

HERITAGE OAK PARK
COMMUNITY DEVELOPMENT DISTRICT
MARCH 14, 2019
AGENDA PACKAGE

Heritage Oak Park Community Development District
Inframark, Infrastructure Management Services
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Tel: 954-603-0033 Fax: 954-345-1292

March 7, 2019

Board of Supervisors
Heritage Oak Park Community
Development District

Dear Board Members:

A meeting of the Board of Supervisors of the Heritage Oak Park CDD will be held on Thursday, March 14, 2019 at 10:00 a.m. and a workshop on the same date at 9:00 a.m. in the Heritage Oak Park Lodge, 19520 Heritage Oak Boulevard, Port Charlotte, Florida. Following is the advanced agenda for the meeting:

WORKSHOP

1. Call to Order and Roll Call
2. Review of O&M Budget
3. Responses to Resident Questions
4. Adjournment

REGULAR MEETING

1. Call to Order and Roll Call
2. Pledge of Allegiance
3. Audience Comments on Agenda Items
4. Approval of Consent Agenda
 - A. Approval of the Minutes of February 21, 2019 Workshop and Meeting
 - B. Approval of the Minutes of the February 28, 2019 Continued Meeting
5. Old Business
 - A. Lodge Renovations
 - B. Banking Update
6. New Business
 - A. Discussion on Streetlights
7. Staff Reports
 - A. Attorney
 - B. Engineer
 - C. Manager
 - i. Acceptance of the Audit for Fiscal Year 2018
 - ii. Discussion on Proposed Budget for Fiscal Year 2020
 - D. Field Manager's Report
 - E. Service & Inspection Report – Lake & Wetland Management
8. On-Site Administration Report – Project Updates
9. Supervisor Requests
10. Audience Comments
11. Adjournment

Any supporting material for the items listed above and not enclosed will be distributed at the meeting. I look forward to seeing you and in the meantime if you have any questions, please contact me.

Sincerely,

Bob Koncar
District Manager

REGULAR MEETING

Fourth Order of Business

4A.

**MINUTES OF MEETING
HERITAGE OAK PARK
COMMUNITY DEVELOPMENT DISTRICT**

The workshop of the Board of Supervisors of the Heritage Oak Park Community Development District was held on Thursday, February 21, 2019 at 9:00 a.m. immediately followed by the regular meeting at 10:00 a.m. at the Heritage Oak Park Lodge, 19520 Heritage Oak Boulevard, Port Charlotte, Florida.

Present and constituting a quorum were:

Brian Bitgood	Chairperson
Paul Falduto, Jr.	Vice Chairperson
Olin Earl Bell	Assistant Secretary
Linda Nadelin	Assistant Secretary
Edward Carey	Assistant Secretary

Also present were:

Robert Koncar	District Manager
Michelle Egan	Project Manager
Residents	

The following is a summary of the minutes and actions taken at the February 21, 2019 workshop and regular meeting of the Heritage Oak Park CDD Board of Supervisors.

WORKSHOP AGENDA

FIRST ORDER OF BUSINESS

Call to Order and Roll Call

- Mr. Bitgood called the meeting to order and Mr. Koncar called the roll.

SECOND ORDER OF BUSINESS

Capital Improvement Plan Update

- Mr. Bitgood reviewed Capital Assets. Any improvements needed, we want to include in the budget.
- He discussed item by item from a list he distributed.
- Some items can be postponed, for example, the Lodge office phone system.
- Sports Bar: card tables, bar stools will be included in this year's budget.
- Pumps do not have to be replaced.
- We will repave a section of Winding Oak because the first curve is falling apart.

- Lodge Sound System; we asked for a quote for the existing sound system. The sound system is not working as it should be.
- Shuffle Board Courts look very good.
- Bathroom fixtures were replaced last year.
- The pool gazebo appears one corner of it is starting to sink.
- Tennis lights were fixed last year.
- We do not have many major projects this coming year.
- We are looking into enclosing the lanai so it could be used on a regular basis as opposed to only Spring and Fall.

THIRD ORDER OF BUSINESS

Responses to Resident Questions

- Audience comments were received.
- Mr. Bell hopes the street lights are kept operational.

FOURTH ORDER OF BUSINESS

Adjournment

There being no further business, the workshop adjourned.

REGULAR MEETING

FIRST ORDER OF BUSINESS

Call to Order and Roll Call

- Mr. Koncar called the meeting to order and called the roll.

SECOND ORDER OF BUSINESS

Pledge of Allegiance

- The Pledge of Allegiance was recited.

THIRD ORDER OF BUSINESS

Audience Comments on Agenda Items

- Audience members made comments.

FOURTH ORDER OF BUSINESS

Approval of Consent Agenda

- A. **Approval of the Minutes of the January 17, 2019 Meeting**
- B. **Financial Statements and Check Register**

On MOTION by Mr. Bell seconded by Mr. Falduto with all in favor the Consent Agenda was approved.

FIFTH ORDER OF BUSINESS

Old Business

A. Pool Update

- Ms. Egan noted Mr. Todd Proa is on his way and should be here within the next 45 minutes.
- This item will be discussed at the end of Old Business.

B. Lodge Renovations

- Mr. Bitgood noted he and Ms. Egan met with the designers this week.
- They came up with a paint scheme. They will return March 14th to show different schemes.
- Ms. Connie Gustafson spoke about the exterior design of the Lodge and different paint colors.

C. Landscape Services

- Ms. Egan sent out the bid for landscape services. She received only one response back.
- Mr. Bitgood noted we will put the RFP on the website.
- Mr. Falduto felt we should handle this bid as soon as possible and there should be a pre-bid meeting.
- It was noted HOPCA is also going out for bid for landscape services.
- Mr. Bitgood wants to get this going in order to make sure it is included in the FY 2020 budget.
- Mr. Koncar noted the tentative budget is due June 15, 2019 to the County. So the Board must decide what they want to put in their budget. You can change the budget, but the key is your assessments. You cannot increase your assessments after that date.
- Mr. Bitgood asked whether the Board would like to meet on February 28, 2019 at 10:00 a.m. which would be a continuation of today's meeting.

SIXTH ORDER OF BUSINESS**New Business****A. Speed Humps on Green Oak**

- Mr. Bitgood noted we had a request to install two speed humps on Green Oak coming from the back gate.
- Ms. Nadelin sees no need for them.
- Mr. Falduto noted if we determine there is a need for them, we can revisit this issue. But at this point considering there has only been one complaint, I do not see a need for it.
- That is the consensus of the Board.

B. Banking Report

- Mr. Koncar noted we researched several different banks.
- He will refer this item to the continued meeting on February 28th because he wanted to give the Board some options in writing.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

- There being no report, the next item followed.

B. Engineer

There being no report, the next item followed.

C. Manager

i. Proposal from Persson, Cohen & Mooney, P.A.

- Mr. Koncar noted the Board requested staff look into potential for different counsel.
- We received one resume with some background. The individual being recommended from this firm would be Mr. Andy Cohen. Mr. Koncar is familiar with Mr. Cohen.
- They have several clients in this area.
- Their fee is \$258 per hour and they do charge for travel time. They charge for a paralegal is \$95 per hour. Their fee is in line with what other charge.
- Our current attorney, Mr. Ross, is very slow in responding to us.
- Mr. Bitgood noted we do not need an attorney to come here on a regular basis. We need an attorney to give us legal opinions and that types of things. That was the issue with Mr. Ross, who did not respond.
- Mr. Koncar will try to bring back other attorney names at the February 28th continued meeting.

D. Field Manager's Report

- There not being any, the next item followed.

E. Service & Inspection Report – Lake & Wetlands Management

- After the Board agreed, Ms. Egan noted she will email the Lake & Wetland Management Report directly to each Supervisor instead of putting them in the agenda package because they usually arrive too late to include in the agenda package.
- The reports will also be posted on the HOP website.

