

**LAKE HEATHER SPECIAL DEPENDENT TAX DISTRICT
HILLSBOROUGH COUNTY, FLORIDA**

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

LAKE HEATHER SPECIAL DEPENDENT TAX DISTRICT
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SEPTEMBER 30, 2024

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INDEPENDENT AUDITORS' REPORT

Board of Trustees of the
Lake Heather Special Dependent District
Hillsborough County, Florida

Opinion

We have audited the accompanying financial statements of the Lake Heather Special Dependent Tax District (the "District"), Hillsborough County, Florida as of and for the fiscal year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the governmental fund of the District as of September 30, 2024, and the respective changes in financial position, and the budgetary comparison for the governmental fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Restatement of Financial Statements

We draw attention to Note 5 to the financial statements which describes that the financial statements we originally reported on November 15, 2024 have been amended and the matter that gives rise to the amendment of the financial statements. Our opinion is not modified with respect to this matter.

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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is

not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 November 15, 2024, 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, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.

Hamilton & Associates CPA, LLC

Brandon, Florida

November 15, 2024, except as to Note 5, which is at January 31, 2025

**LAKE HEATHER SPECIAL DEPENDENT TAX DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Our discussion and analysis of Lake Heather Special Dependent Tax District, Hillsborough County, Florida's ("District") financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2024. Please read it in conjunction with the District's Independent Auditors' Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

Financial Highlights

- The net assets of the District totaled \$39,880 at the close of the fiscal year ending September 30, 2024.
- The District's total net position increased by \$13,817 from the prior fiscal year.
- The District's total revenues were \$42,100 for the fiscal year ended September 30, 2024.
- The District's total expenses for all activities were \$28,283 for the year ended September 30, 2024.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the 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.

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 continued development, administration and maintenance of properties for the area known as Lake Heather.

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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has a single governmental fund.

Governmental funds - governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

**LAKE HEATHER SPECIAL DEPENDENT TAX DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Fund Financial Statements – Continued

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District currently maintains one individual governmental fund 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 balance for the special revenue fund, which is a major fund.

The District adopts an annual appropriated budget for its special revenue fund. A budgetary comparison schedule has been provided for the special revenue fund to demonstrate compliance with the budget.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a District's financial position. In the case of the District, assets exceeded liabilities at the close of the most recent fiscal year. The following is a summary of the District's net position as of September 30, 2024 and 2023:

	Net Position, End of Year		
	Governmental Activities		
	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>Increase / (Decrease)</u>
ASSETS			
Current assets	\$ 28,196	\$ 25,985	\$ 2,211
Prepaid expenses	-	550	(550)
Capital assets, net of depreciation	11,684	-	11,684
Total Assets	<u>\$ 39,880</u>	<u>\$ 26,535</u>	<u>\$ 13,345</u>
 LIABILITIES AND NET POSITION			
Accrued expenses	\$ -	\$ 472	(472)
Net investment in capital assets	11,684	-	11,684
Net position, unrestricted	28,196	26,063	2,133
Total Liabilities and Net Position	<u>\$ 39,880</u>	<u>\$ 26,535</u>	<u>\$ 13,345</u>

**LAKE HEATHER SPECIAL DEPENDENT TAX DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Government-Wide Financial Analysis – Continued

Key elements of the changes in the District's net position for the fiscal years ended September 30, 2024 and 2023 are as follows:

	Operating Results for the Year		
	Governmental Activities		
	<u>9/30/2024</u>	<u>9/30/2023</u>	<u>Increase / (Decrease)</u>
REVENUES			
Assessments	\$ 40,034	\$ 24,236	\$ 15,798
Interest & Other	2,066	4	2,062
Total Revenues	42,100	24,240	17,860
EXPENSES			
Environment:			
Landscaping	15,280	12,780	2,500
Accounting & Auditing	2,000	1,680	320
Repairs and maintenance	5,655	6,245	(590)
Water	1,765	2,005	(240)
Communications	450	563	(113)
Commissions - Tax Collector	796	478	318
Electric	626	694	(68)
Insurance	600	300	300
Other charges	845	2,036	(1,191)
Office Supplies	-	57	(57)
Depreciation	266	-	266
Total Expenses	28,283	26,838	1,445
Increase / (Decrease) in Net Position	<u>\$ 13,817</u>	<u>\$ (2,598)</u>	<u>\$ 16,415</u>

