

**HAMMOCK BAY
COMMUNITY DEVELOPMENT DISTRICT**

JULY 25, 2023

AGENDA PACKAGE



210 N. UNIVERSITY DRIVE, SUITE 702
CORAL SPRINGS, FLORIDA 33071

Hammock Bay Community Development District

Agenda Page #2

Board of Supervisors

Tim Edwards, Chairman
Robert Sullivan, Vice Chairman
Mark Lane, Assistant Secretary
Mary Barnes, Assistant Secretary
David Underwood, Assistant Secretary

Bob Koncar, District Manager
Tucker Mackie, Esq. District Counsel
Rick Welch, District Engineer

Regular Meeting Agenda

Tuesday, July 25, 2023 – 1:00 p.m.

Audience Participation

Call In Number: 1-646-838-1601 Access Code: 730693086#

1. CALL TO ORDER/ROLL CALL

2. PUBLIC COMMENT ON AGENDA ITEMS

3. BUSINESS ITEMS

- A. Public Hearing FY 2024 Budget
 - i. Consideration of Resolution 2023-4 Adopting the Budget
 - ii. Consideration of Resolution 2023-5 Levying Assessments
- B. Acceptance of the Audit for FY 2022
- C. Website Discussion

4. CONSENT AGENDA

- A. Consideration of Minutes of the April 27, 2023 Workshop and Meeting
- B. . Financials

5. STAFF REPORTS

- A. District Counsel
- B. District Engineer
- C. District Manager
 - i. ...Meeting Schedule for Fiscal Year 2024

6. BOARD OF SUPERVISORS REQUESTS AND COMMENTS

7. AUDIENCE QUESTIONS, COMMENTS AND DISCUSSION FORUM

8. ADJOURNMENT

District Office

Inframark
2005 Pan Am Circle, Suite 120
Tampa, FL 33607
813-873-7300

Meeting Location:

Hammock Bay Lake Center
1850 Great Hammock Bend
Freeport, FL 32429

Third Order of Business

3A.

HAMMOCK BAY

COMMUNITY DEVELOPMENT DISTRICT

FISCAL YEAR 2024

FINAL ANNUAL OPERATING BUDGET



May 16, 2023

HAMMOCK BAY COMMUNITY DEVELOPMENT DISTRICT

FISCAL YEAR 2024 FINAL ANNUAL OPERATING BUDGET

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May 16, 2023

HAMMOCK BAY

COMMUNITY DEVELOPMENT DISTRICT

BUDGET INTRODUCTION

Background Information

The Hammock Bay Community Development District is a local special purpose government authorized by Chapter 190, Florida Statutes, as amended. The Community Development District (CDD) is an alternative method for planning, financing, acquiring, operating and maintaining community-wide infrastructure in master planned communities. The CDD also is a mechanism that provides a “solution” to the State’s needs for delivery of capital infrastructure to service projected growth without overburdening other governments and their taxpayers. CDDs represent a major advancement in Florida’s effort to manage its growth effectively and efficiently. This allows the community to set a higher standard for construction along with providing a long-term solution to the operation and maintenance of community facilities.

The following report represents the District budget for Fiscal Year 2024, which begins on October 1, 2023. The District budget is organized by fund to segregate financial resources and ensure that the segregated resources are used for their intended purpose, and the District has established the following funds.

<u>Fund Number</u>	<u>Fund Name</u>	<u>Services Provided</u>
001	General Fund	Operations and Maintenance of Community Facilities Financed by Non-Ad Valorem Assessments
201	Debt Service Fund	Collection of Special Assessments for Debt Service on the Series 2016 Capital Improvement Revenue Refunding Bonds

Facilities of the District

The District’s existing facilities include storm-water management (lake and water control structures), wetland preserve areas, street lighting, landscaping, entry signage, entry features, irrigation distribution facilities, recreational center, parks, pool facility, tennis courts and other related public improvements.

Maintenance of the Facilities

In order to maintain the facilities, the District conducts hearings to adopt an operating budget each year. This budget includes a detailed description of the maintenance program along with an estimate of the cost of the program. The funding of the maintenance budget is levied as a non-ad valorem assessment on your property by the District Board of Supervisors.

HAMMOCK BAY

COMMUNITY DEVELOPMENT DISTRICT

	Fiscal Year 2023 Final Operating Budget	Current Period Actuals 10/1/22 - 02/28/23	Projected Revenues & Expenditures 03/1/23 to 09/30/23	Total Actuals and Projections Through 09/30/23	Over/(Under) Budget Through 09/30/23
REVENUES					
SPECIAL ASSESSMENTS					
Operations & Maintenance Assmts-Tax Roll	57,815.00	56,126.00	1,689.00	57,815.00	0.00
Operations & Maintenance Assmts - Off-Roll	0.00	0.00	0.00	0.00	0.00
TOTAL SPECIAL ASSESSMENTS	57,815.00	56,126.00	1,689.00	57,815.00	0.00
OTHER FINANCING SOURCES					
Interfund Transfer	0.00	0.00	0.00	0.00	0.00
TOTAL OTHER FINANCING SOURCES	0.00	0.00	0.00	0.00	0.00
INTEREST EARNINHS					
Interest earnings	0.00	0.00	0.00	0.00	0.00
TOTAL INTEREST EARNINHS	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	\$57,815.00	\$56,126.00	\$1,689.00	\$57,815.00	\$0.00
EXPENDITURES					
LEGISLATIVE					
Supervisor Fees	1,600.00	0.00	1,600.00	1,600.00	0.00
TOTAL LEGISLATIVE	1,600.00	0.00	1,600.00	1,600.00	0.00
FINANCIAL & ADMINISTRATIVE					
District Engineer	2,500.00	0.00	2,500.00	2,500.00	0.00
Trustees Fees	4,300.00	1,257.00	1,943.00	3,200.00	(1,100.00)
Management & Accounting Services	34,790.00	14,496.00	20,294.00	34,790.00	0.00
Auditing Services	6,950.00	0.00	6,750.00	6,750.00	(200.00)
Arbitrage Rebate Calculation	650.00	0.00	650.00	650.00	0.00
Postage, Phone, Faxes, Copies	150.00	5.00	145.00	150.00	0.00
Public Officials Insurance	1,838.00	617.00	1,221.00	1,838.00	0.00
Legal Advertising	250.00	154.00	96.00	250.00	0.00
Bank Fees	100.00	0.00	100.00	100.00	0.00
Dues, Licenses & Fees	135.00	175.00	0.00	175.00	40.00
Website Administration	500.00	114.00	386.00	500.00	0.00
ADA Website Compliance	1,500.00	750.00	750.00	1,500.00	0.00
TOTAL FINANCIAL & ADMINISTRATIVE	53,663.00	17,568.00	34,835.00	52,403.00	(1,260.00)
LEGAL COUNSEL					
District Counsel	1,000.00	207.00	793.00	1,000.00	0.00
TOTAL LEGAL COUNSEL	1,000.00	207.00	793.00	1,000.00	0.00
OTHER PHYSICAL ENVIRONMENT					
General Liability Insurance	1,552.00	2,285.00	715.00	3,000.00	1,448.00
TOTAL OTHER PHYSICAL ENVIRONMENT	1,552.00	2,285.00	715.00	3,000.00	1,448.00
TOTAL EXPENDITURES	\$57,815.00	\$20,060.00	\$37,943.00	\$58,003.00	\$188.00
EXCESS OF REVENUES OVER/(UNDER) EXPENDITURES	\$0.00	\$36,066.00	(\$36,254.00)	(\$188.00)	(\$188.00)