EIGHTH ORDER OF BUSINESS

On-Site Administration Report – Project Updates

- Ms. Egan updated the Board on the awning. Installers, Inc. will come out to repair.
- The exercise windows have been ordered. They are scheduled to get them into their shop at Charlotte County Glass on March 22nd. They will be installed the week of March 25th.
- She updated the Board on the sprinkler inspection and the pool lift. She told the contractor she wants a brand new lift, not a used one.
- She discussed the back wall. It could be painted green or we can repaint the entire wall. The Board wants to see all the options available and then make a decision.
- The sound system was discussed again. Mr. Bitgood asked D.B. Sound Systems, LLC to give us a quote to replace the sound system here and move the existing one, modify it and put it in the Sports Bar. He was asked to give a written quote, but they have not done so.
- The Board will not make a decision until a quote is given.
- Mr. Falduto commented whatever sound system we get; he hopes that one of the impetuses is that it is hearing impaired friendly for residents who have a problem with hearing.
- Mr. Falduto also commented on the awning. He hopes the awning has the capability of having the residents who can put it up and also take it off.

NINTH ORDER OF BUSINESS

Supervisor Requests

- Ms. Nadelin asked that the lighting issue be added to the March 14th agenda.

TENTH ORDER OF BUSINESS

Audience Comments

- Audience comments were received.

ELEVENTH ORDER OF BUSINESS

Continuation

There being no further business, the meeting was adjourned.

On MOTION by Mr. Bell seconded by Mr. Falduto with all in favor the meeting was continued to February 28, 2019 at 10:00 a.m.
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Secretary

Brian Bitgood
Chairman

4B

**MINUTES OF MEETING
HERITAGE OAK PARK
COMMUNITY DEVELOPMENT DISTRICT**

The recessed meeting of the Board of Supervisors of the Heritage Oak Park Community Development District held on Thursday, February 21, 2019 at 10:00 a.m. was reconvened on Thursday, February 28, 2019 at 10:00 a.m. at the Heritage Oak Park Lodge, 19520 Heritage Oak Boulevard, Port Charlotte, Florida.

Present and constituting a quorum were:

Brian Bitgood	Chairperson
Paul Falduto, Jr.	Vice Chairperson
Olin Earl Bell	Assistant Secretary
Linda Nadelin	Assistant Secretary
Edward Carey	Assistant Secretary

Also present were:

Robert Koncar	District Manager
Michelle Egan	Project Manager
Residents	

The following is a summary of the minutes and actions taken at the February 28, 2019 continued meeting of the Heritage Oak Park CDD Board of Supervisors.

FIRST ORDER OF BUSINESS

Call to Order and Roll Call

- Mr. Bitgood called the meeting to order and Mr. Koncar called the roll.

SECOND ORDER OF BUSINESS

Pledge of Allegiance

- The Pledge of Allegiance was recited.

THIRD ORDER OF BUSINESS

Audience Comments on Agenda Items

- There not being any, the next item followed.

FOURTH ORDER OF BUSINESS

Banking Report

- Mr. Koncar noted at the last meeting, the Board asked to do research on additional banking institutions. The one we have now has not been responsive.
- We provided the Board a list of banking institutions. Our team from Inframark works well with Bank United. We have a good working relationship with them.

- Mr. Bell suggested getting our credit cards in line with Bank United before relinquishing the card so there is no lapse in between. This needs to be made in the minutes.
- Included in the motion should be mentioned a limit amount of \$5,000 for Ms. Egan and Ms. Kelly Columbus.

On MOTION by Mr. Bell seconded by Mr. Falduto with all in favor to proceed with migrating the District's funds to Bank United and providing two credit cards with a maximum of \$5,000 each, was approved.

FIFTH ORDER OF BUSINESS**Landscape Services**

- Ms. Egan updated the Board on landscaping services.
- Mr. Bitgood wanted to add to the landscaping services contract that Heritage Oak Park CDD would be free to hire somebody else in addition to whoever receives the bid. After Hurricane Irma, it took two companies almost three weeks to clean the Park.
- The Board added what they felt was the appropriate wording to the proposal.
- A long discussion ensued on the verbiage in a landscape services contract, including wording in the Scope of Services.
- Mr. Bitgood noted Mr. Todd Proa, the pool contractor, was now in attendance. Todd updated the Board on the status of the pool.
- The Supervisors had questions for Todd.
- Mr. Falduto noted we have some good options. He asked if we did the retaining wall, are we still going to have to pin the pool. We need to look at the drainage to see if it is working properly. We need to get three different quotes and figure out which one would be the most cost-effective for the Park.
- Todd explained what it means to pin the pool.
- Mr. Carey noted he has lived in HOPCDD for ten years. For the first six years there were no problems with the tiles. Then four years ago, we drained the entire pool and installed tiles. Ever since, at that particular side of the pool, those tiles cracked. They have been replaced a few times and cracked again.
- Mr. Bitgood wanted a copy of Todd's report.
- Mr. Bitgood noted we are looking at two different things; drainage and pinning the pool.
- Todd noted the work can be done within 45 days.

- Mr. Bitgood noted we will return to Landscaping Services.
- It was noted HOPCA and the Condos are also going out for bid for landscape services.
- Mr. Bell wanted it noted in the advertisement that there will be a pre-bid meeting.
- The Board is meeting on March 14th at 10:00 a.m. and will continue that meeting on Tuesday, March 19th at 12:00 p.m. for the pre-bid meeting.

On MOTION by Mr. Falduto seconded by Mr. Carey with all in favor proceed with the Request for Proposals for landscaping services and coordinate efforts with HOPCA and the Condos so everybody knows what everyone else is doing, was approved.

SIXTH ORDER OF BUSINESS

Staff Reports

A. Manager

- Mr. Bitgood noted a second resume was received from Mr. Gregory Urbancic of CYK, which is Coleman/Yovanovich/Koester.
- Mr. Bitgood noted we now have two different attorney law firms; one is from Lakewood Ranch and the other is from Naples. CYK is more expensive. He recommended Persson, Cohen & Mooney, P.A.

On MOTION by Mr. Bell seconded by Mr. Falduto with all in favor the Board approved the Law Firm of Persson, Cohen & Mooney, P.A. as the District Counsel and authorized the Chairman to execute a letter of agreement with them.

TENTH ORDER OF BUSINESS

Audience Comments

- Audience comments were received.

ELEVENTH ORDER OF BUSINESS

Adjournment

There being no further business, the meeting was adjourned.

On MOTION by Mr. Bell seconded by Ms. Nadelin with all in favor the meeting was adjourned.

