

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**
 - 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**
6. **Ratification of Payment Authorization Nos. 105 - 109**
7. **Review of Monthly Financials**

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 par. 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 Supplemental'1 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



SUPPLEMENTAL ASSESSMENT METHODOLOGY REPORT, ASSESSMENT AREA 3 and ASSESSMENT AREA 4

HOLLY HILL ROAD EAST COMMUNITY DEVELOPMENT DISTRICT

February 2020

Prepared for:

**Members of the Board of Supervisors,
Holly Hill Road East Community Development District**

Prepared on February 3, 2020

**PFM Financial Advisors LLC
12051 Corporate Boulevard
Orlando, FL 32817**



**SUPPLEMENTAL ASSESSMENT METHODOLOGY REPORT,
SERIES 2020 BONDS (ASSESSMENT AREA 3 and ASSESSMENT AREA 4)
HOLLY HILL ROAD EAST COMMUNITY DEVELOPMENT DISTRICT**

February 3, 2020

1.0 Introduction

1.1 Purpose

This Supplemental Assessment Methodology Report, Assessment Area 3 and Assessment Area 4, dated February 3, 2020 ("Supplemental Methodology") provides a system for the allocation of non-ad valorem special assessments securing the repayment of bond debt planned to be issued by the Holly Hill Road East Community Development District ("District") to fund beneficial public infrastructure improvements and facilities. This Supplemental Methodology operates pursuant to the District's "Third Amended & Restated Master Assessment Methodology Report" dated January 31, 2019 ("Third Master Methodology"), which effectively amended and restated the District's "Second Amended & Restated Master Assessment Methodology Report" dated December 19, 2018 ("Second Master Methodology"), which effectively amended and restated the District's "Amended & Restated Master Assessment Methodology Report" dated March 21, 2018 ("Master Methodology"), which effectively amended and restated the District's "Master Assessment Methodology Report," dated September 20, 2017 ("Original Master Methodology") in order to reflect an amendment to the District's boundaries to include additional acres and associated infrastructure improvements not included in the Original Methodology. The Supplemental Methodology applied herein has two goals: (1) identifying the special benefits received by properties within the District as a result of the installation of the District's improvements and facilities, and (2) reasonably allocating the costs incurred by the District to provide these benefits to properties in the District.

The District has implemented a capital improvement program ("CIP") that will allow for the development of property within the District. The District plans to fund the majority of its CIP through bond debt financing. This bond debt will be repaid from the proceeds of non-ad valorem special assessments levied by the District's Board of Supervisors (the "Board"). These special assessments will serve as liens against properties within the boundary of the District that receive a special benefit from the CIP. This Supplemental Methodology is designed to conform to the requirements of Chapters 170, 190, and 197 of the Florida Statutes with respect to special assessments and is consistent with our understanding of the case law on this subject.



1.2 Background

The District, as amended, includes approximately 145 gross acres of property within its boundaries. The District is generally located to the south of Forest Lake Drive and to the east of Holly Hill Road within the City of Davenport, Florida. At build-out, the District is expected to contain approximately 628 single-family lots, landscaping, common and recreation areas, and related infrastructure. Phase 3 ("Assessment Area 3") & Phase 4 ("Assessment Area 4") are comprised of approximately 42.82 acres and 33.76 acres, respectively as described in Exhibit "A", attached herein.

The District previously issued its Series 2017 Special Assessment Bonds to fund infrastructure specially benefiting Phase 1 within the District. The District also previously issued its Series 2018 Special Assessment Bonds to fund infrastructure specially benefiting Phase 2 with the District. The District now desires to issue the Special Assessment Bonds, Series 2020 (Assessment Area 3 Project) (the "Assessment Area 3 Bonds") and the Special Assessment Bonds, Series 2020 (Assessment Area 4 Project) (the "Assessment Area 4 Bonds") (collectively, "Series 2020 Bonds") to fund the infrastructure specially benefiting the properties within Assessment Area 3 and Assessment Area 4, respectively (described in Exhibit "A"). The land use plan for Assessment Area 3 and Assessment Area 4 within the District is found in Table 1.

Table 1. Summary of Assessment Area 3 and Assessment Area 4 Land Plan

<u>Development Area</u>	<u>Number of Single-Family Lots</u>
Assessment Area 3 ("AA 3")	182
Assessment Area 4 ("AA 4")	<u>142</u>
Total	324

Source Wood & Associates Engineering, LLC

1.3 Special Benefits and General Benefits

Improvements undertaken by the District create both special benefits and general benefits to property owners located within and surrounding the District. However, in our opinion, the general benefits to the public at large are incidental in nature and are readily distinguishable from the special benefits which accrue to property located within the District. It is the District's CIP that enables properties within the District's boundaries to be developed. Without the District's CIP there would be no infrastructure to support development of land within the District. Without these improvements, development of property in the District would not be permitted.



The new infrastructure improvements included in the CIP create both: (1) special benefits to the developable property within the District and (2) general benefits to properties outside the District. The CIP described in the District Engineer's Report (as defined herein) enables the developable property within the District to be developed. Without the CIP, there would be no infrastructure to support development of the developable property within the District.

1.4 Requirements of a Valid Assessment Methodology

In PFM Financial Advisors LLC ("PFM FA" and/or "Assessment Consultant") experience, there are two primary requirements for special assessments to be valid under Florida law. First, the properties assessed must receive a special benefit from the improvements paid for via the assessments. Second, the assessments must be fairly and reasonably allocated to the properties being assessed. If these two characteristics of valid special assessments are adhered to, Florida law provides some latitude to legislative bodies, such as the District's Board, in approving special assessments. Indeed, Florida courts have found that the mathematical perfection of calculating special benefit is likely impossible. Our research suggests that only if the District's Board was to act in an arbitrary, capricious, or grossly unfair fashion would its assessment methods be overturned. Based on the information provided for this Supplemental Methodology, the special benefits received by the properties subject to the assessment at least equals or exceeds the amount of the assessments.

2.0 CIP Plan of Finance

2.1 Infrastructure Installation

The District is installing its public infrastructure and improvements on a phased basis, as outlined in more detail in the "Holly Hill Road East Community Development District Third Amended and Restated Engineer's Report for Capital Improvements", dated January 23, 2019 ("Engineer's Report"), as prepared by Wood & Associates Engineering, LLC ("District Engineer"). As outlined in the Engineer's Report, the District plans to acquire or construct the public infrastructure necessary to serve the lands within Assessment Area 3 and Assessment Area 4. The District infrastructure and improvements for Assessment Area 3 are designed to serve and specially benefit the lands within Assessment Area 3. The District infrastructure and improvements for Assessment Area 4 are designed to serve and specially benefit the lands within Assessment Area 4. The estimated costs for Assessment Area 3 and Assessment Area 4 are presented in Table 2.



Table 2. Summary of Assessment Area 3 and Assessment Area 4 CIP

<u>Infrastructure Component</u>	<u>Est. Costs, AA 3</u>	<u>Est. Costs, AA 4</u>
Offsite Improvements	\$180,000	\$125,000
Stormwater Management	\$2,165,800	\$1,700,000
Utilities (Water, Sewer, & Street Lighting)	\$1,019,200	\$800,000
Roadways	\$787,150	\$615,000
Entry Features & Signage	\$365,000	\$280,000
Parks and Amenities	\$382,200	\$250,000
Contingency	<u>\$191,000</u>	<u>\$150,000</u>
Totals	\$5,090,350	\$3,920,000

Source Wood & Associates Engineering, LLC

2.2 Bond Requirements

The District intends to finance the majority of its CIP by issuing bonds. These bonds are being issued in several series, as development progresses within the District. The District's Assessment Area 3 Bonds and Assessment Area 4 Bonds will fully or partially fund the costs of Assessment Area 3 and Assessment Area 4, respectively. The Assessment Area 3 Bonds will be supported by assessments imposed solely to properties located within Assessment Area 3 and the Assessment Area 4 Bonds will be supported by assessments imposed solely to properties located within Assessment Area 4.

The details of the Series 2020 Bonds issuance required to fund Assessment Area 3 and Assessment Area 4, respectively is found in Table 3. As shown in Table 3, the Series 2020 Bonds include several component funds typical of similar bonds, including funds to pay capitalized interest, establish a debt service reserve, and pay the costs of issuance associated with the Series 2020 Bonds.



Table 3. District Bond Financing Details (1)

<u>Bond Fund</u>	<u>AA 3</u>	<u>AA 4</u>	<u>Total</u>
Construction & Acquisition Fund	\$3,482,589	\$2,798,902	\$6,281,491
Debt Service Reserve	\$238,329	\$191,700	\$430,029
Capitalized Interest	\$112,700	\$90,580	\$203,280
Costs of Issuance (Including Underwriter's Fee)	\$191,382	\$153,818	\$345,200
Contingency	\$0	\$0	\$0
Bonds Principal	\$4,025,000	\$3,235,000	\$7,260,000
 Average Annual Coupon Rate:	 4.20%	 4.20%	 4.20%
Term (Years):	 30	 30	 30
 Maximum Net Annual Debt Service:	 \$238,329	 \$191,700	 \$430,029
Maximum Gross Annual Debt Service (2):	\$256,268	\$206,129	\$462,397

(1) Source: District Underwriter

(2) Includes a 7.0% gross-up to account for the fees of the County Property Appraiser and Tax Collector and the statutory early payment discount

3.0 Assessment Methodology

3.1 Assessment Foundation

The assessment methodology associated with the allocation of the costs of the CIP is a four-step process. First, the District Engineer determines the costs for the District's infrastructure and related improvements. Second, an estimate of the amount of bonds required to finance the infrastructure improvements is calculated. Third, the District Engineer outlines which parcels benefit from the provision of infrastructure and improvements. Finally, the as-financed costs of the infrastructure and related improvements are allocated to the benefiting properties based on the approximate relative benefit each unit receives as expressed by that unit's Equivalent Residential Unit ("ERU") Factor.

In allocating special assessments to benefiting property, Florida governments have used a variety of methods including, but not limited to, front footage, area, trip rates, equivalent residential units, dwelling units, and acreage. PFM FA has determined that an assessment methodology based on equivalent residential unit ("ERU") values is appropriate. These ERU values equate the benefit received by a stated amount of such particular land use category to the benefit received by a typical single-family residence. The use of ERU values to estimate the benefit derived from infrastructure improvements is recognized as a simple, fair, and reasonable method for apportioning benefit. ERU values are a commonly accepted method for calculating special benefit assessments in Florida. Here, the Assessment Consultant has chosen to assign an ERU value of 1.0 to each single-family lot.



3.2 Allocation of Specific Assessments

The CIP cost estimates are outlined in Table 2 and described in detail in the Engineer's Report. The details of the Series 2020 Bonds issuance required to fund the District's CIP is shown in Table 3. The principal and related assessments to secure the Assessment Area 3 Bonds will be allocated among the 182 lots planned for Assessment Area 3 within the District. The principal and related assessments to secure the Assessment Area 4 Bonds will be allocated among the 142 lots planned for Assessment Area 4 within the District. The resulting bonds principal and related annual debt service assessments assigned to each lot within the respective Assessment Areas are shown in the corresponding Table 4. Table 4 becomes important as the land within each Assessment Area is platted, as specific bond debt service assessments will be assigned to the individual Development Units (as that term is defined below) at this time.

Table 4. Summary of Allocation of Bond Principal and Annual Debt Service

<u>Unit Type</u>	<u>Unit Count</u>	<u>ERUs/Unit</u>	<u>Total ERUs</u>	<u>Bond Principal Allocation/ Category</u>	<u>Bond Principal Allocation/Unit</u>
AA 3	182	1.00	182.00	\$4,025,000	\$22,115
AA 4	142	1.00	142.00	\$3,235,000	\$22,782
Total	324			\$7,260,000	

<u>Unit Type</u>	<u>Bond Net Annual Assessment/ Category</u>	<u>Bond Net Annual Assessment/ Unit</u>	<u>Bond Max Annual Assessment/ Category (1)</u>	<u>Bond Gross Annual Assessment/Unit (1)</u>
AA 3	\$238,329	\$1,310	\$256,268	\$1,408
AA 4	\$191,700	\$1,350	\$206,129	\$1,452
Total	\$430,029		\$462,397	

Source: PFM Financial Advisors LLC

(1) Includes a 7.0% gross-up to account for the fees of the County Property Appraiser and Tax Collector and the statutory early payment discount

3.3 Assignment of Specific Assessments

The Assessment Area 3 Bonds assessments for Assessment Area 3 will initially be assigned to the lands within Assessment Area 3 on an equal per acre basis. The assessments for Assessment Area 3 will be equally divided among the lots within that phase, as property is *initially* platted. The Assessment Area 4 Bonds assessments for Assessment Area 4 will initially be assigned to the lands within Assessment Area 4 on an equal per acre basis. The assessments for Assessment Area 4 will be equally divided among the lots within that phase, as property is *initially* platted.



The final assignment of bond debt to a specific lot does not take place until the land containing that lot is platted (a platted single-family lot will be referred to herein as a “Development Unit”). The specific bond debt assessment that is assigned to platted Development Units within an Assessment Area will be detailed in a future assessment lien roll, in accordance with the principles and allocations set forth in this Supplemental Methodology.

3.4 True-Up Mechanism

In order to ensure that the District’s bond debt will not build up on the unplatted land within each Assessment Area, the District shall periodically apply a “true-up” test. Initially, the assessments securing the Assessment Area 3 Bonds and the Assessment Area 4 Bonds shall be allocated across Assessment Area 3 and Assessment Area 4 within the District, respectively. This bond debt shall, prior to platting, be allocated equally to each of the undeveloped developable acres within each Assessment Area. As property within each Assessment Area is platted, “true-up” or density reduction payments may become due based upon the amount of bond debt assessments initially assigned to each Assessment Area.

For example, as outlined in Table 3, the \$4,025,000 in bonds principal will be allocated to Assessment Area 3 at the time of issuance. This \$4,025,000 in bonds principal is expected to be allocated equally to the 182 lots planned for Assessment Area 3 at the time the lots are platted. However, should it happen at the time of platting that only 181 lots have been identified in the plat, the owner of the Assessment Area 3 lands at the time of platting will be required to make a true-up payment to the District equal to the bonds principal assessment assigned to one single-family residence. The bonds principal true-up test shall be applied at the completion of the platting of 50%, 75%, 90%, and 100% of the gross acreage within Assessment Area 3 of the District. It is the responsibility of the landowner of record of the affected parcel to make or cause to be made any required true-up payments due. This true-up obligation runs with the land within the District. The District will not release any liens on property for which true-up payments are due until provision for such payment has been satisfactorily made.

Similarly, as outlined in Table 3, the \$3,235,000 in bonds principal will be allocated to Assessment Area 4 at the time of issuance. This \$3,235,000 in bonds principal is expected to be allocated equally to the 142 lots planned for Assessment Area 4 at the time the lots are platted. However, should it happen at the time of platting that only 141 lots have been identified in the plat, the owner of the Assessment Area 4 lands at the time of platting will be required to make a true-up payment to the District equal to the bonds principal assessment assigned to one single-family residence. The bonds principal true-up test shall be applied at the completion of the platting of 50%, 75%, 90%, and 100% of the gross acreage within Assessment Area 4 of the District. It is the responsibility of the landowner of record of the affected parcel to make or cause to be made any required true-up payments due. This true-up obligation runs with the land within the District. The District will not release any liens on property for which true-up payments are due until provision for such payment has been satisfactorily made. The true-up thresholds for the lands within Assessment Area 3 and Assessment Area 4 of the District are found in Table 5.



Table 5. Series 2020 Bonds, Assessment Area 3 and Assessment Area 4 True-Up Thresholds

Category	50%	75%	90%	100%
AA 3 Developed Acres	21.4	32.1	38.5	42.8
AA 3 Undev. Acres	21.4	10.7	4.3	0.0
Debt per Undev. AA 3 Acre	\$93,998	\$93,998	\$93,998	\$93,998
AA 4 Developed Acres	16.9	25.3	30.4	33.8
AA 4 Undev. Acres	16.9	8.4	3.4	0.0
Debt per Undev. AA 4 Acre	\$95,824	\$95,824	\$95,824	\$95,824

Source: PFM Financial Advisors LLC

In the event that additional land not currently subject to the assessments required to repay the debt associated with the District is developed in such a manner as to receive special benefit from District improvements, it is contemplated that this Supplemental Methodology will be re-applied to include such new parcels. The additional land, as a result of applying this Supplemental Methodology, will be allocated an appropriate share of the special assessments, while all then-assessed parcels will receive a relative adjustment in their assessment levels.

4.0 Contribution of District Infrastructure and/or Improvements

The costs of the District's CIP will likely be funded by two mechanisms. The first mechanism is the issuance of special assessment bonds. The second mechanism is the contribution of funds or CIP components to the District ("Contribution"). Property owners within the District will have the opportunity to make such a Contribution upon approval by the District.

A District property owner's Contribution will give rise to assessment credits that can be applied by the property owner to reduce or eliminate bond debt service assessments that would otherwise be assigned to lands within the District to fund the costs of the CIP. Prior to a property owner reducing or eliminating bond debt service assessments through a Contribution, it must be shown that the improvements funded or contributed by the property owner are a component of the CIP, as outlined in the Engineer's Report. The property owner will be permitted to apply assessment credits equal to the value of the Contribution plus the costs of financing the improvement(s) that would otherwise have been incurred by the District if the District were required to issue bonds to fund or acquire the improvement(s) (such that the property would not be responsible for bond financing costs if the Contribution was made prior to the District's issuance of special assessment bonds). A property owner possessing assessment credits due to a Contribution will, in the District's discretion, have the opportunity to use the assessment credits to adjust bond debt service assessment levels of Development Units.



5.0 Assessment Roll

Table 6 outlines the bond principal assessment per acre for the Assessment Area 3 and Assessment Area 4 lands within the District. A description of the land within the District, which will be assessed to secure the repayment of the District's bonds, is found in Exhibit "A." The assessments shall be paid in not more than thirty (30) annual installments.

Table 6. Assessment Roll Summary (AA 3 and AA 4)

<u>Assess Area</u>	<u>Parcel ID</u>	<u>Acres</u>	<u>Series 2020 Bonds Principal Assessment</u>	<u>Bond Principal Assessment per Acre</u>	<u>Series 2020 Bonds Net Annual Assessment</u>	<u>Series 2020 Bonds Net Annual Assessment per Acre</u>	<u>Series 2020 Bonds Gross Annual Assessment (1)</u>	<u>Series 2020 Bonds Gross Annual Assessment per Acre (1)</u>
3	272705725500010210	4.80	\$451,191	\$93,998	\$26,716	\$5,566	\$28,727	\$5,985
3	272705725500010230	4.80	\$451,191	\$93,998	\$26,716	\$5,566	\$28,727	\$5,985
3	272705725500010290	4.75	\$446,491	\$93,998	\$26,438	\$5,566	\$28,428	\$5,985
3	272705725500010280	4.75	\$446,491	\$93,998	\$26,438	\$5,566	\$28,428	\$5,985
3	272705725500010270	4.77	\$448,371	\$93,998	\$26,549	\$5,566	\$28,547	\$5,985
3	272705725500010260	4.77	\$448,371	\$93,998	\$26,549	\$5,566	\$28,547	\$5,985
3	272705725500010221	4.81	\$452,131	\$93,998	\$26,772	\$5,566	\$28,787	\$5,985
3	272705725500010251	4.64	\$436,151	\$93,998	\$25,825	\$5,566	\$27,769	\$5,985
3	272705725500010240	4.73	\$444,611	\$93,998	\$26,326	\$5,566	\$28,308	\$5,985
	Total, AA 3	42.82	\$4,025,000		\$238,329		\$256,268	
4	272705726000040140	4.86	\$465,704	\$95,824	\$27,597	\$5,678	\$29,674	\$6,106
4	272705726000040130	4.87	\$466,663	\$95,824	\$27,654	\$5,678	\$29,735	\$6,106
4	272705726000040120	4.87	\$466,663	\$95,824	\$27,654	\$5,678	\$29,735	\$6,106
4	272705726000040210	4.87	\$466,663	\$95,824	\$27,654	\$5,678	\$29,735	\$6,106
4	272705726000040220	4.86	\$465,687	\$95,824	\$27,596	\$5,678	\$29,673	\$6,106
4	272705726000040230	4.88	\$467,621	\$95,824	\$27,710	\$5,678	\$29,796	\$6,106
4	272705726000040241	3.72	\$356,465	\$95,824	\$21,123	\$5,678	\$22,713	\$6,106
4	272705726000040242	0.83	\$79,534	\$95,824	\$4,713	\$5,678	\$5,068	\$6,106
	Total, AA 4	33.76	\$3,235,000		\$191,700		\$206,129	
	TOTAL	76.58	\$7,260,000		\$430,029		\$462,397	

(1) Values include the 7.0% gross-up to account for the fees of the County Property Appraiser and Tax Collector and the statutory early payment discount

Source: PFM Financial Advisors LLC



EXHIBIT "A" DESCRIPTION OF DISTRICT LANDS, ASSESSMENT AREA 3 and ASSESSMENT AREA 4

ASSESSMENT AREA 3

BEGIN AT THE NORTHWEST CORNER OF SAID TRACT 29, AND RUN THENCE ALONG THE NORTH LINE THEREOF S-89°53'06"-E, 326.18 FEET TO THE NORTHEAST CORNER THEREOF, SAID POINT ALSO BEING THE SOUTHWEST CORNER OF SAID TRACT 21; THENCE ALONG THE WEST LINE OF SAID TRACT 21 N-00°25'33"-W, 640.90 FEET TO A POINT ON THE SOUTH MAINTAINED RIGHT-OF-WAY LINE OF FOREST LAKE DRIVE ACCORDING TO THE MAP AS RECORDED IN MAP BOOK 17, PAGES 100-108, PUBLIC RECORDS OF POLK COUNTY, FLORIDA; THENCE ALONG SAID SOUTH MAINTAINED RIGHT-OF-WAY LINE THE FOLLOWING THREE (3) COURSES: 1) S-89°49'04"-E, 95.08 FEET; THENCE 2) S-88°09'06"-E, 71.24 FEET; THENCE 3) S-89°58'57"-E, 160.16 FEET TO A POINT ON THE EAST LINE OF SAID TRACT 21; THENCE DEPARTING SAID MAINTAINED RIGHT-OF-WAY LINE, AND ALONG THE EAST LINE OF SAID TRACT 21 S-00°23'18"-E, 638.91 FEET TO THE SOUTHEAST CORNER THEREOF, SAID POINT ALSO BEING THE NORTHWEST CORNER OF SAID TRACT 27; THENCE ALONG THE NORTH LINE OF SAID TRACT 27 S-89°53'06"-E, 326.98 FEET TO THE NORTHEAST CORNER THEREOF; THENCE ALONG THE WEST LINE OF SAID TRACT 23 N-00°23'11"-W, 635.57 FEET TO A POINT ON SAID SOUTH MAINTAINED RIGHT-OF-WAY LINE OF FOREST LAKE DRIVE; THENCE ALONG SAID SOUTH MAINTAINED RIGHT-OF-WAY LINE THE FOLLOWING TWO (2) COURSES: 1) S-89°36'39"-E, 187.39 FEET; THENCE 2) S-89°59'30"-E, 139.69 FEET TO A POINT ON THE EAST LINE OF SAID TRACT 23; THENCE DEPARTING SAID SOUTH MAINTAINED RIGHT-OF-WAY LINE, AND ALONG THE EAST LINE OF SAID TRACT 23 S-00°23'04"-E, 634.92 FEET TO THE SOUTHEAST CORNER THEREOF, SAID POINT ALSO BEING THE NORTHEAST CORNER OF SAID TRACT 26; THENCE ALONG THE EAST LINE OF SAID TRACT 26 S-00°22'59"-E, 635.38 FEET TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF NORTH BOULEVARD WEST PER O.R. BOOK 781, PAGE 709 OF THE PUBLIC RECORDS OF POLK COUNTY, FLORIDA; THENCE ALONG SAID NORTH RIGHT-OF-WAY LINE PER O.R. BOOK 781, PAGE 709, AND PER O.R. BOOK 781, PAGE 667, AND PER O.R. BOOK 781, PAGE 696, ALL IN THE PUBLIC RECORDS OF POLK COUNTY, FLORIDA, N-89°48'44"-W, 1305.66 FEET TO A POINT ON THE WEST LINE OF SAID TRACT 29; THENCE ALONG THE WEST LINE OF SAID TRACT 29 N-00°26'06"-E, 633.72 FEET TO THE POINT OF BEGINNING.

PROPERTY DESCRIBED CONTAINS 28.58 ACRES, MORE OR LESS.

AND

BEGIN AT A 5/8" IRON ROD AND CAP "LB 8135" STANDING AT THE SOUTHWEST CORNER OF SAID TRACT 22, SAID POINT ALSO BEING THE NORTHWEST CORNER OF TRACT 27 OF SAID HOLLY HILL GROVE & FRUIT COMPANY SUBDIVISION, AND RUN ALONG THE WEST LINE OF SAID TRACT 22 N-00°23'47"-W, 642.49 FEET TO THE INTERSECTION OF SAID WEST LINE AND THE SOUTH MAINTAINED RIGHT-OF-WAY OF FOREST LAKE DRIVE PER MAP BOOK 17, PAGE 100, PUBLIC RECORDS OF POLK COUNTY, FLORIDA; THENCE ALONG SAID SOUTH MAINTAINED RIGHT-OF-WAY THE FOLLOWING THREE (3) COURSES: 1) N-89°47'53"-E, 100.29 FEET; 2) THENCE S-89°09'22"-E, 206.27 FEET; THENCE 3) S-89°49'49"-E, 20.44 FEET TO THE INTERSECTION OF SAID SOUTH MAINTAINED RIGHT-OF-WAY AND THE EAST LINE OF SAID TRACT 22; THENCE ALONG SAID EAST LINE S-00°22'41"-E, 640.18 FEET TO A 5/8" IRON ROD AND CAP "LB 8135" STANDING AT THE SOUTHEAST CORNER OF SAID TRACT 22, SAID POINT ALSO BEING THE NORTHEAST CORNER OF SAID TRACT 27; THENCE ALONG THE SOUTH LINE OF SAID TRACT 27, ALSO BEING THE NORTH LINE OF SAID TRACT 27, N-89°55'26"-W, 326.76 FEET TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED LANDS CONTAIN 4.82 ACRES, MORE OR LESS.

AND

BEGIN AT A 5/8" IRON ROD WITH CAP "LB 8135" STANDING AT THE INTERSECTION OF THE WEST LINE OF SAID TRACT 25 AND THE NORTH RIGHT-OF-WAY OF NORTH BOULEVARD WEST PER OFFICIAL RECORDS BOOK 794, PAGE 787, PUBLIC RECORDS OF POLK COUNTY, FLORIDA, AND RUN ALONG SAID WEST LINE N-00°22'38"-W, 635.40 FEET TO A 5/8" IRON ROD AND CAP "LB 8135" STANDING AT THE NORTHWEST CORNER OF SAID TRACT 25, SAID POINT ALSO BEING THE SOUTHWEST CORNER OF SAID TRACT 24; THENCE ALONG THE WEST LINE OF SAID TRACT 24 N-00°22'38"-W, 640.57 FEET TO A 5/8" IRON ROD AND CAP "LB 8135" STANDING AT THE INTERSECTION OF SAID WEST LINE AND THE SOUTH MAINTAINED RIGHT-OF-WAY OF FOREST LAKE DRIVE PER MAP BOOK 17, PAGE 100, PUBLIC RECORDS OF POLK COUNTY, FLORIDA; THENCE ALONG SAID SOUTH MAINTAINED RIGHT-OF-WAY THE FOLLOWING EIGHT (8) COURSES: 1) N-89°47'20"-E, 165.81 FEET; THENCE 2) S-89°23'34"-E, 56.51 FEET; THENCE 3) S-84°02'15"-E, 78.73 FEET; THENCE 4) S-69°03'33"-E, 26.63 FEET; THENCE 5) S-59°18'02"-E, 25.17 FEET; THENCE 6) S-40°32'53"-E, 25.66 FEET; THENCE 7) S-22°07'34"-E, 27.32 FEET; THENCE 8) S-07°00'55"-E, 14.43 FEET TO THE EAST LINE OF SAID TRACT 24; THENCE ALONG SAID EAST LINE S-00°19'41"-E, 556.53 FEET TO A 5/8" IRON ROD AND CAP "LB 8135" STANDING AT THE SOUTHEAST CORNER OF SAID TRACT 24, SAID POINT ALSO BEING THE NORTHEAST CORNER OF SAID TRACT 25; THENCE ALONG THE EAST LINE OF SAID TRACT 25 S-00°19'41"-E, 636.04 FEET TO THE NORTH RIGHT-OF-WAY OF NORTH BOULEVARD WEST PER OFFICIAL RECORDS BOOK 794, PAGE 787, PUBLIC RECORDS OF POLK COUNTY, FLORIDA; THENCE ALONG SAID NORTH RIGHT-OF-WAY N-89°48'36"-W, 324.57 FEET TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED LANDS CONTAIN 9.48 ACRES, MORE OR LESS.



EXHIBIT "A"
DESCRIPTION OF DISTRICT LANDS, ASSESSMENT AREA 3 and ASSESSMENT AREA 4

ASSESSMENT AREA 4

TRACT 14 IN THE SOUTHWEST $\frac{1}{4}$ OF SECTION 05, TOWNSHIP 27 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, OF "FLORIDA DEVELOPMENT CO. TRACT," ACCORDING TO THE MAP OR PLAT THEREOF, AS RECORDED IN PLAT BOOK 3, PAGES 60-63, PUBLIC RECORDS OF POLK COUNTY, FLORIDA.

AND

TRACT 13 IN THE SOUTHWEST $\frac{1}{4}$ OF SECTION 05, TOWNSHIP 27 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, OF "FLORIDA DEVELOPMENT CO. TRACT," ACCORDING TO THE MAP OR PLAT THEREOF, AS RECORDED IN PLAT BOOK 3, PAGES 60-63, PUBLIC RECORDS OF POLK COUNTY, FLORIDA.

AND

TRACT 12 IN THE SOUTHWEST $\frac{1}{4}$ OF SECTION 05, TOWNSHIP 27 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, OF "FLORIDA DEVELOPMENT CO. TRACT," ACCORDING TO THE MAP OR PLAT THEREOF, AS RECORDED IN PLAT BOOK 3, PAGES 60-63, PUBLIC RECORDS OF POLK COUNTY, FLORIDA.

ALL ALSO BEING DESCRIBED AS

BEGIN AT A 5/8" IRON ROD (NO IDENTIFICATION) STANDING AT THE NORTHEAST CORNER OF SAID TRACT 12, AND RUN THENCE ALONG THE EAST LINE THEREOF S-00°29'07"-E, 641.93 FEET TO A 5/8" IRON ROD (NO IDENTIFICATION) STANDING AT THE SOUTHEAST CORNER OF SAID TRACT 12; THENCE ALONG THE SOUTH LINE OF SAID TRACTS 12, 13 AND 14 N-89°38'18"-W, 992.51 FEET TO A 5/8" IRON ROD (NO IDENTIFICATION) STANDING AT THE SOUTHWEST CORNER OF SAID TRACT 14; THENCE ALONG THE WEST LINE THEREOF N-00°28'48"-W, 640.28 FEET TO A 5/8" IRON ROD (NO IDENTIFICATION) STANDING AT THE NORTHWEST CORNER OF SAID TRACT 14; THENCE ALONG THE NORTH LINE OF SAID TRACTS 12, 13, AND 14 S-89°44'01"-E, 992.43 FEET TO THE POINT OF BEGINNING

PROPERTY DESCRIBED CONTAINING 14.61 ACRES, MORE OR LESS.



EXHIBIT "A"
DESCRIPTION OF DISTRICT LANDS, ASSESSMENT AREA 3 and ASSESSMENT AREA 4

ASSESSMENT AREA 4 (continued)

TRACT 21 AND 22 IN THE SOUTHWEST $\frac{1}{4}$ OF SECTION 05, TOWNSHIP 27 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, OF "FLORIDA DEVELOPMENT CO. TRACT," ACCORDING TO THE MAP OR PLAT THEREOF, AS RECORDED IN PLAT BOOK 3, PAGES 60-63, PUBLIC RECORDS OF POLK COUNTY, FLORIDA.

AND

TRACT 23 IN THE SOUTHWEST $\frac{1}{4}$ OF SECTION 05, TOWNSHIP 27 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, OF "FLORIDA DEVELOPMENT CO. TRACT," ACCORDING TO THE MAP OR PLAT THEREOF, AS RECORDED IN PLAT BOOK 3, PAGES 60-63, PUBLIC RECORDS OF POLK COUNTY, FLORIDA.

AND

TRACT 24 IN THE SOUTHWEST $\frac{1}{4}$ OF SECTION 05, TOWNSHIP 27 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, OF "FLORIDA DEVELOPMENT CO. TRACT," ACCORDING TO THE MAP OR PLAT THEREOF, AS RECORDED IN BOOK 3, PAGES 60-63, PUBLIC RECORDS OF POLK COUNTY, FLORIDA, LESS THE SOUTH 114 FEET THEREOF, AND LESS THE EAST 25 FEET THEREOF FOR RIGHT-OF-WAY PER OFFICIAL RECORDS BOOK 781, PAGE 721, PUBLIC RECORDS OF POLK COUNTY, FLORIDA.

AND

THE SOUTH 114 FEET OF TRACT 24 IN THE SOUTHWEST $\frac{1}{4}$ OF SECTION 05, TOWNSHIP 27 SOUTH, RANGE 27 EAST, POLK COUNTY, FLORIDA, OF "FLORIDA DEVELOPMENT CO. TRACT," ACCORDING TO THE MAP OR PLAT THEREOF, AS RECORDED IN PLAT BOOK 3, PAGES 60-63, PUBLIC RECORDS OF POLK COUNTY, FLORIDA, LESS THE EAST 25 FEET THEREOF FOR RIGHT-OF-WAY PER OFFICIAL RECORDS BOOK 781, PAGE 721, PUBLIC RECORDS OF POLK COUNTY, FLORIDA.

ALL, ALSO BEING DESCRIBED AS

BEGIN AT A 5/8" IRON ROD (NO IDENTIFICATION) STANDING AT THE NORTHWEST CORNER OF SAID TRACT 21, AND RUN THENCE ALONG THE NORTH LINE OF SAID TRACTS 21-24, S-89°38'18"-E, 1298.35 FEET TO A 5/8" IRON ROD (NO IDENTIFICATION) STANDING AT THE INTERSECTION OF SAID NORTH LINE AND THE WEST RIGHT-OF-WAY OF HOLLY HILL ROAD PER OFFICIAL RECORDS BOOK 781, PAGE 721 OF THE PUBLIC RECORDS OF POLK COUNTY, FLORIDA; THENCE ALONG SAID WEST RIGHT-OF-WAY, S-00°29'26"-E, 643.54 FEET TO THE INTERSECTION OF SAID WEST RIGHT-OF-WAY AND THE SOUTH LINE OF SAID TRACT 24; THENCE ALONG THE SOUTH LINE OF SAID TRACTS 21-24 N-89°32'35"-W, 1298.46 FEET TO A 5/8" IRON ROD (NO IDENTIFICATION) STANDING AT THE SOUTHWEST CORNER OF SAID TRACT 21; THENCE ALONG THE WEST LINE THEREOF N-00°29'00"-W, 641.38 FEET TO THE POINT OF BEGINNING.

PROPERTY DESCRIBED CONTAINING 19.15 ACRES, MORE OR LESS.

**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



Carr, Riggs & Ingram, LLC
Certified Public Accountants
500 Grand Boulevard
Suite 210
Miramar Beach, Florida 32550

December 18, 2019

(850) 837-3141
(850) 654-4619 (fax)
CRIncpa.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

PERSONNEL LEASING AGREEMENT

THIS PERSONNEL LEASING AGREEMENT (hereinafter referred to as the "Agreement") is made and entered into this ____ day of _____, 2020, by and between _____, LLC, a Florida limited liability company (hereinafter referred to as "Lessor"), and the **Holly Hill Road East Community Development District**, a special-purpose unit of local government established pursuant to Chapter 190, Florida Statutes (hereinafter referred to as "Lessee" or "District").

RECITALS

WHEREAS, the District is responsible for constructing certain infrastructure improvements within and about the boundaries of the District; and

WHEREAS, pursuant to Chapter 190, Florida Statutes, PFM Group Consulting, LLC, (referred to herein as the "District Manager") is charged with the supervision of the works of the District including the hiring or provision of employees and other personnel; and

WHEREAS, the District desires to enter into a lease agreement with Lessor to provide certain administrative personnel to assist the District Manager and the district engineer, Wood & Associates Engineering, LLC ("District Engineer") with the administration and processing of construction related activities; and

WHEREAS, Lessor agrees to provide such a person who may work under the direction of the District Manager from time to time under such terms as are detailed below.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties hereto agree as follows:

1. RECITALS. The recitals set forth above are true and correct and are hereby incorporated in and made a part of this Agreement.

2. LEASE OF PERSONNEL. For and in consideration of the compensation described in Section 6 below, Lessee hereby agrees to lease from Lessor, and Lessor hereby agrees to lease to Lessee, an individual or individuals, acceptable to Lessee, for whatever sufficient time each week is necessary to complete the work (herein referred to as the "Construction Administrator"). The Construction Administrator's salary and benefits shall be determined and paid by Lessor. At the discretion of Lessor, Lessor may terminate the employment of the individual or individuals serving as Construction Administrator; in such event, Lessor shall attempt to employ a replacement, acceptable to Lessee, to serve as Construction Administrator.

3. DUTIES. The Construction Administrator shall work for the benefit of the District and shall be responsible for performing such duties related to construction administration as directed by the District Manager and District Engineer. Specifically, the Construction Administrator's duties shall include, but not be limited to, reviewing all construction performance, field conditions, and requisitions and ensuring that the proper processes are

followed, and documentation obtained pursuant to the requirements of the various District agreements regarding construction funding, acquisition, completion, operation and maintenance of improvements. The Construction Administrator shall obtain such documentation from contractors and vendors related to payments tendered and work performed, as requested by the District from time to time. Lessor acknowledges the District is subject to certain prompt payment responsibilities required by law. In no event shall the actions or omissions of the Construction Administrator result in a breach by the District of its prompt payment responsibilities.

4. TERM. The term of this Agreement shall be for a one (1) year renewable period commencing as of the date written above (the "Commencement Date"). This Agreement shall automatically terminate upon completion of the Phases 3 and 4 Project construction. Either party may terminate this Agreement at any time, with or without cause, by giving at least thirty (30) days written notice to the other party specifying the date the termination is to become effective. Notwithstanding the preceding sentence, Lessee shall have the right to immediately terminate this Agreement upon a breach by Lessor. Any termination of this Agreement shall not release Lessee of its obligation to pay Lessor the compensation due pursuant to Section 6 below for all periods prior to termination.

5. OFFICE SPACE AND SUPPORT SERVICES. Lessor shall provide the Construction Administrator such supplies or support as shall be reasonably necessary for the Construction Administrator to render services on behalf of Lessee in accordance with this Agreement all at no cost to Lessee.

6. COMPENSATION.

A. For and in consideration of the lease of the services of the Construction Administrator to Lessee by Lessor and the office space, supplies, support services and/or other overhead or facilities to be furnished to Lessee by Lessor pursuant to this Agreement, if any, Lessee shall pay Lessor six thousand dollars (\$6,000) per month. Payment shall occur as detailed in Subsection 6(B) below. Lessor agrees that it shall be solely responsible for all salary, employee benefits and all payroll-related taxes and charges associated with Lessor's employment of the person serving Lessee as Construction Administrator. In no event shall this Agreement be construed as an employment agreement between the Construction Administrator and Lessee, or between Lessor and Lessee.

B. Lessor shall submit monthly bills to the District Engineer that detail the Construction Administrator's efforts expended performing the duties imposed by this Agreement. The District Engineer shall review the monthly bills and upon approval shall prepare a requisition and transmit the requisition for payment in accordance with established District procedures as such may be modified from time to time.

C. The parties agree and covenant that any change in services or compensation under this Agreement shall reference this section of this Agreement in a writing signed by both parties hereto, approved by the District's Board of Supervisors.

7. **CONTROL OF CONSTRUCTION ADMINISTRATOR.** All services required to be rendered by the Construction Administrator hereunder shall be rendered subject to the consent, control and direction of Lessee through the offices of the Lessee's District Manager.

8. **RELATIONSHIPS.** Lessor and Lessee shall not, by virtue of this Agreement, be construed as joint venturers or partners of each other, and neither shall have the power to bind or obligate the other. Lessor and Lessee acknowledge and agree that the Construction Administrator shall be an employee of Lessor. In furtherance thereof, Lessor shall be responsible for the payment of all compensation, taxes and employee benefits and other charges payable with respect to the Construction Administrator, including, but not limited to, all applicable federal income tax withholding, FICA, FUTA tax, unemployment compensation and any other taxes or charges imposed by law with respect to the Construction Administrator.

9. **PREVAILING PARTY.** If it should become necessary for either of the parties to resort to legal action, the non-prevailing party shall pay all reasonable legal fees and other expenses incurred by the prevailing party, including but not limited to attorneys' fees of in-house and outside counsel at all judicial levels.

10. **JURY WAIVER.** The parties hereby knowingly, irrevocably, voluntarily, and intentionally waive any rights to a trial by jury in respect of any action, proceeding or counter claim based on this Agreement or arising out of, under or in connection with this Agreement or any document or instrument executed in connection with this Agreement, or any course of conduct, course of dealing, statements (whether verbal or written) or action of any party hereto. This provision is a material inducement for the parties entering into the subject Agreement.

11. **FORCE MAJEURE.** Each party hereto shall give notice promptly to the other of the nature and extent of any event of force majeure claimed to delay or prevent its performance under this Agreement.

12. **NOTICES.** All notices, requests, consents and other communications hereunder ("Notices") shall be in writing and shall be delivered, mailed by First Class Mail, postage prepaid, or overnight delivery service, to the parties, as follows:

A. If to Lessor:

Attn:

B. If to District:

Holly Hill Road East
Community Development District
12051 Corporate Boulevard
Orlando, Florida 32817
Attn: District Manager

With a copy to:

Hopping Green & Sams, P.A.
119 South Monroe Street, Suite 300

Tallahassee, Florida 32301
Attn.: Roy Van Wyk

Except as otherwise provided herein, any Notice shall be deemed received only upon actual delivery at the address set forth herein. Notices delivered after 5:00 p.m. (at the place of delivery) or on a non-business day shall be deemed received on the next business day. If any time for giving Notice contained in this Agreement would otherwise expire on a non-business day, the Notice period shall be extended to the next succeeding business day. Saturdays, Sundays and legal holidays recognized by the United States government shall not be regarded as business days. Counsel for the parties may deliver Notice on behalf of the parties. Any party or other person to whom Notices are to be sent or copied may notify the other parties and addressees of any change in name or address to which Notices shall be sent by providing the same on five (5) days written notice to the parties and addressees set forth herein.

13. INDEMNIFICATION. Lessor agrees to indemnify and hold the Lessee harmless from and against any and all damages, losses or claims, including but not limited to legal fees and expenses, to the extent that such damages, losses or claims are attributable to actions, omissions or negligence of the Construction Administrator.

14. LIMITATIONS ON LIABILITY PRESERVED. Lessor agrees that nothing contained in this Agreement shall constitute or be construed as a waiver of the District's limitations on liability set forth in Section 768.28, Florida Statutes, and other law.

15. THIRD-PARTY BENEFICIARIES. This Agreement is solely for the benefit of the formal parties herein and no right or cause of action shall accrue upon or by reason hereof, to or for the benefit of any third party not a formal party hereto. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person or corporation other than the parties hereto any right, remedy or claim under or by reason of this Agreement or any provisions or conditions hereof; and all of the provisions, representations, covenants and conditions herein contained shall inure to the sole benefit of and shall be binding upon the parties hereto and their respective representatives, successors and assigns.

16. FURTHER ACTIONS. Each party shall take such actions to execute, file, record, publish and deliver such additional certificates, instruments, agreements and other documents as the other party may, from time to time, reasonably required in order to accomplish the purposes of this Agreement.

17. CONTROLLING LAW. This Agreement and the provisions contained herein shall be construed, interpreted and controlled according to the laws of the State of Florida.

18. EFFECTIVE DATE. The Agreement shall be effective after execution by both parties hereto and shall remain in effect unless terminated by either of the parties hereto.

19. PUBLIC RECORDS. Lessor understands and agrees that all documents of any kind provided to the District or to District Staff in connection with the work contemplated under this Agreement may be public records and will be treated as such in accordance with Florida law.

20. WAIVER. No waiver of any breach of any term or condition of this Agreement shall be deemed to be a waiver of any subsequent breach of any term or condition of a like or different nature.

21. UNENFORCEABILITY. If any provisions of this Agreement shall be held invalid or unenforceable, such invalidity or unenforceability shall not, if possible, affect the validity or enforceability of any other provision of this Agreement, and this Agreement shall, if possible, be construed in all respects as if such invalid or unenforceable provision were omitted.

22. SURVIVAL OF TERMS. The terms, conditions, obligations and covenants in this Agreement shall survive its execution by the parties hereto and the consummation of the transactions between the parties contemplated herein.

23. CAPTIONS. The captions used herein are inserted only as a matter of convenience, and are not to be used in the interpretation of any provision hereof.

24. ENTIRE AGREEMENT; BINDING EFFECT. Except as to modifications made under Section 6(C), above, this Agreement constitutes the entire agreement and understanding between the parties with respect to the subject matter hereof, and supersedes any prior agreements and understandings relating to such subject matter. This Agreement shall inure to the benefit of, and be binding upon and enforceable by, the parties hereto and their respective successors and permitted assigns. Neither party to this Agreement may assign their rights or obligations hereunder without the prior written consent of the other party. Any purported assignment without such prior written consent is void.

25. EXECUTION IN COUNTERPARTS. This instrument may be executed in any number of counterparts, each of which, when executed and delivered, shall constitute an original, and such counterparts together shall constitute one and the same instrument. Signature and acknowledgment pages, if any, may be detached from the counterparts and attached to a single copy of this document to physically form one document.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

In witness whereof, the parties execute this Agreement the day and year first written above.

ATTEST:

**HOLLY HILL ROAD EAST
COMMUNITY DEVELOPMENT
DISTRICT**

Secretary/Assistant Secretary

Chairperson/Vice Chairperson

WITNESS:

, LLC, a Florida limited liability company

Print Name

, Manager

**Holly Hill Road East
Community Development District**

Payment Authorization No. 105 – 109

**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. 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	--	\$ 65.89
	Acct: 97939 61028 ; Service 12/03/2019 - 01/03/2020	--	\$ 17.93
4	PFM Group Consulting DM Fee: December 2019	DM-12-2019-0029	\$ 1,666.67
	Website Fee: December 2019	DM-12-2019-0030	\$ 125.00
5	U.S. Bank Series 2017 Trustee Services 12/01/2019 - 11/30/2020	5594500	\$ 3,717.38
	Series 2018 Trustee Services 12/01/2019 - 11/30/2020	5595177	\$ 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 Scott Shapiro Lauren Schwenk Patrick Marone Andrew Rhinehart	-- -- -- -- --	\$ 200.00 \$ 200.00 \$ 200.00 \$ 200.00 \$ 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. 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

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**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

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c/o Fishkind & Associates
12051 Corporate Boulevard
Orlando, FL 32817

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Holly Hill Road East Community Development District

Monthly Financials

Holly Hill Road East CDD
Statement of Financial Position
As of 1/31/2020

	General Fund	Debt Service Fund	Capital Projects Fund	Long-Term Debt	Total
<u>Assets</u>					
<u>Current Assets</u>					
General Checking Account	\$210,603.24				\$210,603.24
Assessments Receivable	2,560.15				2,560.15
Prepaid Expenses	1,293.00				1,293.00
Deposits	1,160.00				1,160.00
Assessments Receivable		\$4,306.68			4,306.68
Due From Other Funds		14,441.29			14,441.29
Debt Service Reserve A1 Bond		114,878.12			114,878.12
Debt Service Reserve A2 Bond		63,371.88			63,371.88
Revenue A1 Bond		240,768.94			240,768.94
Revenue A2 Bond		144,724.63			144,724.63
Interest A2 Bond		0.09			0.09
Prepayment A1 Bond		3,379.12			3,379.12
Prepayment A2 Bond		2,737.36			2,737.36
Redemption Account A1 Bond		181.44			181.44
Acquisition/Construction A2 Bond			\$51.14		51.14
Total Current Assets	\$215,616.39	\$588,789.55	\$51.14	\$0.00	\$804,457.08
<u>Investments</u>					
Amount Available in Debt Service Funds				\$570,041.58	\$570,041.58
Amount To Be Provided				4,779,958.42	4,779,958.42
Total Investments	\$0.00	\$0.00	\$0.00	\$5,350,000.00	\$5,350,000.00
Total Assets	\$215,616.39	\$588,789.55	\$51.14	\$5,350,000.00	\$6,154,457.08
<u>Liabilities and Net Assets</u>					
<u>Current Liabilities</u>					
Accounts Payable	\$4,783.11				\$4,783.11
Deferred Revenue	2,560.15				2,560.15
Deferred Revenue		\$4,306.68			4,306.68
Total Current Liabilities	\$7,343.26	\$4,306.68	\$0.00	\$0.00	\$11,649.94
<u>Long Term Liabilities</u>					
Revenue Bonds Payable - Long-Term				\$5,350,000.00	\$5,350,000.00
Total Long Term Liabilities	\$0.00	\$0.00	\$0.00	\$5,350,000.00	\$5,350,000.00
Total Liabilities	\$7,343.26	\$4,306.68	\$0.00	\$5,350,000.00	\$5,361,649.94
<u>Net Assets</u>					
Net Assets, Unrestricted	\$11,358.49				\$11,358.49
Current Year Net Assets, Unrestricted	(11,358.50)				(11,358.50)
Net Assets - General Government	54,896.60				54,896.60
Current Year Net Assets - General Government	153,376.54				153,376.54
Net Assets, Unrestricted		\$398,917.86			398,917.86
Current Year Net Assets, Unrestricted		185,565.01			185,565.01
Net Assets, Unrestricted			\$600,439.86		600,439.86
Current Year Net Assets, Unrestricted			22,717.16		22,717.16
Net Assets - General Government			(623,105.88)		(623,105.88)
Total Net Assets	\$208,273.13	\$584,482.87	\$51.14	\$0.00	\$792,807.14
Total Liabilities and Net Assets	\$215,616.39	\$588,789.55	\$51.14	\$5,350,000.00	\$6,154,457.08

Holly Hill Road East CDD
Statement of Activities
As of 1/31/2020

	General Fund	Debt Service Fund	Capital Projects Fund	Long-Term Debt	Total
Revenues					
On-Roll Assessments	\$211,097.01				\$211,097.01
Off-Roll Assessments	34,701.10				34,701.10
Other Income & Other Financing Sources	7,336.10				7,336.10
Inter-Fund Transfers In	(11,358.50)				(11,358.50)
On-Roll Assessments		\$349,139.22			349,139.22
Developer Contributions			\$33,634.50		33,634.50
Inter-Fund Transfers In			11,358.50		11,358.50
Total Revenues	\$241,775.71	\$349,139.22	\$44,993.00	\$0.00	\$635,907.93
Expenses					
Supervisor Fees	\$2,800.00				\$2,800.00
D&O Insurance	2,306.00				2,306.00
Trustee Services	7,084.57				7,084.57
Management	6,666.68				6,666.68
Engineering	1,895.00				1,895.00
Dissemination Agent	6,500.00				6,500.00
District Counsel	6,717.32				6,717.32
Assessment Administration	12,500.00				12,500.00
Postage & Shipping	85.91				85.91
Copies	55.20				55.20
Legal Advertising	982.89				982.89
Miscellaneous	2.00				2.00
Leased Space	7,750.94				7,750.94
Web Site Maintenance	500.00				500.00
Dues, Licenses, and Fees	175.00				175.00
Maintenance Staff	3,400.00				3,400.00
Electric	4,624.31				4,624.31
Amenity - Pest Control	240.75				240.75
Cable Television	365.87				365.87
General Insurance	2,958.00				2,958.00
Property & Casualty	9,357.00				9,357.00
Irrigation	181.72				181.72
Irrigation Parts	2,500.47				2,500.47
Landscaping Maintenance & Material	6,664.00				6,664.00
Contingency	3,076.20				3,076.20
Streetlights	2,980.49				2,980.49
Swimming Pools	7,711.19				7,711.19
Principal Payments		\$35,000.00			35,000.00
Interest Payments		129,622.51			129,622.51
Engineering			\$19,400.00		19,400.00
District Counsel			2,094.75		2,094.75
Contingency			781.25		781.25
Total Expenses	\$100,081.51	\$164,622.51	\$22,276.00	\$0.00	\$286,980.02
Other Revenues (Expenses) & Gains (Losses)					
Interest Income	\$323.84				\$323.84
Interest Income		\$1,048.30			1,048.30
Interest Income			\$0.16		0.16
Total Other Revenues (Expenses) & Gains (Losses)	\$323.84	\$1,048.30	\$0.16	\$0.00	\$1,372.30
Change In Net Assets	\$142,018.04	\$185,565.01	\$22,717.16	\$0.00	\$350,300.21
Net Assets At Beginning Of Year	\$66,255.09	\$398,917.86	(\$22,666.02)	\$0.00	\$442,506.93
Net Assets At End Of Year	\$208,273.13	\$584,482.87	\$51.14	\$0.00	\$792,807.14

Holly Hill Road East CDD
Budget to Actual
For the Month Ending 01/31/2020

	Year To Date			FY 2020
	Actual	Budget	Variance	Adopted Budget
<u>Revenues</u>				
On-Roll Assessments	\$ 211,097.01	\$ 71,218.64	\$ 139,878.37	\$ 213,655.91
Off-Roll Assessments	34,701.10	18,976.02	15,725.08	56,928.06
Other Income & Other Financing Sources	30.00	-	30.00	-
Inter-Governmental Revenue (North Blvd CDD)	7,306.10	12,843.16	(5,537.06)	38,529.48
Net Revenues	\$ 253,134.21	\$ 103,037.82	\$ 150,096.39	\$ 309,113.45
<u>General & Administrative Expenses</u>				
Supervisor Fees	\$ 2,800.00	\$ 4,000.00	\$ (1,200.00)	\$ 12,000.00
D&O Insurance	2,306.00	825.00	1,481.00	2,475.00
Trustee Services	7,084.57	2,000.00	5,084.57	6,000.00
Management	6,666.68	6,666.67	0.01	20,000.00
Field Management	-	1,666.67	(1,666.67)	5,000.00
Engineering	1,895.00	5,000.00	(3,105.00)	15,000.00
Dissemination Agent	6,500.00	1,666.67	4,833.33	5,000.00
District Counsel	6,717.32	6,666.67	50.65	20,000.00
Assessment Administration	12,500.00	4,166.67	8,333.33	12,500.00
Reamortization Schedules	-	166.67	(166.67)	500.00
Audit	-	2,000.00	(2,000.00)	6,000.00
Travel and Per Diem	-	166.67	(166.67)	500.00
Telephone	-	66.67	(66.67)	200.00
Postage & Shipping	85.91	108.33	(22.42)	325.00
Copies	55.20	566.67	(511.47)	1,700.00
Legal Advertising	982.89	1,666.67	(683.78)	5,000.00
Miscellaneous	2.00	6,372.19	(6,370.19)	19,116.60
Property Taxes	-	25.00	(25.00)	75.00
Web Site Maintenance	500.00	900.00	(400.00)	2,700.00
Dues, Licenses, and Fees	175.00	58.33	116.67	175.00
Total General & Administrative Expenses	\$ 48,270.57	\$ 44,755.55	\$ 3,515.02	\$ 134,266.60

Holly Hill Road East CDD
Budget to Actual
For the Month Ending 01/31/2020

	Year To Date			FY 2020 Adopted Budget
	Actual	Budget	Variance	
<u>Field Expenses</u>				
General Insurance (Phase 1)	\$ 2,958.00	\$ 1,008.33	\$ 1,949.67	\$ 3,025.00
General Insurance (Phase 2)	-	494.28	(494.28)	1,482.84
Property & Casualty Insurance (Phase 1)	9,357.00	-	9,357.00	-
Irrigation (Phase 1)	181.72	233.33	(51.61)	700.00
Irrigation (Phase 2)	-	114.38	(114.38)	343.14
Irrigation Repairs (Phase 1)	2,500.47	800.00	1,700.47	2,400.00
Irrigation Repairs (Phase 2)	-	392.16	(392.16)	1,176.47
Landscaping Maintenance & Material (Phase 1)	6,664.00	5,464.00	1,200.00	16,392.00
Landscaping Maintenance & Material (Phase 2)	-	4,000.00	(4,000.00)	12,000.00
Flower & Plant Replacement (Phase 1)	-	1,833.33	(1,833.33)	5,500.00
Flower & Plant Replacement (Phase 2)	-	898.69	(898.69)	2,696.08
Fertilizer / Pesticides (Phase 1)	-	833.33	(833.33)	2,500.00
Fertilizer / Pesticides (Phase 2)	-	408.50	(408.50)	1,225.49
Contingency (Phase 1)	3,076.20	1,812.00	1,264.20	5,436.00
Contingency (Phase 2)	-	888.24	(888.24)	2,664.71
Storm Damage	-	1,000.00	(1,000.00)	3,000.00
Streetlights (Phase 1)	2,980.49	3,000.00	(19.51)	9,000.00
Streetlights (Phase 2)	-	1,470.59	(1,470.59)	4,411.76
Total Field Expenses	\$ 27,717.88	\$ 24,651.16	\$ 3,066.72	\$ 73,953.49
<u>Cabana & Pool Expenses</u>				
Security	\$ -	\$ 2,333.33	\$ (2,333.33)	\$ 7,000.00
Maintenance Staff	3,400.00	1,458.33	1,941.67	4,375.00
Electric	4,624.31	8,333.33	(3,709.02)	25,000.00
Amenity Landscaping	-	4,000.00	(4,000.00)	12,000.00
Cable Television	365.87	175.00	190.87	525.00
Property & Casualty	-	2,109.33	(2,109.33)	6,328.00
Equipment Repair & Maintenance	-	680.67	(680.67)	2,042.00
Pest Control	240.75	220.00	20.75	660.00
Signage & Amenities Repair	-	250.00	(250.00)	750.00
Swimming Pools Maintenance	7,711.19	7,666.67	44.52	23,000.00
Playground Lease	7,750.94	6,571.12	1,179.82	19,713.36
Total Cabana & Pool Expenses	\$ 24,093.06	\$ 33,797.78	\$ (9,704.72)	\$ 101,393.36
Total Expenses	\$ 100,081.51	\$ 103,204.49	\$ (3,122.98)	\$ 309,613.45
<u>Other Revenues (Expenses) & Gains (Losses)</u>				
Interest Income	\$ 323.84	\$ 166.67	\$ 157.17	\$ 500.00
Total Other Revenues (Expenses) & Gains (Losses)	\$ 323.84	\$ 166.67	\$ 157.17	\$ 500.00
Net Income (Loss)	\$ 153,376.54	\$ -	\$ 153,376.54	\$ -