Governmental activities increased the District's net position by \$13,817 during the most recent fiscal year. Revenues increased 74% as the District's non-ad valorem assessment rate increased by \$100 per parcel compared to 2023. Expenses increased slightly from the prior year as there were no unanticipated maintenance or repairs expense incurred. Net position increased mostly due to capital improvements to the walls inside of the District, increasing the net investment in capital assets.

**LAKE HEATHER SPECIAL DEPENDENT TAX DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

General Budget Highlights

The District is required to prepare and submit an annual operating budget to the Hillsborough County BOCC. The budget is adopted using the same basis of accounting as the governmental fund. The 2024 fiscal year budgeted revenues were based on a \$250 assessment per improved parcel before discounts and tax collector commissions. Actual net revenues were in line with the budgeted amount, except for an additional \$2,066 of insurance proceeds awarded for damages to the District's front gate. Actual expenditures were \$3,093 lower than budgeted. The District budgeted for a capital outlay of \$25,000, with actual outlay only amounting to \$11,950 for improvements to the walls inside of the District.

Contacting the District's Financial Management

This financial report is designed to provide the residents, 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 or need additional information about this report, contact the Board of Trustees at 16604 Mandy Lane, Tampa, FL 33618.

Other Information

Required supplementary information is required by the Governmental Accounting Standards Board and includes reports on internal control, compliance with laws and regulations, and budgeting comparisons. These reports are also an integral part of the audited financial statements.

LAKE HEATHER SPECIAL DEPENDENT TAX DISTRICT
STATEMENT OF NET POSITION
AS OF SEPTEMBER 30, 2024

ASSETS

Cash	\$ 28,196
Capital assets, net	<u>11,684</u>
Total Assets	<u><u>\$ 39,880</u></u>

NET POSITION

Net investment in capital assets	\$ 11,684
Unrestricted	<u>28,196</u>
Total Net Position	<u><u>\$ 39,880</u></u>

**LAKE HEATHER SPECIAL DEPENDENT TAX DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Changes in Net Position Governmental Activities
Government Activities:			
Physical environment	\$ 28,283	\$ 40,034	\$ 11,751
Total Governmental Activities	\$ 28,283	\$ 40,034	\$ 11,751
General Revenues:			
Insurance Proceeds			2,062
Interest			4
Total General Revenues			2,066
Change in Net Position			13,817
Net Position - Beginning			26,063
Net Position - Ending			\$ 39,880

**LAKE HEATHER SPECIAL DEPENDENT TAX DISTRICT
BALANCE SHEET – GOVERNMENTAL FUND
AS OF SEPTEMBER 30, 2024**

ASSETS

Cash	\$ 28,196
Total Assets	<u>\$ 28,196</u>

FUND BALANCE

Unrestricted	28,196
Total Fund Balance	<u>\$ 28,196</u>

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION

TOTAL FUND BALANCE - GOVERNMENTAL FUNDS	\$ 28,196
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 fund financial statements.	
Cost of capital asset	21,444
Accumulated depreciation	<u>(9,760)</u>
	11,684
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 39,880</u>

**LAKE HEATHER SPECIAL DEPENDENT TAX DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
GOVERNMENTAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Revenues	
Special assessments, net	\$ 40,034
Interest	4
Insurance proceeds	<u>2,062</u>
Total Revenues	42,100
Operating Expenditures	
Landscaping	15,280
Accounting & Auditing	2,000
Repairs and maintenance	5,655
Water	1,765
Communications	450
Electric	626
Insurance	600
Other charges	845
Commissions - Tax Collector	<u>796</u>
Total Operating Expenditures	28,017
Other Income (Expense)	
Capital Outlay	<u>(11,950)</u>
Excess of revenues over expenditures	2,133
Fund Balance - Beginning	<u>26,063</u>
Fund Balance - Ending	<u><u>\$ 28,196</u></u>

**LAKE HEATHER SPECIAL DEPENDENT TAX DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND TO
THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

NET CHANGE IN FUND BALANCE	\$ 2,133
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported as expenditures in the governmental fund statement. However, in the Statement of Activities, capital outlay is not an expense, rather it is an increase in capital assets.	11,950
Depreciation of capital assets is not recognized in the governmental fund statements but is recorded as an expense in the statement of activities	<u>(266)</u>
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES	<u><u>\$ 13,817</u></u>

**LAKE HEATHER SPECIAL DEPENDENT TAX DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature and Purpose of the Lake Heather Special Dependent Tax District

The Lake Heather Special Dependent Tax District ("District"), Hillsborough County, Florida, was created by Hillsborough County Ordinance 87-54, pursuant to Section 189.4041(4), Florida Statutes, in December 1987, for the purpose of continued development, administration, and maintenance of the unincorporated area known as Lake Heather Subdivision.

The District is a special dependent tax district as defined in Section 189.403, Florida Statutes. The governing body of the District is the Board of Trustees, which is comprised of seven elected members who serve four-year terms of office. The general operating authority of the District is contained in Section 189.404, Florida Statutes.

Criteria for defining the reporting entity are identified and described in the Governmental Accounting Standards Board's (GASB) Codification of Governmental Accounting and Financial Reporting Standards, Sections 2800 and 2600. These criteria were used to evaluate potential component units for which the District is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's basic financial statements to be misleading or incomplete. Based on the application of these criteria, no component units are included within the reporting entity of the District.

Government-Wide and Fund Financial Statements

The government-wide financial statements, including the statement of net position and statement of activities, present information about the District as a whole.

The government-wide financial statements are prepared using the economic resources measurement focus. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented to better identify the relationship between the two types of statements.

The District reports the following major governmental fund: Special Revenue Fund - to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using 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 in the year in which they are levied.

Governmental fund financial statements are reported using the modified accrual basis of accounting. Revenues are recognized when they become 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. The District 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.

**LAKE HEATHER SPECIAL DEPENDENT TAX DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Budgets and Budgetary Accounting

The District prepares and adopts a budget for the Special Revenue Fund for the fiscal year commencing October 1, in accordance with Section 189.418(3), Florida Statutes. The operating budget is prepared on the accrual basis of accounting and presented as required supplementary information.

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to June 1, the District submits to the Chief Deputy, Clerk of County Commissioners, a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes the proposed expenditures for the upcoming year.
2. Prior to July 1, the budget is approved by the Board of County Commissioners.
3. The budget for the District is adopted on a basis consistent with generally accepted accounting principles (GAAP).
4. Any amendments to the budget must be approved by the Board of County Commissioners.

Cash Deposits

The District's cash deposits consist of demand deposits held by a commercial bank qualified as a public depository under Florida law. Deposits on hand at financial institutions are insured by the Federal Deposit Insurance Company and collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

Capital Assets

Capital assets, which include improvements to common grounds and infrastructure assets (e.g., roads, sidewalks, and similar items) are reported in the governmental 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 \$1,000 (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. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets. At September 30, 2024, the District held capital assets with a historical cost value of \$9,494, which are fully depreciated. There were no additions or disposals during the year.

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.

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.

**LAKE HEATHER SPECIAL DEPENDENT TAX DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Net Position and Fund Balance Classification

Government-Wide Financial Statements – Net position is classified and reported in three components:

1. *Net Investment in Capital Assets* - consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any borrowings attributed to the acquisition or improvement of those assets.
2. *Restricted Net Position* - consists of net position with constraints placed on their use either by external groups such as creditors, contributors, or laws or regulations of other governments.
3. *Unrestricted Net Position* - all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

Fund Financial Statements - GASB Codification Section 1800.142, Fund Balance Reporting and Governmental Fund Type Definitions, defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB requires the fund balance amounts to be reported within one of the following fund balance categories:

1. *Non-spendable* - fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned). All non-spendable fund balances at year end relate to assets that are non-spendable in form.
2. *Restricted* - fund balance that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.
3. *Committed* - fund balance that can be used only for the specific purposes determined by a formal action of the District's Board of Governance.
4. *Assigned* - fund balance that is intended to be used by the District's management for specific purposes does not meet the criteria to be classified as restricted or committed.
5. *Unassigned* - fund balance that is the residual amount for the District's general fund and includes all spendable amounts not contained in the other classifications.

Revenue Sources

The District's primary source of revenue is a non-ad valorem assessment in the Lake Heather Subdivision on all improved residential parcels. The District is authorized to levy the assessment on each of 165 total improved residential parcels of property located within the District. Assessments are recognized in the fiscal year when they become measurable and available. The assessments are collected by Hillsborough County as part of the annual property tax and remitted to the District net of an early payment discount (4% starting in November and gradually decreasing by 1% per month until March) and net of a 2% fee retained by the Tax Collector. The District approved an assessment of \$250 per improved parcel for the fiscal year.

**LAKE HEATHER SPECIAL DEPENDENT TAX DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Use of Estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Date of Management's Review

Management has evaluated subsequent events through November 15, 2024, the date on which the financial statements were available to be issued and found no significant events requiring disclosure.

NOTE 2 – CONCENTRATION OF CREDIT RISK

In the case of deposits, there is a custodial credit risk where in the event of a bank failure, the District's deposits may not be returned to the District. Cash balances consist of \$28,196 held entirely in a checking account with a commercial bank that qualifies as a public depository under Florida law. All such deposits are insured by the Federal Deposit Insurance Company and/or collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, Florida Statutes.

NOTE 3 – REVENUE

The 2024 fiscal year assessment for the District was \$250 per improved parcel. Assessments for the District were as follows:

	<u>Amount</u>
Non-ad Valorem taxes assessed	\$ 41,250
Interest and excess fees	266
Less: Discounts	<u>(1,482)</u>
Total Non-ad Valorem tax revenue	<u>40,034</u>
Less: Tax Collector fees	<u>(796)</u>
Total remittances to the District	<u><u>\$ 39,238</u></u>

LAKE HEATHER SPECIAL DEPENDENT TAX DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

NOTE 4 – CAPITAL ASSETS

The District's investment in capital assets consists of the following at September 30, 2024:

<u>Depreciable Capital Assets:</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Infrastructure - wall improvements	\$ -	\$ 11,950	\$ -	\$ 11,950
Other improvements	9,494	-	-	9,494
Total capital assets	9,494	11,950	-	21,444
Less accumulated depreciation for:				
Infrastructure - wall improvements	-	(266)	-	(266)
Other improvements	(9,494)	-	-	(9,494)
Total accumulated depreciation	(9,494)	(266)	-	(9,760)
Capital assets being depreciated, net	\$ -	\$ 11,684	\$ -	\$ 11,684

NOTE 5 – RESTATEMENT OF FINANCIAL STATEMENTS

The September 30, 2024 financial statements were restated for a correction in an accounting error relating to the reporting of capital outlay expenditures in the governmental fund and the recording of capital assets in the government-wide financial statements. The September 30, 2024 financial information has been updated to correct for this error as follows:

Government wide financial statements:

	<u>As previously reported</u>	<u>Correction of Error</u>	<u>As Restated</u>
Balance Sheet:			
Cash	\$ 28,196	\$ -	\$ 28,196
Capital assets, net	-	11,684	11,684
Total Assets	\$ 28,196	\$ 11,684	\$ 39,880
Investment in capital assets	-	11,684	11,684
Unrestricted net position	28,196	-	28,196
Total Net Position	\$ 28,196	\$ 11,684	\$ 39,880
Statement of Activities:			
Expenses - Physical environment	\$ 39,967	\$ (11,684)	\$ 28,283
Change in net position	\$ 2,133	\$ 11,684	\$ 13,817
Net Position - Ending	\$ 28,196	\$ 11,684	\$ 39,880

**LAKE HEATHER SPECIAL DEPENDENT TAX DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

NOTE 5 – RESTATEMENT OF FINANCIAL STATEMENTS – Continued

Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund

	As previously reported	Correction of Error	As Restated
Operating Expenditures			
Landscaping	\$ 15,280	\$ -	\$ 15,280
Accounting & Auditing	2,000	-	2,000
Repairs and maintenance	17,605	(11,950)	5,655
Water	1,765	-	1,765
Communications	450	-	450
Electric	626	-	626
Insurance	600	-	600
Other charges	845	-	845
Commissions - Tax Collector	796	-	796
Total Operating Expenditures	39,967	(11,950)	28,017
Other Income (Expense)			
Capital Outlay	-	(11,950)	(11,950)
Excess of revenues over expenditures	2,133	-	2,133
Fund Balance - Beginning	26,063	-	26,063
Fund Balance - Ending	<u>\$ 28,196</u>	<u>\$ -</u>	<u>\$ 28,196</u>

REQUIRED SUPPLEMENTARY INFORMATION

LAKE HEATHER SPECIAL DEPENDENT TAX DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GOVERNMENTAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

	<u>Budgeted Amounts</u>		Variance with Final Budget - Positive (Negative)
	<u>Original & Final</u>	<u>Actual Amounts</u>	
Revenues			
Special assessments, net	\$ 39,172	\$ 40,034	\$ 862
Interest & other	300	2,066	1,766
Total revenues	39,472	42,100	2,628
Expenditures			
Landscaping	15,600	15,280	320
Accounting & Auditing	2,000	2,000	-
Repairs and maintenance	5,400	5,655	(255)
Water	2,900	1,765	1,135
Communications	650	450	200
Electric	860	626	234
Insurance	300	600	(300)
Other charges	2,000	845	1,155
Office Supplies	1,400	-	1,400
Commissions - Tax Collector	-	796	(796)
Total expenditures	31,110	28,017	3,093
Excess of revenues over expenditures	8,362	14,083	5,721
Less: Capital outlay	(25,000)	(11,950)	13,050
Fund Balance - Beginning	16,638	26,063	
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 28,196</u>	

**INDEPENDENT AUDITORS' 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***

Board of Trustees of the
Lake Heather Special Dependent Tax District
Hillsborough County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and major fund of Lake Heather Special Dependent Tax District ("District"), as of and for the fiscal year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 15, 2024.

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 opinion 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 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 or significant deficiencies may exist that were not 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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance 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 do not provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performing 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.

Hamilton & Associates CPA, LLC

Brandon, Florida
November 15, 2024

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

Board of Supervisors of the
Lake Heather Special Dependent Tax District
Hillsborough County, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of Lake Heather Special Dependent Tax District, Hillsborough County, Florida ("District") as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated November 15, 2024.

Auditors' Responsibility

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; and Chapter 10.550, *Rules of the Florida Auditor General*.

Other Reporting Requirements

We have also issued our Independent Auditors' 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* and Independent Accountants' Report on an examination conducted in accordance with AICPA *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated November 15, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require that we apply appropriate procedures and report the results of our determination as to whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific

conditions met. In connection with our audit, the results of our tests did not indicate that the District met any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the District. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based, in part, on representations made by management and the review of financial information provided by same.

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

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., *Rules of the Auditor General*, the District did not operate a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, within the geographical boundaries during the fiscal year under audit.

Special District Component Units

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Specific Information

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

- a. There were no district employees compensated in the last pay period of the fiscal year.
- b. There were no independent contractors to whom non-employee compensation was paid in the last month of the district's fiscal year.
- c. There was no compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency.
- d. There was no compensation earned by or awarded to non-employee independent contractors, whether paid or accrued, regardless of contingency.
- e. There are no construction projects with a total cost of at least \$65,000 approved by the District that are scheduled to begin on or after October 1 of the fiscal year being reported.
- f. There were no amendments to the original budget adopted under Section 189.016(4).

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to address 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 warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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, Hillsborough County, Florida, The Board of Trustees, and applicable management and is not intended to be and should not be used by anyone other than those specified parties.

Hamilton & Associates CPA, LLC

Brandon, Florida
November 15, 2024