Secretary

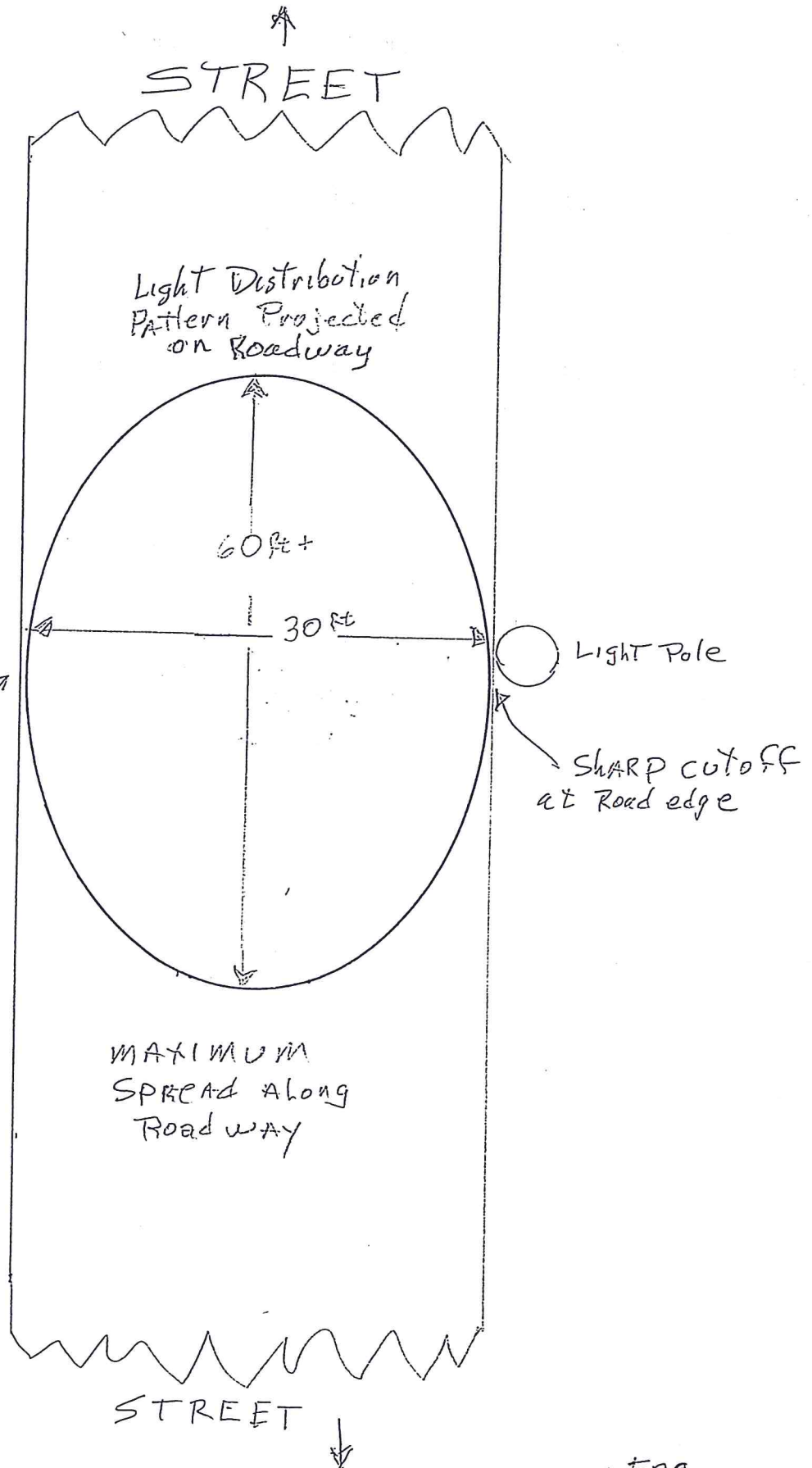
Brian Bitgood
Chairman

Sixth Order of Business

6A.

1. WANT MAXIMUM Down Light.
2. WANT MINIMUM Side Light (NO LIGHT INTO Bedrooms, etc.)
3. WANT MAXIMUM Spread Along Roadway (would consider Double Fixture Aligned Along Roadway)

SHARP cutoff
at Road edge



EAC

Seventh Order of Business

7Ci.

**HERITAGE OAK PARK
COMMUNITY DEVELOPMENT DISTRICT
CHARLOTTE COUNTY, FLORIDA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2018**

**HERITAGE OAK PARK COMMUNITY DEVELOPMENT DISTRICT
CHARLOTTE COUNTY, FLORIDA**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Heritage Oak Park Community Development District
Charlotte County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Heritage Oak Park Community Development District, Charlotte County, Florida ("District") as of and for the fiscal year ended September 30, 2018, 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, 2018, 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 1, 2019, 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 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.

Report on Other Legal and Regulatory Requirements

We have also issued our report dated March 1, 2019, on our consideration of the District's compliance with the requirements of Section 218.415, Florida Statutes, as required by Rule 10.556(10) of the Auditor General of the State of Florida. The purpose of that report is to provide an opinion based on our examination conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

March 1, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Heritage Oak Park Community Development District, Charlotte County, Florida ("District") provides a narrative overview of the District's financial activities for the fiscal year ended September 30, 2018. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year resulting in a net position balance of \$4,979,683.
- The change in the District's total net position in comparison with the prior fiscal year was (\$264,621), a decrease. 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, 2018, the District's governmental funds reported combined ending fund balances of \$538,376, a decrease of (\$212,442) in comparison with the prior fiscal year. The total fund balance is non-spendable for deposits and prepaid items, restricted for debt service, and assigned to reserves.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is 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.

1) 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), maintenance and recreation functions.

2) 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)

2) Fund 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 outflow 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 balances 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.

3) 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, assets exceeded liabilities 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,		
	2018	2017
Assets, excluding capital assets	\$ 582,971	\$ 820,027
Capital assets, net of depreciation	4,831,190	5,063,428
Total assets	5,414,161	5,883,455
Liabilities, excluding long-term liabilities	50,698	75,567
Long-term liabilities	383,780	563,584
Total liabilities	434,478	639,151
Net position		
Net investment in capital assets	4,447,410	4,499,844
Restricted for debt service	42,241	41,887
Unrestricted	490,032	702,573
Total net position	\$ 4,979,683	\$ 5,244,304

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 decreased during the most recent fiscal year. The majority of the decrease represents the extent to which the cost of operations and depreciation expense exceeded ongoing program revenues.

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,		
	2018	2017
Revenues:		
Program revenues:		
Charges for services	\$ 1,028,403	\$ 991,980
Operating grants and contributions	3,000	3,000
General revenues:		
Unrestricted interest earnings	5,179	5,802
Miscellaneous	14,059	1,951
Total revenues	1,050,641	1,002,733
Expenses:		
General government	121,837	115,650
Maintenance and operations	845,519	764,428
Parks and recreation	322,963	221,567
Interest	24,943	29,341
Total expenses	1,315,262	1,130,986
Change in net position	(264,621)	(128,253)
Net position - beginning	5,244,304	5,372,557
Net position - ending	\$ 4,979,683	\$ 5,244,304

As noted above and in the statement of activities, the cost of all governmental activities during the fiscal year ended September 30, 2018 was \$1,315,262. The costs of the District's activities were primarily funded by program revenues. Program revenues are comprised primarily of assessments. The remainder of the current fiscal year revenue includes amounts from interlocal agreements, interest, and miscellaneous income. Program revenue increased in the current fiscal year due to an increase in per unit assessments. In the current year, expenses, including depreciation, increased from the prior fiscal year, the majority of the increase was the result of an increase in maintenance expense related to hurricane expenditures and clubhouse renovations.

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. The general fund budget for the fiscal year ended September 30, 2018 was amended to increase appropriations and use of fund balance by \$242,448. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2018.

CAPITAL ASSETS AND DEBT ADMINISTRATIONCapital Assets

At September 30, 2018, the District had \$8,893,354 invested in land, infrastructure, and improvements, for its governmental activities. In the government-wide financial statements depreciation of \$4,062,164 has been taken, which resulted in a net book value of \$4,831,190. More detailed information about the District's capital assets is presented in the notes of the financial statements.

CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)

Capital Debt

At September 30, 2018, the District had \$383,780 Bonds outstanding for its governmental activities. 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 Oak Park Community Development District's Finance Department at 210 N. University Drive, Suite 702, Coral Springs, Florida, 33071.