HAMMOCK BAY

COMMUNITY DEVELOPMENT DISTRICT

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	Fiscal Year 2023 Final Operating Budget	Current Period Actuals 10/1/22 - 02/28/23	Projected Revenues & Expenditures 03/1/23 to 09/30/23	Total Actuals and Projections Through 09/30/23	Over/(Under) Budget Through 09/30/23	Fiscal Year 2024 Final Operating Budget	Increase / (Decrease) from FY 2023 to FY 2024
REVENUES							
SPECIAL ASSESSMENTS							
Operations & Maintenance Assmts-Tax Roll	57,815.00	56,126.00	1,689.00	57,815.00	0.00	57,540.00	(275.00)
Operations & Maintenance Assmts - Off-Roll	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL SPECIAL ASSESSMENTS	57,815.00	56,126.00	1,689.00	57,815.00	0.00	57,540.00	(275.00)
OTHER FINANCING SOURCES							
Interfund Transfer	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL OTHER FINANCING SOURCES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
INTEREST EARNINGS							
Interest Earnings	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL INTEREST EARNINGS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	\$57,815.00	\$56,126.00	\$1,689.00	\$57,815.00	\$0.00	\$57,540.00	\$0.00
EXPENDITURES							
LEGISLATIVE							
Supervisor Fees	1,600.00	0.00	1,600.00	1,600.00	0.00	1,600.00	0.00
TOTAL LEGISLATIVE	1,600.00	0.00	1,600.00	1,600.00	0.00	1,600.00	0.00
FINANCIAL & ADMINISTRATIVE							
District Engineer	2,500.00	0.00	2,500.00	2,500.00	0.00	1,767.00	(733.00)
Trustees Fees	4300.00	1257.00	1943.00	3200.00	-1100.00	4025.00	-275.00
Management & Accounting Services	34,790.00	14,496.00	20,294.00	34,790.00	0.00	34,790.00	0.00
Auditing Services	6950.00	0.00	6750.00	6750.00	-200.00	6950.00	0.00
Arbitrage Rebate Calculation	650.00	0.00	650.00	650.00	0.00	650.00	0.00
Postage, Phone, Faxes, Copies	150.00	5.00	145.00	150.00	0.00	150.00	0.00
Professional Liability Insurance	1,838.00	617.00	1,221.00	1,838.00	0.00	1,838.00	0.00
Legal Advertising	250.00	154.00	96.00	250.00	0.00	250.00	0.00
Bank Fees	100.00	0.00	100.00	100.00	0.00	100.00	0.00
Dues, Licenses & Fees	135.00	175.00	0.00	175.00	40.00	135.00	0.00
Website Administration	500.00	114.00	386.00	500.00	0.00	500.00	0.00
ADA Website Compliance	1500.00	750.00	750.00	1500.00	0.00	1500.00	0.00
TOTAL FINANCIAL & ADMINISTRATIVE	53,663.00	17,568.00	34,835.00	52,403.00	(1,260.00)	52,655.00	(1,008.00)
LEGAL COUNSEL							
District Counsel	1,000.00	207.00	793.00	1,000.00	0.00	1,000.00	0.00
TOTAL LEGAL COUNSEL	1,000.00	207.00	793.00	1,000.00	0.00	1,000.00	0.00
OTHER PHYSICAL ENVIRONMENT							
General Liability Insurance	1,552.00	2,285.00	715.00	3,000.00	1,448.00	2,285.00	733.00
TOTAL OTHER PHYSICAL ENVIRONMENT	1,552.00	2,285.00	715.00	3,000.00	1,448.00	2,285.00	733.00
TOTAL EXPENDITURES	\$57,815.00	\$20,060.00	\$37,943.00	\$58,003.00	\$188.00	\$57,540.00	(\$275.00)
EXCESS OF REVENUES OVER/(UNDER) EXPENDITURES	\$0.00	\$36,066.00	(\$36,254.00)	(\$188.00)	(\$188.00)	\$0.00	\$275.00

FISCAL YEAR 2024
FINAL ANNUAL OPERATING BUDGET

HAMMOCK BAY

COMMUNITY DEVELOPMENT DISTRICT

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GENERAL FUND 001

FINANCIAL & ADMINISTRATIVE

District Engineer

Requirements for engineering services are estimated annual expenditures on as needed basis and also cover such items as attendance at scheduled meetings of the Board of Supervisor's, contract preparation and review, etc.

Disclosure Report

This is required of the District as part of the bond indentures.

Trustees Fees

This is required of the District as part of the bond indentures.

Management & Accounting Services

As part of the consulting managers contract, the District retains Accounting Services to process invoices, prepare tax-rolls and record the District's transactions in compliance with governmental accounting standards.

Auditing Services

The District is required to annually undertake an independent examination of its books, records and accounting procedures. This audit is conducted pursuant to State Law and the Rules of the Auditor General.

Arbitrage Rebate Calculation

This is required of the District as part of the bond indentures.

Postage, Phone, Faxes, Copies

Cost of materials and service to produce agendas and conduct day-to-day business of the District.

Professional Liability Insurance

The District carries Public Officials Liability in the amount of \$1,000,000.

Legal Advertising

This is required to conduct the official business of the District in accordance with the Sunshine Law and other advertisement requirements as indicated by the Florida Statutes.

Bank Fees

The District operates a checking account for expenditures and receipts.

Dues, Licenses & Fees

The District is required to file with the County and State each year.

Miscellaneous Fees

To provide for unbudgeted administrative expenses.

HAMMOCK BAY

COMMUNITY DEVELOPMENT DISTRICT

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GENERAL FUND 001

LEGAL COUNSEL

District Counsel

Requirements for legal services are estimated annual expenditures on an as needed basis and also cover such items as attendance at scheduled meetings of the Board of Supervisor's, contract preparation and review, etc.

The District carries \$1,000,000 in general liability and also has sovereign immunity.

HOA Maintenance Agreement

An agreement in place between the District and the HOA allows the HOA to govern the repairs and maintenance program of District assets.

INTERFUND TRANSFER

Transfers

A provision has been made to collect amounts attributable to collection costs on Series 2016 A Bonds to be transferred to Debt Service Revenue Funds.

HAMMOCK BAY

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COMMUNITY DEVELOPMENT DISTRICT

DEBT SERVICE FUND

REVENUES

CDD Debt Service Assessments	\$	204,845
TOTAL REVENUES	\$	204,845

EXPENDITURES

Series 2016 May Bond Principal Payment	\$	140,000
Series 2016 May Bond Interest Payment		33,577.50
Series 2016 November Bond Interest Payment		31,267.50
TOTAL EXPENDITURES	\$	204,845
EXCESS OF REVENUES OVER EXPENDITURES	\$	-

ANALYSIS OF BONDS OUTSTANDING

Bonds Outstanding - Period Ending 11/1/2024	\$	2,035,000
Principal Payment Applied Toward Series 2016 Bonds	\$	140,000
Bonds Outstanding - Period Ending 11/1/2024	\$	1,895,000

HAMMOCK BAY

COMMUNITY DEVELOPMENT DISTRICT

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SCHEDULE OF ANNUAL ASSESSMENTS ⁽¹⁾

Lot Size	EAU Value	Total Unit Count	Debt Service Unit Count	Fiscal Year 2023					Fiscal Year 2024					Assessment Variance ⁽²⁾	
				Debt Service Per Unit	O&M Per Unit w/o Debt Service	O&M Per Unit with Debt Service	Fiscal Year 2023 Total w/o Debt Service	Fiscal Year 2023 Total with Debt Service	Debt Service Per Unit	O&M Per Unit w/o Debt Service	O&M Per Unit with Debt Service	Fiscal Year 2024 Total w/o Debt Service	Fiscal Year 2024 Total with Debt Service	Inc/(Dec) In O&M w/o DS Per Unit	Inc/(Dec) In O&M with DS Per Unit
60	1.00	3	3	\$526.88	\$110.64	\$130.04	\$110.64	\$656.92	\$526.88	\$110.64	\$130.04	\$110.64	\$656.92	\$0.00	\$0.00
70	1.17	107	33	\$616.45	\$110.64	\$130.04	\$110.64	\$746.49	\$616.45	\$110.64	\$130.04	\$110.64	\$746.49	\$0.00	\$0.00
75	1.25	92	40	\$658.60	\$110.64	\$130.04	\$110.64	\$788.64	\$658.60	\$110.64	\$130.04	\$110.64	\$788.64	\$0.00	\$0.00
80	1.33	149	103	\$700.76	\$110.64	\$130.04	\$110.64	\$830.80	\$700.76	\$110.64	\$130.04	\$110.64	\$830.80	\$0.00	\$0.00
85	1.42	1	1	\$748.18	\$110.64	\$130.04	\$110.64	\$878.22	\$748.18	\$110.64	\$130.04	\$110.64	\$878.22	\$0.00	\$0.00
90	1.50	5	1	\$790.32	\$110.64	\$130.04	\$110.64	\$920.36	\$790.32	\$110.64	\$130.04	\$110.64	\$920.36	\$0.00	\$0.00
95	1.58	2	2	\$832.47	\$110.64	\$130.04	\$110.64	\$962.51	\$832.47	\$110.64	\$130.04	\$110.64	\$962.51	\$0.00	\$0.00
100	1.67	73	46	\$879.89	\$110.64	\$130.04	\$110.64	\$1,009.93	\$879.89	\$110.64	\$130.04	\$110.64	\$1,009.93	\$0.00	\$0.00
110	1.83	22	14	\$964.19	\$110.64	\$130.04	\$110.64	\$1,094.23	\$964.19	\$110.64	\$130.04	\$110.64	\$1,094.23	\$0.00	\$0.00
Commercial	2.00	50	50	\$1,053.77	\$110.64	\$130.04	\$110.64	\$1,183.81	\$1,053.77	\$110.64	\$130.04	\$110.64	\$1,183.81	\$0.00	\$0.00
Total		504	293												

Notations:

⁽¹⁾ Annual assessments are adjusted for collection costs and early payment discounts of 6%.

⁽²⁾ An increase in assessments creates a positive figure; conversely, a decrease in assessments creates a negative figure.



3Ai.

RESOLUTION 2023-04

THE ANNUAL APPROPRIATION RESOLUTION OF THE HAMMOCK BAY COMMUNITY DEVELOPMENT DISTRICT (“DISTRICT”) RELATING TO THE ANNUAL APPROPRIATIONS AND ADOPTING THE BUDGETS FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2023, AND ENDING SEPTEMBER 30, 2024; AUTHORIZING BUDGET AMENDMENTS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the District Manager has, prior to the fifteenth (15th) day in June, 2023, submitted to the Board of Supervisors (“**Board**”) of the Hammock Bay Community Development District (“**District**”) proposed budgets (“**Proposed Budget**”) for the fiscal year beginning October 1, 2023 and ending September 30, 2024 (“**Fiscal Year 2023/2024**”) along with an explanatory and complete financial plan for each fund of the District, pursuant to the provisions of Section 190.008(2)(a), *Florida Statutes*; and

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

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

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

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

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE HAMMOCK BAY COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1. BUDGET

- a. The Board has reviewed the Proposed Budget, a copy of which is on file with the office of the District Manager and at the District’s Local Records Office, and hereby approves certain amendments thereto, as shown in Section 2 below.

