

Holly Hill Road East Community Development District

12051 Corporate Boulevard, Orlando, FL 32817; 407-723-5900

www.hollyhillroadeastcdd.com

The following is the proposed agenda for the meeting of the Board of Supervisors for the Holly Hill Road East Community Development District, scheduled to be held **Wednesday, February 19, 2020 at 10:00 a.m. at the Holiday Inn Winter Garden, 200 Cypress Gardens Blvd., Winter Haven, FL 33880**. Questions or comments on the Board Meeting or proposed agenda may be addressed to Jane Gaarlandt at gaarlandtj@pfm.com or (407) 723-5900. As always, the personal attendance of three (3) Board Members will be required to constitute a quorum.

If you would like to attend the Board Meeting by phone, you may do so by dialing:

Call-in Number: **1-844-621-3956**

Access Code: **790 393 986 #**

PROPOSED BOARD OF SUPERVISORS' MEETING AGENDA

Administrative Matters

- Roll Call to Confirm Quorum
- Public Comment Period *[for any members of the public desiring to speak on any proposition before the Board]*
- 1. **Consideration of the Minutes of the January 14, 2020 Board of Supervisors' Meetings**

Business Matters

- 2. **Consideration of Financing Matters Relative to Phase 3 & 4 Projects, Series 2020 Bonds**
 - A. **Presentation of Supplemental Assessment Report** *(provided under separate cover)*
 - B. **Resolution 2020-07, Supplemental Assessment Resolution** *(provided under separate cover)*
 - C. **Other Matters** *(provided under separate cover)*
- 3. **Consideration of Resolution 2020-08, Adopting an Internal Control Policy**
- 4. **Consideration of Fiscal Year 2019 Auditor Engagement Letter**
- 5. **Consideration of Personnel Leasing Agreement** *(provided under separate cover)*
- 6. **Ratification of Payment Authorization Nos. 105 - 109**
- 7. **Review of Monthly Financials** *(provided under separate cover)*

Other Business

Staff Reports

District Counsel
Interim Engineer
District Manager

Supervisor Requests and Audience Comments

Adjournment



Holly Hill Road East Community Development District

Minutes

MINUTES OF MEETING

HOLLY HILL ROAD EAST COMMUNITY DEVELOPMENT DISTRICT BOARD OF SUPERVISORS' MEETING

Wednesday, January 15, 2020 at 10:00 a.m.

Offices of Cassidy Homes

346 East Central Ave.,

Winter Haven, Florida 33880

Board Members present at roll call:

Rennie Heath	Chair	
Scott Shapiro	Vice Chair	(via phone)
Andrew Rhinehart	Assistant Secretary	
Patrick Marone	Assistant Secretary	
Lauren Schwenk	Assistant Secretary	

Also Present:

Roy Van Wyk	Hopping Green & Sams, P.A.	
Jane Gaarlandt	PFM Group Consulting LLC	
Dexter Glasgow	PFM Group Consulting, LLC	
Christina Hanna	PFM Group Consulting, LLC	(via phone)
Kevin Plenzler	PFM Financial Advisors, LLC	(via phone)
Bob Gang	Greenberg Traurig	
Ashton Bligh	Greenberg Traurig	
Darlene Nagi	Resident	
Keith Nagi	Resident	
Alida Taylor	Resident	
Courtney Taylor	Resident	
Lee Pateller	Resident	

FIRST ORDER OF BUSINESS

Call to Order and Roll Call

The meeting was called to order approximately at 10:00 a.m. Those in attendance are outlined above.

SECOND ORDER OF BUSINESS

Public Comment Period

Ms. Nagi discussed issues with the fence that has not been fixed. Ms. Gaarlandt asked if she contacted District Management with her address. She replied she gave the information to Ms. Martinez. Mr. Glasgow mentioned he is working with Pulte to have them repair the fence. It was damaged by construction crew. They will repair the entire section of fence.

Ms. Pateller asked about the dog park. Ms. Gaarlandt reminded the residents that this comment period is for items that are already on the agenda. Any other comments will be taken at the public comment period at the end of the meeting.

THIRD ORDER OF BUSINESS

Consideration of the Minutes of the December 18, 2019 Board of Supervisors' Meeting

The Board reviewed the Minutes of the December 18, 2019 Board of Supervisors' Meeting.