**HERITAGE OAK PARK COMMUNITY DEVELOPMENT DISTRICT
CHARLOTTE COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2018**

	Governmental Activities
ASSETS	
Cash	\$ 552,857
Accounts receivable	8,725
Due from other governmental units	10,570
Deposits and prepaid expenses	10,819
Capital assets:	
Nondepreciable	1,363,637
Depreciable, net	3,467,553
Total assets	<u>5,414,161</u>
LIABILITIES	
Accounts payable and accrued expenses	32,320
Deposit payable	8,868
Accrued interest payable	8,728
Unearned revenue	782
Non-current liabilities:	
Due within one year	187,752
Due in more than one year	196,028
Total liabilities	<u>434,478</u>
NET POSITION	
Net investment in capital assets	4,447,410
Restricted for debt service	42,241
Unrestricted	490,032
Total net position	<u>\$ 4,979,683</u>

See notes to the financial statements

**HERITAGE OAK PARK COMMUNITY DEVELOPMENT DISTRICT
CHARLOTTE COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Revenue and Changes in Net Position</u>
				<u>Governmental Activities</u>
Primary government:				
Governmental activities:				
General government	\$ 121,837	\$ 121,837	\$ -	\$ -
Maintenance and operations	845,519	657,106	3,000	(185,413)
Parks and recreation	322,963	43,938	-	(279,025)
Interest on long-term debt	24,943	205,522	-	180,579
Total governmental activities	1,315,262	1,028,403	3,000	(283,859)
		General revenues:		
		Investment earnings		5,179
		Miscellaneous		14,059
		Total general revenues		19,238
		Change in net position		(264,621)
		Net position - beginning		5,244,304
		Net position - ending		\$ 4,979,683

See notes to the financial statements

**HERITAGE OAK PARK COMMUNITY DEVELOPMENT DISTRICT
CHARLOTTE COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018**

	Major Funds		Total
	General	Debt Service	Governmental Funds
ASSETS			
Cash	\$ 552,857	\$ -	\$ 552,857
Accounts receivable	8,725	-	8,725
Due from other governmental units	10,570	-	10,570
Due from other funds	-	50,969	50,969
Deposits and prepaid expenses	10,819	-	10,819
Total assets	<u>\$ 582,971</u>	<u>\$ 50,969</u>	<u>\$ 633,940</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued expenses	\$ 32,320	\$ -	\$ 32,320
Deposits payable	8,868	-	8,868
Due to other funds	50,969	-	50,969
Unearned revenue	782	-	782
Total liabilities	<u>92,939</u>	<u>-</u>	<u>92,939</u>
Deferred Inflows of Resources:			
Unavailable revenue	2,625	-	2,625
Total deferred inflows of resources	<u>2,625</u>	<u>-</u>	<u>2,625</u>
Fund balances:			
Nonspendable:			
Deposits and prepaids	10,819	-	10,819
Restricted for:			
Debt service	-	50,969	50,969
Assigned to:			
Operating reserve	83,031	-	83,031
Roadways and streetlights reserve	279,994	-	279,994
Recreation facilities reserve	7,088	-	7,088
Swimming pool reserve	23,975	-	23,975
Roof reserve	80,000	-	80,000
Reserve - Arbor	2,500	-	2,500
Total fund balances	<u>487,407</u>	<u>50,969</u>	<u>538,376</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 582,971</u>	<u>\$ 50,969</u>	<u>\$ 633,940</u>

See notes to the financial statements

**HERITAGE OAK PARK COMMUNITY DEVELOPMENT DISTRICT
CHARLOTTE COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2018**

Fund balance - governmental funds \$ 538,376

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	8,893,354	
Accumulated depreciation	<u>(4,062,164)</u>	4,831,190

Assets that are not available to pay for current-period expenditures are unavailable in the fund financial statements.	2,625
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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	(8,728)	
Bonds payable	<u>(383,780)</u>	<u>(392,508)</u>

Net position of governmental activities	<u>\$ 4,979,683</u>
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See notes to the financial statements

**HERITAGE OAK PARK COMMUNITY DEVELOPMENT DISTRICT
CHARLOTTE COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Major Funds		Total
	General	Debt Service	Governmental Funds
REVENUES			
Assessments	\$ 778,943	\$ 207,022	\$ 985,965
Interlocal agreement	3,000	-	3,000
Net investment earnings	5,179	-	5,179
Recreational activities	43,938	-	43,938
Miscellaneous revenue	14,059	-	14,059
Total revenues	845,119	207,022	1,052,141
EXPENDITURES			
Current:			
General government	115,348	1,921	117,269
Maintenance and operations	624,065	-	624,065
Parks and recreation	290,892	-	290,892
Debt service:			
Principal	-	179,804	179,804
Interest	-	26,698	26,698
Capital outlay	25,855	-	25,855
Total expenditures	1,056,160	208,423	1,264,583
Net change in fund balances	(211,041)	(1,401)	(212,442)
Fund balances - beginning	698,448	52,370	750,818
Fund balances - ending	\$ 487,407	\$ 50,969	\$ 538,376

See notes to the financial statements

**HERITAGE OAK PARK COMMUNITY DEVELOPMENT DISTRICT
CHARLOTTE 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, 2018**

Net change in fund balances - total governmental funds	\$ (212,442)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures, however, the cost of capital assets is eliminated in the statement of activities and capitalized in the statement of net position.	25,855
Expenses reported in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the funds. The details of the differences are as follows:	
Loss on disposal of fixed assets	(4,568)
Depreciation on capital assets is not recognized in the governmental fund financial statements but is reported as an expense in the statement of activities.	(253,525)
Certain revenues were unavailable for the governmental fund financial statements in the prior fiscal year. In the current fiscal year, these revenues were recorded in the governmental fund financial statements.	(1,500)
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.	179,804
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 fund financial statements.	1,755
Change in net position of governmental activities	<u>\$ (264,621)</u>

See notes to the financial statements

**HERITAGE OAK PARK COMMUNITY DEVELOPMENT DISTRICT
CHARLOTTE COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY

Heritage Oak Park Community Development District ("District") was created on July 10, 1998 by Ordinance 98-047-0AO of Charlotte 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 was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of a portion of the infrastructure necessary for community development within the District.

The District is governed by the Board of Supervisors ("Board"), which is composed of five members. The Supervisors are elected 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.

The Board has the responsibility for:

1. Assessing and levying assessments.
2. Approving budgets.
3. Exercising control over facilities and properties.
4. Controlling the use of funds generated by the District.
5. Approving the hiring and firing of key personnel.
6. Financing improvements.

The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statements. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the District 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

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

Assessments and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. The portion of assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period.

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 debt covenants or other contractual restrictions.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Assets, Liabilities and Net Position or Equity (Continued)****Deposits and Investments**

The District's cash and cash equivalents are considered to be cash on hand and demand deposits (interest and non-interest bearing).

The District has elected to proceed under the Alternative Investment Guidelines as set forth in Section 218.415 (17) Florida Statutes. The District may invest any surplus public funds in the following:

- a) The Local Government Surplus Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act;
- b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
- c) Interest bearing time deposits or savings accounts in qualified public depositories;
- d) Direct obligations of the U.S. Treasury.

Securities listed in paragraphs c and d shall be invested to provide sufficient liquidity to pay obligations as they come due. In addition, surplus funds may be deposited into certificates of deposit which are insured.

The District records all interest revenue related to investment activities in the respective funds. 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.

Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads, sidewalks and similar items) are reported in the government activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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>
Furniture and equipment	5
Infrastructure	5 - 30
Buildings	40
Recreational amenity	5-10

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

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.

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**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) Public hearings are conducted to obtain public comments.
- c) Prior to October 1, the budget is legally adopted by the District Board.
- d) All budget changes must be approved by the District Board.
- e) The budgets are adopted on a basis consistent with generally accepted accounting principles.
- f) Unused appropriation for annually budgeted funds lapse at the end of the year.

NOTE 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.

NOTE 5 – INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables at September 30, 2018 were as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General	\$ -	\$ 50,969
Debt service	50,969	-
Total	<u>\$ 50,969</u>	<u>\$ 50,969</u>

The outstanding balances between funds result primarily from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made. In the case of the District, the balances between the general fund and the debt service fund relate to assessments collected in the general fund that are held for future debt service fund payments.