- b. The Proposed Budget, attached hereto as **Exhibit “A,”** as amended by the Board, is hereby adopted in accordance with the provisions of Section 190.008(2)(a), *Florida Statutes* (“**Adopted Budget**”), and incorporated herein by reference; provided, however, that the comparative figures contained in the Adopted Budget may be subsequently revised as deemed necessary by the District Manager to reflect actual revenues and expenditures.
- c. The Adopted Budget, as amended, shall be maintained in the office of the District Manager and at the District’s Local Records Office and identified as “The Budget for the Hammock Bay Community Development District for the Fiscal Year Ending September 30, 2024.”
- d. The Adopted Budget shall be posted by the District Manager on the District’s official website within thirty (30) days after adoption, and shall remain on the website for at least 2 years.

SECTION 2. APPROPRIATIONS

There is hereby appropriated out of the revenues of the District, for Fiscal Year 2023/2024, the sum of \$_____ to be raised by the levy of assessments and/or otherwise, which sum is deemed by the Board to be necessary to defray all expenditures of the District during said budget year, to be divided and appropriated in the following fashion:

TOTAL GENERAL FUND	\$_____
DEBT SERVICE FUND(S)	\$_____
TOTAL ALL FUNDS	\$_____

SECTION 3. BUDGET AMENDMENTS

Pursuant to Section 189.016, *Florida Statutes*, the District at any time within Fiscal Year 2023/2024 or within 60 days following the end of the Fiscal Year 2023/2024 may amend its Adopted Budget for that fiscal year as follows:

- a. A line-item appropriation for expenditures within a fund may be decreased or increased by motion of the Board recorded in the minutes, and approving the expenditure, if the total appropriations of the fund do not increase.
- b. The District Manager or Treasurer may approve an expenditure that would increase or decrease a line-item appropriation for expenditures within a fund if the total appropriations of the fund do not increase and if either (i) the aggregate change in the original appropriation item does not exceed the greater of \$15,000

or 15% of the original appropriation, or (ii) such expenditure is authorized by separate disbursement or spending resolution.

- c. Any other budget amendments shall be adopted by resolution and consistent with Florida law.

The District Manager or Treasurer must ensure that any amendments to the budget under paragraph c. above are posted on the District's website within 5 days after adoption and remain on the website for at least 2 years.

SECTION 4. EFFECTIVE DATE. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED THIS 25th DAY OF JULY, 2023.

ATTEST:

**HAMMOCK BAY COMMUNITY
DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

By: _____

Its: _____

3Aii

RESOLUTION 2023-05

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE HAMMOCK BAY COMMUNITY DEVELOPMENT DISTRICT MAKING A DETERMINATION OF BENEFIT AND IMPOSING SPECIAL ASSESSMENTS FOR FISCAL YEAR 2023/2024; PROVIDING FOR THE COLLECTION AND ENFORCEMENT OF SPECIAL ASSESSMENTS; CERTIFYING AN ASSESSMENT ROLL; PROVIDING FOR AMENDMENTS TO THE ASSESSMENT ROLL; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Hammock Bay Community Development District ("**District**") is a local unit of special-purpose government established pursuant to Chapter 190, *Florida Statutes*, for the purpose of providing, operating and maintaining infrastructure improvements, facilities and services to the lands within the District; and

WHEREAS, the District is located in Walton County, Florida ("**County**"); and

WHEREAS, the District has constructed or acquired various infrastructure improvements and provides certain services in accordance with the District's adopted capital improvement plan and Chapter 190, *Florida Statutes*; and

WHEREAS, the Board of Supervisors ("**Board**") of the District hereby determines to undertake various operations and maintenance and other activities described in the District's budget ("**Adopted Budget**") for the fiscal year beginning October 1, 2023 and ending September 30, 2024 ("**Fiscal Year 2023/2024**"), attached hereto as **Exhibit "A"** and incorporated by reference herein; and

WHEREAS, the District must obtain sufficient funds to provide for the operation and maintenance of the services and facilities provided by the District as described in the Adopted Budget; and

WHEREAS, the provision of such services, facilities, and operations is a benefit to lands within the District; and

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

WHEREAS, it is in the best interests of the District to proceed with the imposition of the special assessments for operations and maintenance in the amount set forth in the Adopted Budget; and

WHEREAS, the District has previously levied an assessment for debt service, which the District desires to collect for Fiscal Year 2023/2024; and

WHEREAS, Chapter 197, *Florida Statutes*, provides a mechanism pursuant to which such special assessments may be placed on the tax roll and collected by the local tax collector ("**Uniform Method**"), and the District has previously authorized the use of the Uniform Method by, among other things, entering into agreements with the Property Appraiser and Tax Collector of the County for that purpose; and

WHEREAS, it is in the best interests of the District to adopt the Assessment Roll of the Hammock Bay Community Development District ("**Assessment Roll**") attached to this Resolution as **Exhibit "B"** and incorporated as a material part of this Resolution by this reference, and to certify the Assessment Roll to the County Tax Collector pursuant to the Uniform Method; and

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

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF
SUPERVISORS OF THE HAMMOCK BAY COMMUNITY
DEVELOPMENT DISTRICT:**

SECTION 1. BENEFIT & ALLOCATION FINDINGS. The Board hereby finds and determines that the provision of the services, facilities, and operations as described in **Exhibit "A"** confers a special and peculiar benefit to the lands within the District, which benefit exceeds or equals the cost of the assessments. The allocation of the assessments to the specially benefitted lands, as shown in **Exhibits "A" and "B,"** is hereby found to be fair and reasonable.

SECTION 2. ASSESSMENT IMPOSITION. Pursuant to Chapters 190 and 197, *Florida Statutes*, and using the procedures authorized by Florida law for the levy and collection of special assessments, a special assessment for operation and maintenance is hereby imposed and levied on benefitted lands within the District, and in accordance with **Exhibits "A" and "B."** The lien of the special assessments for operations and maintenance imposed and levied by this Resolution shall be effective upon passage of this Resolution. Moreover, pursuant to Section 197.3632(4), *Florida Statutes*, the lien amount shall serve as the "maximum rate" authorized by law for operation and maintenance assessments.

SECTION 3. COLLECTION. The collection of the operation and maintenance special assessments and previously levied debt service assessments shall be at the same time and in the same manner as County taxes in accordance with the Uniform Method, as indicated on **Exhibits "A" and "B."** The decision to collect special assessments by any particular method – e.g., on the tax roll or by direct bill – does not mean that such method will be used to collect special assessments in future years, and the District reserves the right in its sole discretion to select collection methods in any given year, regardless of past practices.

SECTION 4. ASSESSMENT ROLL. The Assessment Roll, attached to this Resolution as **Exhibit "B,"** is hereby certified to the County Tax Collector and shall be collected by the County Tax Collector in the same manner and time as County taxes. The proceeds therefrom shall be paid to the District.

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

SECTION 6. SEVERABILITY. The invalidity or unenforceability of any one or more provisions of this Resolution shall not affect the validity or enforceability of the remaining portions of this Resolution, or any part thereof.

SECTION 7. EFFECTIVE DATE. This Resolution shall take effect upon the passage and adoption of this Resolution by the Board.

PASSED AND ADOPTED this 25th day of July, 2023.

ATTEST:

**HAMMOCK BAY COMMUNITY
DEVELOPMENT DISTRICT**

Secretary / Assistant Secretary

By: _____

Its: _____

Exhibit A: Budget

Exhibit B: Assessment Roll

3B.



Hammock Bay Community Development District

FINANCIAL STATEMENTS

September 30, 2022



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INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors
Hammock Bay Community Development District
Walton County, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Hammock Bay Community Development District (hereinafter referred to as "District"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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' Responsibilities 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 auditors' 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 - 8 and 24 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 June 29, 2023, on our consideration of the District's internal control over financial reporting and 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.

CARR, RIGGS & INGRAM, LLC

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." in a cursive script.

Miramar Beach, Florida
June 29, 2023

Management's Discussion And Analysis

Hammock Bay Community Development District Management's Discussion and Analysis

Our discussion and analysis of the Hammock Bay Community Development District's financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2022. Please read it in conjunction with the District's financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

- At September 30, 2022, the assets and deferred outflows of resources of the District exceeded its liabilities by approximately \$4.8 million.
- During the year ended September 30, 2022, the District incurred approximately \$77,000 of interest expenditures and repaid principal of \$160,000.

USING THE ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities on pages 9 – 10 provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements start on page 11. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds.

Reporting the District as a Whole

Our analysis of the District as a whole begins on page 5. One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and related changes during the current year. You can think of the District's net position – the difference between assets and liabilities – as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors; however, such as changes in the District's assessment base and the condition of the District's infrastructure, to assess the overall health of the District.

Hammock Bay Community Development District Management's Discussion and Analysis

Reporting the District's Most Significant Funds

Our analysis of the District's major funds begins on page 6. The fund financial statements begin on page 11 and provide detailed information about the most significant funds – not the District as a whole. Some funds are required to be established by State law and by bond covenants. All of the District's funds are governmental fund-types.