On MOTION by Mr. Heath, seconded by Mr. Rhinehart, with all in favor, the Board approved the Minutes of the December 18, 2019 Board of Supervisors' Meeting.

FOURTH ORDER OF BUSINESS

Consideration of Financing Matters Relative to Phase 3 & 4 Projects, Series 2020 Bonds

- a) Resolution 2020-05, Delegation Resolution
 - a. Third Supplemental Trust Indenture
 - b. Fourth Supplemental Trust Indenture
 - c. Bond Purchase Contract
 - d. Preliminary Limited Offering Memorandum
 - e. Continuing Disclosure Agreement
- b) Hopping Green & Sams Fee Proposal
- c) Other Matters

Ms. Bligh stated that the supplement was contemplated when the Board approved the original resolution on July 19, 2019 authorizing the issuance of not exceeding \$18,000,000.00 in Bonds. It contains documents as exhibits related to the District issuing two series of Bonds for Assessment Area 3 & 4. Attached to Resolution 2020-05 are forms of the Third and Fourth Supplemental¹ Trust Indenture, Bond Purchase Contract, Preliminary Limited Offering Memorandum, Rule 15c212 Certificate, continuing Disclosure Agreement.

She discussed Sections 4 which stated that the Special District shall meet all relevant requirements of Section 197.3632 & 190.021 Florida Statutes, and Section 5 which includes the parameters for the Series 2020 Bonds. The Assessment Area 3 & 4 Bonds will be subject to optional redemption not later than May 1, 2031. The interest rate on the Series 2020 Bonds shall not exceed an average net interest cost rate. The initial aggregate Principal amount of the Series 2020 Bonds for Assessment Area 3 Bonds will not exceed \$4,525,000.00. The initial aggregate Principal amount of the Series 2020 Bonds for Assessment Area 4 Bonds will not exceed \$3,640,000.00.

The Series 2020 Bonds will have final maturity not later than the maximum term allowed by Florida Law and the price at which the Bonds would be sold to the Underwriter shall not be less than 98% of the aggregate face amount of the Assessment Area 3 and Assessment Area 4 Bonds, exclusive of original issue discount.

On MOTION by Ms. Schwenk, seconded by Mr. Rhinehart, with all in favor, the Board approved Resolution 2020-05, Delegation Resolution.

Ms. Gaarlandt presented the fee proposal for Hopping Green & Sams.

On MOTION by Ms. Schwenk, seconded by Mr. Rhinehart, with all in favor, the Board approved the Hopping Green & Sams Fee Proposal.

Mr. Gang mentioned that as part of the issuance of the Bonds the District needs to retire the Bond Anticipation Note, the Line of Credit that was done about a year ago for the Amenity Center. Mr. Gang will reach out to Ms. J. Glasgow.

FIFTH ORDER OF BUSINESS

**Consideration of Resolution 2020-06,
Setting a Public Hearing to Adopt
Parking and Towing Policies**
a) **Rules Relating to Overnight
Parking and Parking Enforcement**
b) **Notices of Publication**

The Board reviewed Resolution 2020-06.

On MOTION by Mr. Heath, seconded by Mr. Rhinehart, with all in favor, the Board approved Resolution 2020-06.

A discussion took place regarding the date of the public hearing.

On MOTION by Mr. Heath, seconded by Mr. Rhinehart, with all in favor, the Board approved setting March 18, 2020 as the Public Hearing Date to Adopt Parking and Towing Policies.

SIXTH ORDER OF BUSINESS

**Consideration of Agreement between
the District and Polk County Property
Appraiser**

Mr. Van Wyk stated the Agreement encompasses the Annual Collection Agreement and the Data Sharing Agreement for protected properties.

On MOTION by Mr. Rhinehart, seconded by Mr. Heath, with all in favor, the Board approved the Agreements between the District and Polk County Property Appraiser.

SEVENTH ORDER OF BUSINESS

**Ratification of Payment Authorization
Nos. 101 - 104**

The Board reviewed payment authorizations numbers 101 - 104.

On MOTION by Mr. Heath, seconded by Mr. Rhinehart, with all in favor, the Board ratified Payment Authorization Nos. 101 – 104.

EIGHTH ORDER OF BUSINESS

Review of Monthly Financials

The Board reviewed the monthly financials through December 31, 2019. There was no action required by the Board.