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2018 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Governmental activities</u>				
Capital assets, not being depreciated				
Land	\$ 1,363,637	\$ -	\$ -	\$ 1,363,637
Total capital assets, not being depreciated	1,363,637	-	-	1,363,637
Capital assets, being depreciated				
Buildings	1,140,352	-	-	1,140,352
Infrastructure	6,209,457	5,990	(5,374)	6,210,073
Recreational amenity	12,688	-	-	12,688
Equipment and furniture	146,739	19,865	-	166,604
Total capital assets, being depreciated	7,509,236	25,855	(5,374)	7,529,717
Less accumulated depreciation for:				
Buildings	493,532	28,509	-	522,041
Infrastructure	3,167,124	221,454	806	3,387,772
Recreational amenity	9,762	605	-	10,367
Equipment and furniture	139,027	2,957	-	141,984
Total accumulated depreciation	3,809,445	253,525	806	4,062,164
Total capital assets, being depreciated, net	3,699,791	(227,670)	(4,568)	3,467,553
Governmental activities capital assets, net	\$ 5,063,428	\$ (227,670)	\$ (4,568)	\$ 4,831,190

Depreciation expense was charged to function/programs as follows:

Maintenance and operations	\$ 221,454
Parks and recreation	32,071
Total depreciation	<u>\$ 253,525</u>

NOTE 7 – LONG-TERM LIABILITIES**Series 2008 (SunTrust)**

On April 17, 2008, the District issued \$1,875,000 of Special Assessment Revenue Refunding Bond Series 2008 due May 1, 2020, with a fixed interest rate of 4.36%. The Bonds were issued to refund the District's then outstanding Special Assessment Revenue Bonds, Series 1998A and to pay certain costs of issuance. Interest on the Series 2008 Bonds is to be paid semiannually on each May 1 and November 1. Principal on the Bonds is to be paid serially commencing May 1, 2009.

The Series 2008 Bonds, issued through a private placement, are subject to prepayment as outlined in the debt agreement. The agreement outlines other requirements for compliance, however, the District is not required to establish or maintain a reserve for the Bonds. To secure the principal and interest on the Bonds, the District is required to pledge, assign, and grant a security interest in the revenues received from special assessments. The District was in compliance with the requirements at September 30, 2018.

Long-term Debt Activity

Changes in long-term liability activity for the fiscal year ended September 30, 2018 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
Bonds payable:					
Series 2008 (SunTrust)	\$ 563,584	\$ -	\$ 179,804	\$ 383,780	\$ 187,752
Total	\$ 563,584	\$ -	\$ 179,804	\$ 383,780	\$ 187,752

NOTE 7 – LONG-TERM LIABILITIES (Continued)**Long-term Debt Activity (Continued)**

At September 30, 2018, the scheduled debt service requirements on the long-term debt were as follows:

Year ending September 30:	Governmental Activities		
	Principal	Interest	Total
2019	\$ 187,752	\$ 16,965	\$ 204,717
2020	196,028	8,689	204,717
Total	<u>\$ 383,780</u>	<u>\$ 25,654</u>	<u>\$ 409,434</u>

NOTE 8 – INTERLOCAL AGREEMENT

The District has agreed to rent out space including office supplies and garage to the Heritage Oak Park Community Association (HOPCA). Revenues for the service for the fiscal year ended September 30, 2018 were \$3,000.

NOTE 9 – MANAGEMENT COMPANY

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

NOTE 10 – 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.

**HERITAGE OAK PARK COMMUNITY DEVELOPMENT DISTRICT
CHARLOTTE COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
Assessments	\$ 776,250	\$ 776,250	\$ 778,943	\$ 2,693
Interlocal agreement	3,000	3,000	3,000	-
Interest	5,024	5,024	5,179	155
Recreational activities	42,000	42,000	43,938	1,938
Miscellaneous	5,100	5,100	14,059	8,959
Total revenues	831,374	831,374	845,119	13,745
EXPENDITURES				
Current:				
General government	125,507	125,507	115,348	10,159
Maintenance and operations	450,780	632,182	624,065	8,117
Parks and recreation	203,387	215,493	290,892	(75,399)
Capital outlay	51,700	100,640	25,855	74,785
Total expenditures	831,374	1,073,822	1,056,160	17,662
Excess (deficiency) of revenues over (under) expenditures	-	(242,448)	(211,041)	31,407
OTHER FINANCING SOURCES				
Use of fund balance	-	242,448	-	(242,448)
Total other financing sources (uses)	-	242,448	-	(242,448)
Net change in fund balances	\$ -	-	(211,041)	\$ (211,041)
Fund balance - beginning			698,448	
Fund balance - ending			\$ 487,407	

See notes to required supplementary information

**HERITAGE OAK PARK COMMUNITY DEVELOPMENT DISTRICT
CHARLOTTE 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. The general fund budget for the fiscal year ended September 30, 2018 was amended to increase appropriations and use of fund balance by \$242,448. Actual general fund expenditures did not exceed appropriations for the fiscal year ended September 30, 2018.



**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 Oak Park Community Development District
Charlotte 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 Oak Park Community Development District, Charlotte County, Florida ("District") as of and for the fiscal year ended September 30, 2018, 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 1, 2019.

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 1, 2019



**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 Oak Park Community Development District
Charlotte County, Florida

We have examined Heritage Oak Park Community Development District, Charlotte 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, 2018. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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, 2018.

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

March 1, 2019



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

To the Board of Supervisors
Heritage Oak Park Community Development District
Charlotte County

Report on the Financial Statements

We have audited the accompanying basic financial statements of Heritage Oak Park Community Development District, Charlotte County, Florida ("District") as of and for the fiscal year ended September 30, 2018, and have issued our report thereon dated March 1, 2019.

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 1, 2019, 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 of 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 Oak Park Community Development District, Charlotte 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 Oak Park Community Development District, Charlotte 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.

March 1, 2019

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, 2017.

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, 2018.

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, 2018.

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, 2018. 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.

7Cii.

HERITAGE OAK PARK

Community Development District

Annual Operating and Debt Service Budget **Fiscal Year 2020**

Version 1 - Proposed Budget
(Printed on 03/06/19 11:45am)

Prepared by:



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HERITAGE OAK PARK
Community Development District

Operating Budgets
Fiscal Year 2020

Summary of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2020 Proposed Budget

ACCOUNT DESCRIPTION	ACTUAL FY 2018	ADOPTED BUDGET FY 2019	ACTUAL THRU JAN-2019	PROJECTED FEB - SEP-2019	TOTAL PROJECTED FY 2019	ANNUAL BUDGET FY 2020
REVENUES						
Interest - Investments	\$ 5,154	\$ 5,000	\$ 2,098	\$ 3,840	\$ 5,938	\$ 5,000
Interlocal Agreement	3,000	3,000	750	2,250	3,000	3,000
Room Rentals	749	500	243	225	468	500
Recreational Activity Fees	43,189	41,500	26,196	20,000	46,196	50,500
Special Assmnts- Tax Collector	723,873	778,628	688,120	90,507	778,627	794,584
Special Assmnts- Discounts	(26,542)	(31,145)	(26,352)	(1,810)	(28,162)	(31,783)
Other Miscellaneous Revenues	2,150	600	4,103	400	4,503	600
Gate Bar Code/Remotes	646	1,000	843	83	926	1,000
Access Cards	-	-	338	200	538	600
TOTAL REVENUES	752,219	799,083	696,339	115,695	812,034	824,001
EXPENDITURES						
<i>Administrative</i>						
P/R-Board of Supervisors	11,600	12,000	3,600	8,000	11,600	12,000
FICA Taxes	887	918	275	612	887	918
ProfServ-Engineering	-	5,000	-	520	520	3,000
ProfServ-Legal Services	3,505	3,000	853	2,000	2,853	3,000
ProfServ-Mgmt Consulting Serv	60,738	62,560	20,853	41,707	62,560	64,437
ProfServ-Special Assessment	10,169	10,474	10,474	-	10,474	10,788
Auditing Services	5,500	5,750	-	5,750	5,750	5,750
Communication/Freight - Gen'l	1,417	900	363	560	923	900
Insurance - General Liability	10,910	12,001	8,363	-	8,363	9,199
Legal Advertising	904	1,100	219	850	1,069	1,100
Miscellaneous Services	512	1,200	315	800	1,115	1,200
Misc-Bank Charges	1,803	2,400	733	1,400	2,133	2,400
Misc-Assessmnt Collection Cost	6,471	15,573	13,235	1,810	15,045	15,892
Office Supplies	-	360	-	320	320	360
Annual District Filing Fee	175	175	175	-	175	175
Total Administrative	114,591	133,411	59,458	64,329	123,787	131,119
<i>Other Public Safety</i>						
Contracts-Mgmt Services	7,725	-	-	-	-	-
R&M-Gate	4,286	3,000	936	2,000	2,936	3,000
R&M-Gatehouse	1,140	1,200	250	920	1,170	1,200
R&M-Security Cameras	1,480	2,000	144	1,400	1,544	2,000
Total Other Public Safety	14,631	6,200	1,330	4,320	5,650	6,200