- *Governmental funds* – All of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

THE DISTRICT AS A WHOLE

The following table reflects the condensed Statement of Net Position and is compared to the prior year.

<i>September 30,</i>	2022	2021	Change
Assets			
Current and other assets	\$ 273,840	\$ 274,670	\$ (830)
Capital assets, net	6,715,927	7,198,837	(482,910)
Total assets	6,989,767	7,473,507	(483,740)
Deferred outflows of resources			
Deferred charge on refunding	15,114	21,590	(6,476)
Total assets and deferred outflows of resources	\$ 7,004,881	\$ 7,495,097	\$ (490,216)
Liabilities			
Current liabilities	\$ 174,366	\$ 178,450	\$ (4,084)
Other liabilities	2,035,000	2,190,000	(155,000)
Total liabilities	2,209,366	2,368,450	(159,084)
Net position			
Net investment in capital assets	4,586,041	4,915,427	(329,386)
Restricted for:			
Debt service	210,156	213,718	(3,562)
Unrestricted	(682)	(2,498)	1,816
Total net position	4,795,515	5,126,647	(331,132)
Total liabilities and net position	\$ 7,004,881	\$ 7,495,097	\$ (490,216)

For more detailed information, see the accompanying Statement of Net Position.

Hammock Bay Community Development District Management's Discussion and Analysis

During the fiscal year ended September 30, 2022, total assets and liabilities decreased by approximately \$484,000 and \$159,000, respectively, while deferred outflows of resources did not significantly change from the prior year. The decrease in assets is primarily a result of depreciation on capital assets. The decrease in liabilities is primarily due to the scheduled principal payments and principal prepayments made on the Series 2016 Note during the year.

The following schedule compares the Statement of Activities for the current and previous fiscal year.

<i>For the year ended September 30,</i>	2022	2021	Change
Revenue:			
Program revenue:			
Charges for services	\$ 274,315	\$ 265,830	\$ 8,485
Grants and contributions	14,330	30,397	(16,067)
General revenues:			
Interest and other revenues	10	-	10
Total revenue	288,655	296,227	(7,572)
Expenses:			
General government	56,041	59,783	(3,742)
Unallocated depreciation	482,910	482,910	-
Interest	80,836	84,618	(3,782)
Total expenses	619,787	627,311	(7,524)
Change in net position	(331,132)	(331,084)	(48)
Net position, beginning of year	5,126,647	5,457,731	(331,084)
Net position, end of year	\$ 4,795,515	\$ 5,126,647	\$ (331,132)

For more detailed information, see the accompanying Statement of Activities.

Revenue and expenses decreased by approximately \$8,000 from the prior fiscal year. The decrease in revenue is primarily due to a decrease in prepayment revenue resulting from fewer residents opting to pay off debt service assessments at the time of lot closing. The decrease in expenses is due to a decrease in interest paid on the Series 2016 Note as principal is paid down and a decrease in general government expenses. The overall result was a \$331,142 decrease in net position for fiscal year 2022.

THE DISTRICT'S FUNDS

As the District completed the year, its governmental funds (as presented in the balance sheet on page 11) reported a combined fund balance of approximately \$264,000, which is a decrease from last year's balance that totaled \$268,000. Significant transactions are discussed below.

Hammock Bay Community Development District Management's Discussion and Analysis

- During the fiscal year ended September 30, 2022, the District incurred approximately \$77,000 of interest expenditures and repaid principal of \$160,000.

The overall decrease in fund balance for the year ended September 30, 2022 totaled approximately \$4,000.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2022, the District had approximately \$6.7 million invested in capital assets (net of accumulated depreciation). This amount represents a decrease of approximately \$483,000 from the fiscal year 2021 total.

A listing of capital assets by major category for the current and prior year follows:

<i>September 30,</i>	2022	2021	Change
Capital assets being depreciated	\$ 14,553,296	\$ 14,553,296	\$ -
Accumulated depreciation	(7,837,369)	(7,354,459)	(482,910)
Net capital assets	\$ 6,715,927	\$ 7,198,837	\$ (482,910)

More information about the District's capital assets is presented in Note 4 to the financial statements.

Debt

At September 30, 2022, the District had approximately \$2.2 million of debt outstanding. This amount represents a decrease of \$160,000 from the fiscal year 2021 total.

A listing of debt amounts outstanding for the current and prior year is as follows:

<i>September 30,</i>	2022	2021	Change
Series 2016 Note	\$ 2,170,000	\$ 2,330,000	\$ (160,000)

More information about the District's long-term debt is presented in Note 5 to the financial statements.

Hammock Bay Community Development District Management's Discussion and Analysis

GOVERNMENTAL FUNDS BUDGETARY HIGHLIGHTS

An Operating budget was established by the governing board for the District pursuant to the requirements of Florida Statutes. The budget to actual comparison for the general fund, including the original budget and final adopted budget, is shown at page 24.

The District experienced a favorable variance in revenue and expenditures in the amount of \$42 and \$1,774, respectively, as compared to the budget. The variance in expenditures was primarily due to less engineering and administrative expenses being incurred than anticipated in the current year.

FUTURE FINANCIAL FACTORS

Hammock Bay Community Development District is an independent special district that operates under the provisions of Chapter 190, Florida Statutes. The District operates under an elected Board of Supervisors, which establishes policy and sets assessment rates. Assessment rates for fiscal year 2023 were established to provide for the operations of the District as well as the necessary debt service requirements.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances. If you have questions about this report or need additional financial information, contact the Hammock Bay Community Development District's management company, Inframark Management Services, at 2005 Pan AM Circle, Suite 300, Tampa, FL, 33607.

Basic Financial Statements

Hammock Bay Community Development District Statement of Net Position

<i>September 30,</i>	2022
	Governmental Activities
Assets	
Cash and cash equivalents	\$ 5,304
Investments	258,253
Accounts receivable	6,741
Prepaid expenses	3,542
Capital assets, net	6,715,927
Total assets	6,989,767
Deferred outflows of resources	
Deferred charges on refunding	15,114
Total deferred outflows of resources	15,114
Liabilities	
Accounts payable	9,528
Accrued interest payable	29,838
Non-current liabilities:	
Due within one year	135,000
Due in more than one year	2,035,000
Total liabilities	2,209,366
Net position	
Net investment in capital assets	4,586,041
Restricted for:	
Debt service	210,156
Unrestricted	(682)
Total net position	\$ 4,795,515

The accompanying notes are an integral part of these financial statements.

Hammock Bay Community Development District Statement of Activities

For the year ended September 30,

2022

Functions/Programs	Expenses	<u>Program Revenue</u>		Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
		Charges for Services			Governmental Activities
Primary government:					
Governmental activities:					
General government	\$ (56,041)	\$ 57,826	\$ -	\$ -	\$ 1,785
Unallocated depreciation	(482,910)	-	-	-	(482,910)
Interest	(80,836)	216,489	14,330		149,983
Total governmental activities	\$ (619,787)	\$ 274,315	\$ 14,330		(331,142)

General revenue

Other income	10
Total general revenue	10
Change in net position	(331,132)
Net position - beginning of year	5,126,647
Net position - end of year	\$ 4,795,515

The accompanying notes are an integral part of these financial statements.

Hammock Bay Community Development District Balance Sheet – Governmental Funds

<i>September 30,</i>	2022		
	General	Debt Service	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 5,304	\$ -	\$ 5,304
Investments	-	258,253	258,253
Accounts receivable	-	6,741	6,741
Prepaid expenditures	3,542	-	3,542
Total assets	\$ 8,846	\$ 264,994	\$ 273,840
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 9,528	\$ -	\$ 9,528
Total liabilities	9,528	-	9,528
Fund balances			
Nonspendable	3,542	-	3,542
Restricted for debt service	-	264,994	264,994
Unassigned	(4,224)	-	(4,224)
Total fund balances	(682)	264,994	264,312
Total liabilities and fund balances	\$ 8,846	\$ 264,994	\$ 273,840

The accompanying notes are an integral part of these financial statements.

Hammock Bay Community Development District

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

<i>September 30,</i>	2022
Total fund balances, governmental funds	\$ 264,312
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund level statements.	6,715,927
Deferred charges on refunding are not financial resources and, therefore are not reported as assets in governmental funds. The Statement of Net Position includes these charges, net of amortization.	15,114
Liabilities not due and payable from current resources, including accrued interest, are not reported in the fund level statements.	(2,199,838)
Total net position - governmental activities	\$ 4,795,515

The accompanying notes are an integral part of these financial statements.

Hammock Bay Community Development District

Statement of Revenue, Expenditures and Changes in Fund Balances – Governmental Funds

For the year ended September 30,

2022

			Total Governmental Funds	
	General	Debt Service		
Revenue				
Assessments	\$ 57,826	\$ 216,489	\$	274,315
Prepayment revenue	-	13,482		13,482
Interest	31	827		858
Total revenue	57,857	230,798		288,655
Expenditures				
Current:				
General government	56,041	-		56,041
Debt service:				
Principal	-	160,000		160,000
Interest	-	76,560		76,560
Total expenditures	56,041	236,560		292,601
Excess (deficit) of revenue over expenditures	1,816	(5,762)		(3,946)
Fund balance (deficit), beginning of year	(2,498)	270,756		268,258
Fund balance (deficit), end of year	\$ (682)	\$ 264,994	\$	264,312

The accompanying notes are an integral part of these financial statements.