NINTH ORDER OF BUSINESS

Staff Reports

District Counsel – Mr. Van Wyk suggested moving the meeting location to the Holiday Inn due to the larger conference room. Ms. Gaarlandt responded that District staff already reserved the space, however, it is not available for the

January or February meetings. The District will move to the Holiday Inn starting with the March meeting. District staff will re-notice the meetings for March and the rest of the fiscal year for that location.

District Engineer – Not Present

District Manager – No Report

TENTH ORDER OF BUSINESS

Supervisor Requests and Audience Comments

There were no Supervisor requests.

Ms. Taylor asked about the status of the additional dog park for Citrus Isle. Mr. Glasgow responded that he is in the early stages of getting information about the dog park. He had to reach out to the insurance company because it will change the amount of insurance the District must carry. It will be covered because there is an existing dog park in the District and an adjustment will be made to the monthly fee. The District must budget for the dog park next year because there is not enough money in the budget to build an additional dog park without incurring extra costs to the homeowners in the District. It will happen in 2021 with approval from the Board. Mr. Glasgow explained the cost for the new fencing and to set up a dog station it will cost around \$4,000.00.

Mr. Nagi asked about the roads in Citrus Isle and the damage by Pulte to the streets. Mr. Glasgow offered to meet Mr. Nagi on site and asked to set up a time after the meeting. He explained that Pulte will not get their bond released until they make it right before they leave the community.

Mr. Nagi asked if District staff knew that 10th Street is being expanded across Davenport Boulevard. There is a fence that goes to the pool at Citrus Point. The walking path to the pool will be removed because the road is going from Davenport Boulevard all the way to North Boulevard. Mr. Heath stated the walking path is on the west side of Citrus Isle. Mr. Glasgow stated that if the City of Davenport is making it an actual road they are required to restore the District's path and install a signal. Ms. Gaarlandt will have District staff attempt to gather more information from the City of Davenport.

ELEVENTH ORDER OF BUSINESS

Adjournment

There were no other questions or comments. Ms. Gaarlandt requested a motion to adjourn.

ON MOTION by Mr. Heath, seconded by Mr. Rhinehart, with all in favor, the January, 15, 2020 Board of Supervisors' Meeting for the Holly Hill Road East Community Development District was adjourned.

Secretary / Assistant Secretary

Chairman / Vice Chairman

**Holly Hill Road East
Community Development District**

**Financing Matters Relative to Phase 3 & 4 Projects,
Series 2020 Bonds**

**Holly Hill Road East
Community Development District**

**Presentation of Supplemental Assessment
Report**

(Provided under separate cover)

**Holly Hill Road East
Community Development District**

Resolution 2020-07

(Provided under separate cover)

Holly Hill Road East Community Development District

Other Matters

(Provided under separate cover)

**Holly Hill Road East
Community Development District**

Resolution 2020-08

RESOLUTION 2020-08

A RESOLUTION BY THE BOARD OF SUPERVISORS OF THE HOLLY HILL ROAD EAST COMMUNITY DEVELOPMENT DISTRICT ADOPTING AN INTERNAL CONTROLS POLICY CONSISTENT WITH SECTION 218.33, FLORIDA STATUTES; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Holly Hill Road East Community Development District (the "District") is a local unit of special-purpose government created and existing pursuant to Chapter 190, *Florida Statutes*, being situated entirely within the City of Davenport, Florida; and

WHEREAS, consistent with Section 218.33, *Florida Statutes*, the District is statutorily required to establish and maintain internal controls designed to prevent and detect fraud, waste, and abuse as defined in Section 11.45(1), *Florida Statutes*; promote and encourage compliance with applicable laws, rules, contracts, grant agreements, and best practices; support economical and efficient operations; ensure reliability of financial records and reports; and safeguard assets; and

WHEREAS, to demonstrate compliance with Section 218.33, *Florida Statutes*, the District desires to adopt by resolution the Internal Controls Policy attached hereto as **Exhibit A**.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE HOLLY HILL ROAD EAST COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1. The attached Internal Controls Policy attached hereto as **Exhibit A** is hereby adopted pursuant to this Resolution.

SECTION 2. If any provision of this Resolution is held to be illegal or invalid, the other provisions shall remain in full force and effect.

SECTION 3. This Resolution shall become effective upon its passage and shall remain in effect unless rescinded or repealed.

PASSED AND ADOPTED THIS 19TH DAY OF FEBRUARY, 2020.

ATTEST:

**HOLLY HILL ROAD EAST
COMMUNITY DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Chairperson, Board of Supervisors

EXHIBIT "A"

HOLLY HILL ROAD EAST COMMUNITY DEVELOPMENT DISTRICT INTERNAL CONTROLS POLICY

1. Purpose.

- 1.1. The purpose of this internal controls policy is to establish and maintain internal controls for the Holly Hill Road East Community Development District.
- 1.2. Consistent with Section 218.33(3), *Florida Statutes*, the internal controls adopted herein are designed to:
 - 1.2.1. Prevent and detect Fraud, Waste, and Abuse (as hereinafter defined).
 - 1.2.2. Promote and encourage compliance with applicable laws, rules, contracts, grant agreements, and best practices.
 - 1.2.3. Support economical and efficient operations.
 - 1.2.4. Ensure reliability of financial records and reports.
 - 1.2.5. Safeguard Assets (as hereinafter defined).

2. Definitions.

- 2.1. "Abuse" means behavior that is deficient or improper when compared with behavior that a prudent person would consider a reasonable and necessary operational practice given the facts and circumstances. The term includes the misuse of authority or position for personal gain.
- 2.2. "Assets" means District assets such as cash or other financial resources, supplies, inventories, equipment and other fixed assets, real property, intellectual property, or data.
- 2.3. "Auditor" means the independent auditor (and its employees) retained by the District to perform the annual audit required by state law.
- 2.4. "Board" means the Board of Supervisors for the District.
- 2.5. "District Management" means (i) the independent contractor (and its employees) retained by the District to provide professional district management services to the District and (ii) any other independent contractor (and its employees) separately retained by the District to provide amenity management services, provided said services include a responsibility to safeguard and protect Assets.

- 2.6. "Fraud" means obtaining something of value through willful misrepresentation, including, but not limited to, intentional misstatements or intentional omissions of amounts or disclosures in financial statements to deceive users of financial statements, theft of an entity's assets, bribery, or the use of one's position for personal enrichment through the deliberate misuse or misapplication of an organization's resources.
- 2.7. "Internal Controls" means systems and procedures designed to prevent and detect fraud, waste, and abuse; promote and encourage compliance with applicable laws, rules, contracts, grant agreements, and best practices; support economical and efficient operations; ensure reliability of financial records and reports; and safeguard assets.
- 2.8. "Risk" means anything that could negatively impact the District's ability to meet its goals and objectives. The term includes strategic, financial, regulatory, reputational, and operational risks.
- 2.9. "Waste" means the act of using or expending resources unreasonably, carelessly, extravagantly, or for no useful purpose.

3. Control Environment.

3.1. Ethical and Honest Behavior.

- 3.1.1. District Management is responsible for maintaining a work environment that promotes ethical and honest behavior on the part of all employees, contractors, vendors and others.
- 3.1.2. Managers at all levels must behave ethically and communicate to employees and others that they are expected to behave ethically.
- 3.1.3. Managers must demonstrate through words and actions that unethical behavior will not be tolerated.

4. Risk Assessment.

- 4.1. Risk Assessment. District Management is responsible for assessing Risk to the District. District Management's Risk assessments shall include, but not be limited to:
 - 4.1.1. Identifying potential hazards.
 - 4.1.2. Evaluating the likelihood and extent of harm.
 - 4.1.3. Identifying cost-justified precautions and implementing those precautions.

5. Control Activities.

5.1. Minimum Internal Controls. The District hereby establishes the following minimum Internal Controls to prevent and detect Fraud, Waste, and Abuse:

5.1.1. Preventive controls designed to forestall errors or irregularities and thereby avoid the cost of corrections. Preventive control activities shall include, but not be limited to, the following:

5.1.1.1. Identifying and segregating incompatible duties and/or implementing mitigating controls.

5.1.1.2. Performing accounting functions in accordance with Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) standards.

5.1.1.3. Requiring proper authorizations to access and/or modify accounting software.

5.1.1.4. Implementing computerized accounting techniques (e.g. to help identify coding errors, avoid duplicate invoices, etc.).

5.1.1.5. Maintaining a schedule of the District's material fixed Assets.

5.1.1.6. Maintaining physical control over the District's material and vulnerable Assets (e.g. lock and key, computer passwords, network firewalls, etc.).

5.1.1.7. Retaining and restricting access to sensitive documents.

5.1.1.8. Performing regular electronic data backups.

5.1.2. Detective controls designed to measure the effectiveness of preventive controls and to detect errors or irregularities when they occur. Detective control activities shall include, but not be limited to, the following:

5.1.2.1. Preparing financial reports in accordance with Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) standards.

5.1.2.2. Reviewing financial statements and investigating any material variances between budgeted expenses and actual expenses.

5.1.2.3. Establishing and implementing periodic reconciliations of bank, trust, and petty cash accounts.

- 5.1.2.4. Establishing an internal protocol for reporting and investigating known or suspected acts of Fraud, Waste, or Abuse.
- 5.1.2.5. Engaging in periodic physical inventory counts and comparisons with inventory records.
- 5.1.2.6. Monitoring all ACH (electronic) transactions and the sequencing of checks.
- 5.2. Implementation. District Management shall implement the minimum Internal Controls described herein. District Management may also implement additional Internal Controls that it deems advisable or appropriate for the District. The specific ways District Management implements these minimum Internal Controls shall be consistent with Generally Accepted Accounting Principles (GAAP) and otherwise conform to Governmental Accounting Standards Board (GASB) and American Institute of Certified Public Accountants (AICPA) standards and norms.

6. Information and Communication.

- 6.1. Information and Communication. District Management shall communicate to its employees (needing to know) information relevant to the Internal Controls, including but not limited to any changes to the Internal Controls and/or changes to laws, rules, contracts, grant agreements, and best practices.
- 6.2. Training. District Management shall regularly train its employees (needing the training) in connection with the Internal Controls described herein and promote and encourage compliance with applicable laws, rules, contracts, grant agreements, and best practices.

7. Monitoring Activities.

- 7.1. Internal Reviews. District Management shall internally review the District's Internal Controls at least once per year. In connection with this internal review, District Management shall:
 - 7.1.1.1. Review its operational processes.
 - 7.1.1.2. Consider the potential risk of Fraud, Waste, or Abuse inherent in each process.
 - 7.1.1.3. Identify the controls included in the process, or controls that could be included, that would result in a reduction in the inherent risk.
 - 7.1.1.4. Assess whether there are Internal Controls that need to be improved or added to the process under consideration.

- 7.1.1.5. Implement new controls or improve existing controls that are determined to be the most efficient and effective for decreasing the risk of Fraud, Waste or Abuse.
- 7.1.1.6. Train its employees on implemented new controls or improvements to existing controls.
- 7.2. External Audits and Other Reviews. Audits and other reviews may be performed on various components of the District's Internal Controls by the Auditor consistent with Government Auditing Standards (GAS). Audits may identify material deficiencies in the Internal Controls and make recommendations to improve them. District Management shall communicate and cooperate with the Board and the Auditor regarding the potential implementation of Auditor recommendations.

Specific Authority: §§ 190.011(5)], 218.33(3), *Florida Statutes*
Effective date: February 19, 2020

**Holly Hill Road East
Community Development District**

Fiscal Year 2019 Auditor Engagement Letter

December 18, 2019

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

Holly Hill Road East Community Development District
c/o PFM Group Consulting, LLC
12051 Corporate Blvd.
Orlando, FL 32817

We are pleased to confirm our understanding of the services we are to provide Holly Hill Road East Community Development District for the year ended September 30, 2019. We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of Holly Hill Road East Community Development District as of and for the year ended September 30, 2019. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Holly Hill Road East Community Development District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Holly Hill Road East Community Development District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding 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 will 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. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Budgetary Comparison Schedule.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of Holly Hill Road East Community Development District and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of Holly Hill Road East Community Development District's financial statements. Our report will be addressed to the Board of Supervisors of Holly Hill Road East Community Development District. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-

of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that Holly Hill Road East Community Development District is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Holly Hill Road East Community Development District's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We will also assist in preparing the financial statements and related notes of Holly Hill Road East Community Development District in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

We will also examine the District's compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, as of September 30, 2019. Our examination will be conducted in

accordance with attestation standards established by the American Institute of Certified Public Accountants. Accordingly, it will include examining, on a test basis, your records and other procedures to obtain evidence necessary to enable us to express our opinion. Our report will be addressed to the Board of Supervisors of the District. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the examination or are unable to form or have not formed an opinion, we may decline to express an opinion or may withdraw from this engagement.

Management Responsibilities

Management is responsible for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have

reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the District; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Carr, Riggs & Ingram, LLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the Florida Auditor General or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of CRI personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

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

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

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

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

**PFM Group Consulting, LLC
c/o Jane Gaarlandt
12051 Corporate Blvd.
Orlando, FL 32817
TELEPHONE: (407) 723-5900**

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Florida Auditor General. If we are aware that a

federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately January 1, 2020 and to issue our final report no later than June 30, 2020. Alan Jowers is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be \$6,000. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

The engagement contemplates an initial contract period of one (1) year. The audit will include all funds maintained by the District including but not limited to general fund, debt-service fund, and capital projects fund. The District will provide a statement describing corrective actions to be taken in response to each of the auditor's recommendations included in the audit report, if any. This letter with any addendum, if applicable, is the complete and exclusive statement of the agreement between the proposer and the District with respect to the terms of the engagement between the parties. This agreement may be terminated at-will with 30 days' written notice, and the District will pay all invoices for services rendered prior to the date of the notice of termination.

Dispute Resolution

In the event of a dispute between the parties which arises out of or relates to this contract or engagement letter, the breach thereof or the services provided or to be provided hereunder, and, if the dispute cannot be settled through negotiation, the parties agree that before initiating arbitration, litigation or some other dispute resolution procedure, they will first try in good faith to resolve the dispute through non-binding mediation. The mediation will be administered by the American Arbitration Association under its Dispute Resolution Rules for Professional Accounting and Related Services Disputes. The costs of any mediation proceedings shall be shared equally by all parties.

Governing Law; Venue

This agreement and performance hereunder shall be governed by the laws of the State of Florida, without reference to any conflict of laws rules or principles. Any action or proceeding arising from or relating to this agreement must be brought in a state or federal court having jurisdiction in Polk County, Florida, and each party irrevocably submits to the jurisdiction and venue of any such court in any such action or proceeding.

Electronic Data Communication and Storage and Use of Third Party Service Provider

In the interest of facilitating our services to your company, we may send data over the Internet, securely store electronic data via computer software applications hosted remotely on the Internet, or allow access to data through third-party vendors' secured portals or clouds. Electronic data that is confidential to your company may be transmitted or stored using these methods. We may use third-party service providers to store or transmit this data, such as, but not limited to, providers of tax return preparation software. In using these data communication and storage methods, our firm employs measures designed to maintain data security. We use reasonable efforts to keep such communications and data access secure in accordance with our obligations under applicable laws and professional standards. We also require our third-party vendors to do the same.

To enhance our services to you, we will use a combination of remote access, secure file transfer, virtual private network or other collaborative, virtual workspace or other online tools or environments. Access through any combination of these tools allows for on-demand and/or real-time collaboration across geographic boundaries and time zones and allows CRI and you to share data, engagement information, knowledge, and deliverables in a protected environment. While we may back up your files to facilitate our services, you are solely responsible for the backup of your files and records; therefore, we recommend that you also maintain your own backup files of these records.

We appreciate the opportunity to be of service to Holly Hill Road East Community Development District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

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

CARR, RIGGS & INGRAM, LLC
Certified Public Accountants

RESPONSE:

This letter correctly sets forth the understanding of Holly Hill Road East Community Development District.

Management signature: _____

Title: _____

Governance signature: _____

Title: _____

**Holly Hill Road East
Community Development District**

Personnel Leasing Agreement

(Provided under separate cover)

**Holly Hill Road East
Community Development District**

Payment Authorization No. 105 – 109

**HOLLY HILL ROAD EAST
COMMUNITY DEVELOPMENT DISTRICT**

Payment Authorization No. 105

1/10/2020

Item No.	Vendor	Invoice Number	General Fund
1	Business Observer Legal Advertising on 01/03/2020	20-00010K	\$ 50.31
2	Creative Association Services January Landscaping	6398	\$ 1,166.00
3	Duke Energy Acct: 57840 25499 ; Service 12/03/2019 - 01/03/2020 Acct: 97939 61028 ; Service 12/03/2019 - 01/03/2020	-- --	\$ 65.89 \$ 17.93
4	PFM Group Consulting DM Fee: December 2019 Website Fee: December 2019	DM-12-2019-0029 DM-12-2019-0030	\$ 1,666.67 \$ 125.00
5	U.S. Bank Series 2017 Trustee Services 12/01/2019 - 11/30/2020 Series 2018 Trustee Services 12/01/2019 - 11/30/2020	5594500 5595177	\$ 3,717.38 \$ 4,040.63

TOTAL \$10,849.81



Board Member

Please Return To:
Holly Hill Road East CDD
c/o Fishkind & Associates
12051 Corporate Boulevard
Orlando, FL 32817

RECEIVED JAN 21 2020

**HOLLY HILL ROAD EAST
COMMUNITY DEVELOPMENT DISTRICT**

Payment Authorization No. 106

1/17/2020

Item No.	Vendor	Invoice Number	General Fund
1	City of Davenport Acct: 9534 ; Service 12/05/2019 - 01/04/2020	--	\$ 28.73
2	Complete Pool Care February Pool Service	13426	\$ 1,525.00
3	Fuqua Janitorial Services January Clubhouse Cleaning	8000	\$ 765.00
4	Joe G. Tedder, Tax Collector Postage for Tax Bills	--	\$ 64.61
5	Navitas Playground Lease	--	\$ 1,054.82
6	Spectrum Acct: 0050854331-01 ; Service 01/11/2020 - 02/10/2020	85433101011220	\$ 365.87
7	Supervisor Fees - 01/15/2020 Meeting		
	Rennie Heath	--	\$ 200.00
	Scott Shapiro	--	\$ 200.00
	Lauren Schwenk	--	\$ 200.00
	Patrick Marone	--	\$ 200.00
	Andrew Rhinehart	--	\$ 200.00

TOTAL \$ 4,804.03



Board Member

Please Return To:
Holly Hill Road East CDD
c/o Fishkind & Associates
12051 Corporate Boulevard
Orlando, FL 32817

RECEIVED JAN 21 2020

**HOLLY HILL ROAD EAST
COMMUNITY DEVELOPMENT DISTRICT**

Payment Authorization No. 107

1/24/2020

Item No.	Vendor	Invoice Number	General Fund
1	Creative Association Services		
	December Amenity Landscaping Services	6401	\$ 500.00
	January Amenity Landscaping Services	6402	\$ 500.00
	Citrus Isle December Irrigation Repairs	6412 C I	\$ 128.64
2	Duke Energy		
	Acct: 42941 31323 ; Service 12/18/2019 - 01/20/2020	--	\$ 477.50
3	PFM Group Consulting		
	DM Fee: January 2020	DM-01-2020-0029	\$ 1,666.67
	Website Fee: January 2020	DM-01-2020-0030	\$ 125.00

TOTAL \$3,397.81



Board Member

Please Return To:
Holly Hill Road East CDD
c/o Fishkind & Associates
12051 Corporate Boulevard
Orlando, FL 32817

RECEIVED JAN 24 2020

**HOLLY HILL ROAD EAST
COMMUNITY DEVELOPMENT DISTRICT**

Payment Authorization No. 108

1/31/2020

Item No.	Vendor	Invoice Number	General Fund
1	Duke Energy		
	Acct: 31118 94380 ; Service 12/27/2019 - 01/27/2020	--	\$ 149.76
	Acct: 65321 85118 ; Service 12/30/2019 - 01/29/2020	--	\$ 5.42
2	Hopping Green & Sams		
	General Counsel Through 12/31/2019	112349	\$ 2,459.50
3	Navitas		
	Playground Lease	--	\$ 1,642.78
4	Orkin		
	Pest Control	193340610	\$ 48.15
TOTAL			\$ 4,305.61



Board Member

Please Return To:
Holly Hill Road East CDD
c/o Fishkind & Associates
12051 Corporate Boulevard
Orlando, FL 32817

RECEIVED FEB 01 2020

**HOLLY HILL ROAD EAST
COMMUNITY DEVELOPMENT DISTRICT**

Payment Authorization No. 109

2/7/2020

Item No.	Vendor	Invoice Number	General Fund
1	Duke Energy 000 Davenport Blvd Lite ; Service 01/08/2020 - 02/06/2020	--	\$ 530.90
2	PFM Group Consulting Reimbursables: November 2019	OE-EXP-00561	\$ 29.50
TOTAL			\$ 560.40



Board Member

Please Return To:
Holly Hill Road East CDD
c/o Fishkind & Associates
12051 Corporate Boulevard
Orlando, FL 32817

RECEIVED FEB 10 2020

**Holly Hill Road East
Community Development District**

Monthly Financials

(Provided under separate cover)