Summary of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2020 Proposed Budget

ACCOUNT DESCRIPTION	ACTUAL FY 2018	ADOPTED BUDGET FY 2019	ACTUAL THRU JAN-2019	PROJECTED FEB - SEP-2019	TOTAL PROJECTED FY 2019	ANNUAL BUDGET FY 2020
Field						
Contracts-Mgmt Services	110,739	114,061	38,020	76,041	114,061	117,483
Contracts-Lake and Wetland	6,120	6,120	2,040	4,080	6,120	6,120
Contracts-Landscape	83,996	86,515	27,999	55,997	83,996	86,515
Utility - General	35,398	37,200	13,217	25,600	38,817	38,400
Utility - Water & Sewer	7,398	12,000	3,617	4,400	8,017	10,000
Insurance - General Liability	26,941	29,635	29,100	-	29,100	32,010
R&M-Drainage	21,994	10,000	-	10,000	10,000	10,000
R&M-Entry Feature / Wall	1,263	5,000	-	4,500	4,500	4,500
R&M-Lake	2,877	2,100	-	2,000	2,000	2,100
R&M-Plant Replacement	2,960	3,500	-	3,500	3,500	3,500
R&M-Trees and Trimming	1,750	6,000	1,725	4,275	6,000	6,000
Misc-Special Projects	6,440	10,930	2,900	8,030	10,930	10,930
Misc-Hurricane Expense	47,162	5,000	-	5,000	5,000	5,000
Misc-Contingency	5,209	5,000	903	4,097	5,000	5,000
Capital Outlay	19,865	-	-	-	-	5,000
Total Field	380,112	333,061	119,521	207,520	327,041	342,558
Road and Street Facilities						
R&M-Parking Lots	211	500	-	500	500	500
R&M-Roads & Alleyways	13,701	5,000	3,265	1,735	5,000	5,000
R&M-Sidewalks	-	4,000	-	4,000	4,000	4,000
R&M-Streetlights	5,837	7,000	876	6,124	7,000	7,000
Misc-Contingency	-	3,000	-	3,000	3,000	3,000
Capital Outlay - Sidewalk Impr	-	10,000	6,439	3,561	10,000	10,000
Capital Outlay - Streetlight Impr	-	15,200	-	15,200	15,200	15,200
Reserve - Roads & Streetlights	58,430	5,369	7,398	-	7,398	5,369
Total Road and Street Facilities	78,179	50,069	17,978	34,120	52,098	50,069

Summary of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2020 Proposed Budget

ACCOUNT DESCRIPTION	ACTUAL FY 2018	ADOPTED BUDGET FY 2019	ACTUAL THRU JAN-2019	PROJECTED FEB - SEP-2019	TOTAL PROJECTED FY 2019	ANNUAL BUDGET FY 2020
<i>Parks and Recreation - General</i>						
Contracts-Mgmt Services	59,307	70,686	23,562	47,124	70,686	72,807
Contracts-Janitorial Services	18,123	16,560	6,320	12,640	18,960	18,960
Contracts-Pools	10,800	10,800	3,600	7,200	10,800	10,800
Contracts-Pest Control	1,048	1,100	1,298	-	1,298	1,100
Communication - Telephone	7,437	7,320	2,649	5,400	8,049	8,100
R&M-Clubhouse	79,674	68,000	7,426	12,000	19,426	60,000
R&M-Parks	32,540	6,600	7,626	4,400	12,026	12,000
R&M-Pools	8,083	6,000	1,107	4,000	5,107	6,000
R&M - Tennis Courts	17,100	5,000	-	5,000	5,000	5,000
Miscellaneous Services	2,866	2,400	733	1,600	2,333	2,400
Misc-Holiday Décor	469	500	527	-	527	500
Misc-Cable TV Expenses	982	1,016	349	654	1,003	1,028
Office Supplies	3,873	2,160	757	1,440	2,197	2,160
OpSupplies - General	2,209	2,700	555	1,800	2,355	2,700
Cap Outlay - Equipment	-	5,000	530	4,000	4,530	5,000
Cap Outlay-Clubhouse	-	21,500	5,244	6,000	11,244	27,500
Reserve - Roof	-	5,000	-	-	-	5,000
Reserve - Swimming Pools	-	2,500	-	-	-	2,500
Total Parks and Recreation - General	244,511	234,842	62,283	113,258	175,541	243,555
<i>Special Recreation Facilities</i>						
Miscellaneous Services	3,133	4,500	4,334	2,000	6,334	4,500
Misc-Event Expense	22,932	12,000	24,395	12,000	36,395	21,000
Misc-Social Committee	19,591	24,000	6,892	14,400	21,292	24,000
Misc-Trips and Tours	-	500	-	400	400	500
Office Supplies	727	500	308	335	643	500
Total Special Recreation Facilities	46,383	41,500	35,929	29,135	65,064	50,500
TOTAL EXPENDITURES	878,407	799,083	296,499	452,682	749,181	824,001
Excess (deficiency) of revenues Over (under) expenditures	(126,188)	-	399,840	(336,987)	62,853	-
Net change in fund balance	(126,188)	-	399,840	(336,987)	62,853	-
FUND BALANCE, BEGINNING	720,625	594,437	594,437	-	594,437	657,290
FUND BALANCE, ENDING	\$ 594,437	\$ 594,437	\$ 994,277	\$ (336,987)	\$ 657,290	\$ 657,290

Exhibit "A"
Allocation of Fund Balances

AVAILABLE FUNDS

	<u>Amount</u>
Beginning Fund Balance - Fiscal Year 2020	\$ 657,290
Net Change in Fund Balance - Fiscal Year 2020	-
Reserves - Fiscal Year 2020 Additions	12,869
Total Funds Available (Estimated) - 9/30/2020	670,159

ALLOCATION OF AVAILABLE FUNDS

Nonspendable Fund Balance

Deposits - FPL Utilities	8,175
Prepaid Items	-
Subtotal	<u>8,175</u>

Assigned Fund Balance

Operating Reserve - First Quarter Operating Capital	202,783	(1)
Reserve - Recreation Facilities - Prior Years	9,191	(2)
Reserve - Roads & Streetlights - Prior Years	279,994	(2)
Reserve - Roads & Streetlights - FY 2019	5,369	(3)
Reserve - Roads & Streetlights - Actual Expensed	(7,398)	(4)
Reserve - Roads & Streetlights - Current Budget Year	5,369	283,334 (4)
Reserve - Arbor - Prior Years	2,500	(3)
Reserve - Roof - Prior Years	80,000	(2)
Reserve - Roof - FY 2019	5,000	(3)
Reserve - Roof - Current Budget Year	5,000	90,000 (4)
Reserve - Swimming Pools - Prior Years	23,975	(2)
Reserve - Swimming Pools - FY 2019	2,500	(3)
Reserve - Swimming Pools - Current Budget Year	2,500	28,975 (4)
Subtotal	<u>616,783</u>	

Total Allocation of Available Funds	624,958
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Total Unassigned (undesignated) Cash	<u>\$ 45,201</u>
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Notes

- (1) Represents approximately 3 months of operating expenditures
- (2) Represents Reserves from Prior Years thru FY 2018
- (3) Represents Reserves for FY 2019
- (4) Represents Reserves for Current Budget Year FY 2020

Budget Narrative
Fiscal Year 2020

REVENUES

Interest-Investments

The District earns interest on the monthly average collected balance for their operating accounts, money market accounts and certificates of deposits.

Interlocal Agreement

The District has an Interlocal agreement with Heritage Oak Park Community Association for the use of District office and supplies.

Room Rentals

The District earns income when the clubhouse is rented for an event.

Recreational Activity Fees

This is the revenue from the events that the activities department holds throughout the year.

Special Assessments-Tax Collector

The District will levy a Non-Ad Valorem assessment on all the assessable property within the District in order to pay for the operating expenditures during the Fiscal Year.

Special Assessments-Discounts

Per Section 197.162, Florida Statutes, discounts are allowed for early payment of assessments. The budgeted amount for the fiscal year is calculated at 4% of the anticipated Non-Ad Valorem assessments.

Other Miscellaneous Revenues

The District earns miscellaneous income for providing services for the District, i.e. copies of pool keys, mailbox locks and keys, faxes, etc.

Gate Bar Code/Remotes

The District receives amounts for gate remotes that operate the gates of the District.

Access Cards

The District receives amounts for access cards that operate the Fitness Center.

EXPENDITURES

Administrative

P/R-Board of Supervisors

Chapter 190 of the Florida Statutes allows for members of the Board of Supervisors to be compensated \$200 per meeting at which they are in attendance. The amount for the Fiscal Year is based upon all supervisors attending all of the meetings.

Professional Services-Engineering

The District's engineer provides general engineering services to the District, i.e. attendance and preparation for monthly board meetings when requested, review of invoices, and other specifically requested assignments.

Budget Narrative
Fiscal Year 2020

EXPENDITURES

Administrative (continued)

Professional Services-Legal Services

The District's attorney provides general legal services to the District, i.e., attendance and preparation for monthly Board meetings, review of contracts, review of agreements and resolutions, and other research as directed or requested by the Board of Supervisors and the District Manager.

Professional Services-Management Consulting Services

The District receives Management, Accounting and Administrative services as part of a Management Agreement with Inframark Infrastructure Management Services, Inc. Also included are costs for Information Technology charges to process all of the District's financial activities, i.e. accounts payable, financial statements, budgets, etc., on a main frame computer owned by Inframark in accordance with the management contract and the charge for rentals. The budgeted amount for the fiscal year is based on the contracted fees outlined in Exhibit "A" of the Management Agreement.

Professional Services-Special Assessment

This is the Administrative fees to prepare the District's special assessment roll.

Auditing Services

The District is required to conduct an annual audit of its financial records by an Independent Certified Public Accounting Firm. The budgeted amount for the fiscal year is based on contracted fees from an existing engagement letter.

Communication/Freight - General

This includes telephone, fax transmissions, printing, copies, mailing of agenda packages, checks for vendors, postage and any other required correspondence.

Insurance-General Liability

The District's General Liability & Public Officials Liability Insurance policy is with Public Risk Insurance Agency, Inc. They specialize in providing insurance coverage to governmental agencies. The budgeted amount allows for a projected increase in the premium.

Legal Advertising

The District is required to advertise various notices for monthly Board meetings and other public hearings in a newspaper of general circulation.

Miscellaneous Services

This is for any miscellaneous charges that the District may incur during the fiscal year.

Miscellaneous-Bank Charges

This includes monthly bank charges for the maintenance of the operating accounts.

Miscellaneous-Assessment Collection Costs

The District reimburses the Charlotte County Tax Collector for her or his necessary administrative costs. Per the Florida Statutes, administrative costs shall include, but not be limited to, those costs associated with personnel, forms, supplies, data processing, computer equipment, postage, and programming. The District also compensates the Tax Collector for the actual cost of collection or 2% on the amount of special assessments collected and remitted, whichever is greater. The budget for collection costs was based on a maximum of 2% of the anticipated assessment collections.

Office Supplies

Supplies used in the preparation and binding of agenda packages, required mailings, and other special projects.

Budget Narrative
Fiscal Year 2020

EXPENDITURES

Administrative (continued)

Annual District Filing Fee

The District is required to pay an annual fee of \$175 to the Department of Community Affairs.

Other Public Safety

R&M - Gate

This represents the repairs and maintenance of the gates. This also includes the purchase of new gate transmitters.

R&M - Gatehouse

This represents normal repairs and maintenance of the gatehouse.

R&M - Security Cameras

This is for miscellaneous repairs and maintenance on the new security cameras that were installed at the clubhouse and at the front and at the rear gates.

Field

Contracts – Management Services

This includes payroll, workers comp, FUTA/SUTA taxes and payroll charges for the contracted Field personnel.

Contracts – Lakes and Wetland

The District has a contract for the aquatic maintenance of the lakes in the District.

Contracts - Landscape

This line item includes mowing, edging, pruning, fertilization, semi-annual leaf pickup, irrigation repairs and maintenance, and pest and weed control of the common areas.

Utility - General

This is for the electricity for the District.

Utility – Water & Sewer

This is for the water & sewer usage for the District, plus annual fire protection fee of \$1,600.

Insurance – General Liability

The general liability insurance is with Preferred Governmental Insurance Trust who specializes in providing insurance coverage for governmental agencies.

R&M – Drainage

This is for the upkeep and maintenance of the drainage areas around the District.

Budget Narrative
Fiscal Year 2020

EXPENDITURES

Field (continued)

R&M – Entry Feature

This is for the upkeep and maintenance of the walls and fences of the District.

R&M - Lake

This includes any maintenance to the lakes of the District.

R&M – Plant Replacement

This includes landscape enhancements throughout the District.

R&M – Trees & Trimming

This includes any tree maintenance for the trees in the District.

Miscellaneous – Special Projects

This is for any special projects that may arise in the Field for the District.

Miscellaneous – Hurricane Expense

This is for any hurricane expenses that may occur during or after a hurricane or major weather event.

Miscellaneous - Contingency

This is for any contingencies that may arise in the Field for the District.

Capital Outlay

This is for the maintenance cart that belongs to the District.

Road and Street Facilities

R&M – Parking Lots

This represents repairs and maintenance of the parking lots around the District.

R&M – Roads & Alleyways

This represents miscellaneous repairs of the roads and alleyways of the District.

R&M – Sidewalks

This represents the cost of maintaining the sidewalks within the District

R&M – Streetlights

This includes any repairs and maintenance to the streetlights in the District.

Miscellaneous - Contingency

This is a contingency in case an unexpected cost may arise in for the roads and streets.

Capital Outlay – Sidewalk Improvement

This is for the sidewalks along the lake.

Budget Narrative
Fiscal Year 2020

EXPENDITURES

Parks and Recreation – General

Capital Outlay – Streetlight Improvement

This is for the new poles and streetlights for the District.

Reserve – Roads & Streetlights

This is for the reserve that will be for installing new streetlights around the District.

Contracts – Management Services

This includes payroll, workers comp, FUTA/SUTA taxes and payroll charges for the contracted Parks and Rec personnel.

Contracts – Janitorial Services

This includes any cleaning that may be incurred by the District for cleaning of the recreational center.

Contracts – Pools

This is for the monthly pool maintenance service contract.

Contracts – Pest Control

The District has a contract for pest control for the recreational center, guard house and other buildings owned by the District.

Communication – Telephone

This includes the telephone usage for the Clubhouse Manager.

R&M - Clubhouse

This represents repairs and maintenance of the recreational center that may be required during the year.

R&M - Parks

This includes bocce ball court maintenance and other park maintenance that may be required in the District.

R&M - Pools

This includes any pool maintenance that may be incurred by the District's recreational center pool.

R&M – Tennis Courts

This includes tennis court maintenance including repairing cracks and resurfacing the courts.

Miscellaneous Services

This includes any miscellaneous services that are needed to run the recreational center.

Miscellaneous – Holiday Decorations

This is for the decorations that will be displayed around the District during the Holidays.

Miscellaneous - Cable TV Expenses

This includes the cable TV expenses in the recreational center.

Office Supplies

This includes any office supplies that are needed to run the recreational center.

Budget Narrative
Fiscal Year 2020

EXPENDITURES

Parks and Recreation – General (continued)

Operating Supplies - General

This includes any general maintenance supplies that are needed for the recreational center and the parks.

Capital Outlay – Equipment

This is for purchasing a new phone system for the Lodge.

Capital Outlay – Clubhouse

This is for the capital items for the clubhouse that needed to be replaced which include the pool furniture (\$7,000), sports bar card tables and chairs (\$5,000), lodge patio and waterfall (\$8,000) and lodge folding tables and chairs (\$7,500).

Reserve – Roof

This is for the reserve for the roof of the clubhouse that will need to be replaced.

Reserve – Swimming Pool

This is for the reserve for the swimming pool and pool equipment that may need upgrading.

Special Recreation Facilities

Miscellaneous Services

This includes bank charges and miscellaneous expenditures for the Activities Dept plus any expense for gifts and donations.

Miscellaneous – Event Expense

These are the expenditures from event planning to the decorations for the event.

Miscellaneous – Social Committee

These are the food and drink expenditures for the events requiring food which include the poolside lunch and the coffee social.

Miscellaneous – Trips and Tours

These are the expenditures for the transportation used for the trips and tours.

Office Supplies

These are the expenditures for the office supplies necessary for the Activities Director.

Summary of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2020 Proposed Budget

ACCOUNT DESCRIPTION	ACTUAL FY 2018	ADOPTED BUDGET FY 2019	ACTUAL THRU JAN-2019	PROJECTED FEB - SEP-2019	TOTAL PROJECTED FY 2019	ANNUAL BUDGET FY 2020
REVENUES						
Interest - Investments	\$ 25	\$ 24	\$ 9	\$ 16	\$ 25	\$ 24
Special Assmnts- Tax Collector	84,719	99,081	87,561	11,517	99,078	104,400
Special Assmnts- Discounts	(3,107)	(3,963)	(3,353)	(230)	(3,583)	(4,176)
Other Miscellaneous Revenues	-	3,500	322	2,000	2,322	3,500
TOTAL REVENUES	81,637	98,642	84,539	13,303	97,842	103,748
EXPENDITURES						
<i>Administrative</i>						
Misc-Assessmnt Collection Cost	757	1,982	1,684	230	1,914	2,088
Total Administrative	757	1,982	1,684	230	1,914	2,088
<i>Field</i>						
Contracts-Irrigation	47,028	49,500	16,380	32,760	49,140	49,500
R&M-Irrigation	107,179	45,000	22,894	24,000	46,894	45,000
R&M-Pumps	5,538	2,160	-	2,160	2,160	2,160
Capital Outlay	5,990	-	-	-	-	5,000
Total Field	165,735	96,660	39,274	58,920	98,194	101,660
TOTAL EXPENDITURES	166,492	98,642	40,958	59,150	100,108	103,748
Excess (deficiency) of revenues						
Over (under) expenditures	(84,855)	-	43,581	(45,847)	(2,266)	-
Net change in fund balance	(84,855)	-	43,581	(45,847)	(2,266)	-
FUND BALANCE, BEGINNING	(22,174)	(107,029)	(107,029)	-	(107,029)	(109,296)
FUND BALANCE, ENDING	\$ (107,029)	\$ (107,029)	\$ (63,448)	\$ (45,847)	\$ (109,296)	\$ (109,296)

Budget Narrative
Fiscal Year 2020

REVENUES

Interest-Investments

The District earns interest on the monthly average collected balance for their operating accounts, money market accounts and certificates of deposits.

Special Assessments-Tax Collector

The District will levy a Non-Ad Valorem assessment on all the assessable property within the District in order to pay for the operating expenditures during the Fiscal Year.

Special Assessments-Discounts

Per Section 197.162, Florida Statutes, discounts are allowed for early payment of assessments. The budgeted amount for the fiscal year is calculated at 4% of the anticipated Non-Ad Valorem assessments.

Other Miscellaneous Revenues

This is for the revenue collected for irrigation reimbursement.

EXPENDITURES

Administrative

Miscellaneous-Assessment Collection Costs

The District reimburses the Charlotte County Tax Collector for her or his necessary administrative costs. Per the Florida Statutes, administrative costs shall include, but not be limited to, those costs associated with personnel, forms, supplies, data processing, computer equipment, postage, and programming. The District also compensates the Tax Collector for the actual cost of collection or 2% on the amount of special assessments collected and remitted, whichever is greater. The budget for collection costs was based on a maximum of 2% of the anticipated assessment collections.

Field

Contracts - Irrigation

This includes monthly monitoring of the irrigation systems throughout the District.

R&M - Irrigation

This includes any repairs and maintenance to the irrigation system.

R&M - Pumps

This is for quarterly pump maintenance contract.

Capital Outlay

This is for the new 30HP 230 volt 3 phase submersible pump.

HERITAGE OAK PARK
Community Development District

Debt Service Budget
Fiscal Year 2020

Summary of Revenues, Expenditures and Changes in Fund Balances
Fiscal Year 2020 Proposed Budget

ACCOUNT DESCRIPTION	ACTUAL FY 2018	ADOPTED BUDGET FY 2019	ACTUAL THRU JAN-2019	PROJECTED FEB - SEP-2019	TOTAL PROJECTED FY 2019	ANNUAL BUDGET FY 2020
REVENUES						
Interest - Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assmnts- Tax Collector	214,897	214,897	189,520	25,377	214,897	180,000
Special Assmnts- Discounts	(7,875)	(8,596)	(6,975)	(508)	(7,483)	(7,200)
TOTAL REVENUES	207,022	206,301	182,545	24,870	207,415	172,800
EXPENDITURES						
<i>Administrative</i>						
Misc-Assessmnt Collection Cost	1,921	4,298	3,651	508	4,159	3,600
Total Administrative	1,921	4,298	3,651	508	4,159	3,600
<i>Debt Service</i>						
Principal Debt Retirement	179,804	187,752	-	187,752	187,752	196,028
Interest Expense	26,699	16,965	10,315	10,168	20,483	10,388
Total Debt Service	206,503	204,717	10,315	197,920	208,235	206,416
TOTAL EXPENDITURES	208,424	209,015	13,966	198,428	212,394	210,016
Excess (deficiency) of revenues						
Over (under) expenditures	(1,402)	(2,714)	168,579	(173,558)	(4,979)	(37,216)
OTHER FINANCING SOURCES (USES)						
Contribution to (Use of) Fund Balance	-	(2,714)	-	-	-	(37,216)
TOTAL OTHER SOURCES (USES)	-	(2,714)	-	-	-	(37,216)
Net change in fund balance	(1,402)	(2,714)	168,579	(173,558)	(4,979)	(37,216)
FUND BALANCE, BEGINNING	52,371	50,969	50,969	-	50,969	45,990
FUND BALANCE, ENDING	\$ 50,969	\$ 48,255	\$ 219,548	\$ (173,558)	\$ 45,990	\$ 8,774

SunTrust Loan

Compound Period Exact Days
 Nominal Annual Rate 4.36 %
 Effective Annual Rate Undefined %
 Periodic Rate 0.0121 %
 Daily Rate 0.01211 %

AMORTIZATION SCHEDULE - US Rule 360 Day Year

Date	Payment	Interest	Principal	Balance
11/01/2019	5,194	5,194	-	196,028
05/01/2020	201,222	5,194	196,028	-
	206,416	10,388	196,028	

HERITAGE OAK PARK
Community Development District

Supporting Budget Schedule
Fiscal Year 2020

**Comparison of Assessment Rates
Fiscal Year 2020 vs. Fiscal Year 2019**

Product	General Fund			Irrigation Fund			Debt Service 2008			Total Assessments per Unit			Units
	FY 2020	FY 2019	Percent Change	FY 2020	FY 2019	Percent Change	FY 2020	FY 2019	Percent Change	FY 2020	FY 2019	Percent Change	
SF	\$1,146.59	\$1,123.56	2.0%	\$150.65	\$142.97	5.4%	\$297.90	\$355.65	-16.2%	\$1,595.13	\$1,622.18	-1.7%	39
MF	\$1,146.59	\$1,123.56	2.0%	\$150.65	\$142.97	5.4%	\$259.63	\$309.96	-16.2%	\$1,556.86	\$1,576.49	-1.2%	654
													693