Hammock Bay Community Development District
Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund
Balances of Governmental Funds to the Statement of Activities

<i>For the year ended September 30,</i>	2022
Net change in fund balances - governmental funds	\$ (3,946)
Depreciation on capital assets is not recognized in the fund financial statements but is reported as an expense in the Statement of Activities.	(482,910)
Certain debt transactions are treated as expenditures in governmental fund financial statements, whereas these payments are eliminated in the Statement of Activities and recognized as a decrease in note payable on the Statement of Net Position.	160,000
Amortization of deferred charge on refundings is not recognized in the governmental fund statements but is reported as an expense in the Statement of Activities.	(6,476)
The change in accrued interest between the current and prior year is recorded on the Statement of Activities but not on the fund level statements.	2,200
Change in net position of governmental activities	\$ (331,132)

The accompanying notes are an integral part of these financial statements.

Hammock Bay Community Development District Notes to Financial Statements

NOTE 1: NATURE OF ORGANIZATION

The Hammock Bay Community Development District (the “District”) was established on February 10, 2004 pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes, by City of Freeport Ordinance No. 2004-01. 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 a Board of Supervisors (“Board”), which is comprised of five members. The Supervisors are elected on an at large basis by the owners of the property within the District. During the reporting period, one Supervisor was affiliated with the Developer of the community, Freeport 860, LLC. The Board of Supervisors of the District exercises all powers granted to the District pursuant to Chapter 190, Florida Statutes.

The Board has the final 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.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include or exclude a potential component unit in the reporting entity was made by applying the criteria set forth by Generally Accepted Accounting Principles (GAAP) as defined by the Governmental Accounting Standards Board (GASB). Based on the foregoing criteria, no potential component units were found.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the District conform to GAAP as applicable to governments in accordance with those promulgated by GASB. The following is a summary of the more significant policies:

Government-wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements.

Hammock Bay Community Development District Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by assessments, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The business-type activities are reported separately in government-wide financial statements; however, at September 30, 2022, the District did not have any significant business-type activities. Therefore, no business-type activities are reported. Assessments and other items not properly included as program revenues (i.e., charges to customers or applicants who purchase, use, or directly benefit from goods or services) are reported as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Basis of 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 the related cash flows. Assessments are recognized as revenues in the year for which they are levied. Grants and other 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 District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Assessments, including debt service assessments along with operation and maintenance assessments, are non-ad valorem special assessments imposed on all lands located within the District and benefited by the District's activities, operation and maintenance. Assessments are levied and certified for collection by the District prior to the start of the fiscal year which begins October 1st and ends on September 30th. Operation and maintenance special assessments are imposed upon all benefited lands located in the District. Debt service special assessments are imposed upon certain lots and lands as described in each resolution imposing the special assessment for each series of bonds issued by the District.

Hammock Bay Community Development District Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assessments and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

General Fund – The General Fund is the primary operating fund of the District. It is used to account for all financial resources except those required to be accounted for in other funds.

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.

For the year ended September 30, 2022, the District does not report any proprietary funds.

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 District's policy to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, or unassigned resources are available for use in the governmental fund financial statements, it is the government's policy to use committed resources first, followed by assigned resources, then unassigned resources as needed.

Cash, Deposits and Investments

The District maintains deposits with "Qualified Public Depositories" as defined in Chapter 280, Florida Statutes. All Qualified Public Depositories must place with the Treasurer of the State of Florida securities in accordance with collateral requirements determined by the State's Chief Financial Officer. In the event of default by a Qualified Public Depository, the State Treasurer will pay public depositors all losses. Losses in excess of insurance and collateral will be paid through assessments between all Qualified Public Depositories.

Under this method, all the District's deposits are fully insured or collateralized at the highest level of security as defined by GASB, Statement Number 40, *Deposits and Investment Disclosures (An Amendment of GASB, Statement Number 3)*.

The District is authorized to invest in financial instruments as established by Section 218.415, Florida Statutes. The authorized investments include among others direct obligation of the U.S. Treasury; the Local Government Surplus Trust Funds as created by Section 218.405, Florida Statutes; SEC registered money market funds with the highest credit quality rating from a nationally recognized rating agency; and interest-bearing time deposits or savings accounts in authorized financial institutions.

Hammock Bay Community Development District Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets, which include primarily infrastructure assets (e.g., roads, sidewalks, water management systems and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial/individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost and estimated historical cost if purchased or constructed. Donated 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 asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the primary government are depreciated using the straight-line method over the estimated useful lives. Estimated useful lives for financial reporting purposes are as follows:

Infrastructure	Years
Improvements other than buildings	25 - 40

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.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line or effective interest method. Bonds payable are reported net of these premiums or discounts. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current period expenses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of the 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.

Hammock Bay Community Development District Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position and Balance Sheet – Governmental Funds will sometimes include 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. The District only has one item, a deferred charge on refunding, which qualifies for reporting in this category. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the Statement of Net Position and Balance Sheet – Governmental Funds will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District does not have any of this type of item at September 30, 2022.

Fund Equity

Net position in the government-wide financial statements represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources and is categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents assets related to infrastructure and property, plant and equipment, net of any related debt. Restricted net position represents the assets restricted by the District's bond covenants.

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the District board through approval of resolutions. Assigned fund balance is a limitation imposed by a designee of the District board. Unassigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenditures on the Statement of Net Position. These items will be expensed over the applicable usage period.

Hammock Bay Community Development District Notes to Financial Statements

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets

The District is required to establish a budgetary system and an approved annual budget. Annual budgets are legally adopted on a basis consistent with GAAP for the General Fund. Any revision to the budget must be approved by the District Board. The budgets are compared to actual expenditures. In instances where budget appropriations and estimated revenues have been revised during the year, budget data presented in the financial statements represent final authorization amounts. During the fiscal year ended September 30, 2022, actual expenditures exceeded budgeted appropriations due to greater legal and administrative expenses being incurred than anticipated in the current year.

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

- A. Each year the District Manager submits to the District Board a proposed operating budget for the fiscal year commencing the following October 1.
- B. A public hearing is conducted to obtain 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. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

Subsequent Events

Management has evaluated subsequent events through the date the financial statements were available to be issued, June 29, 2023 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

NOTE 3: INVESTMENTS

As shown below, the District's investments held at September 30, 2022 consist of short-term money market funds. In accordance with GASB 72, *Fair Value Measurement and Application*, the money market amounts are reported in the financial statements at amortized cost.

<i>September 30,</i>	2022	Credit Risk	Maturities
Short-term Money Market Funds	\$ 258,253	S&P AAAM	17 days

Hammock Bay Community Development District Notes to Financial Statements

NOTE 3: INVESTMENTS (Continued)

Custodial credit risk – For an investment, custodial credit risk is the risk that the District will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The District has no formal policy for custodial risk. At September 30, 2022, the money market funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Concentration risk – The District's investment policy requires diversification, but does not specify limits on types of investments.

Interest rate risk – The District does not have a formal policy for addressing interest rate risk; however, investments are made with discretion, to seek reasonable returns, preserve capital, and in general, avoid speculative investments. The District manages its exposure to declines in fair values from interest rate changes by reviewing the portfolio on an ongoing basis for changes in effective yield amounts.

NOTE 4: CAPITAL ASSETS

The following is a summary of changes in the capital assets for the year ended September 30, 2022:

	Beginning Balance	Additions	Transfers and Conveyances	Ending Balance
Governmental Activities:				
<i>Capital assets being depreciated</i>				
Improvements other than buildings	\$ 14,553,296	\$ -	\$ -	\$ 14,553,296
Less accumulated depreciation	(7,354,459)	(482,910)	-	(7,837,369)
Capital assets, net	\$ 7,198,837	\$ (482,910)	\$ -	\$ 6,715,927

Depreciation expense of \$482,910 was unallocated on the accompanying Statement of Activities.

NOTE 5: NOTE PAYABLE

On January 27, 2016, the District closed on a \$3,175,000 note payable issued for the purpose of refunding certain outstanding debt of the District. Interest payments are due semiannually on May 1 and November 1, with the principal payments due on May 1. The note carries an interest rate of 3.30%. The final payment is due on May 1, 2035. The net proceeds of the Series 2016 Special Assessment Revenue Refunding Note were used to refund the Capital Improvement Revenue Bonds, Series 2004A.

Hammock Bay Community Development District Notes to Financial Statements

NOTE 5: NOTE PAYABLE (Continued)

Long-term liability activity for the year ended September 30, 2022, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<i>Governmental Activities</i>					
Notes Payable:					
Series 2016	\$ 2,330,000	\$ -	\$ (160,000)	\$ 2,170,000	\$ 135,000

At September 30, 2022, the scheduled debt service requirements on long-term debt were as follows:

<i>Year Ending September 30,</i>	Principal	Interest	Total Debt Service
2023	\$ 135,000	\$ 71,610	\$ 206,610
2024	140,000	67,155	207,155
2025	145,000	62,535	207,535
2026	150,000	57,750	207,750
2027	155,000	52,800	207,800
2028 - 2032	860,000	204,435	1,064,435
2033 - 2035	585,000	38,940	623,940
	\$ 2,170,000	\$ 555,225	\$ 2,725,225

The Note agreement requires that the District maintain adequate funds in reserve accounts to meet the debt service reserve requirements as defined in the agreement. The requirement has been met for the fiscal year ended September 30, 2022.

The Note agreement has certain restrictions and requirements relating principally to the use of proceeds to pay for the infrastructure improvements and the procedure to be followed by the District on assessments to property owners. The District agreed to levy special assessments in annual amounts adequate to provide payment of debt service. The District is in compliance with the requirements of the Note agreement.

NOTE 6: 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 maintains commercial insurance coverage to mitigate the risk of loss. Coverage may not extend to all situations. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in the previous three years, as there have been no claims.

Hammock Bay Community Development District Notes to Financial Statements

NOTE 7: 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 (Board appointed non-voting positions) of the District. Under the agreement, the District compensates the management company for management, accounting, financial reporting, and other administrative costs.

**Required Supplemental Information
(Other Than MD&A)**

Hammock Bay Community Development District Budget to Actual Comparison Schedule – General Fund

For the year ended September 30,

2022

	Original and Final Budget	Actual Amounts	Variance with Final Budget
Revenue			
Assessments	\$ 57,815	\$ 57,826	\$ 11
Interest	-	31	31
Total revenue	57,815	57,857	42
Expenditures			
General government	57,815	56,041	1,774
Total expenditures	57,815	56,041	1,774
Excess of revenue over expenditures	-	1,816	1,816
Net change in fund balance	\$ -	\$ 1,816	\$ 1,816

**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***

To the Board of Supervisors
Hammock Bay Community Development District
Walton 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 Hammock Bay Community Development District (hereinafter referred to as the "District"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 29, 2023.

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) as a basis for designing 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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in internal control described below as IC2022-001 that we consider to be a material weakness.

IC 2022-001: Financial Statement Close

- Condition: The District did not accrue approximately \$6,700 of prepayment revenue as of September 30, 2022, although the lot closing occurred prior to year-end.
- Criteria: Internal controls should be in place to provide reasonable assurance that all revenues earned during the year are properly accrued.
- Cause: The revenues earned in September 2022 appear to have been overlooked when the District staff was preparing its annual financial report.
- Effect: Revenue and the related receivable were understated by approximately \$6,700.
- Recommendation: We recommend the District review the prepayment trust activity within a reasonable timeframe from year-end to ensure that all applicable revenues are identified and recorded.

The District's response to the finding identified in our audit is described below. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

- Management response: The District has already taken further steps to ensure that this oversight is avoided in the future.

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 financial statements. 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 District'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 District's internal control and

compliance. Accordingly, this communication is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida

June 29, 2023

MANAGEMENT LETTER

(850) 837-3141
(850) 654-4619 (fax)
CRlcpa.com

To the Board of Supervisors
Hammock Bay Community Development District
Walton County, Florida

Report on the Financial Statements

We have audited the financial statements of Hammock Bay Community Development District ("District") as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 29, 2023.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 29, 2023, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

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

Financial Condition and Management

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

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

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

Specific Information

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

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as 0.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as 0.
- c. All compensation earned by or awarded to employees whether paid or accrued, regardless of contingency as \$0.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$0.
- e. The District does not have any construction projects with a total cost of at least \$65,000 that are scheduled to begin on or after October 1 of the fiscal year being reported.
- f. The District did not amend its final adopted budget under Section 189.016(6).

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

- a. The rate or rates of non-ad valorem special assessments imposed by the district as ranging from \$657 to \$1,184 for Series 2016 assessment areas.

- b. The total amount of special assessments collected by or on behalf of the district as \$274,315.
- c. The total amount of outstanding debt issued by the district as \$2,170,000.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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

Carr, Riggs & Ingram, LLC

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida
June 29, 2023

INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Supervisors
Hammock Bay Community Development District
Walton County, Florida

We have examined Hammock Bay Community Development District's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2022. 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 above. 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 depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2022.

This report is intended solely for the information and use of management and the State of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Carr, Riggs & Ingram, LLC

CARR, RIGGS & INGRAM, LLC

Miramar Beach, Florida
June 29, 2023

Fourth Order of Business

4A

**MINUTES OF THE MEETING
HAMMOCK BAY COMMUNITY DEVELOPMENT DISTRICT**

The workshop meeting of the Board of Supervisors of the Hammock Bay Community Development District was held on meeting on April 27, 2023, at 1:00 p.m. (CST) at the Hammock Bay Lake Club located at 1830 Great Hammock Bend, Freeport, FL 32439.

Present were:

Tim Edwards	Chair
Robert Sullivan	Vice-Chair
Mark Lane	Assistant Secretary
David Underwood	Assistant Secretary
Mary Barnes	Supervisor

Also present were:

Bob Koncar	District Manager
Tucker Mackie	District Counsel (via Teams)
Brian Lamb	District Manager (via Teams)

The following is a summary of the discussions and actions taken.

FIRST ORDER OF BUSINESS

Call to Order

- Mr. Koncar called the workshop to order.
- Mr. Koncar noted Ms. Barnes would be sworn in at the regular meeting.

SECOND ORDER OF BUSINESS

Discussion of FY 2024 Budget

- Mr. Koncar outlined the budget process.
- Historically, there have not been increases to assessments.
- A lengthy discussion on the issue of assessing areas that are in the District boundaries but are not being assessed ensued.
- The Board makeup and the requirement being they are a resident of the District was discussed.
- Discussion continued on the assessments within the District.
- A question was raised regarding dissolution of CDD's and Ms. Mackie outlined the process.
 - It was noted the bonds are expected to be retired in 2035.
- An approved budget needs to be presented to the County no later than June 15th.

April 27, 2023
Workshop

- 38 • Reserves were addressed.

39

40 **THIRD ORDER OF BUSINESS**

**Audience Questions, Comments and
Discussion Forum**

41

- 42 • None.

43

44

45 **FOURTH ORDER OF BUSINESS**

Adjournment

- 46 • There being nothing further, the workshop was adjourned.

47

MINUTES OF THE MEETING HAMMOCK BAY COMMUNITY DEVELOPMENT DISTRICT

The Board of Supervisors of the Hammock Bay Community Development District held a on meeting on April 27, 2023, at 2:00 p.m. (CST) at the Hammock Bay Lake Club located at 1830 Great Hammock Bend, Freeport, FL 32439.

Present and constituting a quorum were:

Tim Edwards	Chair
Robert Sullivan	Vice-Chair
Mark Lane	Assistant Secretary
David Underwood	Assistant Secretary
Mary Barnes	Assistant Secretary

Also present were:

Bob Koncar	District Manager
Tucker Mackie	District Counsel (via Teams)
Brian Lamb	District Manager (via Teams)
Residents	

The following is a summary of the minutes and actions taken.

FIRST ORDER OF BUSINESS

Call to Order / Roll Call

Mr. Koncar called the meeting to order. Board and staff identified themselves for the record.

THIRD ORDER OF BUSINESS

Organizational Matters

- A. Oath of Office of Newly Appointed Supervisors – Seat 4 Ms. Mary Barnes**
- Mr. Koncar, a Notary Public of the State of Florida administered the oaths of office to Ms. Barnes.

SECOND ORDER OF BUSINESS

Public Comment on Agenda Items

- None.

FOURTH ORDER OF BUSINESS

Business Items

- A. Discussion of Proposed Budget for FY 2024**
- Discussion ensued an independent consultant to advise on matters raised during the workshop with Ms. Mackie noting the solution would be to levy an O&M assessment across all properties within the District and is the decision the Board is faced with. The

other alternative which results in additional cost to the District is to potentially explore a boundary amendment that would remove the western properties from the District.

- Concerns were raised regarding a major storm event that would result in a large clean-up and who that responsibility and expense would fall to.
- A budget line item to cover the expense of an independent consultant was requested. Mr. Lamb noted he believes \$7,500 would be sufficient for a placeholder. This would require a mailing to all residents at a cost of \$2,500.

Mr. Lane MOVED to add \$10,000 to the FY 2024 budget.

- Budgetary funding was addressed with it being noted it was projected as a five-year zero impact based on the last increase so the assessment could remain stagnant.

Ms. Barnes seconded the motion.

- It was noted this would be funded by increasing assessments and discussion ensued.
- Mr. Koncar noted for the independent consultant, if the Board wants to use an outside firm, they will need to determine the scope of services.
- Mr. Lane addressed having at least enough money in the bank to send out a letter to East and West of the community, the present history and situation with more to follow.

Mr. Lane rescinded the motion.

- Mr. Koncar suggested holding a workshop with the community to provide the historical issues and to be able to address the concerns and questions.
 - Mr. Lane noted this would be part two to a letter and they can note the workshop in the letter.

i. Consideration of Resolution 2023-3 Approving the Budget and Setting the Public Hearing

- Mr. Koncar outlined Resolution 2023-3 noting it sets the public hearing for the adoption of the final budget for Tuesday, July 25, 2023.

On MOTION by Mr. Sullivan seconded by Mr. Edwards, with all in favor, Resolution 2023-3 approving the tentative budget and setting a public thereon was adopted.

FIFTH ORDER OF BUSINESS

Consent Agenda

A. Consideration of Minutes of the February 23, 2023 Meeting

B. Consideration of Operations and Maintenance Expenditures December 2022

- For the February 23, 2023 minutes:
 - Mr. Keiser was not in attendance.
 - Mary Lane should be Mr. Mark Lane.

On MOTION by Mr. Sullivan seconded by Mr. Edwards, with all in favor, the consent agenda was approved as amended.

SIXTH ORDER OF BUSINESS

Vendor/Staff Reports

A. District Counsel

- No additional report.
- Mr. Edwards addressed a comment regarding the meeting not being advertised.
 - Mr. Koncar noted the meeting was advertised in the newspaper and the agenda is posted on the website.
 - Ms. Mackie noted the front page of the website still reflects the February 23rd meeting.
 - Mr. Edwards noted the website needs to be updated and maintained to the degree they expect it to be.
 - Discussion continued on the website and published notice.
 - Discussion ensued on creating a Facebook page. Ms. Mackie addressed HOA technology in the form of a newsletter or e-blast service noting this is usually what the CDD looks at for other options of communication. She would suggest pursuing Facebook or Nextdoor as the first route if something else exists.
 - Mr. Koncar addressed speaking with the Property Manager and providing his contact information. Additionally, he was given a handout that is being used by the HOA and developers and the CDD information was updated and returned to the HOA. It was requested Mr. Koncar provide the handout to the Board.

- Mr. Underwood noted a good source of information is the Special Districts Handbook on the DEO website.

B. District Engineer

- No report.

C. District Manager

- No additional report.

SEVENTH ORDER OF BUSINESS

Board of Supervisors Requests and Comments

- Mr. Lane addressed involving the Supervisors in the agenda process before it is distributed.
 - A. Discussion of Established Policy/Procedures When Contacting Inframark Sub-Contractors (*Supv Lane*)**
 - B. Discussion of CDD Officers' Liability Insurance (*Supv Lane*)**
 - Mr. Koncar noted the District carries D&O insurance [Directors and Officers] for the Supervisors. Provide D&O policy to the Board.
 - Discussion continued on insurance coverage with it being noted the CDD does have liability coverage for the property it owns.
 - A map of CDD owned property and an asset list was requested.
 - C. Define District and Qualifications of Officers Who Do Not Live Within District and Voting Rights (*Supv Lane*)**
 - No discussion.
 - D. Review/Update Maintenance Agreement between HOA and District. Who signed the Agreement? Task Ms. Mackie's Group to Review and Recommend (if any), Provide Presentation to CDD Supervisors (*Supv Lane*)**
 - Mr. Lane noted they need to think about cleaning up the documents with the HOA.
 - E. Discussion of Agreements with City of Freeport. Copies? Series 2004 Project Documents (*Supv Lane*)**
 - No further discussion.

EIGHTH ORDER OF BUSINESS

Audience Questions, Comments and Discussion Forum

- None.

NINTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Lane seconded by Mr. Sullivan, with all in favor, the meeting was adjourned.

Secretary/Assistant Secretary

Chairman/Vice Chairman

4B

Hammock Bay Community Development District

Financial Statements
(Unaudited)

Period Ending
June 30, 2023

Prepared by:



2005 Pan Am Circle ~ Suite 300 ~ Tampa, Florida 33607
Phone (813) 873-7300 ~ Fax (813) 873-7070

HAMMOCK BAY COMMUNITY DEVELOPMENT DISTRICT

Balance Sheet

As of June 30, 2023

(In Whole Numbers)

ACCOUNT DESCRIPTION	GENERAL FUND	SERIES 2016 DEBT SERVICE FUND	GENERAL FIXED ASSETS FUND	GENERAL LONG-TERM DEBT FUND	TOTAL
<u>ASSETS</u>					
Cash - Operating Account	\$ 34,993	\$ -	\$ -	\$ -	\$ 34,993
Due From Other Funds	-	21,294	-	-	21,294
Investments:					
Prepayment Account	-	18,789	-	-	18,789
Reserve Fund	-	25,000	-	-	25,000
Revenue Fund	-	225,761	-	-	225,761
Fixed Assets					
Improvements Other Than Buildings (IOTB)	-	-	14,553,296	-	14,553,296
Amount Avail In Debt Services	-	-	-	276,671	276,671
Amount To Be Provided	-	-	-	1,893,329	1,893,329
TOTAL ASSETS	\$ 34,993	\$ 290,844	\$ 14,553,296	\$ 2,170,000	\$ 17,049,133
<u>LIABILITIES</u>					
Accounts Payable	\$ 853	\$ -	\$ -	\$ -	\$ 853
Bonds Payable	-	-	-	2,170,000	2,170,000
Due To Other Funds	21,294	-	-	-	21,294
TOTAL LIABILITIES	22,147	-	-	2,170,000	2,192,147
<u>FUND BALANCES</u>					
Restricted for:					
Debt Service	-	290,844	-	-	290,844
Unassigned:	12,846	-	14,553,296	-	14,566,142
TOTAL FUND BALANCES	12,846	290,844	14,553,296	-	14,856,986
TOTAL LIABILITIES & FUND BALANCES	\$ 34,993	\$ 290,844	\$ 14,553,296	\$ 2,170,000	\$ 17,049,133

HAMMOCK BAY COMMUNITY DEVELOPMENT DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Period Ending June 30, 2023
General Fund (001)
(In Whole Numbers)

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE ACTUAL	VARIANCE (\$) FAV(UNFAV)	YTD ACTUAL AS A % OF ADOPTED BUD
<u>REVENUES</u>				
Special Assmnts- Tax Collector	\$ 57,815	\$ 57,997	\$ 182	100.31%
Special Assmnts- CDD Collected	-	2,306	2,306	0.00%
TOTAL REVENUES	57,815	60,303	2,488	104.30%
<u>EXPENDITURES</u>				
<u>Administration</u>				
Supervisor Fees	1,600	-	1,600	0.00%
ProfServ-Arbitrage Rebate	650	650	-	100.00%
ProfServ-Trustee Fees	4,300	5,028	(728)	116.93%
District Counsel	1,000	5,074	(4,074)	507.40%
District Engineer	2,500	-	2,500	0.00%
Management & Accounting Services	34,790	26,149	8,641	75.16%
Auditing Services	6,950	5,500	1,450	79.14%
Website Compliance	1,500	750	750	50.00%
Postage, Phone, Faxes, Copies	150	46	104	30.67%
Public Officials Insurance	1,838	617	1,221	33.57%
Legal Advertising	250	304	(54)	121.60%
Bank Fees	100	-	100	0.00%
Website Administration	500	197	303	39.40%
Dues, Licenses, Subscriptions	135	175	(40)	129.63%
Total Administration	56,263	44,490	11,773	79.08%
<u>Other Physical Environment</u>				
Insurance - General Liability	1,552	2,285	(733)	147.23%
Total Other Physical Environment	1,552	2,285	(733)	147.23%
TOTAL EXPENDITURES	57,815	46,775	11,040	80.90%
Excess (deficiency) of revenues				
Over (under) expenditures	-	13,528	13,528	0.00%
FUND BALANCE, BEGINNING (OCT 1, 2022)		(682)		
FUND BALANCE, ENDING		\$ 12,846		

HAMMOCK BAY COMMUNITY DEVELOPMENT DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Period Ending June 30, 2023
Series 2016 Debt Service Fund (201)
(In Whole Numbers)

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE ACTUAL	VARIANCE (\$) FAV(UNFAV)	YTD ACTUAL AS A % OF ADOPTED BUD
<u>REVENUES</u>				
Interest - Investments	\$ -	\$ 8,855	\$ 8,855	0.00%
Special Assmnts- Tax Collector	204,548	216,610	12,062	105.90%
Special Assmnts- Prepayment	-	15,092	15,092	0.00%
Special Assmnts- CDD Collected	-	18,644	18,644	0.00%
TOTAL REVENUES	204,548	259,201	54,653	126.72%
<u>EXPENDITURES</u>				
<u>Debt Service</u>				
Principal Debt Retirement	135,000	135,000	-	100.00%
Principal Prepayments	-	20,000	(20,000)	0.00%
Interest Expense	69,548	71,610	(2,062)	102.96%
Total Debt Service	204,548	226,610	(22,062)	110.79%
TOTAL EXPENDITURES	204,548	226,610	(22,062)	110.79%
Excess (deficiency) of revenues				
Over (under) expenditures	-	32,591	32,591	0.00%
FUND BALANCE, BEGINNING (OCT 1, 2022)		258,253		
FUND BALANCE, ENDING		\$ 290,844		

HAMMOCK BAY COMMUNITY DEVELOPMENT DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Period Ending June 30, 2023
General Fixed Assets Fund (900)
(In Whole Numbers)

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE ACTUAL	VARIANCE (\$) FAV(UNFAV)	YTD ACTUAL AS A % OF ADOPTED BUD
<u>REVENUES</u>				
TOTAL REVENUES	-	-	-	0.00%
<u>EXPENDITURES</u>				
TOTAL EXPENDITURES	-	-	-	0.00%
Excess (deficiency) of revenues				
Over (under) expenditures	-	-	-	0.00%
FUND BALANCE, BEGINNING (OCT 1, 2022)		14,553,296		
FUND BALANCE, ENDING		<u>\$ 14,553,296</u>		

HAMMOCK BAY CDD

Bank Reconciliation

Bank Account No. 4124 Trustmark National Bank- GF- Operating
Statement No. 06-23
Statement Date 6/30/2023

G/L Balance (LCY)	34,993.37	Statement Balance	37,915.17
G/L Balance	34,993.37	Outstanding Deposits	0.00
Positive Adjustments	0.00		
		Subtotal	37,915.17
Subtotal	34,993.37	Outstanding Checks	2,921.80
Negative Adjustments	0.00	Differences	0.00
Ending G/L Balance	34,993.37	Ending Balance	34,993.37
Difference	0.00		

Posting Date	Document Type	Document No.	Description	Amount	Cleared Amount	Difference
Checks						
6/1/2023	Payment	1230	CA FLORIDA HOLDINGS, LLC	149.55	149.55	0.00
6/15/2023	Payment	1231	CARR, RIGGS & INGRAM, LLC	1,500.00	1,500.00	0.00
6/21/2023	Payment	1232	HAMMOCK BAY CDD	682.45	682.45	0.00
6/22/2023	Payment	1233	INFRAMARK LLC	2,920.00	2,920.00	0.00
6/22/2023	Payment	1234	KUTAK ROCK LLP	2,855.00	2,855.00	0.00
Total Checks				8,107.00	8,107.00	0.00
Deposits						
6/23/2023		JE000096	Special Assmnts- Tax Collector	G/L 4,023.76	4,023.76	0.00
Total Deposits				4,023.76	4,023.76	0.00
Outstanding Checks						
6/29/2023	Payment	1235	INFRAMARK LLC	2,921.80	0.00	2,921.80
Total Outstanding Checks.....				2,921.80		2,921.80

HAMMOCK BAY CDD Summary of Operations and Maintenance Invoices

Vendor	Invoice/Account Number	Amount	Vendor Total	Comments/Description
Monthly Contract				
INFRAMARK LLC	96841	\$2,899.17		DISTRICT INVOICE JUNE 2023
Monthly Contract Subtotal		\$2,899.17		
Variable Contract		\$0.00		
Variable Contract Subtotal		\$0.00		
Utilities		\$0.00		
Utilities Subtotal		\$0.00		
Regular Services				
HAMMOCK BAY CDD	05312023-1	\$682.45		SERIES 2016 FY22 TAX DIST ID
Regular Services Subtotal		\$682.45		
Additional Services		\$0.00		
Additional Services Subtotal		\$0.00		
TOTAL		\$3,581.62		

Approved (with any necessary revisions noted):

Signature: _____

HAMMOCK BAY CDD Summary of Operations and Maintenance Invoices

Vendor	Invoice/Account Number	Amount	Vendor Total	Comments/Description

Title (Check one):

☐ Chariman ☐ Vice Chariman ☐ Assistant Secretary



2002 West Grand Parkway North
Suite 100
Katy, TX 77449

BILL TO

Hammock Bay CDD
2005 Pan Am Cir Ste 300
Tampa FL 33607-6008
United States

INVOICE#

#96841

CUSTOMER ID

C2282

PO#**DATE**

6/23/2023

NET TERMS

Net 30

DUE DATE

7/23/2023

Services provided for the Month of: June 2023

DESCRIPTION	QTY	UOM	RATE	MARKUP	AMOUNT
District Management	1	Ea	2,899.17		2,899.17
Website Maintenance / Admin	1	Ea	20.83		20.83
Postage	3	Ea	0.60		1.80
Subtotal					2,921.80

Subtotal	\$2,921.80
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Tax	\$0.00
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Total Due	\$2,921.80
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Remit To : Inframark LLC, PO BOX 733778, Dallas, Texas, 75373-3778

To pay by Credit Card, please contact us at 281-578-4299, 9:00am - 5:30pm EST, Monday – Friday. A surcharge fee may apply.

To pay via ACH or Wire, please refer to our banking information below:

Account Name: INFRAMARK, LLC

ACH - Bank Routing Number: 111000614 / Account Number: 912593196

Wire - Bank Routing Number: 021000021 / SWIFT Code: CHASUS33 / Account Number: 912593196

Please include the Customer ID and the Invoice Number on your form of payment.

CHECK REQUEST FORM
Hammock Bay

Date:	6/19/2023
Invoice#:	05312023-1
Vendor#:	V00035
Vendor Name:	Hammock Bay
Pay From:	Trustmark Acct# 4124
Description:	Series 2016 - FY 23 Tax Dist. ID
Code to:	200.103200.1000
Amount:	\$682.45
Requested By:	<div style="text-align: right; margin-right: 100px;">6/19/2023</div> <div style="border-bottom: 1px solid black; display: inline-block; width: 250px;">Teresa Farlow</div>

HAMMOCK BAY CDD

DISTRICT CHECK REQUEST

Today's Date	<u>5/31/2023</u>
Check Amount	<u>\$682.45</u>
Payable To	<u>Hammock Bay CDD</u>
Check Description	<u>Series 2016 - FY 22 Tax Dist. ID</u>
Special Instructions	<u>Do not mail, Please give to Eric Davidson</u>

(Please attach all supporting documentation: invoices, receipts, etc.)

Authorization

DM			
Fund	<u>001</u>		
G/L	<u>20702</u>		
Object Code			
Chk	#	Date	

HAMMOCK BAY CDD

TAX REVENUE RECEIPTS AND TRANSFER SCHEDULE

Fiscal Year 2023 - Tax Year 2022

	Dollar Amounts	Fiscal Year 2023 Percentages	
Net O&M	57,619.48	21.12%	0.211200
Net DS	215,175.20	78.88%	0.788800
Net Total	272,794.68	100.00%	1.000000

Date Received	Amount Received	21.12%	21.12%	78.88%	78.88%	Proof	Date Transferred / Distribution ID	Payments / CDD Check #
		Raw Numbers Operations Revenue	Rounded Operations Revenue	Raw Numbers 2016 Debt Service Revenue	Rounded 2016 Debt Service Revenue			
10/27/2022	16.39	3.46	3.46	12.93	12.93	-		
10/31/2022	2,565.24	541.78	541.78	2,023.46	2,023.46	-		
11/10/2022	16,846.14	3,557.90	3,557.90	13,288.24	13,288.24	-		
11/29/2022	24,918.30	5,262.74	5,262.74	19,655.56	19,655.56	-	11-5/11-18	1215
12/15/2022	213,685.81	45,130.44	45,130.44	168,555.37	168,555.37	-	11-19/12-02	1215
12/29/2022	3,080.47	650.60	650.60	2,429.87	2,429.87	-	12-3/12-21	
1/27/2023	463.29	97.85	97.85	365.44	365.44	-		Ach/Int
1/31/2023	4,171.51	881.02	881.02	3,290.49	3,290.49	-	12-22/01-20 #5	1218
4/26/2023	160.89	33.98	33.98	126.91	126.91	-		1228
4/28/2023	3,810.51	804.78	804.78	3,005.73	3,005.73	-		1228
5/31/2023	865.18	182.73	182.73	682.45	682.45	-		
		-	-	-	-	-		
		-	-	-	-	-		
		-	-	-	-	-		
		-	-	-	-	-		
		-	-	-	-	-		
		-	-	-	-	-		
TOTAL	270,583.73	57,147.28	57,147.28	213,436.45	213,436.45	-		
Net Total on Roll	272,794.68		57,619.48		215,175.20			
Collection Surplus / (Deficit)	(2,210.95)		(472.20)		(1,738.75)			

Fifth Order of Business

5C

5Ci.

**NOTICE OF REGULAR BOARD MEETING SCHEDULE
FISCAL YEAR 2024
HAMMOCK BAY COMMUNITY DEVELOPMENT DISTRICT**

The Board of Supervisors of the Hammock Bay Community Development District has scheduled their Regular Board Meetings for Fiscal Year 2024 to be held at **Hammock Bay Lake Club, located at 1830 Great Hammock Bend, Freeport, FL 32429** on the following dates:

February 22, 2024 at 1:00 p.m. CST
May 23, 2024 at 1:00 p.m. CST.
July 25, 2024 at 1:00 p.m. CST – Budget Public Hearing
August 22, 2024 at 6:00 CST p.m.

There may be occasions when one or more Supervisors will participate by telephone. The meeting may be continued in progress to a time, date, and location stated on the record without additional publication of notice.

The regular meetings are open to the public and will be conducted in accordance with the provisions of Florida law for community development districts. The regular meetings may be continued to a date, time, and place to be specified on the record at such special meeting.

In accordance with the provisions of the Americans with Disabilities Act, any person requiring special accommodations at this meeting because of a disability or physical impairment should contact the District Management Company, Inframark, Infrastructure Management Services at (954) 603-0033. If you are hearing or speech impaired, please contact the Florida Relay Service at 7-1-1 or (800) 955-8770 for aid in contacting the District Office at least two (2) days prior to the date of the hearing and meeting.

If any person decides to appeal any decision made by the Board with respect to any matter considered at these meetings, such person will need a record of the proceedings and such person may need to ensure that a verbatim record of the proceedings is made, at his or her own expense, and which record includes the testimony and evidence on which the appeal is based.

Robert Koncar
District Manager

Run Date: