaluation Criteria

1. Mandatory Elements
2. Technical Qualifications
3. Price

C. Oral Presentations

D. Final Selection

E. Right to Reject Proposals

APPENDICES

A. Format for Total All-Inclusive Maximum Price

B. Ranking Form

C. Agreement for Auditing Services

**HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT
(Hereinafter called "District")
REQUEST FOR PROPOSALS**

I. PROPOSAL REQUIREMENTS

A. Legal Notice

The HERITAGE HARBOUR MARKET PLACE Community Development District is requesting proposals from qualified firms of certified public accountants, licensed to practice in the State of Florida, to audit its financial statements for the fiscal year ending **September 30, 2022** and in the sole and absolute discretion of the District for each fiscal year thereafter through **September 30, 2026**.

There is no expressed or implied obligation for the District to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

Sealed technical and dollar cost proposals will be received by the District Manager's office until **5:00 p.m., on Friday, February 18, 2022, located at 2301 Northeast 37th Street, Fort Lauderdale, Florida 33308**. Proposals received after this time will be returned unopened.

The Proposer shall submit a sealed and clearly marked envelope that includes both a pdf file along with seven (7) printed Technical and Dollar Cost Proposals to be marked as follows: **"HERITAGE HARBOUR MARKET PLACE Community Development District, Professional Auditing Services Proposal."**

The Technical and Dollar Cost Proposal will be opened in the Office of the District Manager at **5:00 p.m., on Friday, February 18, 2022**.

Proposals submitted will be evaluated by a five (5) member Auditor Selection Committee, ("Selection Committee"). The Audit Selection Committee consists of the five (5) members' of the Board of Supervisor's, who will review submissions.

The District reserves the right to retain all proposals submitted and to use, without compensation, any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the District of and the firm selected.

The District reserves the right to reject any or all proposals submitted or to retain all proposals submitted and to use without compensation any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of all of the conditions contained this Request for Proposal.

B. General Information

During the evaluation process, the Selection Committee and the District reserve the right, where it may serve the District best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. At the discretion of the District or the Selection Committee, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

It is anticipated the selection of a firm will be completed no later than April 2022. Following the notification of the selected firm, it is expected a contract will be executed by the end of September 2022.

C. Subcontracting

No subcontracting will be permitted. Any firm who submits a proposal, which contains any subcontracting work, shall be considered non-responsive and the District will not give any further consideration to the proposal.

D. Insurance Requirements

Worker's Compensation – Statutory Limits of Florida Statutes.

Commercial General Liability – Occurrence Form patterned after the current I.S.O. form with no limiting endorsements. Bodily Injury & Property Damage at \$1,000,000 single limit per occurrence

Automobile Liability - \$500,000 each Occurrence Owned/Non-owned/Hired Automobile Included.

The District, its agents and employee's must be named as "ADDITIONAL INSURED" on the insurance Certificate for Commercial General Liability.

Errors and Omissions - \$5,000,000 single limit per occurrence.

Proposer warrants that it is willing and able to obtain insurance coverage, throughout the entire term of the contract and any renewals thereof.

II. NATURE OF SERVICES REQUIRED

A. Scope of Work to be Performed

The District desires the auditor to express an opinion on the fair presentation of its general-purpose financial statements in conformity with generally accepted accounting principles.

The District also desires the auditor to express an opinion on the fair presentation of its combining and individual fund financial statements and schedules in conformity with generally accepted accounting principles.

The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

B. Auditing Standards to be followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with the following standards:

- 1) Generally accepting auditing standards as set forth by the American Institute of Certified Public Accountants.
- 2) The standards for financial audits set forth in the most current applicable U.S. General Accounting Office's (GAO) Government Auditing Standards.
- 3) The most current applicable provisions of the Federal Single Audit Act of 1984 (as amended).
- 4) The most current applicable provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, Audits of State and Local Governments.
- 5) The most current applicable Codification of Governmental Accounting and Financial Reporting Standards as promulgated by the Governmental Accounting Standards Board The most current applicable Statements on Auditing Standards issued by the American Institute of Certified Public Accountants.
- 6) The most current applicable Government Auditing Standards published by the Comptroller General of the United States.
- 7) The most current applicable Audit and Accounting Guide-Audits of State and Local Governmental Units, published by the American Institute of Certified Public Accountants.
- 8) The most current applicable Statements and interpretations issued by the Financial Accounting Standards Board.
- 9) Applicable Florida Statutes.
- 10) Regulations of the State of Florida Department of Financial Services
- 11) Rules of the Auditor General, State of Florida, Chapter 10-550 (Local Government Audits)
- 12) Any other applicable federal, state, local regulations or professional guidance not specifically listed above as well as any additional requirements which may be adopted by these organizations in the future.

C. Reports to be Issued

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
2. A report on compliance and 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.
3. A Management Letter Report.

In the required report(s) on compliance and internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions that are also material weaknesses shall be identified as such in the report. No reportable conditions discovered by the auditors shall be reported to management.

The report on compliance and internal controls shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall be reported in a separate management letter, which shall be referred to in the report on compliance and internal controls.

Irregularities and illegal acts. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware of, to the Board of Supervisor's, the District Manager and a copy to the District Attorney.

D. Special Considerations

1. The District currently, may prepare one or more official statements in connection with the sale of debt securities, which will contain the general-purpose financial statements and the auditor's report thereon. The auditor shall be required, if requested by the financial advisor and/or the underwriter, to issue a "consent and citation of expertise" as the auditor and any necessary "comfort letters."
2. The District retains the right to use any audited financial statements in any Official Statement issued by the District without the express consent of the Auditor.

E. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years, unless the firm is notified in writing by the District of the need to extend the retention period.

THE AUDITOR SHALL PROVIDE A COMPLETE ELECTRONIC COPY OF THE WORKING PAPERS TO THE DISTRICT MANAGER AT THE COMPLETION OF THE AUDIT, PRIOR TO THE FINAL PAYMENT OF THE AUDITING FEES, BY THE DISTRICT.

The electronic copy shall be in Microsoft Word or Excel.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

III. DESCRIPTION OF THE GOVERNMENT

A. Name and Telephone Number of Contact Persons/Location of Offices

The auditor's principal contact with the District will be James P. Ward, District Manager or a designated representative, who will coordinate the assistance to be provided by the District to the auditor.

B. A copy of the District's Budget for the audit period and the Audited Financial Statements for the prior Fiscal Year is available by contacting the District Manager.

C. Budgetary Basis of Accounting

The District prepares its budgets on a basis consistent with generally accepted accounting principles.

D. Pension Plans - NONE

E. Blended Component Units - NONE

The District is defined, for financial reporting purposes, in conformity with the Governmental Accounting Standards Board's *Codification of Governmental Accounting and Financial Reporting Standards*, Section 2100. Using these criteria, there are no blended component units included in the District financial statements.

F. Joint Ventures - NONE

IV. TIME REQUIREMENTS

A. Date Audit May Commence

The District will have all records ready for audit for by October 15th of each Fiscal Year.

B. Schedule for each Fiscal Year Audit

Each of the following should be completed by the auditor, no later than the dates indicated.

1. Fieldwork

The auditor shall complete all fieldwork by November 30th of each year.

2. Draft Reports

The auditor shall have drafts of the audit report[s] and recommendations to management available for review by December of each year.

C. Date Final Report is Due - 1 business day from Management Approval

The Auditor shall prepare draft financial statements, notes and all required supplementary information.

The final report should be delivered to the **District Manager at 2301 Northeast 37th Street, Fort Lauderdale, Florida 33308.**

V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

A. The District staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of District and provided to the auditor to transmit. In addition any required hours of clerical support will be made available to the auditor for the preparation of routine letters and memoranda.

B. Information Solutions (IS) Assistance

The District Manager also be available to provide systems documentation and explanations. The auditor will be provided computer time and limited read only access to the use of the District computer hardware and software.

C. Statements and Schedules to be Prepared by the District.

Statement or Schedule

Bank Confirmations
Construction in Progress
GFA Roll Forward
Contract/Retainage Payable
Accounts Payable
Accounts Receivable
Investments/Accrued Interest Receivable
Operating Transfers
Equity Accounts Detail
Bond Reserve Requirements
Amortization/Depreciation Schedules
Interest Expense
Debt Amortization Schedules

D. Auditor Work Location

All work must be handled at the office of the Auditor and the District will provide all files to the Auditor electronically and the Auditor will be provided limited read only access to the District's electronic system.

E. Report Preparation

Report preparation and editing shall be the responsibility of the auditor and the Auditor shall deliver 1 printed original of the Audited Financial Statements and one (1) electronic file in word and one (1) electronic file in pdf format.

VI. PROPOSAL REQUIREMENTS

A. Technical and Dollar Cost Proposal

1. General Requirements

The purpose of the Technical and Dollar Cost Proposal is to demonstrate the qualifications, competence and capability of the firms seeking to undertake an independent audit of the District in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The Technical and Dollar Cost Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposals requirements.

The Technical and Dollar Cost Proposal should address all the points outlined in the request for proposal The Proposal should be prepared simply and

economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals.

While additional data may be presented, the following subjects, items Nos. 2 through 10, must be included. They represent the criteria against which the proposal will be evaluated.

2. Independence

The firm should provide an affirmative statement that is independent of the District as defined by generally accepted auditing standards/the most current applicable U.S. General Accounting Office's *Government Auditing Standards*.

The firm also should provide an affirmative statement that it is independent of all of the component units of the District as defined by those same standards.

The firm should also list and describe the firm's professional relationships involving the District for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

In addition, the firm shall give the District written notice of any professional relationships entered into during the period of this agreement.

3. License to Practice in Florida

An affirmative statement should be included that the firm and all assigned key professional staff are properly registered/licensed to practice in the State of Florida.

4. Firm Qualifications and Experience

The proposer should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations, as well as,

an explanation of all pending litigation against governmental entities, including all accounts of Federal indictments for any civil or criminal matters for which the firm has been charged. The firm shall also provide information as to any and all litigation or arbitration in Florida within the last three (3) years, in which the firm is or was a Defendant.

5. Partner, Supervisory and Staff Qualifications and Experience

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether each such person is registered or licensed to practice as a certified public accountant in Florida. Provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. Indicate how the quality of staff over the term of the agreement will be assured.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the District. However, in either case, the District retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for proposal can only be changed with the express prior written permission of the District, which retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

6. Prior Engagements with the District

List separately all engagements within the last five years, ranked on the basis of total staff hours, by type of engagement (i.e., audit, management advisory services, other). Indicate the scope of work, date, engagement partners, total hours, the location of the firm's office from which the engagement was performed, and the name and telephone number of the principal client contact.

7. Similar Engagements With Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements performed in the last five years that are similar to the engagement described in this request for proposal. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

8. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this request for proposal. In developing the work plan, reference should be made to such sources of information as District's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.

Proposers will be required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement
- c. Sample size and the extent to which statistical sampling is to be used in the engagement
- d. Extent of use of EDP software in the engagement
- e. Type and extent of analytical procedures to be used in the engagement
- f. Approach to be taken to gain and document an understanding of the District's internal control structure
- g. Approach to be taken in determining laws and regulations that will be subject to audit test work
- h. Approach to be taken in drawing audit samples for purposes of tests of compliance

9. Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the District .

10. Report Format

The proposal should include sample formats for required reports.

B. Dollar Cost Proposal

1. Total All-Inclusive Maximum Price

The dollar cost proposal should contain all pricing information relative to performing the audit engagement as described in this request for proposal. The total all-inclusive maximum price to be proposal is to contain all direct and indirect costs including all out-of-pocket expenses.

The District will not be responsible for expenses incurred in preparing and submitting the technical proposal or the sealed dollar cost proposal. Such costs should not be included in the proposal.

The first page of the dollar cost proposal should include the following information:

- a. Name of Firm
- b. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the proposal, and authorized to sign a contract with the District .
- c. A Total All-Inclusive Maximum Price for the Audited Financial Statements for each Fiscal Year.

3. Out-of-pocket Expenses must be included in the Total All-inclusive Maximum Price and Reimbursement Rates

Out-of-pocket expenses for firm personnel (e.g., travel, lodging and subsistence) will be reimbursed at the rates in Florida Statutes.

5. Manner of Payment

Progress payments will be made in accordance with the Florida Prompt Payment Act.

VII. EVALUATION PROCEDURES

A. Review of Proposals

The SELECTION COMMITTEE will evaluate and rank the proposals. Each member of the SELECTION COMMITTEE will evaluate and rank each technical proposal by each of the criteria described in Section VII B below.

After the rankings for the firms have been established, the sealed dollar cost proposal will be opened and will be utilized for the ranking of the firms.

B. Evaluation Criteria

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals ranked for both technical qualifications. The following represent the principal selection criteria, which will be considered during the evaluation process.

1. Mandatory Elements

- a. The audit firm is independent and licensed to practice in Florida
- b. The firm has no conflict of interest with regard to any other work performed by the firm for the District
- c. The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal
- d. The firm submits a copy of its last external quality control review report and the firm has a record of quality audit work

2. Technical Qualifications:

a. Expertise and Experience

- (1) The firm's past experience and performance on comparable government engagements.
- (2) The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.
- (3) The firm provides information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the firm provides information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years, with

state regulatory bodies or professional organizations, as well as, an explanation of all pending litigation against governmental entities, including all accounts of Federal indictments for any civil or criminal matters for which the firm has been charged. The firm also provides information as to any and all litigation or arbitration in Florida within the last three (3) years, in which the firm is or was a Defendant.

b. Audit Approach

- (1) Adequacy of proposed staffing plan for various segments of the engagement
- (2) Adequacy of sampling techniques
- (3) Adequacy of analytical procedures

Proposals shall be ranked on the basis of their Technical Qualifications by each member of the SELECTION COMMITTEE who will assign each of the top five proposals a number of one (1) through five (5), with one (1) signifying the highest rated proposal and five (5) signifying the lowest rated proposal.

3. Price:

Proposals shall be ranked on the basis of their price by the SELECTION COMMITTEE who will assign each of the top five proposals a number of one (1) through five (5), with one (1) signifying the lowest price and five (5) signifying the highest price.

Upon reconciliation of the weighted scores defined above, the proposal with the lowest average ranking score will be ranked one (1), the proposal with the second lowest average ranking score will be ranked two (2), and so on until all proposals are scored and ranked. The proposal ranked one (1), in the ranking form provided in the attachment (Appendix C), will be recommended by the SELECTION COMMITTEE to the District for award of the contract.

C. Oral Presentations

During the evaluation process, the SELECTION COMMITTEE may, at its discretion, request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the SELECTION COMMITTEE may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

D. Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal unless clearly and specifically noted in the proposal submitted

and confirmed in the contract between the District and the firm selected. The District reserves the right to reject any or all proposals.

APPENDIX A

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

AUDITED FINANCIAL STATEMENTS

Fee shall include all services, including but not limited to Out-of-Pocket expenses, meals and lodging, transportation, printing and binding, telephone, fax, copies.

| | |
|-------------------------|-------|
| Fiscal Year 2022 | _____ |
| Fiscal Year 2023 | _____ |
| Fiscal Year 2024 | _____ |
| Fiscal Year 2025 | _____ |
| Fiscal Year 2026 | _____ |
| TOTAL ALL YEARS | _____ |

APPENDIX B

AUDITOR RANKING FORM

INCLUDED AT END OF RFP

APPENDIX C

Agreement for Auditing Services

**AGREEMENT
BETWEEN THE
HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT
AND

FOR
PROFESSIONAL AUDITING SERVICES**

This Agreement, is made and entered into the ___ day of _____, 2022 by and between the HERITAGE HARBOUR MARKET PLACE Community Development District , a Florida municipal corporation, (“DISTRICT”), and _____ (“AUDITOR”) for the audit of the DISTRICT’S financial statements for the fiscal year ending September 30, 2022 and for each fiscal year thereafter through September 30, 2026.

WITNESSETH:

WHEREAS, the DISTRICT and Section 218.39, Florida Statutes, require that the DISTRICT shall provide annually for an audit of the financial statements of the DISTRICT; and

WHEREAS, the DISTRICT, undertook a selection process in seeking a firm to perform the required financial audit; and

WHEREAS, proposals were evaluated and ranked by an Auditor Selection Committee; and

WHEREAS, the District has selected the AUDITOR upon the recommendation of the Auditor Selection Committee to audit the DISTRICT’S financial statements for the Fiscal Year ending September 2022 and for each fiscal year thereafter through September 30, 2026, provided that the District Manager renews this Agreement for each subsequent fiscal year; and

WHEREAS, DISTRICT and AUDITOR desire to enter into an Agreement whereby the duties and obligations each to the other are set forth.

IN CONSIDERATION OF THE MUTUAL COVENANTS AND CONDITIONS HEREIN EXPRESSED AND THE FAITHFUL PERFORMANCE OF ALL SUCH COVENANTS AND CONDITIONS, THE PARTIES AGREE AS FOLLOWS:

SECTION 1. SCOPE OF AUDIT

1.1 The audit must meet the requirements identified in the Request for Proposals for Professional Auditing Services dated _____, ("RFP") is attached hereto and made a part hereof, as Exhibit "A," and the AUDITOR'S Technical Proposal and the Sealed Dollar Cost Proposal are attached hereto and made a part hereof as Exhibit "B." AUDITOR shall perform the scope of work, issue reports, comply with the Special Considerations and follow the auditing standards, as described in Exhibit "A," Section II, Nature of Services Required.

1.2 AUDITOR shall be required to make an immediate written report of all irregularities and illegal acts or indications of illegal acts of which they become aware of, to the District Manager and the District Attorney.

1.3 AUDITOR agrees that certain books and records may be made available prior to the time when others may be made available, and certain funds may be audited and such audit for those funds completed prior to the time that other funds are so audited and completed. It is contemplated that those funds audited separately and reported separately will be completed and the audit report furnished as soon as possible. In any event, the final audit report shall be furnished to the DISTRICT no later than January 31st of each fiscal year. The DISTRICT agrees that all records, documentation, and information requested in connection with the audit will be made available, that all material information will be disclosed, and that the AUDITOR will have the full cooperation of the DISTRICT and the District's agents. As required by generally accepted auditing standards, the AUDITOR will make specific inquiries of the DISTRICT about the representations embodied in the financial statements, the effectiveness of the internal control structure, the DISTRICT'S compliance with certain laws and regulations, and obtain a representation letter from the DISTRICT about these matters. The responses to the AUDITOR'S inquiries, the written representations and the results of audit tests comprise the evidential matter that will be relied upon in forming an opinion on the financial statements.

1.4 AUDITOR agrees and acknowledges that AUDITOR is prohibited from exempting provisions in the RFP or in this Agreement in any of AUDITOR'S reports prepared pursuant to this Agreement.

1.5 AUDITOR agrees and acknowledges that District Attorney shall review and approve of the litigation section of the Audited Financial Statements prior to its publication.

1.6 AUDITOR agrees and acknowledges that upon execution of this Agreement, AUDITOR shall provide in writing, to the District Manager, AUDITOR'S contact person, who shall be responsible for the DISTRICT'S audit.

SECTION 2. TERM

2.1 The term of this Agreement shall begin on the date it is fully executed by both parties and shall extend to the completion and delivery to the DISTRICT of the audited financial statements for the Fiscal Year ending September 30, 2026, subject to the termination provisions contained herein.

2.2 The DISTRICT'S fiscal year is from October 1 through September 30. The audit field work should be substantially completed no later than November 30th of each fiscal year and the financial statements and the final signed report delivered to the DISTRICT by January 15th of each fiscal year. Time shall be deemed to be of the essence in performing the duties obligations and responsibilities required by this Agreement, however these dates may be changed each year by the District and AUDITOR. AUDITOR shall comply with all dates as described in Exhibit "A" and with the time schedules for subsequent audit years.

SECTION 3. COMPENSATION

3.1 DISTRICT agrees to pay AUDITOR, the agreed to amount, as set forth in Exhibits "A", which amount shall be accepted by AUDITOR as full compensation for all such work, which shall include provisions for out-of-pocket expenses. It is acknowledged and agreed by AUDITOR that these amounts are the maximum payable and constitute a limitation upon DISTRICT'S obligation to compensate AUDITOR for its services related to this Agreement. This maximum amount, however, does not constitute a limitation of any sort, upon AUDITOR'S obligation to perform all items of work required by or which can be reasonably inferred from the Scope of Services.

3.2. AUDITOR may submit an invoice for compensation, developed and agreed upon by the District Manager and AUDITOR, no more often than on a monthly basis, but only after the services for which the invoices are submitted have been completed. An original invoice plus one copy are due within fifteen (15) days of the end of the month except the final invoice which must be received no later than sixty (60) days after this Agreement expires. Invoices shall designate the nature of the services performed and shall also show a summary of fees and expenses with accrual of the total and credits for portions paid previously, and shall allocate the billing costs to the appropriate fund or combination of funds. Each statement shall show the proportion of the guaranteed maximum payment that has been expended through previous billings.

3.3. DISTRICT shall pay AUDITOR within thirty (30) calendar days of receipt of AUDITOR'S proper statement. To be deemed proper, all invoices must comply with the requirements set forth in this Agreement and must be submitted on the form and pursuant to instructions prescribed by the District Manager. AUDITOR shall provide a complete copy of the working papers to DISTRICT at the completion of the audit, prior to the final payment of the auditing fees by the DISTRICT. DISTRICT shall withhold ten percent (10%) from each billing pending delivery of the AUDITOR'S final reports. Additionally, payment may be withheld by the District Manager, for failure of AUDITOR to comply with a term, condition or requirement of this Agreement.

3.4 Notwithstanding any provision of this Agreement to the contrary, District Manager, may withhold, in whole or in part, payment (in addition to the ten percent (10%) described above) to the extent necessary to protect itself from loss on account of inadequate or defective work which has not been remedied or resolved in a manner satisfactory to District Manager. The amount withheld shall not be subject to payment of interest by DISTRICT.

3.5 Payment shall be made to AUDITOR at:

3.6 AUDITOR agrees to keep such records and accounts as may be necessary in order to record complete and correct entries as to personnel hours charged and any expenses for which AUDITOR receives reimbursement for a period of at least three years after completion of the work provided for in this Agreement. Such books and records shall be available at all reasonable times for examination and audit by DISTRICT.

3.7 If it should become necessary for DISTRICT to request AUDITOR to render any additional services to either supplement the services described in the RFP or to perform additional work as a result of the specific recommendations included in any report issued pursuant to this Agreement, such additional work shall be performed only if set forth in an addendum to this Agreement. Any such additional work agreed to by both parties shall be performed at the same rate in the schedule of fees and expenses included in the sealed dollar cost bid, or if in subsequent fiscal years, at the agreed upon schedule.

SECTION 4. TERMINATION

4.1 This Agreement may be terminated by the District for any reason upon not less than ten (10) days written notice to Auditor in accordance with the Notices section of this Agreement.

4.4 In the event this Agreement is terminated, AUDITOR shall be paid for any services performed to the date the Agreement is terminated; however, upon being notified of DISTRICT'S election to terminate, AUDITOR shall refrain from performing further services or incurring additional expenses under the terms of this Agreement. AUDITOR acknowledges and agrees that Ten Dollars (\$10.00) of the compensation to be paid by DISTRICT, the adequacy of which is hereby acknowledged by AUDITOR, is given as specific consideration to AUDITOR for DISTRICT'S right to terminate this Agreement for convenience.

4.5 In the event this Agreement is terminated, any compensation payable by DISTRICT shall be withheld until all documents are provided to DISTRICT pursuant to Section 7.2 of this Agreement.

SECTION 5. INDEMNIFICATION

AUDITOR shall at all times hereafter indemnify, hold harmless and, at District's option, pay for an attorney selected by the District, after consultation with AUDITOR, to defend DISTRICT, its officers, agents servants, and employees against any and all claims, losses, liabilities, and expenditures of any kind, including attorney fees, court costs, and expenses, caused by negligent act or omission of AUDITOR, its employees, agents, servants, or officers, or accruing, resulting from, or related to the subject matter of this Agreement including, without limitation, any and all claims, demands or causes of action of any nature whatsoever resulting from injuries or damages sustained by any person or property. The provisions of this section shall survive the expiration or earlier termination of this Agreement. To the extent considered necessary by the District Manager and the District Attorney, any sums due AUDITOR under this Agreement may be retained by DISTRICT until all of DISTRICT'S claims for indemnification pursuant to this Agreement have been settled or otherwise resolved; and any amount withheld shall not be subject to payment of interest by DISTRICT.

SECTION 6. INSURANCE

6.1 In order to insure the indemnification obligation contained above, AUDITOR shall, as a minimum, provide, pay for, and maintain in force at all times during the term of this Agreement, the

insurance coverages and any renewals thereof, as required by the Request for Qualifications.

6.2 AUDITOR shall furnish to the District Manager, Certificates of Insurance or endorsements evidencing the insurance coverages specified by the DISTRICT, and DISTRICT shall approve such certificates prior to beginning performance of work under this Agreement.

6.3 Coverage is not to cease and is to remain in force (subject to cancellation notice) until all performance required of AUDITOR is completed. All policies must be endorsed to provide DISTRICT with at least thirty (30) days' notice of cancellation and/or material changes. If any of the insurance coverages will expire prior to the completion of the work, copies of renewal policies shall be furnished at least thirty (30) days prior to the date of their expiration.

SECTION 7. MISCELLANEOUS

7.1 Copies of Report. AUDITOR agrees to furnish DISTRICT with copies of the Audited Financial Statements identified in the Request for Proposals.

7.2 Ownership Of Documents. Unless otherwise provided by law, any and all reports, surveys, and other data and documents provided or created in connection with this Agreement are and shall remain the property of DISTRICT. In the event of termination of this Agreement, any reports photographs surveys and other data and documents prepared by AUDITOR, whether finished or unfinished, shall become the property of DISTRICT and shall be delivered by AUDITOR to the District Manager within seven (7) days of termination of this Agreement by either party. Any compensation due to AUDITOR shall be withheld until all documents are received as provided herein.

7.3 Audit And Inspection Rights And Retention Of Records. DISTRICT shall have the right to audit the books, records and accounts of AUDITOR that are related to this Project. AUDITOR shall keep such books, records, and accounts as may be necessary in order to record complete and correct entries related to the Project.

AUDITOR shall preserve and make available, at reasonable times for examination and audit by DISTRICT, all financial records, supporting documents, statistical records, and any other documents pertinent to this Agreement for the required retention period of the Florida Public Records Act (Chapter 119, Fla. Stat.), if applicable, or, if the Florida Public Records Act is not applicable, for a minimum period of three (3) years after termination of this Agreement, unless AUDITOR is notified in writing by DISTRICT of the need to extend the retention period. Such retention of such records and documents shall be at AUDITOR'S expense. If any audit has been initiated and audit findings have not been resolved at the end of the retention period or three (3) years, whichever is longer, the books, records, and accounts shall be retained until resolution of the audit findings. If the Florida Public Records Act is determined by DISTRICT to be applicable to AUDITOR'S records, AUDITOR shall comply with all requirements thereof; however, no confidentiality or non-disclosure requirement of either federal or state law shall be violated by AUDITOR. Any incomplete or incorrect entry in such books, records, and accounts shall be a basis for DISTRICT'S disallowance and recovery of any payment upon such entry.

In addition, AUDITOR shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

In addition, AUDITOR shall provide a complete copy of all working papers to the DISTRICT, prior to final payment by the DISTRICT, in accordance with the RFP for AUDITOR services.

AUDITOR shall affirmatively comply with all applicable provisions of federal, state and local equal employment laws and shall not engage in or commit any discriminatory practice against any person based on race, age, religion, color, gender, sexual orientation, national origin, marital status, physical or mental disability, political affiliation or any other factor which cannot be lawfully used as a basis for service delivery.

7.4 Policy Of Non-Discrimination. AUDITOR shall not discriminate against any person in its operations, activities or delivery of services under this Agreement.

AUDITOR shall affirmatively comply with all applicable provisions of federal, state and local equal employment laws.

7.5 Public Entity Crime Act. AUDITOR represents that the execution of this Agreement will not violate the Public Entity Crime Act (Section 287.133, Florida Statutes), which essentially provides that a person or affiliate who is a contractor, consultant or other provider and who has been placed on the convicted vendor list following a conviction for a Public Entity Crime may not submit a bid on a contract to provide any goods or services to DISTRICT, may not submit a bid on a contract with DISTRICT for the construction or repair of a public building or public work, may not submit bids on leases of real property to DISTRICT, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with DISTRICT, and may not transact any business with DISTRICT in excess of the threshold amount provided in Section 287.017, Florida Statutes, for category two purchases for a period of thirty six (36) months from the date of being placed on the convicted vendor list. Violation of this section shall result in termination of this Agreement and recovery of all monies paid hereto, and may result in debarment from DISTRICT'S competitive procurement activities.

In addition to the foregoing. AUDITOR further represents that there has been no determination, based on an audit, that it committed an act defined by Section 287.133, Florida Statutes, as a "public entity crime" and that it has not been formally charged with committing an act defined as a "public entity crime" regardless of the amount of money involved or whether AUDITOR has been placed on the convicted vendor list.

7.6 Independent Contractor. AUDITOR is an independent contractor under this Agreement. Services provided by AUDITOR pursuant to this Agreement shall be subject to the supervision of AUDITOR. In providing such services, neither AUDITOR nor its agents shall act as officers, employees or agents of the DISTRICT. Personnel policies, tax responsibilities, social security and health insurance, employee benefits, purchasing policies and other similar administrative procedures applicable to services rendered under this Agreement shall be those of AUDITOR. This Agreement shall not constitute or make the parties a partnership or joint venture.

7.7 Third Party Beneficiaries. Neither AUDITOR nor DISTRICT intends to directly or substantially benefit a third party by this Agreement. Therefore, the parties agree that there are no third party beneficiaries to this Agreement and that no third party shall be entitled to assert a claim against either of them based upon this Agreement the parties expressly acknowledge that it is not their intent to create any rights or obligations in any third person or entity under this Agreement.

7.8 Notices. Whenever either party desires to give notice to the other, such notice must be in writing, sent by certified United States Mail postage prepaid return receipt requested or by hand delivery with a request for a written receipt of acknowledgment of delivery, addressed to the party for whom it is intended at the place last specified. The place for giving notice shall remain the same as set

forth herein until changed in writing in the manner provided in this section for the present, the parties designate the following:

As to District:

HERITAGE HARBOUR MARKET PLACE Community Development District
2301 Northeast 37th Street
Fort Lauderdale, Florida 33308
Attention: James P. Ward, District Manager

With a Copy to:

Kutak Rock LLP
PO Box 10230
Tallahassee, Florida 32302
Attention: Mr. Wesley Haber, District Attorney

As to Auditor:

7.9 Assignment And Performance. Neither this Agreement nor any interest herein shall be assigned, transferred, or encumbered by either party. In addition, AUDITOR shall not subcontract any portion of the work required by this Agreement.

AUDITOR represents that all persons delivering the services required by this Agreement have the knowledge and skills, either by training, experience, education, or a combination thereof, to adequately and competently perform the duties, obligations, and services set forth in Exhibit "F" and to provide and perform such services to DISTRICT'S satisfaction for the agreed compensation.

AUDITOR shall perform its duties, obligations and services under this Agreement in a skillful and respectable manner. The quality of AUDITOR'S performance and all interim and final product(s) provided to or on behalf of DISTRICT shall be comparable to the best local and national standards.

7.10 Conflicts. Neither AUDITOR nor its employees shall have or hold any continuing or frequently recurring employment or contractual relationship that is substantially antagonistic or incompatible with AUDITOR'S loyal and conscientious exercise of judgment related to its performance under this Agreement.

AUDITOR agrees that none of its officers or employees shall, during the term of this Agreement, serve as an expert witness against DISTRICT in any legal or administrative proceeding in which he or she is not a party, unless compelled by court process. Further, AUDITOR agrees that such persons shall not give sworn testimony or issue a report or writing, as an expression of his or her expert opinion, which is adverse or prejudicial to the interests of DISTRICT in connection with any such pending or threatened legal or administrative proceeding. The limitations of this section shall not preclude AUDITOR or any

other persons from representing themselves in any action or in any administrative or legal proceeding.

In the event AUDITOR is permitted to utilize subcontractors to perform any services required by this Agreement, AUDITOR agrees to prohibit such subcontractors, by written contract, from having any conflicts within the meaning of this section.

7.11 Contingency Fee. AUDITOR warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for AUDITOR, to solicit or secure this Agreement and that it has not paid or agreed to pay any person, company, corporation, individual or firm, other than a bona fide employee working solely for AUDITOR, any fee, percentage, gift, or other consideration contingent upon or resulting from the award or making of this Agreement. For a breach or violation of this provision, DISTRICT shall have the right to terminate this Agreement without liability at its discretion or to deduct from the Agreement price or otherwise recover the full amount of such fee, percentage, gift or consideration.

7.12 Materiality And Waiver Of Breach. DISTRICT and AUDITOR agree that each requirement, duty, and obligation set forth herein is substantial and important to the formation of this Agreement and, therefore, is a material term hereof.

DISTRICT'S failure to enforce any provision of this Agreement shall not be deemed a waiver of such provision or modification of this Agreement. A waiver of any breach of a provision of this Agreement shall not be deemed a waiver of any subsequent breach and shall not be construed to be a modification of the terms of this Agreement.

7.13 Compliance With Laws. AUDITOR shall comply with all federal, state, and local laws, codes, ordinances, rules, and regulations in performing its duties, responsibilities, and obligations pursuant to this Agreement.

7.14 Severance. In the event a portion of this Agreement is found by a court of competent jurisdiction to be invalid, the remaining provisions shall continue to be effective unless DISTRICT or AUDITOR elects to terminate this Agreement. An election to terminate this Agreement based upon this provision shall be made within seven (7) days after the finding by the court becomes final.

7.15 Joint Preparation. The parties acknowledge that they have sought and received whatever competent advice and counsel as was necessary for them to form a full and complete understanding of all rights and obligations herein and that the preparation of this Agreement has been their joint effort. The language agreed to expresses their mutual intent and the resulting document shall not, solely as a matter of judicial construction, be construed more severely against one of the parties than the other.

7.16 Priority Of Provisions. If there is a conflict or inconsistency between any term, statement, requirement, or provision of any exhibit attached hereto, any document or events referred to herein, or any document incorporated into this Agreement by reference and a term, statement, requirement, or provision of this Agreement, the term, statement, requirement, or provision contained in Articles 1 through 7 of this Agreement shall prevail and be given effect.

7.17 Applicable Law And Venue. This Agreement shall be interpreted and construed in accordance with and governed by the laws of the State of Florida. Any controversies or legal problems arising out of this Agreement and any action involving the enforcement or interpretation of any rights

hereunder shall be submitted to the jurisdiction of the courts in Manatee County, Florida.

7.18 Amendments. No modification, amendment or alteration in the terms or conditions contained herein shall be effective unless contained in a written document prepared with the same or similar formality as this Agreement.

7.19 Drug-Free Workplace. AUDITOR shall maintain a Drug Free Workplace.

7.20 Prior Agreements. This Agreement and its attachments constitute the entire agreement between AUDITOR and DISTRICT, and this document incorporates and includes all prior negotiations, correspondence, conversations, agreements, and understandings applicable to the matters contained herein and the parties agree that there are no commitments, agreements or understandings concerning the subject matter of this Agreement that are not contained in this document. Accordingly, the parties agree that no deviation from the terms hereof shall be predicated upon any prior representations or agreements, whether oral or written. It is further agreed that no modification, amendment or alteration in the terms or conditions contained herein shall be effective unless set forth in writing in accordance with Section 7.18 above.

7.21 Incorporation By Reference. The truth and accuracy of each "Whereas" clause set forth above is acknowledged by the parties. The attached Exhibits "A" and "B" are incorporated hereto and made a part of this Agreement.

7.22 Multiple Originals. This Agreement may be fully executed in FIVE (5) copies by all parties each of which, bearing original signatures, shall have the force and effect of an original document.

7.23 Headings. Headings are for convenience of reference only and shall not be considered in any interpretation of this Agreement.

7.24 Binding Authority. Each person signing this Agreement on behalf of either party individually warrants that he or she has full legal power to execute this Agreement on behalf of the party for whom he or she is signing, and to bind and obligate such party with respect to all provisions contained in this Agreement.

7.25 Survival Of Provisions. Any terms or conditions of this Agreement that require acts beyond the date of its termination shall survive the termination of this Agreement, shall remain in full force and effect unless and until the terms of conditions are completed, and shall be fully enforceable by either party.

AGREEMENT BETWEEN THE DISTRICT AND _____ FOR PROFESSIONAL AUDITING SERVICES.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement on the respective dates under each signature: the District signing by and through its Chairman, authorized to execute same by action on the ____ day of _____, 2022; and _____ authorized to execute same, through its _____.

**HERITAGE HARBOUR MARKET PLACE
COMMUNITY DEVELOPMENT DISTRICT**

ATTEST:

By: _____
Russell R. Smith, Chairman

James P. Ward, Secretary

____ day of _____, 2022

WITNESS:

AUDITOR

Print Name

By: _____

Print Name: _____

Title: _____

____ day of _____, 2022

Print Name



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

Proposal to Provide Financial Auditing Services:

HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT

Proposal Due: February 18, 2022
5:00PM

Submitted to:

Heritage Harbour Market Place
Community Development District
c/o District Manager
2301 Northeast 37th Street
Fort Lauderdale, Florida 33308

Submitted by:

Antonio J. Grau, Partner
Grau & Associates
951 Yamato Road, Suite 280
Boca Raton, Florida 33431

Tel (561) 994-9299
(800) 229-4728

Fax (561) 994-5823

tgrau@graucpa.com

www.graucpa.com



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Grau & Associates

CERTIFIED PUBLIC ACCOUNTANTS

February 18, 2022

Heritage Harbour Market Place Community Development District
c/o District Manager
2301 Northeast 37th Street
Fort Lauderdale, Florida 33308

Re: Request for Proposal for Professional Auditing Services for the fiscal year ended September 30, 2022, with an option for four (4) additional annual renewals.

Grau & Associates (Grau) welcomes the opportunity to respond to the Heritage Harbour Market Place Community Development District's (the "District") Request for Proposal (RFP), and we look forward to working with you on your audit. We are an energetic and robust team of knowledgeable professionals and are a recognized leader of providing services to Community Development Districts. As one of Florida's few firms to primarily focus on government, we are especially equipped to provide you an effective and efficient audit.

Special district audits are at the core of our practice: **we have a total of 360 clients, 329 or 91% of which are special districts.** We know the specifics of the professional services and work products needed to meet your RFP requirements like no other firm. With this level of experience, we are able to increase efficiency, to provide immediate and continued savings, and to minimize disturbances to client operations.

Why Grau & Associates:

Knowledgeable Audit Team

Grau is proud that the personnel we assign to your audit are some of the most seasoned auditors in the field. Our staff performs governmental engagements year round. When not working on your audit, your team is refining their audit approach for next year's audit. Our engagement partners have decades of experience and take a hands-on approach to our assignments, which all ensures a smoother process for you.

Servicing your Individual Needs

Our clients enjoy personalized service designed to satisfy their unique needs and requirements. Throughout the process of our audit, you will find that we welcome working with you to resolve any issues as swiftly and easily as possible. In addition, due to Grau's very low turnover rate for our industry, you also won't have to worry about retraining your auditors from year to year.

Developing Relationships

We strive to foster mutually beneficial relationships with our clients. We stay in touch year round, updating, collaborating and assisting you in implementing new legislation, rules and standards that affect your organization. We are also available as a sounding board and assist with technical questions.

Maintaining an Impeccable Reputation

We have never been involved in any litigation, proceeding or received any disciplinary action. Additionally, we have never been charged with, or convicted of, a public entity crime of any sort. We are financially stable and have never been involved in any bankruptcy proceedings.

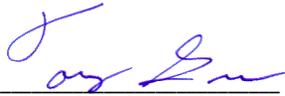
Complying With Standards

Our audit will follow the Auditing Standards of the AICPA, Generally Accepted Government Auditing Standards, issued by the Comptroller General of the United States, and the Rules of the Auditor General of the State of Florida, and any other applicable federal, state and local regulations. We will deliver our reports in accordance with your requirements.

This proposal is a firm and irrevocable offer for 90 days. We certify this proposal is made without previous understanding, agreement or connection either with any previous firms or corporations offering a proposal for the same items. We also certify our proposal is in all respects fair, without outside control, collusion, fraud, or otherwise illegal action, and was prepared in good faith. Only the person(s), company or parties interested in the project as principals are named in the proposal. Grau has no existing or potential conflicts, and anticipates no conflicts during the engagement. Our Federal I.D. number is 20-2067322.

We would be happy to answer any questions or to provide any additional information. We are genuinely excited about the prospect of serving you and establishing a long-term relationship. Please do not hesitate to call or email either of our Partners, Antonio J. Grau, CPA (tgrau@graucpa.com) or Racquel McIntosh, CPA (rmcintosh@graucpa.com) at 561.994.9299. We thank you for considering our firm's qualifications and experience.

Very truly yours,
Grau & Associates



Antonio J. Grau

Independence



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

Grau & Associates affirms we meet the independence requirements of the Standards for Audit of Governmental Organization Programs, Activities and Functions published by the U.S. General Accounting Office, Governmental Auditing Standards (GAS) issued by the Comptroller General of the United States and the Laws and Rules of Florida Board of Accountancy or any subsequent amendments or superseding revisions. As defined by auditing standards generally accepted in the United States of America and the U.S. General Accounting Office's Government Auditing Standards, Grau & Associates, their partners and employees are independent of the District.

We have a professional relationship involving the District as we are currently the auditors for the District. Grau has no conflict of interest regarding the District as the services provided were solely as independent auditors.

License to Practice in Florida



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

Grau & Associates is a properly registered/licensed State of Florida professional corporation. All assigned supervisory professional staff are properly registered/licensed to practice in the State of Florida.

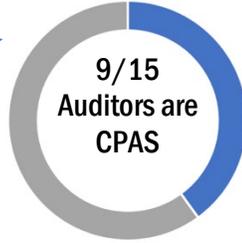
Firm Qualifications and Experience



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

Grau's Focus and Experience

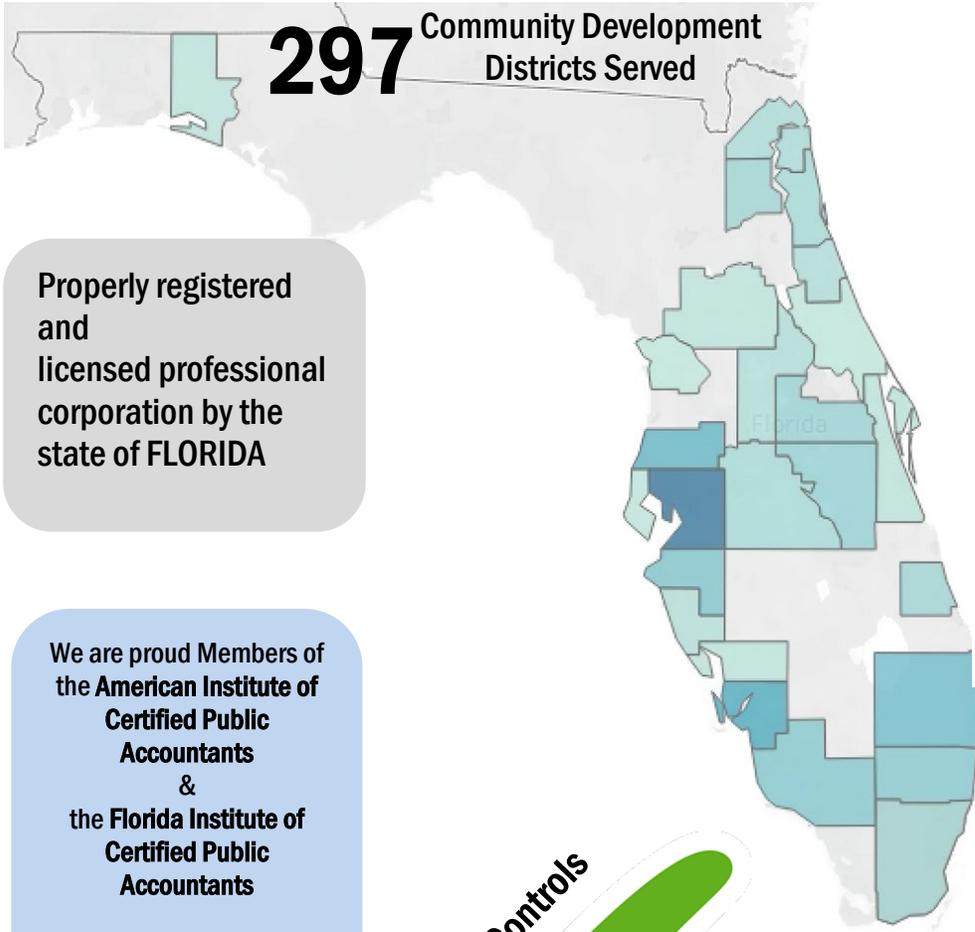
Our Team



2005

Year founded

Services Provided



Properly registered and licensed professional corporation by the state of FLORIDA

We are proud Members of the American Institute of Certified Public Accountants & the Florida Institute of Certified Public Accountants



- ⇒ External quality review program: consistently receives a pass
- ⇒ Internal: ongoing monitoring to maintain quality



AICPA | FICPA | GFOA | FASD | FGFOA

Firm Overview

Grau & Associates is a professionally licensed local corporation in Florida certified by the State of Florida as a Minority Business Enterprise (MBE). We are a Certified Public Accounting firm providing comprehensive financial and compliance auditing, attestation and accounting, and other management consulting services.

Office Location & Staff

Your audit will be performed out of our headquarters located at 951 Yamato Road, Suite 280, Boca Raton, Florida 33431. We have a total of 15 employees, including 2 Partners, 13 professionals and 2 administrative professionals. The numbers of professional staff by employee classification are as follows:

| Employee Classification | Government Auditors | No. of C.P.A.s |
|--------------------------------|----------------------------|-----------------------|
| Partners | 3 | 3 |
| Managers | 2 | 2 |
| Advisory Consultant | 1 | 1 |
| Supervisor / Seniors | 3 | 2 |
| Staff Accountants | 4 | 1 |
| Total | 13 | 9 |

Results of State and Federal Reviews

During the last three (3) years, all state and federal reviews of the firm's reports and working papers have been accepted without change or revision to issued reports.

Disciplinary Action

During the last three (3) years, Grau & Associates has not been involved in any disciplinary action from any state or federal regulatory body or professional organizations.

Litigation Status

There is no current or pending litigation or proceeding. Additionally, during the last three (3) years, Grau & Associates has not been involved in any litigation or proceeding where a court or administrative agency has ruled against the firm in any manner related to its professional activities.

Most Recent External Peer Review

Grau participates in an external quality review program requiring an on-site independent examination of our auditing practice. Grau has consistently received a pass rating on the quality of our audit practice. Our peer review included **mostly government engagements**. A copy of the report on the firm's most recent quality review can be found below.



Gregory, Sharer & Stuart, P.A.
Certified Public Accountants and Business Consultants



Report on the Firm's System of Quality Control

November 15, 2019

To the Partners of Grau & Associates
And the Peer Review Committee of the Florida Institute of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Grau & Associates (the firm) in effect for the year ended June 30, 2019. 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 (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

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. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

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.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards* including compliance audits under the Single Audit Act and an audit of an employee benefit plan.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Grau & Associates in effect for the year ended June 30, 2019, 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*. Grau & Associates has received a peer review rating of *pass*.

Gregory, Sharer & Stuart, P.A.

February 20, 2020

Antonio Grau
Grau & Associates
951 Yamato Rd Ste 280
Boca Raton, FL 33431-1809

Dear Antonio Grau:

It is my pleasure to notify you that on February 20, 2020, the Florida Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is December 31, 2022. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation.

Sincerely,
FICPA Peer Review Committee

Peer Review Team
FICPA Peer Review Committee
paul@ficpa.org
800-342-3197 ext. 251

Florida Institute of CPAs

cc: Daniel Hevia, Racquel McIntosh

Firm Number: 900004390114

Review Number: 571202

100 Second Avenue South, Suite 600 | St. Petersburg, Florida 33701-4336
(727) 821-6161 | Fax (727) 822-4573 | gsscpa.com | info@gsscpa.com

3800 Esplanade Way, Suite 210 | Tallahassee, FL 32311 | 800.342.3197, in Florida | 850.224.2727 | Fax: 850.222.8190 | www.ficpa.org

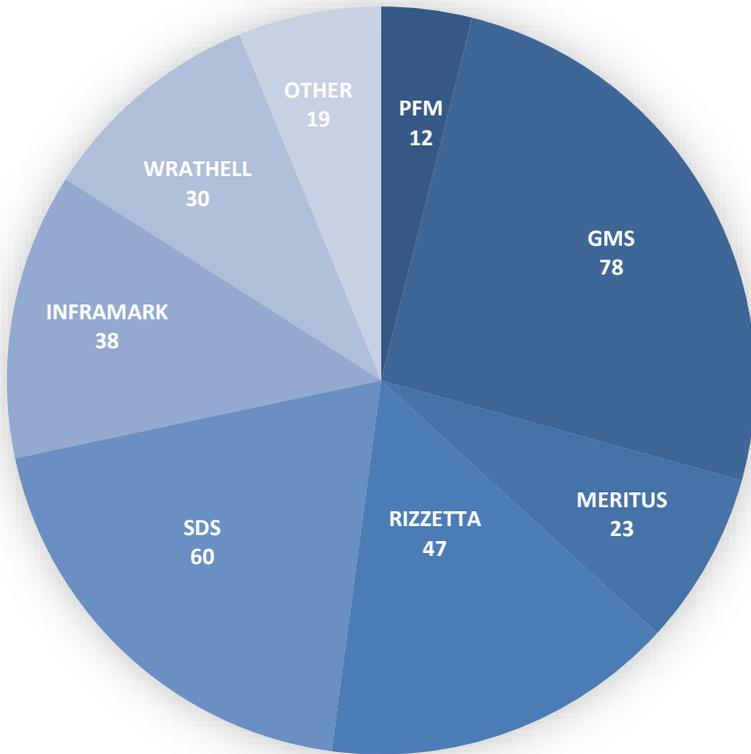
In addition to scheduled Peer Reviews, our firm continually monitors performance to ensure the highest quality of services. An Audit Partner is responsible for monitoring quality control of all appropriate engagements.

Partner, Supervisory and Staff Qualifications and Experience



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

GRAU AND ASSOCIATES COMMUNITY DEVELOPMENT DISTRICT EXPERIENCE BY MANAGEMENT COMPANY



Profile Briefs:

Antonio J GRAU, CPA (Partner)

Years Performing Audits: 30+
CPE (last 3 years): Government Accounting, Auditing: 40 hours; Accounting, Auditing and Other: 54 hours
Professional Memberships: AICPA, FICPA, FGFOA, GFOA

Racquel McIntosh, CPA (Partner)

Years Performing Audits: 14+
CPE (last 3 years): Government Accounting, Auditing: 73 hours; Accounting, Auditing and Other: 76 hours
Professional Memberships: AICPA, FICPA, FGFOA, FASD

“Here at Grau & Associates, staying up to date with the current technological landscape is one of our top priorities. Not only does it provide a more positive experience for our clients, but it also allows us to perform a more effective and efficient audit. With every changing technology available and utilized by our clients, we are constantly innovating our audit process.”

- Tony Grau

“Quality audits and exceptional client service are at the heart of every decision we make. Our clients trust us to deliver a quality audit, adhering to high standards and assisting them with improvements for their organization.”

-Racquel McIntosh



Antonio 'Tony' J. Grau, CPA Partner

Contact: tgrau@graucpa.com | (561) 939-6672

Experience

For over 30 years, Tony has been providing audit, accounting and consulting services to the firm's governmental, non-profit, employee benefit, overhead and arbitrage clients. He provides guidance to clients regarding complex accounting issues, internal controls and operations.

As a member of the Government Finance Officers Association Special Review Committee, Tony participated in the review process for awarding the GFOA Certificate of Achievement in Financial Reporting. Tony was also the review team leader for the Quality Review of the Office of Management Audits of School Board of Miami-Dade County. Tony received the AICPA advanced level certificate for governmental single audits.

Education

University of South Florida (1983)
Bachelor of Arts
Business Administration

Clients Served (partial list)

(>300) Various Special Districts, including:

- | | |
|--|--|
| Bayside Improvement Community Development District | St. Lucie West Services District |
| Dunes Community Development District | Ave Maria Stewardship Community District |
| Fishhawk Community Development District (I, II, IV) | Rivers Edge II Community Development District |
| Grand Bay at Doral Community Development District | Bartram Park Community Development District |
| Heritage Harbor North Community Development District | Bay Laurel Center Community Development District |
| | |
| Boca Raton Airport Authority | |
| Greater Naples Fire Rescue District | |
| Key Largo Wastewater Treatment District | |
| Lake Worth Drainage District | |
| South Indian River Water Control | |

Professional Associations/Memberships

- | | |
|--|---|
| American Institute of Certified Public Accountants | Florida Government Finance Officers Association |
| Florida Institute of Certified Public Accountants | Government Finance Officers Association Member |
| City of Boca Raton Financial Advisory Board Member | |

Professional Education (over the last three years)

| <u>Course</u> | <u>Hours</u> |
|------------------------------------|--|
| Government Accounting and Auditing | 40 |
| Accounting, Auditing and Other | 54 |
| Total Hours | 94 (includes of 8 hours of Ethics CPE) |



Racquel C. McIntosh, CPA

Partner

Contact: rmcintosh@graucpa.com | (561) 939-6669

Experience

Racquel has been providing government audit, accounting and advisory services to our clients for over 14 years. She serves as the firm’s quality control partner; in this capacity she closely monitors engagement quality ensuring standards are followed and maintained throughout the audit.

Racquel develops in-house training seminars on current government auditing, accounting, and legislative topics and also provides seminars for various government organizations. In addition, she assists clients with implementing new accounting software, legislation, and standards.

Education

Florida Atlantic University (2004)
Master of Accounting
Florida Atlantic University (2003)
Bachelor of Arts:
Finance, Accounting

Clients Served (partial list)

(>300) Various Special Districts, including:
Carlton Lakes Community Development District
Golden Lakes Community Development District
Rivercrest Community Development District
South Fork III Community Development District
TPOST Community Development District

Westchase Community Development District
Monterra Community Development District
Palm Coast Park Community Development District
Long Leaf Community Development District
Watergrass Community Development District

East Central Regional Wastewater Treatment Facilities
Indian Trail Improvement District
Pinellas Park Water Management District
Ranger Drainage District
South Trail Fire Protection and Rescue Service District

Professional Associations/ Memberships

American Institute of Certified Public Accountants
Florida Institute of Certified Public Accountants
FICPA State & Local Government Committee
FGFOA Palm Beach Chapter

Professional Education (over the last three years)

| <u>Course</u> | <u>Hours</u> |
|------------------------------------|--|
| Government Accounting and Auditing | 73 |
| Accounting, Auditing and Other | 76 |
| Total Hours | <u>149</u> (includes of 8 hours of Ethics CPE) |

Prior Engagements with the District



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

Grau & Associates is currently the auditor for the District.

Similar Engagements with other Government Entities



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

We have included three references of government engagements that require compliance with laws and regulations, follow fund accounting, and have financing requirements, which we believe are similar to the District.

Dunes Community Development District

| | |
|---------------------------|--|
| Scope of Work | Financial audit |
| Engagement Partner | Antonio J. Grau |
| Dates | Annually since 1998 |
| Total Hours | 56 |
| Client Contact | Darrin Mossing, Finance Director 475 W. Town Place, Suite 114 St. Augustine, Florida 32092 904-940-5850 |

Two Creeks Community Development District

| | |
|---------------------------|---|
| Scope of Work | Financial audit |
| Engagement Partner | Antonio J. Grau |
| Dates | Annually since 2007 |
| Total Hours | 36 |
| Client Contact | William Rizzetta, President 3434 Colwell Avenue, Suite 200 Tampa, Florida 33614 813-933-5571 |

Journey's End Community Development District

| | |
|---------------------------|---|
| Scope of Work | Financial audit |
| Engagement Partner | Antonio J. Grau |
| Dates | Annually since 2004 |
| Total Hours | 20 |
| Client Contact | Todd Wodraska, Vice President 2501 A Burns Road Palm Beach Gardens, Florida 33410 561-630-4922 |

Specific Audit Approach



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

Grau's Understanding of Work Product / Scope of Services:

We recognize the District is an important entity and we are confident our firm is eminently qualified to meet the challenges of this engagement and deliver quality audit services. ***You would be a valued client of our firm and we pledge to commit all firm resources to provide the level and quality of services (as described below) which not only meet the requirements set forth in the RFP but will exceed those expectations.*** Grau & Associates fully understands the scope of professional services and work products requested. Our audit will follow the Auditing Standards of the AICPA, *Generally Accepted Government Auditing Standards*, issued by the Comptroller General of the United States, and the Rules of the Auditor General of the State of Florida and any other applicable Federal, State or Local regulations. **We will deliver our reports in accordance with your requirements.**

A. Proposed segmentation of the engagement

Our approach to the audit engagement is a risk-based approach which integrates the best of traditional auditing techniques and a total systems concept to enable the team to conduct a more efficient and effective audit. The audit will be conducted in three phases, which are as follows:



Phase I - Preliminary Planning

A thorough understanding of your organization, service objectives and operating environment is essential for the development of an audit plan and for an efficient, cost-effective audit. During this phase, we will meet with appropriate personnel to obtain and document our understanding of your operations and service objectives and, at the same time, give you the opportunity to express your expectations with respect to the services that we will provide. Our work effort will be coordinated so that there will be minimal disruption to your staff.

During this phase we will perform the following activities:

- » Review the regulatory, statutory and compliance requirements. This will include a review of applicable federal and state statutes, resolutions, bond documents, contracts, and other agreements;
- » Read minutes of meetings;
- » Review major sources of information such as budgets, organization charts, procedures, manuals, financial systems, and management information systems;
- » Obtain an understanding of fraud detection and prevention systems;
- » Obtain and document an understanding of internal control, including knowledge about the design of relevant policies, procedures, and records, and whether they have been placed in operation;
- » Assess risk and determine what controls we are to rely upon and what tests we are going to perform and perform test of controls;
- » Develop audit programs to incorporate the consideration of financial statement assertions, specific audit objectives, and appropriate audit procedures to achieve the specified objectives;
- » Discuss and resolve any accounting, auditing and reporting matters which have been identified.

Phase II - Execution of Audit Plan

The audit team will complete a major portion of transaction testing and audit requirements during this phase. The procedures performed during this period will enable us to identify any matter that may impact the completion of our work or require the attention of management. Tasks to be performed in Phase II include, but are not limited to the following:

- » Apply analytical procedures to further assist in the determination of the nature, timing, and extent of auditing procedures used to obtain evidential matter for specific account balances or classes of transactions;
- » Perform tests of account balances and transactions through sampling, vouching, confirmation and other analytical procedures; and
- » Perform tests of compliance.

Phase III - Completion and Delivery

In this phase of the audit, we will complete the tasks related to year-end balances and financial reporting. All reports will be reviewed with management before issuance, and the partners will be available to meet and discuss our report and address any questions. Tasks to be performed in Phase III include, but are not limited to the following:

- » Perform final analytical procedures;
- » Review information and make inquiries for subsequent events; and
- » Meeting with Management to discuss preparation of draft financial statements and any potential findings or recommendations.

You should expect more from your accounting firm than a signature in your annual financial report. Our concept of truly responsive professional service emphasizes taking an active interest in the issues of concern to our clients and serving as an effective resource in dealing with those issues. In following this approach, we not only audit financial information with hindsight but also consider the foresight you apply in managing operations.

Application of this approach in developing our management letter is particularly important given the increasing financial pressures and public scrutiny facing today's public officials. We will prepare the management letter at the completion of our final procedures.

In preparing this management letter, we will initially review any draft comments or recommendations with management. In addition, we will take necessary steps to ensure that matters are communicated to those charged with governance.

In addition to communicating any recommendations, we will also communicate the following, if any:

- » Significant audit adjustments;
- » Significant deficiencies or material weaknesses;
- » Disagreements with management; and
- » Difficulties encountered in performing the audit.

Our findings will contain a statement of condition describing the situation and the area that needs strengthening, what should be corrected and why. Our suggestions will withstand the basic tests of corrective action:

Is the recommendation cost effective?

Is the recommendation the simplest to effectuate in order to correct a problem?

Is the recommendation at the heart of the problem and not just correcting a symptomatic matter?

Is the corrective action taking into account why the deficiency occurred?

To assure full agreement with facts and circumstances, we will fully discuss each item with Management prior to the final exit conference. This policy means there will be no "surprises" in the management letter and fosters a professional, cooperative atmosphere.

Communications

We emphasize a continuous, year-round dialogue between the District and our management team. We typically begin our audit process with an entrance conference before the onsite fieldwork begins. We regularly communicate through personal telephone calls and electronic mail throughout the audit and on a regular basis. Our clients have the ability to transmit information to us on our secure client portal with the ability to assign different staff with separate log on and viewing capability. This further facilitates efficiency as all assigned users receive electronic mail notification as soon as new information has been posted into the portal. We strive to continue to keep an open line of communication through the fieldwork and ending with an exit conference.

B. Level of staff and number of hours to be assigned to each proposed segment of the engagement

| | Partners | Seniors | Total |
|-------------------------|----------|---------|-------|
| Preliminary Planning | 2 | 4 | 6 |
| Perform Audit Plan | - | 20 | 20 |
| Completion and Delivery | 4 | 4 | 8 |
| Total | 6 | 28 | 34 |

C. Sample size and the extent to which statistical sampling is to be used in the engagement

Our sampling procedures performed during the audit engagement will be identified during the planning stage of the audit and will be coordinated with other audit procedures to ensure a timely and efficient audit.

Audit Sampling: Grau uses a nonstatistical approach to sampling and follows the guidance of the AICPA on the use of sampling in governmental audit engagements. In applying these AIPCA pronouncements, we would first consider the effectiveness of alternative approaches before concluding that sampling is necessary. Our professional judgment will be used to determine what areas sampling is deemed appropriate and includes assessing inherent risk, control risk, and combined audit risk.

D. Extent of use of EDP software in the engagement

Automated Workpapers

Our firm utilizes ProSystem fx Engagement electronic software, which allows us to conduct a true paperless audit.

Communications

Our clients are able to transmit information to us on our secure client portal with the ability to assign different staff with separate log on and viewing capability.

This further facilitates efficiency as all assigned users receive electronic mail notification as soon as new information has been posted into the portal.

Accounting Research

We utilize Accounting Research Manager by Wolters Kluwers, which is a comprehensive online database providing leading industry guidance on analytical accounting and auditing. It includes full publications from the Governmental Accounting Standards Board, the Financial Accounting Standards Board, Emerging Issues Task Force, GAO, AICPA and International Accounting Standards Board. In addition, Accounting Research Manager provides intelligent links to the original source documents.



E. Type and extent of Analytical Procedures to be used in the engagement

Understanding financial relationships is crucial to planning and evaluating the results of analytical procedures and requires knowledge of the District. The full extent to which analytical procedures are utilized is based upon the auditor's professional judgment and the overall risk assessment results. Analytical procedures are required in the planning and overall review stages of the audit, and will be used in the following areas:

Audit Planning

Analytical procedures provide great insight in our planning. These analyses can enhance our understanding of transactions and events that have occurred during the year under audit. Analytical procedures in the planning phase are also performed to identify any unusual and unexpected relationship that may warrant further investigation. For example, rate changes have a direct relationship with revenue. As such, if assessment rates increase, we would expect that revenues would also increase.

Fieldwork

Analytical procedures are used as effective substantive tests in certain circumstances. For example, using the millage adopted by Commission to recalculate taxes levied or comparing actual current year results to the adopted budget and prior year amounts. During the course of our year end fieldwork we utilize analytical procedures to support the results of our other audit procedures.

Overall Review

Analytical procedures used at the conclusion of the audit are designed to assess the conclusions reached and evaluate the overall financial statement presentation. For example, we will review the financial statements and compare the numbers to prior year and see if variances make sense based upon the work performed. We would determine if sufficient work was done in a particular area. Any variances would need to be substantiated.

F. Approach to be taken to gain and document an understanding of the District's internal control structure

Control activities are procedures and policies that help ensure that management's directives are being carried out and the District's objectives are being met.

We want to ensure that controls are appropriately designed before we perform any tests of controls for reliance in the audit. Our steps in Phase I will determine how well the controls are designed and which ones we may be able to place reliance on for the audit. After making that determination, those controls are tested for operating effectiveness. The results of this evaluation will influence the nature, timing and extent of our substantive audit procedures.

This approach ensures that we achieve maximum efficiency and provides valuable feedback to management regarding the effectiveness of controls being relied upon throughout the year. See Phase I for details.

We will document our understanding using memos, checklists, flowcharts, District manuals, etc., and store all information electronically.

G. Approach to be taken in determining laws and regulations that will be subject to audit test work

Due to the special nature of governments, the traditional audit scope has been broadened to encompass determination of what laws and regulations have a direct and material impact on the financial statements. Identifying applicable laws and regulations is fundamental to fulfilling the responsibility of understanding their effects. We will obtain this knowledge from various sources including:

- Review of federal and state laws
- Review of contracts
- Inquires of management and staff
- Review of resolutions and policies
- Review of grant agreements
- Review of debt covenants
- Review of prior financial statements
- Review of internal controls over compliance

H. Approach to be taken in drawing audit samples for purposes of tests of compliance

Once significant laws and regulations that affect the District are identified, we will design compliance procedures to provide reasonable assurance that your financial statements are free of material misstatements resulting from violations of these laws and regulations. In addition, tests will be performed to attain a low level of risk as required by the Uniform Guidance.

Tests of compliance with laws and regulations will be incorporated with samples selected for tests of transactions and controls, when practical. Additional samples are sometimes necessary to test specific laws and regulations as well as for testing federal and state awards. We will work with District staff, as well as our analysis of the District's internal control structure, to ensure completeness of our population.

Identification of Anticipated Potential Audit Problems



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

Grau & Associates is aware of the uniqueness of the District and will address issues in their early stages. We do not anticipate any potential audit problems. We want to help you solve problems before they become critical and this is why we will be involved throughout the entire year, at no extra cost, providing assistance in current and new issues.

Report Format



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
XXX Community Development District
XXX County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund, of XXX Community Development District, XXX County, Florida ("District") as of and for the fiscal year ended September 30, 2022, 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 and each major fund of the District as of September 30, 2022, and the respective changes in financial position thereof for the fiscal 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 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The information for compliance with FL Statute 218.39 (3) (c) is not a required part of the basic financial statements. The information for compliance with FL Statute 218.39 (3) (c) has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated xxx, 20xx, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the District's 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 District's internal control over financial reporting and compliance.

XXXX, 20xx

**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
XXX Community Development District
XXX County, Florida

We have audited, in accordance with the 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, the financial statements of the governmental activities and each major fund of XXX Community Development District, XXX County, Florida ("District") as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated XXXX, 20xx.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, 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.

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 and correct 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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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

The purpose of this report is 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.

XXXX, 20xx

**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
XXX Community Development District
XXX County, Florida

We have examined XXX Community Development District, XXX County, Florida's ("District") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2022. Management is responsible for District's compliance with those requirements. Our responsibility is to express an opinion on 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced in Section 218.415, Florida Statutes. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide 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 fiscal year ended September 30, 2022.

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

XXXX, 20xx

**MANAGEMENT LETTER PURSUANT TO THE RULES OF
THE AUDITOR GENERAL FOR THE STATE OF FLORIDA**

To the Board of Supervisors
XXX Community Development District
XXX County, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of XXX Community Development District, XXX County, Florida ("District") as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated XXXX, 20xx.

Auditor's 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 Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Auditor's 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 reports, which are dated XXXX, 20xx, should be considered in conjunction with this management letter.

Purpose of this Letter

The purpose of this letter is to comment on those matters required by Chapter 10.550 of the Rules of the Auditor General for the State of Florida. Accordingly, in connection with our audit of the financial statements of the District, as described in the first paragraph, we report the following:

- I. Current year findings and recommendations.**
- II. Status of prior year findings and recommendations.**
- III. Compliance with the Provisions of the Auditor General of the State of Florida.**

Our management letter 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, Federal and other granting agencies, as applicable, management, and the Board of Supervisors of XXX Community Development District, XXX County, Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank XXX Community Development District, XXX County, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements, and the courtesies extended to us.

XXXX, 20xx

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

Not applicable

III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

Not applicable. First year Audit.

2. Any recommendations to improve the local governmental entity's financial management.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2022.

3. 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.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2022.

4. The name or official title and legal authority of the District are disclosed in the notes to the financial statements.
5. The District has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.
6. We applied financial condition assessment procedures and no deteriorating financial conditions were noted as of September 30, 2022. It is management's responsibility to monitor 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.
7. Management has provided the specific information required by Section 218.39(3)(c) in the Other Information section of the financial statements on page xx.

Cost of Services



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

Grau & Associates - Total All-Inclusive Maximum Price

Our proposed all-inclusive fees for the financial audit for the fiscal years ended September 30, 2022-2026 are as follows:

| <u>Year Ended September 30,</u> | <u>Fee</u> |
|---------------------------------|------------------------|
| 2022 | \$6,100 |
| 2023 | \$6,300 |
| 2024 | \$6,500 |
| 2025 | \$6,700 |
| 2026 | <u>\$6,900</u> |
| TOTAL (2022-2026) | <u>\$32,500</u> |

The above fees are based on the assumption that the District maintains its current level of operations. Should conditions change or additional Bonds are issued the fees would be adjusted accordingly upon approval from all parties concerned.

We certify that Antonio J. Grau is entitled to represent the firm, empowered to submit the proposal, and authorized to sign a contract with the District.

Supplemental Information



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

PARTIAL LIST OF CLIENTS

| SPECIAL DISTRICTS | Governmental Audit | Single Audit | Current Client | Year End |
|--|-------------------------------|---------------------|-----------------------|-----------------|
| Boca Raton Airport Authority | ✓ | ✓ | ✓ | 9/30 |
| Captain's Key Dependent District | ✓ | | ✓ | 9/30 |
| Central Broward Water Control District | ✓ | | ✓ | 9/30 |
| Collier Mosquito Control District | ✓ | | ✓ | 9/30 |
| Coquina Water Control District | ✓ | | ✓ | 9/30 |
| East Central Regional Wastewater Treatment Facility | ✓ | | | 9/30 |
| Florida Green Finance Authority | ✓ | | | 9/30 |
| Greater Boca Raton Beach and Park District | ✓ | | ✓ | 9/30 |
| Greater Naples Fire Control and Rescue District | ✓ | ✓ | ✓ | 9/30 |
| Green Corridor P.A.C.E. District | ✓ | | ✓ | 9/30 |
| Hobe-St. Lucie Conservancy District | ✓ | | ✓ | 9/30 |
| Indian River Mosquito Control District | ✓ | | | 9/30 |
| Indian Trail Improvement District | ✓ | | ✓ | 9/30 |
| Key Largo Waste Water Treatment District | ✓ | ✓ | ✓ | 9/30 |
| Lake Padgett Estates Independent District | ✓ | | ✓ | 9/30 |
| Lake Worth Drainage District | ✓ | | ✓ | 9/30 |
| Lealman Special Fire Control District | ✓ | | ✓ | 9/30 |
| Loxahatchee Groves Water Control District | ✓ | | | 9/30 |
| Old Plantation Control District | ✓ | | ✓ | 9/30 |
| Pal Mar Water Control District | ✓ | | ✓ | 9/30 |
| Pinellas Park Water Management District | ✓ | | ✓ | 9/30 |
| Pine Tree Water Control District (Broward) | ✓ | | ✓ | 9/30 |
| Pinetree Water Control District (Wellington) | ✓ | | | 9/30 |
| Ranger Drainage District | ✓ | ✓ | ✓ | 9/30 |
| Renaissance Improvement District | ✓ | | ✓ | 9/30 |
| San Carlos Park Fire Protection and Rescue Service District | ✓ | | ✓ | 9/30 |
| Sanibel Fire and Rescue District | ✓ | | ✓ | 9/30 |
| South Central Regional Wastewater Treatment and Disposal Board | ✓ | | ✓ | 9/30 |
| South-Dade Venture Development District | ✓ | | ✓ | 9/30 |
| South Indian River Water Control District | ✓ | ✓ | ✓ | 9/30 |
| South Trail Fire Protection & Rescue District | ✓ | | ✓ | 9/30 |
| Spring Lake Improvement District | ✓ | | ✓ | 9/30 |
| St. Lucie West Services District | ✓ | | ✓ | 9/30 |
| Sunshine Water Control District | ✓ | | ✓ | 9/30 |
| West Villages Improvement District | ✓ | | ✓ | 9/30 |
| Various Community Development Districts (297) | ✓ | | ✓ | 9/30 |
| TOTAL | 333 | 5 | 328 | |

ADDITIONAL SERVICES

CONSULTING / MANAGEMENT ADVISORY SERVICES

Grau & Associates also provide a broad range of other management consulting services. Our expertise has been consistently utilized by Governmental and Non-Profit entities throughout Florida. Examples of engagements performed are as follows:

- Accounting systems
- Development of budgets
- Organizational structures
- Financing alternatives
- IT Auditing
- Fixed asset records
- Cost reimbursement
- Indirect cost allocation
- Grant administration and compliance

ARBITRAGE

The federal government has imposed complex rules to restrict the use of tax-exempt financing. Their principal purpose is to eliminate any significant arbitrage incentives in a tax-exempt issue. We have determined the applicability of these requirements and performed the rebate calculations for more than 150 bond issues, including both fixed and variable rate bonds.

73 Current
Arbitrage
Calculations

We look forward to providing Heritage Harbour Market Place Community Development District with our resources and experience to accomplish not only those minimum requirements set forth in your Request for Proposal, but to exceed those expectations!

**For even more information on Grau & Associates
please visit us on www.graucpa.com.**

**HERITAGE HARBOUR MARKET PLACE
COMMUNITY DEVELOPMENT DISTRICT**

PROPOSAL FOR AUDIT SERVICES

PROPOSED BY:

Berger, Toombs, Elam, Gaines & Frank
CERTIFIED PUBLIC ACCOUNTANTS, PL

600 Citrus Avenue, Suite 200
Fort Pierce, Florida 34950

(772) 461-6120

CONTACT PERSON:

J. W. Gaines, CPA, Director

DATE OF PROPOSAL:

February 18, 2022

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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

February 18, 2022

James P. Ward
Heritage Harbour Market Place Community Development District
2900 Northeast 12th Terrace, Suite 1
Oakland Park, FL 33334

Dear Mr. Ward:

Thank you very much for the opportunity to present our professional credentials to provide audit services for Heritage Harbour Market Place Community Development District.

Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants, PL has assembled a team of governmental and nonprofit specialists second to none to serve our clients. Our firm has the necessary qualifications and experience to serve as the independent auditors for Heritage Harbour Market Place Community Development District. We will provide you with top quality, responsive service.

Experience

Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants, PL is a recognized leader in providing services to governmental and nonprofit agencies throughout Florida. We have been the independent auditors for a number of local governmental agencies and through our experience in performing their audits, we have been able to increase our audit efficiency and; therefore, reduce costs. We have continually passed this cost savings on to our clients and will continue to do so in the future. As a result of our experience and expertise, we have developed an effective and efficient audit approach designed to meet or exceed the performance specifications 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 the standards for financial and compliance audits. We will conduct the audit in accordance with auditing standards generally accepted in the United States of America; "Government Auditing Standards" issued by the Comptroller General of the United States; the provisions of the Single Audit Act, Subpart F of Title 2 US Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, with minimal disruption to your operations. Our firm has frequent technical updates to keep our personnel informed and up-to-date on all changes that are occurring within the industry.

Fort Pierce / Stuart

Member AICPA

- 1 -
Member AICPA Division for CPA Firms
Private Companies practice Section

Member FICPA

Heritage Harbour Market Place Community Development District
February 18, 2022

Our firm is a member of the Government Audit Quality Center, an organization dedicated to improving government audit quality. We also utilize the audit program software of a nationally recognized CPA firm to assure us that we are up to date with all auditing standards and to assist us maintain maximum audit efficiencies.

To facilitate your evaluation of our qualifications and experience, we have arranged this proposal to include a resume of our firm, including our available staff, our extensive prior governmental and nonprofit auditing experience and clients to be contacted.

You need a firm that will provide an efficient, cost-effective, high-quality audit within critical time constraints. You need a firm with the prerequisite governmental and nonprofit experience to perform your audit according to stringent legal and regulatory requirements, a firm that understands the complex nature of community development districts and their unique compliance requirements. You need a firm with recognized governmental and nonprofit specialists within the finance and governmental communities. And, certainly, you need a firm that will provide you with valuable feedback to enhance your current and future operations. Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants, PL is that firm. J. W. Gaines is the person authorized to make representations for the firm.

Thank you again for the opportunity to submit this proposal to Heritage Harbour Market Place Community Development District.

Very truly yours,

*Berger Toombs Elam
Gaines + Frank*

Berger, Toombs, Elam, Gaines & Frank
Certified Public Accountants PL
Fort Pierce, Florida

PROFILE OF THE PROPOSER

Description and History of Audit Firm

Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants, PL is a Treasure Coast public accounting firm, which qualifies as a small business firm, as established by the Small Business Administration (13 CFR 121.38), with offices in Fort Pierce and Stuart. We are a member of the Florida Institute of Certified Public Accountants and the American Institute of Certified Public Accountants. The firm was formed from the merger of Edwards, Berger, Harris & Company (originated in 1972) and McAlpin, Curtis & Associates (originated in 1949). J. W. Gaines and Associates (originated in 1979) merged with the firm in 2004. Our tremendous growth rate experienced over the last 71 years is directly attributable to the firm's unrelenting dedication to providing the highest quality, responsive professional services attainable to its clients.

We are a member of the Private Companies Practice Section (PCPS) of the American Institute of Certified Public Accountants (AICPA) to assure we meet the highest standards. Membership in this practice section requires that our firm meet more stringent standards than standard AICPA membership. These rigorous requirements include the requirement of a triennial peer review of our firm's auditing and accounting practice and annual Continuing Professional Education (CPE) for all accounting staff (whether CPA or non-CPA). For standard AICPA membership, only a quality review is required and only CPAs must meet CPE requirements.

We are also a member of the Government Audit Quality Center ("the Center") of the American Institute of Certified Public Accountants to assure the quality of our government audits. Membership in the Center, which is voluntary, requires our firm to comply with additional standards to promote the quality of government audits.

We have been extensively involved in serving local government entities with professional accounting, auditing and consulting services throughout the entire 71 year history of our firm. Our substantial experience over the years makes us uniquely qualified to provide accounting, auditing, and consulting services to these clients. We are a recognized leader in providing services to governmental and nonprofit agencies on the Treasure Coast and in Central and South Florida, with extensive experience in auditing community development districts and water control districts. We were the independent auditors of the City of Fort Pierce for over 37 years and currently, we are the independent auditors for St. Lucie County since 2002, and for 34 of the 42 years that the county has been audited by CPA firms. Additionally, we have performed audits of the City of Stuart, the City of Vero Beach, Indian River County and Martin County. We also presently audit over 75 Community Development Districts throughout Florida.

Our firm was founded on the belief that we are better able to respond to our clients needs through education, experience, independence, quality control, and personal service. Our firm's commitment to quality is reflected in our endeavor of professional excellence via continuing education, the use of the latest computer technology, professional membership in PCPS and peer review.

We believe our approach to audit engagements, intelligence and innovation teamed with sound professional judgment enables us to explore new concepts while remaining sensitive to the fundamental need for practical solutions. We take pride in giving you the assurance that the personal assistance you receive comes from years of advanced training, technical experience and financial acumen.

Professional Staff Resources

Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants, PL has a total of 32 professional and administrative staff (including 14 professional staff with extensive experience servicing government entities). The work will be performed out of our Fort Pierce office with a proposed staff of one senior accountant and one or two staff accountants supervised by an audit manager and audit partner. With the exception of the directors of the firm's offices, the professional staff is not specifically assigned to any of our individual offices. The professional and administrative staff resources available to you through Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants, PL are as follows:

| | <u>Total</u> |
|--|--------------|
| Partners/Directors (CPA's) | 5 |
| Principals (CPA) | 1 |
| Managers (CPA) | 1 |
| Senior/Supervisor Accountants (2 CPAs) | 3 |
| Staff Accountants (1 CPA) | 9 |
| Computer Specialist | 1 |
| Paraprofessional | 8 |
| Administrative | <u>4</u> |
| Total – all personnel | 32 |

Following is a brief description of each employee classification:

Staff Accountant – Staff accountants work directly under the constant supervision of the auditor-in-charge and, are responsible for the various testing of documents, account analysis and any other duties as his/her supervisor believes appropriate. Minimum qualification for a staff accountant is graduation from an accredited university or college with a master's degree in accounting or equivalent.

Senior Accountant – A senior accountant must possess all the qualifications of the staff accountant, in addition to being able to draft the necessary reports and financial statements, and supervise other staff accountants when necessary.

Managers – A manager must possess the qualifications of the senior accountant, plus be able to work without extensive supervision from the auditor-in-charge. The manager should be able to draft audit reports from start to finish and to supervise the audit team, if necessary.

Principal – A principal is a partner/director in training. He has been a manager for several years and possesses the technical skills to act as the auditor –in-charge. A principal has no financial interest in the firm.

Partner/Director – The director has extensive governmental auditing experience and acts as the auditor-in-charge. Directors have a financial interest in the firm.

Professional Staff Resources (Continued)

Independence – Independence of the public accounting firm, with respect to the audit client, is the foundation from which the public gains its trust in the opinion issued by the public accounting firm at the end of the audit process. This independence must be in appearance as well as in fact. The public must perceive that the accounting firm is independent of the audit entity to insure that nothing would compromise the opinion issued by the public accounting firm. **Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants, PL** is independent of Heritage Harbour Market Place Community Development District, including its elected officials and related parties, at the date of this proposal, as defined by the following rules, regulations, and standards:

AuSection 220 – Statements on Auditing Standards issued by the American Institute of Certified Public Accountants;

ET Sections 101 and 102 – Code of Professional Conduct of the American Institute of Certified Public Accountants;

Chapter 21A-1, Florida Administrative Code;

Section 473.315, Florida Statutes; and,

Government Auditing Standards, issued by the Comptroller General of the United States.

On an annual basis, all members of the firm are required to confirm, in writing, that they have no personal or financial relationships or holding that would impair their independence with regard to the firm's clients.

Independence is a hallmark of our profession. We encourage our staff to use professional judgment in situations where our independence could be impaired or the perception of a conflict of interest might exist. In the governmental sector, public perception is as important as professional standards. Therefore, the utmost care must be exercised by independent auditors in the performance of their duties.

Ability to Furnish the Required Services

As previously noted in the Profile of the Proposer section of this document, our firm has been in existence for over 69 years. We have provided audit services to some clients for over 30 years continually. Our firm is insured against physical loss through commercial insurance and we also carry liability insurance. The majority of our audit documentation is stored electronically, both on our office network and on each employee laptop or computer assigned to each specific job. Our office computer network is backed up on tape, so in the event of a total equipment loss, we can restore all data as soon as replacement equipment is acquired. In addition, our field laptop computers carry the same data and can be used in the event of emergency with virtually no delay in completing the required services.

ADDITIONAL SERVICES PROVIDED

Arbitrage Rebate Services

Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants, PL also provides arbitrage rebate compliance and related services to governmental issuers. The Tax Reform Act of 1986 requires issuers of most tax-exempt obligations to pay (i.e., “rebate”) to the United States government any arbitrage profits. Arbitrage profits are earnings on the investment of bond proceeds and certain other monies in excess of what would have been earned had such monies been invested at a yield equal to the yield on the bonds.

Federal tax law requires that interim rebate calculations and payments are due at the end of every fifth bond year. Final payment is required upon redemption of the bonds. More frequent calculations may be deemed advisable by an issuer’s auditor, trustee or bond counsel or to assure that accurate and current records are available. These more frequent requirements are usually contained in the Arbitrage or Rebate Certificate with respect to the bonds.

Our firm performs a comprehensive rebate analysis and includes the following:

- Verifying that the issue is subject to rebate;
- Calculating the bond yield;
- Identifying, and separately accounting for, all “Gross Proceeds” (as that term is defined in the Code) of the bond issue, including those requiring analysis due to “transferred proceeds” and/or “commingled funds” circumstances;
- Determining what general and/or elective options are available to Gross proceeds of the issue;
- Calculating the issue’s excess investment earning (rebate liability), if any;
- Delivering appropriate documentation to support all calculations;
- Providing an executive summary identifying the methodology employed, major assumptions, conclusions, and any other recommendations for changes in recordkeeping and investment policies;
- Assisting as necessary in the event of an Internal Revenue Service inquiry; and,
- Consulting with issue staff, as necessary, regarding arbitrage related matters.

GOVERNMENTAL AUDITING EXPERIENCE

Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants, PL has been practicing public accounting in Florida for 69 years. Our success over the years has been the result of a strong commitment to providing personalized quality service to our clients.

The current members of our firm have performed audits of over 750 community development districts, and over 1,500 audits of municipalities, counties and other governmental entities such as the City of Fort Pierce and St. Lucie County.

Our firm provides a variety of accounting, auditing, tax litigation support, and consulting services. Some of the professional accounting, auditing and management consulting services that are provided by our firm are listed below:

- Performance of annual financial and compliance audits, including Single Audits of state and federal financial assistance programs, under the provisions of the Single Audit Act, Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), with minimal disruptions to your operations;
- Performance of special compliance audits to ascertain compliance with the applicable local, state and federal laws and regulations;
- Issuance of comfort letters and consent letters in conjunction with the issuance of tax-exempt debt obligations, including compiling financial data and interim period financial statement reviews;
- Calculation of estimated and actual federal arbitrage rebates;
- Assistance in compiling historical financial data for first-time and supplemental submissions for GFOA Certificate of Achievement for Excellence in Financial Reporting;
- Preparation of indirect cost allocation systems in accordance with Federal and State regulatory requirements;
- Providing human resource and employee benefit consulting;
- Performance of automation feasibility studies and disaster recovery plans;
- Performance feasibility studies concerning major fixed asset acquisitions and utility plant expansion plans (including electric, water, pollution control, and sanitation utilities); and
- Assistance in litigation, including testimony in civil and criminal court.
- Assist clients who utilize QuickBooks software with their software needs. Our Certified QuickBooks Advisor has undergone extensive training through QuickBooks and has passed several exams to attain this Certification.

Continuing Professional Education

All members of the governmental audit staff of our firm, and audit team members assigned to this engagement, are in compliance with the Continuing Professional Education (CPE) requirements set forth in Government Auditing Standards issued by the Comptroller General of the United States. In addition, our firm is in compliance with the applicable provisions of the Florida Statutes that require CPA's to have met certain CPE requirements prior to proposing on governmental audit engagements.

GOVERNMENTAL AUDITING EXPERIENCE (CONTINUED)

The audit team has extensive experience in performing governmental audits and is exposed to intensive and continuing concentration on these types of audits. Due to the total number of governmental audits our team performs, each member of our governmental staff must understand and be able to perform several types of governmental audits. It is our objective to provide each professional employee fifty hours or more of comprehensive continuing professional education each year. This is accomplished through attending seminars throughout Florida and is reinforced through in-house training.

Our firm has made a steadfast commitment to professional education. Our active attendance and participation in continuing professional education is a major part of our objective to obtain the most recent knowledge on issues which are of importance to our clients. We are growing on the reputation for work that our firm is providing today.

Quality Control Program

Quality control requires continuing commitment to professional excellence. **Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants, PL** is formally dedicated to that commitment.

To ensure maintaining the standards of working excellence required by our firm, we joined the Private Companies Practice Section (PCPS) of the American Institute of Certified Public Accountants (AICPA). To be a participating member firm of this practice section, a firm must obtain an independent Peer Review of its quality control policies and procedures to ascertain the firm's compliance with existing auditing standards on the applicable engagements.

The scope of the Peer Review is comprehensive in that it specifically reviews the following quality control policies and procedures of the participating firm:

- Professional, economic, and administrative independence;
- Assignment of professional personnel to engagements;
- Consultation on technical matters;
- Supervision of engagement personnel;
- Hiring and employment of personnel;
- Professional development;
- Advancement;
- Acceptance and continuation of clients; and,
- Inspection and review system.

We believe that our commitment to the program is rewarding not only to our firm, but primarily to our clients.

The external independent Peer Review of the elements of our quality control policies and procedures performed by an independent certified public accountant, approved by the PCPS of the AICPA, provides you with the assurance that we continue to conform to standards of the profession in the conduct of our accounting and auditing practice.

GOVERNMENTAL AUDITING EXPERIENCE (CONTINUED)

Our firm is also a member of Governmental Audit Quality Center (GAQC), a voluntary membership center for CPA firms that perform governmental audits. This center promotes the quality of governmental audits.

Our firm has completed successive Peer Reviews. These reviews included a representative sample of our firm's local governmental auditing engagements. As a result of these reviews, our firm obtained an unqualified opinion on our quality control program and work procedures. On page 31 is a copy of our most recent Peer Review report. It should be noted that we received an unqualified report.

Our firm has never had any disciplinary actions by state regulatory bodies or professional organizations.

As our firm performs approximately one hundred fifty audits each year that are reviewed by federal, state or local entities, we are constantly dealing with questions from these entities about our audits. We are pleased to say that any questions that have been raised were minor issues and were easily resolved without re-issuing any reports.

Certificate of Achievement for Excellence in Financial Reporting (CAFR)

We are proud and honored to have been involved with the City of Fort Pierce and the Fort Pierce Utilities Authority when they received their first Certificates of Achievement for Excellence in Financial Reporting for the fiscal years ended September 30, 1988 and 1994, respectively. We were also instrumental in the City of Stuart receiving the award, in our first year of performing their audit, for the year ended September 30, 1999.

We also assisted St. Lucie County, Florida for the year ended September 30, 2003, in preparing their first Comprehensive Annual Financial Report, and St. Lucie County has received their Certificate of Achievement for Excellence in Financial Reporting every year since.

As continued commitment to insuring that we are providing the highest level of experience, we have had at least one employee of our firm serve on the GFOA – Special Review Committee since the mid-1980s. This committee is made up of selective Certified Public Accountants throughout the United States who have demonstrated their high level of knowledge and expertise in governmental accounting. Each committee member attends a special review meeting at the Annual GFOA Conference. At this meeting, the committee reports on the Certificate of Achievement Program's most recent results, future goals, and common reporting deficiencies.

We feel that our previous experience in assisting the City of Fort Pierce, the Fort Pierce Utilities Authority and St. Lucie County obtain their first CAFRs, and the City of Stuart in continuing to receive a CAFR and our firm's continued involvement with the GFOA, and the CAFR review committee make us a valued asset for any client in the field of governmental financial reporting.

GOVERNMENTAL AUDIT EXPERIENCE (CONTINUED)

References

Terracina Community Development
District
Jeff Walker, Special District Services
(561) 630-4922

Gateway Community Development
District
Stephen Bloom, Severn Trent Management
(954) 753-5841

The Reserve Community Development District

Darrin Mossing, Governmental Management
Services LLC
(407) 841-5524

Port of the Islands Community Development
District
Cal Teague, Premier District Management

(239) 690-7100 ext 101

In addition to the above, we have the following additional governmental audit experience:

Community Development Districts

Aberdeen Community Development
District

Beacon Lakes Community
Development District

Alta Lakes Community Development
District

Beaumont Community Development
District

Amelia Concourse Community
Development District

Bella Collina Community Development
District

Amelia Walk Community
Development District

Bonnet Creek Community
Development District

Aqua One Community Development
District

Buckeye Park Community
Development District

Arborwood Community Development
District

Candler Hills East Community
Development District

Arlington Ridge Community
Development District

Cedar Hammock Community
Development District

Bartram Springs Community
Development District

Central Lake Community
Development District

Baytree Community Development
District

Channing Park Community
Development District

GOVERNMENTAL AUDIT EXPERIENCE (CONTINUED)

| | |
|---|--|
| Cheval West Community Development District | Evergreen Community Development District |
| Coconut Cay Community Development District | Forest Brooke Community Development District |
| Colonial Country Club Community Development District | Gateway Services Community Development District |
| Connerton West Community Development District | Gramercy Farms Community Development District |
| Copperstone Community Development District | Greenway Improvement District |
| Creekside @ Twin Creeks Community Development District | Greyhawk Landing Community Development District |
| Deer Run Community Development District | Griffin Lakes Community Development District |
| Dowden West Community Development District | Habitat Community Development District |
| DP1 Community Development District | Harbor Bay Community Development District |
| Eagle Point Community Development District | Harbourage at Braden River Community Development District |
| East Nassau Stewardship District | Harmony Community Development District |
| Eastlake Oaks Community Development District | Harmony West Community Development District |
| Easton Park Community Development District | Harrison Ranch Community Development District |
| Estancia @ Wiregrass Community Development District | Hawkstone Community Development District |

GOVERNMENTAL AUDIT EXPERIENCE (CONTINUED)

| | |
|---|---|
| Heritage Harbor Community Development District | Madeira Community Development District |
| Heritage Isles Community Development District | Marhsall Creek Community Development District |
| Heritage Lake Park Community Development District | Meadow Pointe IV Community Development District |
| Heritage Landing Community Development District | Meadow View at Twin Creek Community Development District |
| Heritage Palms Community Development District | Mediterra North Community Development District |
| Heron Isles Community Development District | Midtown Miami Community Development District |
| Heron Isles Community Development District | Mira Lago West Community Development District |
| Highland Meadows II Community Development District | Montecito Community Development District |
| Julington Creek Community Development District | Narcoossee Community Development District |
| Laguna Lakes Community Development District | Naturewalk Community Development District |
| Lake Bernadette Community Development District | New Port Tampa Bay Community Development District |
| Lakeside Plantation Community Development District | Overoaks Community Development District |
| Landings at Miami Community Development District | Panther Trace II Community Development District |
| Legends Bay Community Development District | Paseo Community Development District |
| Lexington Oaks Community Development District | Pine Ridge Plantation Community Development District |
| Live Oak No. 2 Community Development District | Piney Z Community Development District |

GOVERNMENTAL AUDIT EXPERIENCE (CONTINUED)

| | |
|--|--|
| Poinciana Community Development District | Sampson Creek Community Development District |
| Poinciana West Community Development District | San Simeon Community Development District |
| Port of the Islands Community Development District | Six Mile Creek Community Development District |
| Portofino Isles Community Development District | South Village Community Development District |
| Quarry Community Development District | Southern Hills Plantation I Community Development District |
| Renaissance Commons Community Development District | Southern Hills Plantation III Community Development District |
| Reserve Community Development District | South Fork Community Development District |
| Reserve #2 Community Development District | St. John's Forest Community Development District |
| River Glen Community Development District | Stoneybrook South Community Development District |
| River Hall Community Development District | Stoneybrook South at ChampionsGate Community Development District |
| River Place on the St. Lucie Community Development District | Stoneybrook West Community Development District |
| Rivers Edge Community Development District | Tern Bay Community Development District |
| Riverwood Community Development District | Terracina Community Development District |
| Riverwood Estates Community Development District | Tison's Landing Community Development District |
| Rolling Hills Community Development District | TPOST Community Development District |
| Rolling Oaks Community Development District | |

GOVERNMENTAL AUDIT EXPERIENCE (CONTINUED)

Triple Creek Community
Development District

Vizcaya in Kendall
Development District

TSR Community Development
District

Waterset North Community
Development District

Turnbull Creek Community
Development District

Westside Community Development
District

Twin Creeks North Community
Development District

WildBlue Community Development
District

Urban Orlando Community
Development District

Willow Creek Community
Development District

Verano #2 Community
Development District

Willow Hammock Community
Development District

Viera East Community
Development District

Winston Trails Community
Development District

VillaMar Community
Development District

Zephyr Ridge Community
Development District

GOVERNMENTAL AUDIT EXPERIENCE (CONTINUED)

Other Governmental Organizations

| | |
|---|--|
| City of Westlake | Office of the Medical Examiner, District 19 |
| Florida Inland Navigation District | Rupert J. Smith Law Library of St. Lucie County |
| Fort Pierce Farms Water Control District | St. Lucie Education Foundation |
| Indian River Regional Crime Laboratory, District 19, Florida | Seminole Improvement District |
| Viera Stewardship District | Troup Indiantown Water Control District |

Current or Recent Single Audits.

| | |
|--|--|
| St. Lucie County, Florida Early Learning Coalition, Inc. Treasure Coast Food Bank, Inc | Gateway Services Community Development District |
|--|--|

Members of our audit team have acquired extensive experience from performing or participating in over 2,100 audits of governments, independent special taxing districts, school boards, and other agencies that receive public money and utilize fund accounting.

Much of our firm's auditing experience is with compliance auditing, which is required for publicly financed agencies. In this type of audit, we do a financial examination and also confirm compliance with various statutory and regulatory guidelines.

Following is a summary of our other experience, including Auditor General experience, as it pertains to other governmental and fund accounting audits.

Counties

(Includes elected constitutional officers, utilities and dependent taxing districts)

Indian River
Martin
Okeechobee
Palm Beach

Municipalities

City of Port St. Lucie
City of Vero Beach
Town of Orchid

GOVERNMENTAL AUDIT EXPERIENCE (CONTINUED)

Special Districts

Bannon Lakes Community Development District
Boggy Creek Community Development District
Capron Trail Community Development District
Celebration Pointe Community Development District
Coquina Water Control District
Diamond Hill Community Development District
Dovera Community Development District
Durbin Crossing Community Development District
Golden Lakes Community Development District
Lakewood Ranch Community Development District
Martin Soil and Water Conservation District
Meadow Pointe III Community Development District
Myrtle Creek Community Development District
St. Lucie County – Fort Pierce Fire District
The Crossings at Fleming Island
St. Lucie West Services District
Indian River County Mosquito Control District
St. John's Water Control District
Westchase and Westchase East Community Development Districts
Pier Park Community Development District
Verandahs Community Development District
Magnolia Park Community Development District

Schools and Colleges

Federal Student Aid Programs – Indian River Community College
Indian River Community College
Okeechobee County District School Board
St. Lucie County District School Board

State and County Agencies

Central Florida Foreign-Trade Zone, Inc. (a nonprofit organization affiliated with the St. Lucie County Board of County Commissioners)
Florida School for Boys at Okeechobee
Indian River Community College Crime Laboratory
Indian River Correctional Institution

FEE SCHEDULE

We propose the fee for our audit services described below to be \$5,350 for the years ended September 30, 2022, 2023, and 2024, and \$5,675 for the years ending September 30, 2025 and 2026. These fees are contingent upon the financial records and accounting systems of Heritage Harbour Market Place Community Development District being "audit ready". If we discover that additional preparation work or subsidiary schedules are needed, we will consult with your authorized representative. We can assist with this additional work at our standard rates should you desire.

SCOPE OF WORK TO BE PERFORMED

If selected as the District's auditors, we will perform a financial and compliance audit in accordance with Section 11.45, Florida Statutes, in order to express an opinion on an annual basis on the financial statements of Heritage Harbour Market Place Community Development District as of September 30, 2022, with four subsequent annual renewals. The audits will be performed to the extent necessary to express an opinion on the fairness in all material respects with which the financial statements present the financial position, results of operations and changes in financial position in conformity with generally accepted accounting principles and to determine whether, for selected transactions, operations are properly conducted in accordance with legal and regulatory requirements. Reportable conditions that are also material weaknesses shall be identified as such in the Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters. Other (non-reportable) conditions discovered during the course of the audit will be reported in a separate letter to management, which will be referred to in the Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters.

Our audit will be performed in accordance with standards for financial and compliance audits contained in *Government Auditing Standards*, as well as in compliance with rules and regulations of audits of special districts as set forth by the State Auditor General in Chapter 10.550, Local Governmental Entity Audits, and other relevant federal, state and county orders, statutes, ordinances, charter, resolutions, bond covenants, Administrative Code and procedures, or rules and regulations which may pertain to the work required in the engagement.

The primary purpose of our audit will be to express an opinion on the financial statements discussed above. It should be noted that such audits are subject to the inherent risk that errors or irregularities may not be detected. However, if conditions are discovered which lead to the belief that material errors, defalcations or other irregularities may exist or if other circumstances are encountered that require extended services, we will promptly notify the appropriate individual.

SPECIFIC AUDIT APPROACH

We utilize proprietary audit program software developed by a nationally recognized CPA firm. Our audit approach is a risk based audit approach where we determine significant accounts and assess risk and then we concentrate our audit on the areas identified.

We would utilize the prior audit report to preliminarily identify the significant accounts.

We would also utilize the internal control, engagement planning questionnaires developed for our audit program to design our audit programs. Our audit programs have the following general segmentation:

| | |
|--|---|
| <ul style="list-style-type: none"> • Financial Reports • 8 hours • Audit Director/In charge Staff accountant | In this section, we prepare our working trial balances for each fund and assimilate the financial statements and various reports required. |
| <ul style="list-style-type: none"> • Engagement Planning • 8 hours • Audit Director/In charge Staff accountant | This is the section where we identify significant accounts, assess risk, analyze and obtain an understanding of your internal control and develop audit programs. |
| <ul style="list-style-type: none"> • Engagement Administration • 2 hours • In charge accountant/ Staff accountants | In this section, we develop and track our audit plan hours and document our review of your minutes. |
| <ul style="list-style-type: none"> • Audit Field Work • 24 hours • In charge accountant/ Staff accountant | In this section, we develop and audit specific areas such as assets, liabilities, revenues, expenses/expenditures and your budget. |
| <ul style="list-style-type: none"> • Closing the audit • 6 hours • Audit Director/Principal • In charge accountant | In this area, all workpapers are reviewed, the financial statements are prepared/reviewed and we perform a disclosure checklist. |

We utilize certain audit programs to determine our sample sizes which are randomly generated and the size is determined based on the parameters entered for the area tested. Most of our testing is non-statistical sampling.

We utilize various software programs during the audit process, including data extraction software.

We utilize various analytical procedures during the entire audit process to reduce testing, maintain audit efficiencies and analyze audit testing results.

We utilize internal control questionnaires to understand and document the District's internal controls. Generally, these questionnaires deal with cycles such as revenues, capital assets and expenses/expenditures.

SPECIFIC AUDIT APPROACH – (Continued)

We have a working knowledge of the various Florida Statutes that impact the financial statements from our extensive experience in the audits of Community Development Districts and our compliance tests of applicable statutes is integrated into our audit processes and programs.

Anticipated Potential Audit Problems

There are no significant potential audit problems we see for the fiscal year ended September 30, 2020. There have been no new GASB pronouncements that impact the District nor have there been any significant changes in compliance areas.

Commitment to Quality Service

Personnel Qualifications and Experience

J. W. Gaines, CPA, CITP

Director – 41 years

Education

- ◆ Stetson University, B.B.A. – Accounting

Registrations

- ◆ Certified Public Accountant – State of Florida, State Board of Accountancy
- ◆ Certified Information Technology Professional (CITP) – American Institute of Certified Public Accountants

Professional Affiliations/Community Service

- ◆ Member of the American and Florida Institutes of Certified Public Accountants
- ◆ Affiliate member Government Finance Officers Association
- ◆ Past President, Vice President-Campaign Chairman, Vice President and Board Member of United Way of St. Lucie County, 1989 - 1994
- ◆ Past President, President Elect, Secretary and Treasurer of the Treasure Coast Chapter of the Florida Institute of Certified Public Accountants, 1988 - 1991
- ◆ Past President of Ft. Pierce Kiwanis Club, 1994 - 95, Member/Board Member since 1982
- ◆ Past President, Vice President and Treasurer of St. Lucie County Chapter of the American Cancer Society, 1980 -1986
- ◆ Member of the St. Lucie County Chamber of Commerce, Member Board of Directors, Treasurer, September 2002 - 2006, Chairman Elect 2007, Chairman 2008, Past Chairman 2009
- ◆ Member Lawnwood Regional Medical Center Board of Trustees, 2000 – Present, Chairman 2013 - Present
- ◆ Member of St. Lucie County Citizens Budget Committee, 2001 – 2002
- ◆ Member of Ft. Pierce Citizens Budget Advisory Committee, 2010 – 2011
- ◆ Member of Ft. Pierce Civil Service Appeals Board, 2013 - Present

Professional Experience

- ◆ Miles Grant Development/Country Club – Stuart, Florida, July 1975 – October 1976
- ◆ State Auditor General's Office – Public Accounts Auditor – November 1976 through September 1979
- ◆ Director - Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants PL, responsible for numerous government and nonprofit audits.
- ◆ Over 40 years experience in all phases of public accounting and auditing experience, with a concentration in financial and compliance audits. Mr. Gaines has been involved in all phases of the audits listed on the preceding pages.

Commitment to Quality Service

Personnel Qualifications and Experience

J. W. Gaines, CPA, CITP (Continued)

Director

Continuing Professional Education

- ◆ Has participated in numerous continuing professional education courses provided by nationally recognized sponsors over the last two years to keep abreast of the latest developments in accounting and auditing such as:
 - Governmental Accounting Report and Audit Update
 - Analytical Procedures, FICPA
 - Annual Update for Accountants and Auditors
 - Single Audit Sampling and Other Considerations

Commitment to Quality Service

Personnel Qualifications and Experience

David S. McGuire, CPA, CITP

Accounting and Audit Principal – 18 years

Accounting and Audit Manager – 4 years

Staff Accountant – 11 years

Education

- ◆ University of Central Florida, B.A. – Accounting
- ◆ Barry University – Master of Professional Accountancy

Registrations

- ◆ Certified Public Accountant – State of Florida, State Board of Accountancy
- ◆ Certified Information Technology Professional (CITP) – American Institute of Certified Public Accountants
- ◆ Certified Not-For-Profit Core Concepts 2018

Professional Affiliations/Community Service

- ◆ Member of the American and Florida Institutes of Certified Public Accountants
- ◆ Associate Member, Florida Government Finance Office Associates
- ◆ Assistant Coach – St. Lucie County Youth Football Organization (1994 – 2005)
- ◆ Assistant Coach – Greater Port St. Lucie Football League, Inc. (2006 – 2010)
- ◆ Board Member – Greater Port St. Lucie Football League, Inc. (2011 – 2017)
- ◆ Treasurer, AIDS Research and Treatment Center of the Treasure Coast, Inc. (2000 – 2003)
- ◆ Board Member/Treasurer, North Treasure Coast Chapter, American Red Cross (2004 – 2010)
- ◆ Member/Board Member of Port St. Lucie Kiwanis (1994 – 2001)
- ◆ President (2014/15) of Sunrise Kiwanis of Fort Pierce (2004 – 2017)
- ◆ St. Lucie District School Board Superintendent Search Committee (2013 – present)
- ◆ Board Member – Phrozen Pharoes (2019-2021)

Professional Experience

- ◆ Twenty-eight years public accounting experience with an emphasis on nonprofit and governmental organizations.
- ◆ Audit Manager in-charge on a variety of audit and review engagements within several industries, including the following government and nonprofit organizations:
 - St. Lucie County, Florida
 - 19th Circuit Office of Medical Examiner
 - Troup Indiantown Water Control District
 - Exchange Club Center for the Prevention of Child Abuse, Inc.
 - Healthy Kids of St. Lucie County
 - Mustard Seed Ministries of Ft. Pierce, Inc.
 - Reaching Our Community Kids, Inc.
 - Reaching Our Community Kids - South
 - St. Lucie County Education Foundation, Inc.
 - Treasure Coast Food Bank, Inc.
 - North Springs Improvement District
- ◆ Four years of service in the United States Air Force in computer operations, with a top secret (SCI/SBI) security clearance.

Commitment to Quality Service

Personnel Qualifications and Experience

David S. McGuire, CPA, CITP (Continued)

Accounting and Audit Principal

Continuing Professional Education

- ◆ Mr. McGuire has attended numerous continuing professional education courses and seminars taught by nationally recognized sponsors in the accounting auditing and single audit compliance areas. He has attended courses over the last two years in those areas as follows:

Not-for-Profit Auditing Financial Results and Compliance Requirements

Update: Government Accounting Reporting and Auditing

Annual Update for Accountants and Auditors

Commitment to Quality Service

Personnel Qualifications and Experience

David F. Haughton, CPA

Accounting and Audit Manager – 30 years

Education

- ◆ Stetson University, B.B.A. – Accounting

Registrations

- ◆ Certified Public Accountant – State of Florida, State Board of Accountancy

Professional Affiliations/Community Service

- ◆ Member of the American and Florida Institutes of Certified Public Accountants
- ◆ Former Member of Florida Institute of Certified Public Accountants Committee on State and Local Government
- ◆ Affiliate Member Government Finance Officers Association (GFOA) for over 10 years
- ◆ Affiliate Member Florida Government Finance Officers Association (FGFOA) for over 10 years
- ◆ Technical Review – 1997 FICPA Course on State and Local Governments in Florida
- ◆ Board of Directors – Kiwanis of Ft. Pierce, Treasurer – 1994-1999; Vice President – 1999-2001

Professional Experience

- ◆ Twenty-seven years public accounting experience with an emphasis on governmental and nonprofit organizations.
- ◆ State Auditor General's Office – West Palm Beach, Staff Auditor, June 1985 to September 1985
- ◆ Accounting and Audit Manager of Berger, Toombs, Elam, Gaines & Frank, Certified Public Accountants PL, responsible for audit and accounting services including governmental and not-for-profit audits.
- ◆ Over 20 years of public accounting and governmental experience, specializing in governmental and nonprofit organizations with concentration in special districts, including Community Development Districts which provide services including water and sewer utilities. Governmental and non-profit entities served include the following:

Counties:

St. Lucie County

Municipalities:

City of Fort Pierce

City of Stuart

Commitment to Quality Service

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| Personnel Qualifications and Experience |
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David F. Haughton, CPA (Continued)
Accounting and Audit Manager

Professional Experience (Continued)

Special Districts:

- Bluewaters Community Development District
- Country Club of Mount Dora Community Development District
- Fiddler’s Creek Community Development District #1 and #2
- Indigo Community Development District
- North Springs Improvement District
- Renaissance Commons Community Development District
- St. Lucie West Services District
- Stoneybrook Community Development District
- Summerville Community Development District
- Terracina Community Development District
- Thousand Oaks Community Development District
- Tree Island Estates Community Development District
- Valencia Acres Community Development District

Non-Profits:

- The Dunbar Center, Inc.
- Hibiscus Children’s Foundation, Inc.
- Hope Rural School, Inc.
- Maritime and Yachting Museum of Florida, Inc.
- Tykes and Teens, Inc.
- United Way of Martin County, Inc.
- Workforce Development Board of the Treasure Coast, Inc.

- ◆ While with the Auditor General’s Office he was on the staff for the state audits of the Martin County School District and Okeechobee County School District.
- ◆ During 1997 he performed a technical review of the Florida Institute of Certified Public Accountants state CPE course on Audits of State and Local Governments in Florida. His comments were well received by the author and were utilized in future updates to the course.

Continuing Professional Education

- ◆ During the past several years, he has participated in numerous professional development training programs sponsored by the AICPA and FICPA, including state conferences on special districts and governmental auditing in Florida. He averages in excess of 100 hours bi-annually of advanced training which exceeds the 80 hours required in accordance with the continuing professional education requirements of the Florida State Board of accountancy and the AICPA Private Companies Practice Section. He has over 75 hours of governmental CPE credit within the past two years.

Commitment to Quality Service

Personnel Qualifications and Experience

Matthew Gonano, CPA

Senior Staff Accountant – 10 years

Education

- ◆ University of North Florida, B.B.A. – Accounting
- ◆ University of Alicante, Spain – International Business
- ◆ Florida Atlantic University – Masters of Accounting

Professional Affiliations/Community Service

- ◆ American Institute of Certified Public Accountants
- ◆ Florida Institute of Certified Public Accountants

Professional Experience

- ◆ Senior Accountant with Berger, Toombs, Elam, Gaines, & Frank providing professional services to nonprofit and governmental entities.
- ◆ Performed audits of nonprofit and governmental organizations in accordance with Governmental Accounting Auditing Standards (GAAS)
- ◆ Performed Single Audits of nonprofit organizations in accordance with OMB Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations.

Continuing Professional Education

- ◆ Mr. Gonano has participated in numerous continuing professional education courses.

Commitment to Quality Service

Personnel Qualifications and Experience

Paul Daly

Staff Accountant – 9 years

Education

- ◆ Florida Atlantic University, B.S. – Accounting

Professional Experience

- ◆ Staff Accountant with Berger, Toombs, Elam, Gaines, & Frank providing professional services to nonprofit and governmental entities.

Continuing Professional Education

- ◆ Working to attain the requirements to take the Certified Public Accounting (CPA) exam.

Commitment to Quality Service

Personnel Qualifications and Experience

Melissa Marlin, CPA

Senior Staff Accountant – 8 years

Education

- ◆ Indian River State College, A.A. – Accounting
- ◆ Florida Atlantic University, B.B.A. – Accounting

Professional Experience

- ◆ Staff accountant with Berger, Toombs, Elam, Gaines, & Frank providing professional services to nonprofit and governmental entities.

Continuing Professional Education

- ◆ Mrs. Marlin participates in numerous continuing professional education courses provided by nationally recognized sponsors to keep abreast of the latest developments.

Commitment to Quality Service

Personnel Qualifications and Experience

Bryan Snyder

Staff Accountant – 5 years

Education

- ◆ Florida Atlantic University, B.B.A. – Accounting

Professional Experience

- ◆ Accountant beginning his professional auditing career with Berger, Toombs, Elam, Gaines, & Frank.
- ◆ Mr. Snyder is gaining experience auditing governmental & nonprofit entities.

Continuing Professional Education

- ◆ Mr. Snyder participates in numerous continuing education courses and plans on working to acquire his CPA certificate.
- ◆ Mr. Snyder is currently studying to pass the CPA exam.

Commitment to Quality Service

Personnel Qualifications and Experience

Maritza Stonebraker, CPA

Staff Accountant – 4 years

Education

- ◆ Indian River State College, B.S.A. – Accounting

Professional Experience

- ◆ Staff Accountant beginning her professional auditing career with Berger, Toombs, Elam, Gaines, & Frank.

Continuing Professional Education

- ◆ Mrs. Stonebraker participates in numerous continuing professional education courses provided by nationally recognized sponsors to keep abreast of the latest developments.

Commitment to Quality Service

Personnel Qualifications and Experience

Jonathan Herman, CPA

Senior Staff Accountant – 7 years

Education

- ◆ University of Central Florida, B.S. – Accounting
- ◆ Florida Atlantic University, MACC

Professional Experience

- ◆ Accounting graduate with five years experience with Berger, Toombs, Elam, Gaines, & Frank providing professional services to nonprofit and governmental entities.

Continuing Professional Education

- ◆ Mr. Herman participates in numerous continuing professional education courses provided by nationally recognized sponsors to keep abreast of the latest developments.

Commitment to Quality Service

Personnel Qualifications and Experience

Sean Stanton, CPA

Staff Accountant – 4 years

Education

- ◆ University of South Florida, B.S. – Accounting
- ◆ Florida Atlantic University, M.B.A. – Accounting

Professional Experience

- ◆ Staff accountant with Berger, Toombs, Elam, Gaines, & Frank auditing governmental and non-profit entities.

Continuing Professional Education

- ◆ Mr. Stanton participates in numerous continuing professional education courses provided by nationally recognized sponsors to keep abreast of the latest developments.

Commitment to Quality Service

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| Personnel Qualifications and Experience |
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Taylor Nuccio

Staff Accountant – 3 years

Education

- ◆ Indian River State College, B.S.A. – Accounting

Professional Experience

- ◆ Staff Accountant with Berger, Toombs, Elam, Gaines, & Frank providing professional services to nonprofit and governmental entities.

Continuing Professional Education

- ◆ Ms. Nuccio participates in numerous continuing professional education courses provided by nationally recognized sponsors to keep abreast of the latest developments.
- ◆ Ms. Nuccio is currently working towards completing an additional 30 hours of education to qualify to sit for CPA exam.

Commitment to Quality Service

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| Personnel Qualifications and Experience |
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Tifanee Terrell
Staff Accountant

Education

- ◆ Florida Atlantic University, M.B.A. – Accounting

Professional Experience

- ◆ Staff Accountant with Berger, Toombs, Elam, Gaines, & Frank providing professional services to nonprofit and governmental entities.

Continuing Professional Education

- ◆ Ms. Terrell participates in numerous continuing professional education courses provided by nationally recognized sponsors to keep abreast of the latest developments.
- ◆ Ms. Terrell is currently working towards completing an additional 30 hours of education to qualify to sit for CPA exam.

Commitment to Quality Service

Personnel Qualifications and Experience

Mathew Spinosa

Staff Accountant

Education

- ◆ Indian River State College, B.S.A. – Accounting

Professional Experience

- ◆ Staff Accountant with Berger, Toombs, Elam, Gaines, & Frank providing professional services to nonprofit and governmental entities.

Continuing Professional Education

- ◆ Mr. Spinosa participates in numerous continuing professional education courses provided by nationally recognized sponsors to keep abreast of the latest developments.
- ◆ Mr. Spinosa is currently working towards completing an additional 30 hours of education to qualify to sit for CPA exam.

Commitment to Quality Service

Personnel Qualifications and Experience

Dylan Dixon

Staff Accountant

Education

- ◆ Indian River State College, A.A. – Accounting

Professional Experience

- ◆ Staff Accountant with Berger, Toombs, Elam, Gaines, & Frank providing professional services to nonprofit and governmental entities.

Continuing Professional Education

- ◆ Mr. Dixon is currently pursuing a bachelor's degree in Accounting.
- ◆ Mr. Dixon participates in numerous continuing professional education courses provided by nationally recognized sponsors to keep abreast of the latest developments.
- ◆ Mr. Dixon is currently working towards completing an additional 30 hours of education to qualify to sit for CPA exam.



Judson B. Baggett 6815 Dairy Road
MBA, CPA, CVA, Partner Zephyrhills, FL 33542
Marci Reutimann (813) 788-2155
CPA, Partner (813) 782-8606

Report on the Firm's System of Quality Control

To the Partners
Berger, Toombs, Elam, Gaines & Frank, CPAs, PL
and the Peer Review Committee of the Florida Institute of Certified Public Accountants

October 30, 2019

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, 2019. 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 (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

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. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

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.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

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, 2019, 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
BAGGETT, REUTIMANN & ASSOCIATES, CPAs, PA
Signed: E. Reutimann by: J. Baggett, Reutimann & Associates, CPAs, PA, CA 18161 email: jrb@baggett.com

**HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT
(Hereinafter called “District”)
REQUEST FOR PROPOSALS**

I. PROPOSAL REQUIREMENTS

A. Legal Notice

The HERITAGE HARBOUR MARKET PLACE Community Development District is requesting proposals from qualified firms of certified public accountants, licensed to practice in the State of Florida, to audit its financial statements for the fiscal year ending **September 30, 2022** and in the sole and absolute discretion of the District for each fiscal year thereafter through **September 30, 2026**.

There is no expressed or implied obligation for the District to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

Sealed technical and dollar cost proposals will be received by the District Manager’s office until **5:00 p.m., on Friday, February 18, 2022, located at 2301 Northeast 37th Street, Fort Lauderdale, Florida 33308**. Proposals received after this time will be returned unopened.

The Proposer shall submit a sealed and clearly marked envelope that includes both a pdf file along with seven (7) printed Technical and Dollar Cost Proposals to be marked as follows: **“HERITAGE HARBOUR MARKET PLACE Community Development District, Professional Auditing Services Proposal.”**

The Technical and Dollar Cost Proposal will be opened in the Office of the District Manager at **5:00 p.m., on Friday, February 18, 2022**.

Proposals submitted will be evaluated by a five (5) member Auditor Selection Committee, (“Selection Committee”). The Audit Selection Committee consists of the five (5) members’ of the Board of Supervisor’s, who will review submissions.

The District reserves the right to retain all proposals submitted and to use, without compensation, any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the District of and the firm selected.

The District reserves the right to reject any or all proposals submitted or to retain all proposals submitted and to use without compensation any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of all of the conditions contained this Request for Proposal.

B. General Information

During the evaluation process, the Selection Committee and the District reserve the right, where it may serve the District best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. At the discretion of the District or the Selection Committee, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

It is anticipated the selection of a firm will be completed no later than April 2022. Following the notification of the selected firm, it is expected a contract will be executed by the end of September 2022.

C. Subcontracting

No subcontracting will be permitted. Any firm who submits a proposal, which contains any subcontracting work, shall be considered non-responsive and the District will not give any further consideration to the proposal.

D. Insurance Requirements

Worker's Compensation – Statutory Limits of Florida Statutes.

Commercial General Liability – Occurrence Form patterned after the current I.S.O. form with no limiting endorsements. Bodily Injury & Property Damage at \$1,000,000 single limit per occurrence.

Automobile Liability - \$500,000 each Occurrence Owned/Non-owned/Hired Automobile Included.

The District, its agents and employee's must be named as "ADDITIONAL INSURED" on the insurance Certificate for Commercial General Liability.

Errors and Omissions - \$5,000,000 single limit per occurrence.

Proposer warrants that it is willing and able to obtain insurance coverage, throughout the entire term of the contract and any renewals thereof.

II. NATURE OF SERVICES REQUIRED

A. Scope of Work to be Performed

The District desires the auditor to express an opinion on the fair presentation of its general-purpose financial statements in conformity with generally accepted accounting principles.

The District also desires the auditor to express an opinion on the fair presentation of its combining and individual fund financial statements and schedules in conformity with generally accepted accounting principles. The auditor shall also be responsible for performing certain limited procedures involving required supplementary information required by the Governmental Accounting Standards Board as mandated by generally accepted auditing standards.

B. Auditing Standards to be followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with the following standards:

- 1) Generally accepting auditing standards as set forth by the American Institute of Certified Public Accountants.
- 2) The standards for financial audits set forth in the most current applicable U.S. General Accounting Office's (GAO) Government Auditing Standards.
- 3) The most current applicable provisions of the Federal Single Audit Act of 1984 (as amended).
- 4) The most current applicable provisions of U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, Audits of State and Local Governments.
- 5) The most current applicable Codification of Governmental Accounting and Financial Reporting Standards as promulgated by the Governmental Accounting Standards Board The most current applicable Statements on Auditing Standards issued by the American Institute of Certified Public Accountants.
- 6) The most current applicable Government Auditing Standards published by the Comptroller General of the United States.
- 7) The most current applicable Audit and Accounting Guide-Audits of State and Local Governmental Units, published by the American Institute of Certified Public Accountants.
- 8) The most current applicable Statements and interpretations issued by the Financial Accounting Standards Board.
- 9) Applicable Florida Statutes.
- 10) Regulations of the State of Florida Department of Financial Services
- 11) Rules of the Auditor General, State of Florida, Chapter 10-550 (Local Government Audits)
- 12) Any other applicable federal, state, local regulations or professional guidance not specifically listed above as well as any additional requirements which may be adopted by these organizations in the future.

C. Reports to be Issued Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue:

1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
2. A report on compliance and 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.

3. A Management Letter Report.

In the required report(s) on compliance and internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions that are also material weaknesses shall be identified as such in the report. No reportable conditions discovered by the auditors shall be reported to management.

The report on compliance and internal controls shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall be reported in a separate management letter, which shall be referred to in the report on compliance and internal controls.

Irregularities and illegal acts. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware of, to the Board of Supervisor's, the District Manager and a copy to the District Attorney.

D. Special Considerations

1. The District currently, may prepare one or more official statements in connection with the sale of debt securities, which will contain the general-purpose financial statements and the auditor's report thereon. The auditor shall be required, if requested by the financial advisor and/or the underwriter, to issue a "consent and citation of expertise" as the auditor and any necessary "comfort letters."
2. The District retains the right to use any audited financial statements in any Official Statement issued by the District without the express consent of the Auditor.

E. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years, unless the firm is notified in writing by the District of the need to extend the retention period.

THE AUDITOR SHALL PROVIDE A COMPLETE ELECTRONIC COPY OF THE WORKING PAPERS TO THE DISTRICT MANAGER AT THE COMPLETION OF THE AUDIT, PRIOR TO THE FINAL PAYMENT OF THE AUDITING FEES, BY THE DISTRICT.

The electronic copy shall be in Microsoft Word or Excel.

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

III. DESCRIPTION OF THE GOVERNMENT

A. Name and Telephone Number of Contact Persons/Location of Offices

The auditor's principal contact with the District will be James P. Ward, District Manager or a designated representative, who will coordinate the assistance to be provided by the District to the auditor.

B. A copy of the District's Budget for the audit period and the Audited Financial Statements for the prior Fiscal Year is available by contacting the District Manager.

C. Budgetary Basis of Accounting

The District prepares its budgets on a basis consistent with generally accepted accounting principles.

D. Pension Plans - NONE.

E. Blended Component Units - NONE

The District is defined, for financial reporting purposes, in conformity with the Governmental Accounting Standards Board's Codification of Governmental Accounting and Financial Reporting Standards, Section 2100. Using these criteria, there are no blended component units included in the District financial statements.

F. Joint Ventures - NONE

IV. TIME REQUIREMENTS

A. Date Audit May Commence

The District will have all records ready for audit for by October 15th of each Fiscal Year.

B. Schedule for each Fiscal Year Audit

Each of the following should be completed by the auditor, no later than the dates indicated.

1. Fieldwork The auditor shall complete all fieldwork by November 30th of each year.

2. Draft Reports The auditor shall have drafts of the audit report[s] and recommendations to management available for review by December of each year.

C. Date Final Report is Due - 1 business day from Management Approval

The Auditor shall prepare draft financial statements, notes and all required supplementary information.

The final report should be delivered to the **District Manager at 2301 Northeast 37th Street, Fort Lauderdale, Florida 33308.**

V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

A. The District staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation and explanations. The preparation of confirmations will be the responsibility of District and provided to the auditor to transmit. In addition any required hours of clerical support will be made available to the auditor for the preparation of routine letters and memoranda.

B. Information Solutions (IS) Assistance

The District Manager also be available to provide systems documentation and explanations. The auditor will be provided computer time and limited read only access to the use of the District computer hardware and software.

C. Statements and Schedules to be Prepared by the District.

Statement or Schedule

Bank Confirmations
Construction in Progress
GFA Roll Forward
Contract/Retainage Payable
Accounts Payable
Accounts Receivable
Investments/Accrued Interest Receivable
Operating Transfers
Equity Accounts Detail
Bond Reserve Requirements
Amortization/Depreciation Schedules
Interest Expense
Debt Amortization Schedules

D. Auditor Work Location

All work must be handled at the office of the Auditor and the District will provide all files to the Auditor electronically and the Auditor will be provided limited read only access to the District's electronic system.

E. Report Preparation

Report preparation and editing shall be the responsibility of the auditor and the Auditor shall deliver 1 printed original of the Audited Financial Statements and one (1) electronic file in word and one (1) electronic file in pdf format.

IV. PROPOSAL REQUIREMENTS

A. Technical and Dollar Cost Proposal

1. General Requirements

The purpose of the Technical and Dollar Cost Proposal is to demonstrate the qualifications, competence and capability of the firms seeking to undertake an independent audit of the District in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The Technical and Dollar Cost Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposals requirements.

The Technical and Dollar Cost Proposal should address all the points outlined in the request for proposal. The Proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals.

While additional data may be presented, the following subjects, items Nos. 2 through 10, must be included. They represent the criteria against which the proposal will be evaluated.

2. Independence

The firm should provide an affirmative statement that is independent of the District as defined by generally accepted auditing standards/the most current applicable U.S. General Accounting Office's *Government Auditing Standards*.

The firm also should provide an affirmative statement that it is independent of all of the component units of the District as defined by those same standards.

The firm should also list and describe the firm's professional relationships involving the District for the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

In addition, the firm shall give the District written notice of any professional relationships entered into during the period of this agreement.

3. License to Practice in Florida

An affirmative statement should be included that the firm and all assigned key professional staff are properly registered/licensed to practice in the State of Florida.

4. Firm Qualifications and Experience

The proposer should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations, as well as, an explanation of all pending litigation against governmental entities, including all accounts of Federal indictments for any civil or criminal matters for which the firm has been charged. The firm shall also provide information as to any and all litigation or arbitration in Florida within the last three (3) years, in which the firm is or was a Defendant.

5. Partner, Supervisory and Staff Qualifications and Experience

Identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement. Indicate whether each such person is registered or licensed to practice as a certified public accountant in Florida. Provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

Provide as much information as possible regarding the number, qualifications, experience and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. Indicate how the quality of staff over the term of the agreement will be assured.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the District. However, in either case, the District retains the right to approve or reject replacements.

Consultants and firm specialists mentioned in response to this request for proposal can only be changed with the express prior written permission of the District, which retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

6. Prior Engagements with the District

List separately all engagements within the last five years, ranked on the basis of total staff hours, by type of engagement (i.e., audit, management advisory services, other). Indicate the scope of work, date, engagement partners, total hours, the location of the firm's office from which the engagement was performed, and the name and telephone number of the principal client contact.

7. Similar Engagements With Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements performed in the last five years that are similar to the engagement described in this request for proposal. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

8. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this request for proposal. In developing the work plan, reference should be made to such sources of information as District's budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.

Proposers will be required to provide the following information on their audit approach:

- a. Proposed segmentation of the engagement
- b. Level of staff and number of hours to be assigned to each proposed segment of the engagement
- c. Sample size and the extent to which statistical sampling is to be used in the engagement
- d. Extent of use of EDP software in the engagement
- e. Type and extent of analytical procedures to be used in the engagement
- f. Approach to be taken to gain and document an understanding of the District's internal control structure
- g. Approach to be taken in determining laws and regulations that will be subject to audit test work
- h. Approach to be taken in drawing audit samples for purposes of tests of compliance

9. Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the District.

10. Report Format

The proposal should include sample formats for required reports.

B. Dollar Cost Proposal

1. Total All-Inclusive Maximum Price

The dollar cost proposal should contain all pricing information relative to performing the audit engagement as described in this request for proposal. The total all-inclusive maximum price to be proposal is to contain all direct and indirect costs including all out-of-pocket expenses.

The District will not be responsible for expenses incurred in preparing and submitting the technical proposal or the sealed dollar cost proposal. Such costs should not be included in the proposal.

The first page of the dollar cost proposal should include the following information:

- a. Name of Firm
 - b. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the proposal, and authorized to sign a contract with the District .
 - c. A Total All-Inclusive Maximum Price for the Audited Financial Statements for each Fiscal Year.
2. Out-of-pocket Expenses must be included in the Total All-inclusive Maximum Price and Reimbursement Rates Out-of-pocket expenses for firm personnel (e.g., travel, lodging and subsistence) will be reimbursed at the rates in Florida Statutes.
 3. Manner of Payment Progress payments will be made in accordance with the Florida Prompt Payment Act.

VI. EVALUATION PROCEDURES

A. Review of Proposals

The SELECTION COMMITTEE will evaluate and rank the proposals. Each member of the SELECTION COMMITTEE will evaluate and rank each technical proposal by each of the criteria described in Section VII B below.

After the rankings for the firms have been established, the sealed dollar cost proposal will be opened and will be utilized for the ranking of the firms.

B. Evaluation Criteria

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals ranked for both technical qualifications. The following represent the principal selection criteria, which will be considered during the evaluation process.

1. Mandatory Elements

- a. The audit firm is independent and licensed to practice in Florida
- b. The firm has no conflict of interest with regard to any other work performed by the firm for the District
- c. The firm adheres to the instructions in this request for proposal on preparing and submitting the proposal
- d. The firm submits a copy of its last external quality control review report and the firm has a record of quality audit work

2. Technical Qualifications:

a. Expertise and Experience

- (1) The firm's past experience and performance on comparable government engagements.
- (2) The quality of the firm's professional personnel to be assigned to the engagement and the quality of the firm's management support personnel to be available for technical consultation.
- (3) The firm provides information on the results of any federal or state desk reviews or field reviews of its audits during the past three (3) years. In addition, the firm provides information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years, with state regulatory bodies or professional organizations, as well as, an explanation of all pending litigation against governmental entities, including all accounts of Federal indictments for any civil or criminal matters for which the firm has been charged.

The firm also provides information as to any and all litigation or arbitration in Florida within the last three (3) years, in which the firm is or was a Defendant.

b. Audit Approach

- (1) Adequacy of proposed staffing plan for various segments of the engagement
- (2) Adequacy of sampling techniques
- (3) Adequacy of analytical procedures

Proposals shall be ranked on the basis of their Technical Qualifications by each member of the SELECTION COMMITTEE who will assign each of the top five proposals a number of one (1) through five (5), with one (1) signifying the highest rated proposal and five (5) signifying the lowest rated proposal.

3. Price:

Proposals shall be ranked on the basis of their price by the SELECTION COMMITTEE who will assign each of the top five proposals a number of one (1) through five (5), with one (1) signifying the lowest price and five (5) signifying the highest price.

Upon reconciliation of the weighted scores defined above, the proposal with the lowest average ranking score will be ranked one (1), the proposal with the second lowest average ranking score will be ranked two (2), and so on until all proposals are scored and ranked. The proposal ranked one (1), in the ranking form provided in the attachment (Appendix C), will be recommended by the SELECTION COMMITTEE to the District for award of the contract.

C. Oral Presentations

During the evaluation process, the SELECTION COMMITTEE may, at its discretion, request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the SELECTION COMMITTEE may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

D. Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the District and the firm selected. The District reserves the right to reject any or all proposals.

APPENDIX A

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

AUDITED FINANCIAL STATEMENTS

Fee shall include all services, including but not limited to Out-of-Pocket expenses, meals and lodging, transportation, printing and binding, telephone, fax, copies.

Fiscal Year 2022 _____

Fiscal Year 2023 _____

Fiscal Year 2024 _____

Fiscal Year 2025 _____

Fiscal Year 2026 _____

TOTAL ALL YEARS _____

HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT



FINANCIAL STATEMENTS - JANUARY, 2022

FISCAL YEAR 2022

PREPARED BY:

JPWARD & ASSOCIATES, LLC, 2301 NORTHEAST 37TH STREET, FORT LAUDERDALE, FL 33308

T: 954-658-4900 E: JimWard@JPWardAssociates.com

Heritage Harbour Market Place Community Development District

Balance Sheet - All Funds and Account Groups

as of January 31, 2022

| | Governmental Funds | | | Account Groups | | Totals (Memorandum Only) |
|--|--------------------|----------------------|--------------------------|---------------------------|-------------------------|-----------------------------|
| | General Fund | Debt Service Fund | Capital Projects Fund | General Long Term Debt | General Fixed Assets | |
| Assets | | | | | | |
| Cash and Investments | | | | | | |
| General Fund - Invested Cash | \$ 161,899 | \$ - | \$ - | \$ - | \$ - | \$ 161,899 |
| Capital Projects Fund-Deferred Cost Account | - | - | - | - | - | - |
| Debt Service Fund | | | | | | |
| Revenue Account | - | 406,683 | - | - | - | 406,683 |
| Reserve Account | - | 200,000 | - | - | - | 200,000 |
| Interest Account | - | - | - | - | - | - |
| Sinking Fund | - | 0 | - | - | - | 0 |
| Due from Other Funds | | | | | | |
| General Fund | - | - | - | - | - | - |
| Debt Service - Series 2005 | - | 9,025 | - | - | - | 9,025 |
| Capital Projects Fund | - | - | - | - | - | - |
| Market Valuation Adjustments | - | - | - | - | - | - |
| Due from Other Governments | - | - | - | - | - | - |
| Accounts Receivable | - | - | - | - | - | - |
| Prepaid Expenses | - | - | - | - | - | - |
| Amount Available in Debt Service Funds | - | - | - | 615,708 | - | 615,708 |
| Amount to be Provided by Debt Service Funds | - | - | - | 10,694,292 | - | 10,694,292 |
| General Fixed Assets | - | - | - | - | 4,346,527 | 4,346,527 |
| Total Assets | \$ 161,899 | \$ 615,708 | \$ - | \$ 11,310,000 | \$ 4,346,527 | \$ 16,434,134 |

Heritage Harbour Market Place Community Development District

Balance Sheet - All Funds and Account Groups

as of January 31, 2022

| | Governmental Funds | | | Account Groups | | Totals (Memorandum Only) |
|---|--------------------|----------------------|--------------------------|---------------------------|-------------------------|-----------------------------|
| | General Fund | Debt Service Fund | Capital Projects Fund | General Long Term Debt | General Fixed Assets | |
| Liabilities | | | | | | |
| Accounts Payable & Payroll Liabilities | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Deferred Revenue | - | - | - | - | - | - |
| Due to Other Governments | - | - | - | - | - | - |
| Due to Other Funds | | | | | | |
| General Fund | - | - | - | - | - | - |
| Debt Service - Series 2005 | 9,025 | - | - | - | - | 9,025 |
| Matured Bonds Payable - Series 2005 | - | - | - | - | - | - |
| Matured Interest Payable - Series 2005 | - | - | - | - | - | - |
| Bonds Payable - Series 2005 | - | - | - | 11,310,000 | - | 11,310,000 |
| Total Liabilities | \$ 9,025 | \$ - | \$ - | \$ 11,310,000 | \$ - | \$ 11,319,025 |
| Fund Equity and Other Credits | | | | | | |
| Investment in General Fixed Assets | - | - | - | - | 4,346,527 | 4,346,527 |
| Fund Balance | | | | | | |
| Restricted | | | | | | |
| Beginning: October 1, 2020 | - | 328,602 | - | - | - | 328,602 |
| Results from Current Operations | - | 287,106 | - | - | - | 287,106 |
| Unassigned | | | | | | |
| Beginning: October 1, 2020 | 145,050 | - | - | - | - | 145,050 |
| Results from Current Operations | 7,824 | - | - | - | - | 7,824 |
| Total Fund Equity and Other Credits | 152,874 | 615,708 | - | - | 4,346,527 | 5,115,109 |
| Total Liabilities, Fund Equity and Other Credits | \$ 161,899 | \$ 615,708 | \$ - | \$ 11,310,000 | \$ 4,346,527 | \$ 16,434,134 |

Heritage Harbour Market Place Community Development District

General Fund

**Statement of Revenue, Expenditures and Changes in Fund Balance
for the Period Ending January 31, 2022**

| | October | November | December | January | Year to Date | Annual Budget | % of Budget |
|--|------------------|-----------------|------------------|---------------|------------------|------------------|-------------|
| Revenue and Other Sources | | | | | | | |
| Carryforward | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Miscellaneous Revenue | - | - | - | - | - | - | N/A |
| Interest | | | | | | | |
| Interest - General Checking | 1 | 1 | 2 | 1 | 6 | 10 | 64% |
| Special Assessment Revenue | | | | | | | |
| Special Assessments - Uniform Method | 124 | 2,377 | 23,207 | 734 | 26,442 | 27,518 | 96% |
| Special Assessments - Non-Uniform Mthd | 11,215 | - | - | - | 11,215 | 58,666 | 19% |
| Inter-Fund Group Transfers In | - | - | - | - | - | - | N/A |
| Total Revenue and Other Sources: | \$ 11,340 | \$ 2,379 | \$ 23,209 | \$ 735 | \$ 37,663 | \$ 86,194 | 44% |
| Expenditures and Other Uses | | | | | | | |
| Legislative | | | | | | | |
| Board of Supervisor's Fees | \$ 400 | \$ - | \$ - | \$ - | \$ 400 | \$ 1,600 | 25% |
| Board of Supervisor's - FICA | 31 | - | - | - | 31 | 122 | 25% |
| Executive | | | | | | | |
| Executive Salaries | 2,692 | 2,692 | 2,692 | - | 8,077 | 41,000 | 20% |
| Executive Salaries - FICA | 206 | 206 | 206 | - | 618 | 3,137 | 20% |
| Executive Salaries - Insurance | - | - | - | - | - | - | N/A |
| Financial and Administrative | | | | | | | |
| Audit Services | - | - | - | - | - | 5,900 | 0% |
| Accounting Services | - | 410 | 389 | - | 799 | 3,000 | 27% |
| Assessment Roll Preparation | - | - | - | - | - | - | N/A |
| Arbitrage Rebate Services | - | - | - | - | - | 500 | 0% |
| Other | - | - | - | - | - | - | N/A |
| Other Contractual Services | | | | | | | |
| Recording and Transcription | - | 48 | - | - | 48 | 200 | 24% |
| Legal Advertising | - | 489 | - | - | 489 | 2,400 | 20% |
| Trustee Services | - | 5,064 | - | - | 5,064 | 5,300 | 96% |
| Dissemination Agent Services | - | - | 5,000 | - | 5,000 | 5,000 | 100% |
| Property Appraiser Fees | - | - | - | - | - | - | N/A |
| Bank Services | 78 | 31 | 33 | 32 | 173 | 400 | 43% |
| Travel and Per Diem | - | - | - | - | - | - | N/A |
| Communications & Freight Services | | | | | | | |
| Telephone | - | - | - | - | - | - | N/A |
| Postage, Freight & Messenger | - | 7 | - | - | 7 | 200 | 4% |

Heritage Harbour Market Place Community Development District

General Fund

**Statement of Revenue, Expenditures and Changes in Fund Balance
for the Period Ending January 31, 2022**

| | October | November | December | January | Year to Date | Annual Budget | % of Budget |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------------|
| Rentals & Leases | | | | | | | |
| Miscellaneous Equipment Leasing | - | - | - | - | - | - | N/A |
| Computer Services and Website Development | 50 | 609 | 50 | - | 709 | 7,560 | 9% |
| Insurance | 6,436 | - | - | - | 6,436 | 6,600 | 98% |
| Printing & Binding | 61 | - | 194 | - | 255 | 100 | 255% |
| Office Supplies | - | - | - | - | - | - | N/A |
| Subscription & Memberships | 175 | - | - | - | 175 | 175 | 100% |
| Legal Services | | | | | | | |
| Legal - General Counsel | - | 1,324 | 235 | - | 1,558 | 3,000 | 52% |
| Legal - Litigation Counsel | - | - | - | - | - | - | N/A |
| Comprehensive Planning | | | | | | | |
| Professional Services-Planning | - | - | - | - | - | - | N/A |
| Other General Government Services | | | | | | | |
| Engineering Services - General Fund | - | - | - | - | - | - | N/A |
| Property Owner Refunds | - | - | - | - | - | - | N/A |
| Payroll Expenses | - | - | - | - | - | - | N/A |
| Capital Outlay | - | - | - | - | - | - | N/A |
| Total Expenditures and Other Uses: | \$ 10,129 | \$ 10,880 | \$ 8,798 | \$ 32 | \$ 29,839 | \$ 86,194 | 35% |
| Net Increase/ (Decrease) of Fund Balance | 1,211 | (8,501) | 14,411 | 703 | 7,824 | N/A | |
| Fund Balance - Beginning | 145,050 | 146,261 | 137,760 | 152,171 | 145,050 | 127,500 | |
| Fund Balance - Ending | <u>\$ 146,261</u> | <u>\$ 137,760</u> | <u>\$ 152,171</u> | <u>\$ 152,874</u> | <u>\$ 152,874</u> | <u>\$ 127,500</u> | |

Heritage Harbour Market Place Community Development District

Debt Service Fund - Series 2005 Bonds

**Statement of Revenue, Expenditures and Changes in Fund Balance
for the Period Ending January 31, 2022**

| | <u>October</u> | <u>November</u> | <u>December</u> | <u>January</u> | <u>Year to Date</u> | <u>Budget</u> | <u>% of Budget</u> |
|--|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|------------------------|
| Revenue and Other Sources | | | | | | | |
| Carryforward | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Interest Income | | | | | | | |
| Revenue Account | 0 | 2 | 0 | 1 | 3 | - | N/A |
| Reserve Account | 1 | 1 | 1 | 1 | 3 | 10 | 33% |
| Interest Account | - | - | - | - | - | - | N/A |
| Sinking Fund Account | - | - | - | - | - | - | N/A |
| Special Assessment Revenue | | | | | | | |
| Special Assessments - Uniform Method | 1,527 | 29,236 | 285,392 | 9,025 | 325,180 | 338,562 | 96% |
| Special Assessments - Non-Uniform Mthd | 278,600 | - | - | - | 278,600 | 789,788 | 35% |
| Inter-Fund Group Transfers In | - | - | - | - | - | - | N/A |
| Total Revenue and Other Sources: | \$ 280,128 | \$ 29,239 | \$ 285,393 | \$ 9,026 | \$ 603,786 | \$ 1,128,360 | 54% |
| Expenditures and Other Uses | | | | | | | |
| Debt Service | | | | | | | |
| Principal - Mandatory | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 495,000 | 0% |
| Principal - Early Redemptions | - | - | - | - | - | - | N/A |
| Interest Expense | - | 316,680 | - | - | 316,680 | 633,360 | 50% |
| Legal Services | | | | | | | |
| Legal - Foreclosure Counsel | - | - | - | - | - | - | N/A |
| Operating Transfers Out | - | - | - | - | - | - | N/A |
| Inter-Fund Group Transfers Out | - | - | - | - | - | - | N/A |
| Trustee Services | - | - | - | - | - | - | N/A |
| GF-Litigation (Parcel 19/20) | - | - | - | - | - | - | N/A |
| CPF-Deferred Cost Account | - | - | - | - | - | - | N/A |
| Total Expenditures and Other Uses: | \$ - | \$ 316,680 | \$ - | \$ - | \$ 316,680 | \$ 1,128,360 | 28% |
| Net Increase/ (Decrease) of Fund Balance | 280,128 | (287,441) | 285,393 | 9,026 | 287,106 | - | |
| Fund Balance - Beginning | 328,602 | 608,730 | 321,289 | 606,682 | 328,602 | 309,910 | |
| Fund Balance - Ending | <u>\$ 608,730</u> | <u>\$ 321,289</u> | <u>\$ 606,682</u> | <u>\$ 615,708</u> | <u>\$ 615,708</u> | <u>\$ 309,910</u> | |

Heritage Harbour Market Place Community Development District

Capital Projects Fund

**Statement of Revenue, Expenditures and Changes in Fund Balance
for the Period Ending January 31, 2022**

| | October | November | December | January | Budget | % of Budget |
|--|-------------|-------------|-------------|-------------|-------------|----------------|
| Revenue and Other Sources | | | | | | |
| Carryforward | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Interest Income | | | | | | |
| Deferred Cost Account | - | - | - | - | - | N/A |
| Operating Transfers In | - | - | - | - | - | N/A |
| Total Revenue and Other Sources: | \$ - | N/A |
| Expenditures and Other Uses | | | | | | |
| Flood Control - Stormwater Management | | | | | | |
| Engineering Services | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Legal Services | - | - | - | - | - | N/A |
| Operating Transfers Out | - | - | - | - | - | N/A |
| Total Expenditures and Other Uses: | \$ - | N/A |
| Net Increase/ (Decrease) of Fund Balance | - | - | - | - | - | |
| Fund Balance - Beginning | - | - | - | - | - | |
| Fund Balance - Ending | <u>\$ -</u> | |

HERITAGE HARBOUR MARKET PLACE COMMUNITY DEVELOPMENT DISTRICT



FINANCIAL STATEMENTS - FEBRUARY, 2022

FISCAL YEAR 2022

PREPARED BY:

JPWARD & ASSOCIATES, LLC, 2301 NORTHEAST 37TH STREET, FORT LAUDERDALE, FL 33308

T: 954-658-4900 E: JimWard@JPWardAssociates.com

Heritage Harbour Market Place Community Development District

Balance Sheet - All Funds and Account Groups

as of February 28, 2022

| | Governmental Funds | | | Account Groups | | Totals (Memorandum Only) |
|--|--------------------|----------------------|--------------------------|---------------------------|-------------------------|-----------------------------|
| | General Fund | Debt Service Fund | Capital Projects Fund | General Long Term Debt | General Fixed Assets | |
| Assets | | | | | | |
| Cash and Investments | | | | | | |
| General Fund - Invested Cash | \$ 177,891 | \$ - | \$ - | \$ - | \$ - | \$ 177,891 |
| Capital Projects Fund-Deferred Cost Account | - | - | - | - | - | - |
| Debt Service Fund | | | | | | |
| Revenue Account | - | 415,710 | - | - | - | 415,710 |
| Reserve Account | - | 200,000 | - | - | - | 200,000 |
| Interest Account | - | - | - | - | - | - |
| Sinking Fund | - | 0 | - | - | - | 0 |
| Due from Other Funds | | | | | | |
| General Fund | - | - | - | - | - | - |
| Debt Service - Series 2005 | - | 14,017 | - | - | - | 14,017 |
| Capital Projects Fund | - | - | - | - | - | - |
| Market Valuation Adjustments | - | - | - | - | - | - |
| Due from Other Governments | - | - | - | - | - | - |
| Accounts Receivable | - | - | - | - | - | - |
| Prepaid Expenses | - | - | - | - | - | - |
| Amount Available in Debt Service Funds | - | - | - | 629,727 | - | 629,727 |
| Amount to be Provided by Debt Service Funds | - | - | - | 10,680,273 | - | 10,680,273 |
| General Fixed Assets | - | - | - | - | 4,346,527 | 4,346,527 |
| Total Assets | \$ 177,891 | \$ 629,727 | \$ - | \$ 11,310,000 | \$ 4,346,527 | \$ 16,464,145 |

Heritage Harbour Market Place Community Development District

Balance Sheet - All Funds and Account Groups

as of February 28, 2022

| | Governmental Funds | | | Account Groups | | Totals (Memorandum Only) |
|---|--------------------|-------------------|-----------------------|------------------------|----------------------|-----------------------------|
| | General Fund | Debt Service Fund | Capital Projects Fund | General Long Term Debt | General Fixed Assets | |
| Liabilities | | | | | | |
| Accounts Payable & Payroll Liabilities | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Deferred Revenue | - | - | - | - | - | - |
| Due to Other Governments | - | - | - | - | - | - |
| Due to Other Funds | | | | | | |
| General Fund | - | - | - | - | - | - |
| Debt Service - Series 2005 | 14,017 | - | - | - | - | 14,017 |
| Matured Bonds Payable - Series 2005 | - | - | - | - | - | - |
| Matured Interest Payable - Series 2005 | - | - | - | - | - | - |
| Bonds Payable - Series 2005 | - | - | - | 11,310,000 | - | 11,310,000 |
| Total Liabilities | \$ 14,017 | \$ - | \$ - | \$ 11,310,000 | \$ - | \$ 11,324,017 |
| Fund Equity and Other Credits | | | | | | |
| Investment in General Fixed Assets | - | - | - | - | 4,346,527 | 4,346,527 |
| Fund Balance | | | | | | |
| Restricted | | | | | | |
| Beginning: October 1, 2020 | - | 328,602 | - | - | - | 328,602 |
| Results from Current Operations | - | 301,126 | - | - | - | 301,126 |
| Unassigned | | | | | | |
| Beginning: October 1, 2020 | 145,050 | - | - | - | - | 145,050 |
| Results from Current Operations | 18,824 | - | - | - | - | 18,824 |
| Total Fund Equity and Other Credits | 163,874 | 629,727 | - | - | 4,346,527 | 5,140,128 |
| Total Liabilities, Fund Equity and Other Credits | \$ 177,891 | \$ 629,727 | \$ - | \$ 11,310,000 | \$ 4,346,527 | \$ 16,464,145 |

Heritage Harbour Market Place Community Development District

General Fund

**Statement of Revenue, Expenditures and Changes in Fund Balance
for the Period Ending February 28, 2022**

| | October | November | December | January | February | Year to Date | Annual Budget | % of Budget |
|--|------------------|-----------------|------------------|---------------|------------------|------------------|------------------|-------------|
| Revenue and Other Sources | | | | | | | | |
| Carryforward | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Miscellaneous Revenue | - | - | - | - | - | - | - | N/A |
| Interest | | | | | | | | |
| Interest - General Checking | 1 | 1 | 2 | 1 | 1 | 8 | 10 | 78% |
| Special Assessment Revenue | | | | | | | | |
| Special Assessments - Uniform Method | 124 | 2,377 | 23,207 | 734 | 1,140 | 27,582 | 27,518 | 100% |
| Special Assessments - Non-Uniform Mthd | 11,215 | - | - | - | 15,817 | 27,032 | 58,666 | 46% |
| Inter-Fund Group Transfers In | | | | | | | | |
| | - | - | - | - | - | - | - | N/A |
| Total Revenue and Other Sources: | \$ 11,340 | \$ 2,379 | \$ 23,209 | \$ 735 | \$ 16,958 | \$ 54,621 | \$ 86,194 | 63% |
| Expenditures and Other Uses | | | | | | | | |
| Legislative | | | | | | | | |
| Board of Supervisor's Fees | \$ 400 | \$ - | \$ - | \$ - | \$ 400 | \$ 800 | \$ 1,600 | 50% |
| Board of Supervisor's - FICA | 31 | - | - | - | 31 | 61 | 122 | 50% |
| Executive | | | | | | | | |
| Executive Salaries | 2,692 | 2,692 | 2,692 | - | 2,692 | 10,769 | 41,000 | 26% |
| Executive Salaries - FICA | 206 | 206 | 206 | - | 206 | 824 | 3,137 | 26% |
| Executive Salaries - Insurance | - | - | - | - | - | - | - | N/A |
| Financial and Administrative | | | | | | | | |
| Audit Services | - | - | - | - | - | - | 5,900 | 0% |
| Accounting Services | - | 410 | 389 | - | 300 | 1,099 | 3,000 | 37% |
| Assessment Roll Preparation | - | - | - | - | - | - | - | N/A |
| Arbitrage Rebate Services | - | - | - | - | - | - | 500 | 0% |
| Other | - | - | - | - | - | - | - | N/A |
| Other Contractual Services | | | | | | | | |
| Recording and Transcription | - | 48 | - | - | - | 48 | 200 | 24% |
| Legal Advertising | - | 489 | - | - | - | 489 | 2,400 | 20% |
| Trustee Services | - | 5,064 | - | - | - | 5,064 | 5,300 | 96% |
| Dissemination Agent Services | - | - | 5,000 | - | - | 5,000 | 5,000 | 100% |
| Property Appraiser Fees | - | - | - | - | - | - | - | N/A |
| Bank Services | 78 | 31 | 33 | 32 | 31 | 204 | 400 | 51% |
| Travel and Per Diem | | | | | | | | |
| | - | - | - | - | - | - | - | N/A |
| Communications & Freight Services | | | | | | | | |
| Telephone | - | - | - | - | - | - | - | N/A |
| Postage, Freight & Messenger | - | 7 | - | - | 13 | 21 | 200 | 10% |

Heritage Harbour Market Place Community Development District

General Fund

**Statement of Revenue, Expenditures and Changes in Fund Balance
for the Period Ending February 28, 2022**

| | October | November | December | January | February | Year to Date | Annual Budget | % of Budget |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|----------------------|--------------------|
| Rentals & Leases | | | | | | | | |
| Miscellaneous Equipment Leasing | - | - | - | - | - | - | - | N/A |
| Computer Services and Website Development | 50 | 609 | 50 | - | 2,285 | 2,994 | 7,560 | 40% |
| Insurance | 6,436 | - | - | - | - | 6,436 | 6,600 | 98% |
| Printing & Binding | 61 | - | 194 | - | - | 255 | 100 | 255% |
| Office Supplies | - | - | - | - | - | - | - | N/A |
| Subscription & Memberships | 175 | - | - | - | - | 175 | 175 | 100% |
| Legal Services | | | | | | | | |
| Legal - General Counsel | - | 1,324 | 235 | - | - | 1,558 | 3,000 | 52% |
| Legal - Litigation Counsel | - | - | - | - | - | - | - | N/A |
| Comprehensive Planning | | | | | | | | |
| Professional Services-Planning | - | - | - | - | - | - | - | N/A |
| Other General Government Services | | | | | | | | |
| Engineering Services - General Fund | - | - | - | - | - | - | - | N/A |
| Property Owner Refunds | - | - | - | - | - | - | - | N/A |
| Payroll Expenses | - | - | - | - | - | - | - | N/A |
| Capital Outlay | - | - | - | - | - | - | - | N/A |
| Total Expenditures and Other Uses: | \$ 10,129 | \$ 10,880 | \$ 8,798 | \$ 32 | \$ 5,958 | \$ 35,797 | \$ 86,194 | 42% |
| Net Increase/ (Decrease) of Fund Balance | 1,211 | (8,501) | 14,411 | 703 | 11,000 | 18,824 | N/A | |
| Fund Balance - Beginning | 145,050 | 146,261 | 137,760 | 152,171 | 152,874 | 145,050 | 127,500 | |
| Fund Balance - Ending | <u>\$ 146,261</u> | <u>\$ 137,760</u> | <u>\$ 152,171</u> | <u>\$ 152,874</u> | <u>\$ 163,874</u> | <u>\$ 163,874</u> | <u>\$ 127,500</u> | |

Heritage Harbour Market Place Community Development District

Debt Service Fund - Series 2005 Bonds

**Statement of Revenue, Expenditures and Changes in Fund Balance
for the Period Ending February 28, 2022**

| | <u>October</u> | <u>November</u> | <u>December</u> | <u>January</u> | <u>February</u> | <u>Year to Date</u> | <u>Budget</u> | <u>% of Budget</u> |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|--------------------|
| Revenue and Other Sources | | | | | | | | |
| Carryforward | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Interest Income | | | | | | | | |
| Revenue Account | 0 | 2 | 0 | 1 | 2 | 5 | - | N/A |
| Reserve Account | 1 | 1 | 1 | 1 | 1 | 4 | 10 | 42% |
| Interest Account | - | - | - | - | - | - | - | N/A |
| Sinking Fund Account | - | - | - | - | - | - | - | N/A |
| Special Assessment Revenue | | | | | | | | |
| Special Assessments - Uniform Method | 1,527 | 29,236 | 285,392 | 9,025 | 14,017 | 339,197 | 338,562 | 100% |
| Special Assessments - Non-Uniform Mthd | 278,600 | - | - | - | - | 278,600 | 789,788 | 35% |
| Inter-Fund Group Transfers In | - | - | - | - | - | - | - | N/A |
| Total Revenue and Other Sources: | \$ 280,128 | \$ 29,239 | \$ 285,393 | \$ 9,026 | \$ 14,019 | \$ 617,806 | \$ 1,128,360 | 55% |
| Expenditures and Other Uses | | | | | | | | |
| Debt Service | | | | | | | | |
| Principal - Mandatory | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 495,000 | 0% |
| Principal - Early Redemptions | - | - | - | - | - | - | - | N/A |
| Interest Expense | - | 316,680 | - | - | - | 316,680 | 633,360 | 50% |
| Legal Services | | | | | | | | |
| Legal - Foreclosure Counsel | - | - | - | - | - | - | - | N/A |
| Operating Transfers Out | | | | | | | | |
| Operating Transfers Out | - | - | - | - | - | - | - | N/A |
| Inter-Fund Group Transfers Out | | | | | | | | |
| Inter-Fund Group Transfers Out | - | - | - | - | - | - | - | N/A |
| Trustee Services | - | - | - | - | - | - | - | N/A |
| GF-Litigation (Parcel 19/20) | - | - | - | - | - | - | - | N/A |
| CPF-Deferred Cost Account | - | - | - | - | - | - | - | N/A |
| Total Expenditures and Other Uses: | \$ - | \$ 316,680 | \$ - | \$ - | \$ - | \$ 316,680 | \$ 1,128,360 | 28% |
| Net Increase/ (Decrease) of Fund Balance | 280,128 | (287,441) | 285,393 | 9,026 | 14,019 | 301,126 | - | |
| Fund Balance - Beginning | 328,602 | 608,730 | 321,289 | 606,682 | 615,708 | 328,602 | 309,910 | |
| Fund Balance - Ending | <u>\$ 608,730</u> | <u>\$ 321,289</u> | <u>\$ 606,682</u> | <u>\$ 615,708</u> | <u>\$ 629,727</u> | <u>\$ 629,727</u> | <u>\$ 309,910</u> | |

Heritage Harbour Market Place Community Development District

Capital Projects Fund

**Statement of Revenue, Expenditures and Changes in Fund Balance
for the Period Ending February 28, 2022**

| | <u>October</u> | <u>November</u> | <u>December</u> | <u>January</u> | <u>February</u> | <u>Year to Date</u> | <u>Budget</u> | <u>% of Budget</u> |
|--|----------------|-----------------|-----------------|----------------|-----------------|---------------------|---------------|------------------------|
| Revenue and Other Sources | | | | | | | | |
| Carryforward | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Interest Income | | | | | | | | |
| Deferred Cost Account | - | - | - | - | - | - | - | N/A |
| Operating Transfers In | - | - | - | - | - | - | - | N/A |
| Total Revenue and Other Sources: | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>N/A</u> |
| Expenditures and Other Uses | | | | | | | | |
| Flood Control - Stormwater Management | | | | | | | | |
| Engineering Services | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | N/A |
| Legal Services | - | - | - | - | - | - | - | N/A |
| Operating Transfers Out | - | - | - | - | - | - | - | N/A |
| Total Expenditures and Other Uses: | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>N/A</u> |
| Net Increase/ (Decrease) of Fund Balance | - | - | - | - | - | - | - | |
| Fund Balance - Beginning | - | - | - | - | - | - | - | |
| Fund Balance - Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | |