

**Hollywood Beach
Community Development District I
May 4, 2020**

Hollywood Beach CDD I

Community Development District

5385 N. Nob Hill Road, Sunrise, Florida 33351
Phone: 954-721-8681 - Fax: 954-721-9202

April 24, 2020

Board of Supervisors
Hollywood Beach CDD I
Community Development District

Dear Board Members:

A **communications media technology meeting** of the Board of Supervisors of the **Hollywood Beach I Community Development District** will be held on **May 4, 2020** at **10:00 a.m.** In accordance with Office of the Governor, Executive Order 20-69 (Emergency Management - COVID-19 - Local Government Public Meetings), authorizing the use of communications media technology, such as telephonic conferencing, as provided in Section 120.54(5)(b)2, Florida Statutes, the Board of Supervisors and members of the public may attend and participate in the meeting utilizing the following call-in information: from your computer, tablet or smartphone go to: <https://global.gotomeeting.com/join/265688989> or by dialing **+1 (872) 240-3212** and **Access Code: 265-688-98** and are further encouraged to submit comments or questions in advance of the meeting by email to info@gmssf.com or by telephone by calling 954-721-8681. Following is the advance agenda for the meeting:

1. Roll Call
2. Approval of the Minutes of the December 5, 2019 Meeting
3. Consideration of **Resolution #2020-05** Approving the Proposed Fiscal Year 2021 Budget and Setting the Public Hearing - *a copy of the budget will be provided under separate cover as soon as available*
4. Acceptance of Audit for Fiscal Year Ending September 30, 2019
5. Discussion and Updates on Refinancing
 - A. CDD Estimate of Infrastructure Replacement Costs
 - B. Garage Manager Capital Reserve Estimate
6. Staff Reports
 - A. Attorney
 - B. Engineer
 - C. Manager – Number of Registered Voters in the District – 0
7. Financial Reports
 - A. Approval of Check Run Summary
 - B. Balance Sheet and Income Statement
8. Supervisors Requests and Audience Comments
9. Adjournment

Meetings are open to the public and may be continued to a time, date and place certain. For more information regarding this CDD please visit the website: <http://www.hollywoodbeachcddl.com>

**MINUTES OF MEETING
HOLLYWOOD BEACH
COMMUNITY DEVELOPMENT DISTRICT I**

The special meeting of the Board of Supervisors of the Hollywood Beach Community Development District I, was held on Monday, December 9, 2019 at 10:00 a.m. at City of Hollywood City Hall, 2600 Hollywood Blvd., Hollywood, Florida 33020

Present and constituting a quorum were:

Robert Auerbach	Chairman
Gus Zambrano	Vice Chairman
Bruce Holdsworth	Assistant Secretary
Tom Barnhorst	Assistant Secretary
Hiram Hernandez	Assistant Secretary

Also present were:

Rich Hans	District Manager
Vanessa Steinerts	District Counsel
Bob Gang	Bond Counsel
Cate Farmer	Margaritaville Hollywood Beach Hotel
Robert Gall	Ziegler Investment Banking
Wes Bradish	Ziegler Investment Banking

FIRST ORDER OF BUSINESS

Roll Call

Mr. Hans called the meeting to order and stated we have a quorum.

SECOND ORDER OF BUSINESS

Organizational Matters

**A. Consideration of Appointment of Supervisor to Unexpired Term of Office
(Seat #2 – 11/2021)**

Mr. Hans: Moving on, we do have organizational matters, consideration of an appointment for a Supervisor to fill the unexpired term of seat #2 on the agenda. If the Board has somebody they would like to appoint we can take that item up at this point.

Mr. Holdsworth: I would like to motion to have Hiram Hernandez to occupy seat #2.

On MOTION by Mr. Holdsworth seconded by Mr. Barnhorst with all in favor, appointing Hiram Hernandez to fill the unexpired term of office, seat #2 expiring November, 2021 was approved.

B. Oath of Office for Newly Appointed Supervisor

Mr. Hans: So, the first thing we need to do is administer the oath of office, and you can come up to the table. So, you just need to raise your right hand, and as a notary I'll administer the oath, and you would state your name for the record and at the end swear or affirm, so "I".

Mr. Hernandez: "Hiram Hernandez."

Mr. Hans: A resident of the State of Florida and citizen of the United States of America, being a Supervisor of the Hollywood Beach Community Development District I and recipient of public funds on behalf of the District, do hereby solemnly swear or affirm that I will support the Constitution of the United States and of the State of Florida, and will faithfully, honestly, and impartially discharge the duties devolving upon me in the office of Supervisor of the Hollywood Beach Community Development District I, Broward County, Florida.

Mr. Hernandez: "I do."

Mr. Hans: So, if you would just fill that out and at the end of the meeting I'll get it back from you and notarize it. I also have a packet here for you, and basically, I'm going to give you a form and it looks like I'll have to send it by email to you but it's a statement of financial interest form. It gets filled out and submitted to the Supervisor of Elections within 30 days of today, the date that you've been appointed, and if you live in Broward County it goes to Broward County, and these are the addresses that they would go to, and they have email addresses now and you can send it by email, so we'll give you that information. Anything that comes before this Board, you should not be discussing with other Board members outside of these Board meetings. These meetings are all open to the public, they're advertised for the purpose of taking actions on items relating to the Hollywood Beach CDD 1, so outside of a meeting you shouldn't be discussing items with other Board members. I'll give you a booklet, there's a Sunshine Law pamphlet that explains the Sunshine Law which we operate under, pretty much like city council has to do. All our records are open to the public, there's a public records request, and you can

just refer it to my office because we'll have copies of all the documents and anything that's going on with the District, you just have to forward the request to my office. I think that covers the basics, unless you have anything Vanessa.

Ms. Steinerts: Basically you're now officially a public official, this is a public Board, so all the rules that apply to any other governmental official, city commission, county commission, also apply to this Board, so that means as Rich stated, no discussion about Board business outside of a Board meeting, no texting, emailing, Facebook comments, anything that has to do with the District to another Board member can be discussed and again the public records and ethics. There are provisions in the Florida Ethics Law that state if you have a conflict between your personal work, or your personal situation and any Board business it has to be disclosed. A notice has to be filed in writing and you would have to abstain from voting in that case. I can go over some more of these things with you if you would like, separately, and I can give you my card if you have any questions when you receive the packet from Rich, you can call me as well.

Mr. Hernandez: Ok, thank you, understood.

Ms. Steinerts: Ok.

C. Election of Officers

Mr. Hans: Then we have election of officers, whenever we do have a change or appointment to our Board, we need to address our officers. Currently we have Bob Auerbach as chairman, Guz Zambrano is vice chairman, Tom Barnhorst is an assistant secretary, Bruce Holdsworth is an assistant secretary, Patti Powers, treasurer, myself, Rich Hans, secretary, Lisa Derryberry, assistant secretary. If you want to make any changes to that you can, but if you want to just keep the same slate and just add in Hiram as an assistant secretary that would be appropriate, we would just need a motion to that nature.

Mr. Holdsworth: Motion to keep it the same.

Mr. Hans: And just add Hiram as an assistant secretary?

Mr. Holdsworth: Yes, add Hiram to the open seat as an assistant secretary.

On MOTION by Mr. Holdsworth seconded by Mr. Zambrano with all in favor, election of officers, keeping the existing slate of officers and adding Hiram Hernandez as an assistant secretary was approved.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the November 5, 2019 Meeting

Mr. Hans: Moving on to item No. 3 which is the approval of our minutes from our November 5 meeting. If anyone has any comments, corrections or additions we can take those, and if not, a motion accepting the minutes would be in order.

On MOTION by Mr. Zambrano seconded by Mr. Holdsworth with all in favor, the Minutes of the November 5, 2019 Meeting were approved.

FOURTH ORDER OF BUSINESS

Discussion of Financing Matters

- A. Consideration of Engineers Report**
- B. Consideration of Assessment Methodology Report**
- C. Consideration of Resolution #2020-03 Declaring Special Assessments**
- D. Consideration of Resolution #2020-04 Calling for a Public Hearing to Impose Special Assessments**

Mr. Hans: Next we have discussion of financing matters and we can look at two of the items on here, we're probably going to hold off a little bit on the action resolutions because of the fact that in order to refinance the bonds the city has to be on board and give their blessing and their approval and there's a lot of documents that are in place for this District, and it's being looked at currently. We have no indication either way really but they're looking at it, so the two things that are in here that we can kind of look at is, there's an engineer's report, and the engineers report is the original engineers report for the project, and there was a certificate back in 2015 I believe it was, basically accepting the project complete, everything that was in the engineers report has been constructed in there, and there's approximately \$28 million dollars worth of improvements, \$28,394,535 of improvements that were spent on the public portion of the garage. So, there's really no action on that. Then the assessment methodology which is in your packet, it's a supplemental assessment methodology and the easiest way to look at it is if you go back to the tables, and that's under tab B in section 4. The tables basically show you the land

use and that goes by what was planned for the hotel, and the counts and square footage. Then table 2 is what the new bond sizing would look like under current estimated conditions, we'd need approximately \$39,000,000 in bonds to pay off the bonds that are currently outstanding at an interest rate, and this is using a 4% interest rate and 26 years, and these are the numbers that were provided by Ziegler.

Mr. Bradish: And that's sort of the worse case scenario, assuming if the city couldn't get comfortable providing the credit backstop that they currently have, that's what the numbers would look like, so that's sort of that worse case scenario, that we showed at the previous meeting, just to be conservative.

Mr. Hans: Right, and you can see on table 3 what it's showing is that, there are \$34,730,000 worth of bonds that are currently outstanding to refinance the issues we're going to have to increase the principal amount to \$39,990,000. Basically we're getting a much better interest rate but there is a call protection period, so the bonds would have to be prefunded for a couple of years of interest that you'd have to pay at this time, but the annual interest, the debt service payment would go from \$2,700,000 down to \$2,528,000, so it's a pretty significant annual savings. Then the last table shows there's 3 folios that are within the boundaries of the CDD and that the assessments would be spread over those 3 parcels on a per acre basis. So, if there are any questions or discussions on those we can take them, but we're not really taking any action today until we know for certain what we're going to be doing, but if there are any questions or discussions we can take those now. I don't know if you want to explain the resolutions that we may be seeing?

Ms. Steinerts: Yes, in your packet you have a couple of resolutions, the first one, resolution #2020-03 is a resolution relating to the refunding of outstanding 2014 bonds that are currently in place, it reiterates the improvements that the original bonds had funded and provides what the special assessment would be with the refunding. It's a requirement under the Statutes that you pass this resolution so that all the part of the refunding and the improvements and the assessment and how they're allocated to the properties that are benefited are applied, and that's what this resolution would be. It also directs that a public hearing be set which is the resolution following that, which is #2020-04, which sets forth for the public hearing to be held at a certain date and advertise in the newspaper and all the requirements under the law. The methodology report is also

attached to resolution #2020-03, so what you're seeing that was presented by Rich for the assessment methodology would be formalized through the resolution as well, so the Board would adopt that. So if there are any questions now would be a good time to bring that up, otherwise, that would be what is attached to the resolution for further review of the Board, and the issue with these resolutions at this time is, if they're passed now a newspaper advertisement would be printed and go forward, we technically don't have the approval of the City of Hollywood. Under the interlocal agreement between the District and the City of Hollywood, if the original bonds were to be refinanced in any way, city approval is required. So, we are talking with the city but we haven't received the official approval yet.

Mr. Hans: Alright, thank you, so that's where we are.

E. Consideration of Engagement Letters for Financing Team

- 1) Greenberg Traurig to serve as Bond Counsel**
- 2) Ziegler to serve as Underwriter**
- 3) Akerman to serve as Counsel to Ziegler**

Mr. Hans: A couple of things that we can approve right now under the financing matters, there are professionals that need to be engaged, and most of their fees are contingent on the bond issuance, so these can get put in place, although there may be some bond counsel work that's being done that is not necessarily going to be contingent and the first one on here is our Greenberg Traurig to serve as bond counsel and Bob Gang is here to discuss his engagement.

Mr. Gang: Yes, thank you. We were the bond counsel on the original financing, and we have been doing a pretty deep dive into the history of it and with the underwriters to determine if it can be refinanced on a tax exempt basis, and there are some issues that we would work with the manager of the garage to make sure that it can be done because you have an issuer who controls essentially 4 seats on the Board, and the key contract that the issuer has with the manager is the garage management agreement. So, we just have to make sure that we document it correctly and if we need to make any modifications, or if we need to in the future in voting on the management agreement, if members who have a potential conflict need to obtain from voting, so those are issues that we'll deal with at the time, but we're, as I say I, as the bond side and my tax department have been doing a pretty deep dive until it was said here today, we're ready

to move forward as Vanessa pointed out, that interlocal agreement requires city approval before we even do anything.

Mr. Hans: Just one clarification, I think we have 3 Board members, not 4 that are affiliated, Bob you don't have any affiliation with the garage at this time, right?

Mr. Auerbach: Right.

Mr. Hans: Then we have Gus from the city, so it's actually 3.

Mr. Gang: Right, 3 with Hiram.

Mr. Hans: Yes.

Mr. Gang: Ok, alright.

Mr. Hans: So, if there aren't any questions, anymore for Bob, then a motion accepting his engagement letter would be in order.

On MOTION by Mr. Zambrano seconded by Mr. Auerbach with all in favor, accepting the engagement letter with Greenberg Traurig to serve as bond counsel was approved.

Mr. Hans: Then item #2 you have an engagement letter from Ziegler to serve as the underwriter, and we have Wes here today.

Mr. Bradish: Yes, it's pretty straight forward, and thanks Rich. Rob and myself are here, obviously representatives of Ziegler as Rich said. Our fee is proposed in here, it's contingent upon new bonds being sold, so the District will not be out any expenses. It's for some reason we weren't able to get to market, so really just a lot of legalese that explains we're not a municipal adviser, nor an underwriter of a transaction which Rob was on the previous 2014 transaction that was done to finance the garage. So, we're happy to answer any questions but other than that it's pretty straight forward.

Mr. Hans: So just a motion to accept their engagement letter would be in order.

On MOTION by Mr. Holdsworth seconded by Mr. Auerbach with all in favor, accepting the engagement letter with Ziegler to serve as underwriter was approved.

Mr. Hans: Then an additional one that was added is our Akerman Senterfitt was attached to the loose agendas, if you look behind those loose agendas I passed out, it's

right behind that, I think everyone has a copy of that. I'm sorry they're no longer Akerman Senterfitt, just Akerman.

Mr. Gall: Akerman would serve as underwriter's counsel, representing Ziegler and Ackerman serves as the previous underwriter's counsel with my prior underwriter, so we're trying to keep the legal team consistent with both District counsel, bond counsel and underwriter's counsel to keep all the knowledge intact, so that's the background, and again, similar to our fee and Greenberg's fee, so the majority of their fee is contingent on the deal happening. At least this way we can all officially advise you all and help work with the deal on the city to work through any questions they have.

Mr. Hans: If there are any questions or concerns, we can take those, and if not, a motion accepting the Ackerman engagement letter would be in order.

On MOTION by Mr. Holdsworth seconded by Mr. Barnhorst with all in favor, accepting the engagement letter with Akerman to serve as counsel to Ziegler was approved.

Mr. Gang: Just so I have it correct here, who is affiliated with the garage management?

Mr. Hans: Thomas, Bruce and Hiram.

Mr. Gang: Ok.

FIFTH ORDER OF BUSINESS

Staff Reports

Mr. Hans: So, under staff reports, anything additional Vanessa for us today?

A. Attorney

Ms. Steinerts: No, we just need to determine if we will need an additional meeting to move forward with the resolutions, or we're on track for our next scheduled meeting, which I'm not sure when that is.

Mr. Hans: Well, I think it's, we went to a quarterly meeting schedule so it's actually February 3rd would be the next scheduled meeting, but we can advertise a special meeting sometime before then, but I guess it would be contingent on when we get the city's answer. So, we probably can't set it today because we don't know what the city is going to say, and there's things going on there, but what we'll do is we'll keep in touch

with Vanessa and Gus and once we know for sure, we'll send out some emails and some calls from my office to confirm a date that we can get together, which probably at this point is going to be early January because we're running into the Christmas holiday coming up and people travel and are not around, but probably I would expect early January, depending on when they answer us.

Mr. Gang: So if you set it in early January, then the public hearing on the assessments would be approximate 33 days or something later, so you'd be up to early February, and then at that meeting we could come with all the documents and be in the market and close before the end of February possibly.

Mr. Bradish: From our perspective that would make sense I think, the longest lead time items obviously Bob's going to be, your documents and then getting an offering document that Akerman will draft, so I guess as soon as we get some indication from the city.

Mr. Gang: Yes, we can be working on that while you're waiting for the public hearing date, actually we can approve everything at the day of the public hearing in February, approve all the documents and then they can go out into the market.

Mr. Bradish: And you'd do like a delegation resolution?

Mr. Gang: Yes, in February, right after the public hearing.

Mr. Hans: You can actually delegate in January, so they can start marketing?

Mr. Gang: Right, but we don't know if the city is in or out on the reserve fund replenishment, commitment, so I guess when you're asking for permission to refund, hopefully we get an answer on where the city will stay in its current role because that affects the drafting of the documents. It would sort of be self-contradictory to say yes, but bail because then the interest savings won't be anywhere near as great, so it's sort of a package deal.

Mr. Bradish: Absolutely, we've had some preliminary conversations with the landowner as well, I know they've been talking to the city about it, they're very interested obviously in keeping the city intact in the transaction, but as we stated at the previous meeting I think there would be pretty substantial savings either way, with or without so, we're ready to proceed however the Board and city direct us. So, Gus if we can be of any assistance, let us know. I did talk to your financial advisor briefly last week because I

know, going back with Mark we can put all transactions together, so I know he was going to try to have a call with you.

Mr. Zambrano: We did.

Mr. Bradish: Ok so you guys did.

Mr. Zambrano: Yes, we did and the discussion was that we are meeting today internally, and it will continue from there, it's multi-layered.

Mr. Bradish: Ok, I got it, so we know there's a process but however we can be of help to answer any questions, just please reach out to Rob and I and we'll get on a call or whatever.

Mr. Zambrano: I just had one question, and we've been talking about this with Margaritaville, is it our understanding that the savings will be used for capital improvements for the garage?

Mr. Hernandez: Yes.

Mr. Gang: But you're not taking them all up front, are you?

Mr. Bradish: Well, we showed them scenarios where they could take a majority of the savings in the first 3 years, and use that for because Cate had indicated and other than that I guess there's some deferring maintenance issues on the garage, you've already has some engineering work done.

Mr. Holdsworth: Yes, there's several things that could happen, with like sprinklers and the existing conditions, any of the, I know like the parking shutters, or the openings of the building, they're like a blue that are completed faded, that's a pretty big project, painting of the building, there could be several projects, just depending on what we placed under capital.

Mr. Gang: Under the tax laws, if you take all your savings up front, you've sort of created a new money project, and so to be done tax exempt it has to be for capital purposes and so your capital projects need to be what would generally under accounting principles be capital and painting a building is not considered pure capital.

Mr. Holdsworth: Oh, I would say it would further the asset due to the fact that they would rust away without the treatments, so it is considered an asset to the building, so deterioration of concrete, spaulding, those are all things that are considered.

Mr. Gang: I'm really referring to accountants on this, under accounting principles whether you treat, if you paint it you're just painting your building, is that considered to be a capital expenditure or an operating expense, or a maintenance expense, so I don't think we need to get into the details today, and I haven't seen your numbers so we'll have to see how you did that.

Mr. Bradish: And I don't know if the owner intends to take all of the savings up front, in my conversations, but maybe there would be some, so we just showed at our presentation, we kind of showed the bookends of, here it is, basically a scenario, level savings, like any normal refunding and then here it is if you took it all up front, and I think as Rob stated, maybe we'll land somewhere inbetween. We don't need to know that obviously until we price the bonds, Rich I don't know if there's anything that needs to be done in respect to the engineer's report.

Mr. Hans: Well, we're not cashing, we're not going to cash out, it wouldn't be cash up front, it's interest.

Mr. Bradish: Correct.

Mr. Gang: So, we're not going to establish a project fund and all that.

Mr. Hans: No.

Mr. Bradish: No.

Mr. Gang: Ok, so would you just send me so I can send it to Vanessa.

Mr. Bradish: Yes, we'll send the full analysis now, until we were engaged we were in a little bit of a tight spot from a regulatory perspective as Rich knows, in terms of actual sending detailed information.

Mr. Hans: Alright.

B. Engineer

Mr. Hans: Moving on to other staff reports, engineer, we have no engineer today.

C. Manager

Mr. Hans: Under manager, we'll be in touch with the Board members on when our next meeting is but look for early January.

SIXTH ORDER OF BUSINESS

Financial Reports

- A. Approval of Check Run Summary**
- B. Balance Sheet and Income Statement**

Mr. Hans: Item No. 6 we have financial reports, there's a check run summary, and a balance sheet and income statement. If there are any questions on these, I can take those, otherwise a motion accepting them would be in order.

On MOTION by Mr. Holdsworth seconded by Mr. Auerbach with all in favor, the Check Run Summary, Balance Sheet and Income Statement were approved.

SEVENTH ORDER OF BUSINESS

Supervisors Requests and Audience Comments

Mr. Hans: Then item No. 7, Supervisors requests, anything from our Supervisors? No audience here for any comments.

EIGHTH ORDER OF BUSINESS

Adjournment

Mr. Hans: Then, if there is no other District business, a motion to adjourn would be in order.

On MOTION by Mr. Zambrano seconded by Mr. Auerbach with all in favor, the Meeting was adjourned.

Secretary /Assistant Secretary

Chairman / Vice Chairman

RESOLUTION 2020-05

A RESOLUTION OF THE HOLLYWOOD BEACH COMMUNITY DEVELOPMENT DISTRICT I APPROVING THE DISTRICT'S PROPOSED BUDGET FOR FISCAL YEAR 2021 AND SETTING A PUBLIC HEARING THEREON PURSUANT TO FLORIDA LAW

WHEREAS, the District Manager has prepared the proposed budget for the Fiscal Year 2021; and

WHEREAS, the Board of Supervisors approves the proposed budget for purpose of submitting said budget to the local governing authorities not less than 60 days prior to the public hearing date in accordance with Chapter 190.008(b), Florida Statutes: and

WHEREAS, the Board of Supervisors desires to set the public hearing date;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE HOLLYWOOD BEACH COMMUNITY DEVELOPMENT DISTRICT I:

1. The proposed budget for Fiscal Year 2021 is hereby approved for the purpose of conducting a public hearing to adopt said budget.
2. A public hearing on said approved budget is hereby declared and set for the following date, hour and place:

Date: _____

Hour: _____

Place: _____

Notice of public hearing shall be published in accordance with Florida Law.

Adopted this ____ day of _____, 2020

Chairman/Vice Chairman

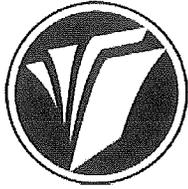
Secretary/Assistant Secretary

**HOLLYWOOD BEACH
COMMUNITY DEVELOPMENT DISTRICT 1
CITY OF HOLLYWOOD, FLORIDA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2019**

HOLLYWOOD BEACH COMMUNITY DEVELOPMENT DISTRICT 1
CITY OF HOLLYWOOD, FLORIDA

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors
Hollywood Beach Community Development District 1
City of Hollywood, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of Hollywood Beach Community Development District 1, City of Hollywood, Florida ("District") as of and for the fiscal year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District as of September 30, 2019, and the respective changes in financial position, and, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Bhav & Associates

March 26, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Hollywood Beach Community Development District 1, City of Hollywood, Florida ("District") provides a narrative overview of the District's financial activities for the fiscal year ended September 30, 2019. Please read it in conjunction with the District's Independent Auditor's Report, basic financial statements, accompanying notes and supplementary information to the basic financial statements.

FINANCIAL HIGHLIGHTS

The liabilities of the District exceeded assets at the close of the most recent fiscal year resulting in a net position deficit balance of \$(5,893,768), an increase of \$105,257 in comparison with the prior fiscal year.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as the introduction to the District's basic financial statements and notes to the financial statements.

Basic Financial Statements

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

The basic financial statements report on the function of the District that is principally supported by parking fees and charges.

The statement of net position presents information on all the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual amount being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The District uses an enterprise fund to account for the operations of a parking garage which is owned and maintained by the District.

Notes to the Financial Statements

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

BASIC FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of the District, liabilities exceeded assets at the close of the most recent fiscal year.

BASIC FINANCIAL ANALYSIS (Continued)

Key components of the District's net position are reflected in the following table:

NET POSITION SEPTEMBER 30,		
	2019	2018
Current and other assets	\$ 585,325	\$ 506,588
Capital assets, net of depreciation	30,701,749	30,856,816
Total assets	<u>31,287,074</u>	<u>31,363,404</u>
Current liabilities	2,251,070	1,845,119
Long-term liabilities	34,929,772	35,517,310
Total liabilities	<u>37,180,842</u>	<u>37,362,429</u>
Net position		
Net investment in capital assets	(9,835,069)	(9,677,078)
Restricted	3,863,164	3,386,768
Unrestricted	78,137	291,285
Total net position	<u>\$ (5,893,768)</u>	<u>\$ (5,999,025)</u>

The District's net position reflects its investment in capital assets (e.g. land, land improvements, and infrastructure); less any related debt used to acquire those assets that is still outstanding. These assets are used to provide services to residents; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the District's other obligations.

The District's net position increased during the most recent fiscal year. The majority of the increase is due to the extent to which operating revenues exceeded operating and non-operating expenses of the District.

Key elements of the change in net position are reflected in the following table:

CHANGES IN NET POSITION FOR THE FISCAL YEAR ENDED SEPTEMBER 30,		
	2019	2018
Operating revenues:	\$ 3,753,760	\$ 3,862,331
Operating expenses:		
Administrative and general	94,697	82,650
Cost of sales and services	795,753	865,490
Depreciation and amortization	712,991	712,991
Total operating expenses	<u>1,603,441</u>	<u>1,661,131</u>
Operating income	<u>2,150,319</u>	<u>2,201,200</u>
Non-operating:		
Interest income	76,819	45,641
Interest expense	(2,121,881)	(2,149,631)
Total non-operating	<u>(2,045,062)</u>	<u>(2,103,990)</u>
Change in net position	105,257	97,210
Net position - beginning	<u>(5,999,025)</u>	<u>(6,096,235)</u>
Net position - ending	<u>\$ (5,893,768)</u>	<u>\$ (5,999,025)</u>

BASIC FINANCIAL ANALYSIS (Continued)

The changes in net position reflect the operation of the parking garage which is owned and maintained by the District. The cost of operations is covered primarily by charges to customers. The decrease in operating revenues is primarily the result of decreased user fee revenue in the current fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District reported net capital assets of \$25,777,644. More detailed information about the District's capital assets is presented in the notes of the financial statements.

Capital Debt

At September 30, 2019, the District had \$35,310,000 in Bonds outstanding. More detailed information about the District's capital debt is presented in the notes of the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND OTHER EVENTS

The District does not anticipate any major projects or significant changes to its infrastructure maintenance program for the subsequent fiscal year. In addition, it is anticipated that the general operations of the District will remain fairly constant.

Subsequent to fiscal year end the Board is in discussion to refinance the outstanding Series 2014 Bonds.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, land owners, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact the Hollywood Beach Community Development District 1's Finance Department at 5385 N. Nob Hill Road Sunrise, Florida 33351.

**HOLLYWOOD BEACH COMMUNITY DEVELOPMENT DISTRICT 1
CITY OF HOLLYWOOD, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019**

ASSETS	
Current assets:	
Cash	\$ 423,113
Accounts receivable	118,039
Interest receivable	7,717
Prepays and deposits	<u>36,456</u>
Total current assets	<u>585,325</u>
Noncurrent assets:	
Restricted assets:	
Investments	4,924,105
Capital assets:	
Non depreciable	102,941
Depreciable, net	<u>25,674,703</u>
Total noncurrent assets	<u>30,701,749</u>
Total assets	<u>31,287,074</u>
 LIABILITIES	
Current liabilities:	
Accounts payable and accrued expenses	28,500
Due to Developer - User fees	581,629
Accrued interest payable	1,060,941
Bonds payable - current	<u>580,000</u>
Total current liabilities	<u>2,251,070</u>
Non-current liabilities:	
Bonds payable	<u>34,929,772</u>
Total noncurrent liabilities	<u>34,929,772</u>
Total liabilities	<u>37,180,842</u>
 NET POSITION	
Net investment in capital assets	(9,835,069)
Restricted	3,863,164
Unrestricted	<u>78,137</u>
Total net position	<u>\$ (5,893,768)</u>

See notes to the financial statements

**HOLLYWOOD BEACH COMMUNITY DEVELOPMENT DISTRICT 1
CITY OF HOLLYWOOD, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

OPERATING REVENUES	
Parking revenues	\$ 2,723,721
User fees	<u>1,030,039</u>
Total operating revenues	<u>3,753,760</u>
OPERATING EXPENSES	
Administrative and general	94,697
Cost of operations	795,753
Depreciation and amortization	<u>712,991</u>
Total operating expenses	<u>1,603,441</u>
OPERATING INCOME	2,150,319
NON-OPERATING REVENUES (EXPENSES)	
Interest income	76,819
Interest expense	<u>(2,121,881)</u>
Total non-operating revenues (expenses)	<u>(2,045,062)</u>
Change in net position	105,257
Total net position - beginning	<u>(5,999,025)</u>
Total net position - ending	<u>\$ (5,893,768)</u>

See notes to the financial statements

**HOLLYWOOD BEACH COMMUNITY DEVELOPMENT DISTRICT 1
CITY OF HOLLYWOOD, FLORIDA
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019**

CASH FLOW FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 4,170,638
Payments to suppliers	(532,098)
Payments to employees	<u>(362,369)</u>
Net Cash Provided (Used) by Operating Activities	<u>3,276,171</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(102,941)
Principal paid	(555,000)
Interest paid	<u>(2,135,756)</u>
Net cash provided (used) by capital and related financing activities	<u>(2,793,697)</u>
CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of investments	(462,521)
Interest income	<u>76,819</u>
Net Cash Provided (Used) by Investing Activities	<u>(385,702)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	96,772
CASH AND CASH EQUIVALENTS - OCTOBER 1	<u>326,341</u>
CASH AND CASH EQUIVALENTS - SEPTEMBER 30	<u>\$ 423,113</u>
RECONCILIATION OF OPERATING INCOME TO	
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income	\$ 2,150,319
ADJUSTMENTS TO RECONCILE OPERATING INCOME	
TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Depreciation and amortization	712,991
(Increase) / decrease in accounts receivable	22,912
(Increase) / decrease in interest receivable	(1,132)
(Increase) / decrease in prepaids and deposits	(3,745)
(Decrease) / increase in accounts payable	(272)
(Decrease) / increase in due to Developer	<u>395,098</u>
Total adjustments	<u>1,125,852</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 3,276,171</u>

See notes to the financial statement

**HOLLYWOOD BEACH COMMUNITY DEVELOPMENT DISTRICT 1
CITY OF HOLLYWOOD, FLORIDA
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – NATURE OF ORGANIZATION AND REPORTING ENTITY

The Hollywood Beach Community Development District 1 (the "District") was created on June 1, 2011 by Ordinance 0-2011-21 of the City of Hollywood, Florida, pursuant to the Uniform Community Development District Act of 1980, otherwise known as Chapter 190, Florida Statutes. The Act provides among other things, the power to manage basic services for community development, power to borrow money and issue Bonds, and to levy and assess non-ad valorem assessments for the financing and delivery of capital infrastructure.

The District was established for the purposes of financing and managing the acquisition, construction, maintenance and operation of a parking garage which is owned and maintained by the District.

The District is governed by the Board of Supervisors ("Board"), which is composed of five members. The Supervisors are elected by the owners of the property within the District. The Board of Supervisors of the District exercise all powers granted to the District pursuant to Chapter 190, Florida Statutes. During the prior fiscal year, the Developer sold Margaritaville Hollywood Beach Resort to a new developer, MVHF, LLC.

The Board has the final responsibility for:

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

The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statements. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the District is considered to be financially accountable and other organizations for which the nature and significance of their relationship with the District are such that, if excluded, the financial statements of the District would be considered incomplete or misleading. There are no entities considered to be component units of the District; therefore, the financial statements include only the operations of the District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The District reports all of its activities and functions in a single enterprise fund. The enterprise fund is used to account for the operation of a parking garage. The costs of providing services are recovered primarily through parking fees.

Enterprise funds are proprietary funds. The measurement focus is based upon determination of net position, financial position and changes in cash flow. The generally accepted accounting principles used are those applicable to similar businesses in the private sector, thus, these funds are maintained on the accrual basis of accounting. Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) when the governing body has decided that periodic determination of net income is appropriate for capital maintenance, public management control, accountability, or other purposes. Revenues are recognized when earned and expenses are recognized when incurred. All assets and liabilities (whether current or noncurrent) associated with an activity are included in the statement of net position. The reported net position are segregated into invested in capital assets net of related debt, restricted and unrestricted assets.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund are charges to customers for parking. Operating expenses of the enterprise fund include the cost of operations and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first for qualifying expenditures, then unrestricted resources as they are needed.

Assets, Liabilities and Net Position or Equity

Restricted Assets

These assets represent cash and investments set aside pursuant to Bond covenants or other contractual restrictions.

Deposits and Investments

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

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

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

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due.

The District records all interest revenue related to investment activities in the respective funds. Investments are measured at amortized cost or reported at fair value as required by generally accepted accounting principles.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Property and equipment are stated at cost. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Capital Assets (Continued)

Fixed assets of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Parking Garage	40
Monuments	5

Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned.

Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the Bonds using the straight-line method. Bonds are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Net Position

Net position is the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position in the government-wide financial statements are categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents net position related to infrastructure and property, plant and equipment. Restricted net position represents the assets restricted by the District's Bond covenants or other contractual restrictions. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

Other Disclosures

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 3 – DEPOSITS AND INVESTMENTS

Deposits

The District's cash balances were entirely covered by federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", requires all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. Governmental and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

Investments

The District's investments were held as follows at September 30, 2019:

	Maturities	Amortized Cost	Credit Risk
Federated Government Obligations Fund	Weighted average of 33 days	\$ 4,924,105	S&P AAAM
Total investments		<u>\$ 4,924,105</u>	

Credit risk – For investments, credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Investment ratings by investment type are included in the preceding summary of investments.

Concentration risk – The District places no limit on the amount the District may invest in any one issuer.

Interest rate risk – The District does not have a formal policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

However, the Bond Indenture limits the type of investments held using unspent proceeds.

Fair Value Measurement – When applicable, the District measures and records its investments using fair value measurement guidelines established in accordance with GASB Statements. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques.

These guidelines recognize a three-tiered fair value hierarchy, in order of highest priority, as follows:

- *Level 1:* Investments whose values are based on unadjusted quoted prices for identical investments in active markets that the District has the ability to access;
- *Level 2:* Investments whose inputs - other than quoted market prices - are observable either directly or indirectly; and,
- *Level 3:* Investments whose inputs are unobservable.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the entire fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

Money market investments that have a maturity at the time of purchase of one year or less and are held by governments other than external investment pools should be measured at amortized cost. Accordingly, the District's investments have been reported at amortized cost above.

NOTE 4 – RESTRICTED ASSETS

Restricted assets include investments which are restricted in connection with the Bond requirements discussed in Note 6. The composition of restricted assets at September 30, 2019 was as follows:

Restricted for:	
Reserve account	\$ 2,706,840
Payment of interest	1,245,847
User fees	970,632
Acquisition	786
	<u>\$ 4,924,105</u>

NOTE 5 – CAPITAL ASSETS

Capital assets activity for the fiscal year ended September 30, 2019 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Governmental activities</u>				
Capital assets, not being depreciated				
Construction in progress	\$ -	\$ 102,941	\$ -	\$ 102,941
Total capital assets, not being depreciated	-	102,941	-	102,941
Capital assets, being depreciated				
Parking garage	28,439,512	-	-	28,439,512
Monuments	47,706	-	-	47,706
Total capital assets, being depreciated	28,487,218	-	-	28,487,218
Less accumulated depreciation for:				
Parking garage	2,073,714	710,988	-	2,784,702
Monuments	18,272	9,541	-	27,813
Total accumulated depreciation	2,091,986	720,529	-	2,812,515
Total capital assets being depreciated, net	26,395,232	(720,529)	-	25,674,703
Governmental activities capital assets, net	<u>\$ 26,395,232</u>	<u>\$ (617,588)</u>	<u>\$ -</u>	<u>\$ 25,777,644</u>

NOTE 6 – LONG-TERM LIABILITIES

Series 2014

On January 23, 2014, the District issued \$36,395,000 of Taxable Revenue Bonds, Series 2014 consisting of \$5,040,000 Term Bonds due on October 1, 2024 with a fixed interest rate of 5%, \$10,280,000 Term Bonds due on October 1, 2034 with a fixed interest rate of 6%, \$7,885,000 Term Bonds due on October 1, 2039 with a fixed interest rate of 6.125%, and \$13,190,000 Term Bonds due on October 1, 2045 with a fixed interest rate of 6.25%. The Bonds were issued to finance the acquisition and construction of a parking garage that is owned and maintained by the District. Interest is to be paid semiannually on each April 1 and October 1. Principal on the Bonds is to be paid serially commencing October 1, 2017.

The Bonds are subject to redemption at the option of the District prior to their maturity. The Bonds are subject to extraordinary mandatory redemption prior to their selected maturity in the manner determined by the Bond Registrar if certain events occurred as outlined in the Bond Indenture.

NOTE 6 – LONG-TERM LIABILITIES (Continued)

Series 2014 (Continued)

The Bond Indenture established a debt service reserve requirement as well as certain restrictions and requirements relating principally to the procedures to be followed in the collection of pledged revenues and the application of the revenues to the various restricted accounts. The District's main revenue source is the collection of parking fees from the parking garage. In addition user fees are also pledged for the payment of debt service. See Note – 7 Public User Fees. The user fees are refundable to the Developer as long as the District meets the Debt Service Coverage ratio and meets the debt service reserve requirement. As of September 30, 2019, the District owes the Developer \$581,629 for a portion of the user fees remitted as the District was able to cover its debt service from parking fees and met the other requirements for refund of the user fees.

In addition, the District can special assess the Developer's property if such parking fees and user fees are not sufficient to cover its operating expenses and debt service on the Bonds. In addition, the City of Hollywood has made a guarantee that they will fund any deficiency in the debt service reserve fund from legally available non ad valorem revenues. The District is in compliance with the requirements of the Bond Indenture.

Long-term Debt Activity

Changes in long-term liabilities for the fiscal year ended September 30, 2019 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Series 2014	\$ 35,865,000	\$ -	\$ (555,000)	\$ 35,310,000	\$ 580,000
Unamortized premium	207,310	-	(7,538)	199,772	-
Total	<u>\$ 36,072,310</u>	<u>\$ -</u>	<u>\$ (562,538)</u>	<u>\$ 35,509,772</u>	<u>\$ 580,000</u>

At September 30, 2019, the scheduled debt service requirements on the long-term liabilities for were as follows:

Year ending September 30:	Principal	Interest	Total
2020	\$ 580,000	\$ 2,092,881	\$ 2,672,881
2021	610,000	2,062,381	2,672,381
2022	640,000	2,030,381	2,670,381
2023	675,000	1,996,631	2,671,631
2024	705,000	1,961,381	2,666,381
2025-2029	4,155,000	9,124,156	13,279,156
2030-2034	5,555,000	7,636,756	13,191,756
2035-2039	7,430,000	5,628,319	13,058,319
2040-2044	10,020,000	2,871,875	12,891,875
2045-2046	4,940,000	159,063	5,099,063
Total	<u>\$ 35,310,000</u>	<u>\$ 35,563,824</u>	<u>\$ 70,873,824</u>

NOTE 7 – PUBLIC USER FEES

The District has contracted with the Developer whereby the Developer is acting as a collecting agent of a user fee which was initially set at 1% on all applicable sales within the Resort property and parking garage. Such amounts are being remitted by the Developer to the District on a monthly basis. During the term of the outstanding Bonds, the public user fees collected are applied by the Bond Trustee in accordance with the Bond Indenture. The user fees have been approved for up to 2.5%. For the current fiscal year, the user fee was 2%.

NOTE 8 – CONCENTRATION

The District's activity is dependent upon the continued involvement of the Developer, the loss of which could have a material adverse effect on the District's operations.

NOTE 9 – MANAGEMENT AGREEMENT AND DEVELOPER RELATED TRANSACTIONS

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

In addition, the District has entered into an agreement with the Developer for management of the parking garage. The monthly fee is equal to 4% of parking garage revenues. In accordance with the agreement, the District incurred \$108,949 for management fees and owed the Developer \$7,356 for such fees as of September 30, 2019. In addition the majority of the operating expenses are paid by the Developer initially and then charged to District by the Developer.

NOTE 10 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained commercial insurance from independent third parties to mitigate the costs of these risks; coverage may not extend to all situations. There were no settled claims during the past three years.



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Supervisors
Hollywood Beach Community Development District 1
City of Hollywood, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of Hollywood Beach Community Development District 1, City of Hollywood, Florida ("District") as of and for the fiscal year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated March 26, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Burr & Associates

March 26, 2020



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

951 Yamato Road • Suite 280
Boca Raton, Florida 33431
(561) 994-9299 • (800) 299-4728
Fax (561) 994-5823
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE
REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY
RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Board of Supervisors
Hollywood Beach Community Development District 1
City of Hollywood, Florida

We have examined Hollywood Beach Community Development District 1, City of Hollywood, Florida's ("District") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2019. Management is responsible for District's compliance with those requirements. Our responsibility is to express an opinion on District's compliance based on our examination.

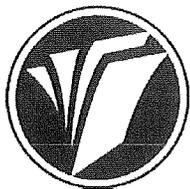
Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the District complied, in all material respects, with the specified requirements referenced in Section 218.415, Florida Statutes. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2019.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, management, and the Board of Supervisors of Hollywood Beach Community Development District 1, City of Hollywood, Florida and is not intended to be and should not be used by anyone other than these specified parties.

Grau & Associates

March 26, 2020



Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Supervisors
Hollywood Beach Community Development District 1
City of Hollywood, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of Hollywood Beach Community Development District 1, City of Hollywood, Florida ("District") as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated March 26, 2020.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an audit of the financial statements performed in accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 26, 2020, should be considered in conjunction with this management letter.

Purpose of this Letter

The purpose of this letter is to comment on those matters required by Chapter 10.550 of the Rules of the Auditor General for the State of Florida. Accordingly, in connection with our audit of the financial statements of the District, as described in the first paragraph, we report the following:

- I. **Current year findings and recommendations.**
- II. **Status of prior year findings and recommendations.**
- III. **Compliance with the Provisions of the Auditor General of the State of Florida.**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, as applicable, management, and the Board of Supervisors of Hollywood Beach Community Development District 1, City of Hollywood, Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank Hollywood Beach Community Development District 1, City of Hollywood, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements, and the courtesies extended to us.

Grau & Associates

March 26, 2020

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None

III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2018.

2. Any recommendations to improve the local governmental entity's financial management.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2019.

3. Noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance.

There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2019.

4. The name or official title and legal authority of the District are disclosed in the notes to the financial statements.

5. The District has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.

6. We applied financial condition assessment procedures and no deteriorating financial conditions were noted as of September 30, 2019. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

HOLLYWOOD BEACH CDD I

Estimated Infrastructure Replacement Costs at the End of Service Life

Public Garage Improvements

Item No.	Description of Work	Original Cost in Year 2012 (\$)	Estimated Service Life (SL) (Years)	Estimated Remaining Service Life as of 2020 (RSL) (Years)	Future Replacement Cost at SL (Assume i=1.5% Average Annual Inflation)	Sum Invested Today (2020) to Replace at SL (Assume i=0.25% Annual Investment Rate) (\$)	Annuities Started Today (2020) to Replace at SL (Assume i=0.25% Annual Investment Rate) (\$)
1	General Conditions	1,575,000	In GC Costs Below				
2	General Liability Insurance	315,000	In GC Costs Below				
3	Earthwork/Site/Demo	598,750	Unlimited Life				
4	Site Drainage & Utilities	238,600	50	42	502,311	452,260	11,358
5	Striping, Bumpers & Traffic Signage	84,000	25	17	121,879	116,797	7,027
6	Landscape & Irrigation for Screening	105,000	15	7	131,274	128,993	18,613
7	Piling & Cut-Off	783,000	Unlimited Life				
8	Concrete Shell	8,965,000	Unlimited Life				
9	Masonry	687,750	Unlimited Life				
10	Ornamental & Misc Metals	630,000	Unlimited Life				
11	Carpentry	152,500	30	22	238,370	225,607	10,553
12	Caulking/Waterproofing	483,000	15	7	603,862	593,392	85,621
13	Doors & Hardware	52,000	25	17	75,449	72,297	4,350
14	Windows & Storefronts	94,500	30	22	147,711	139,794	6,540
15	Lath & Stucco	1,050,000	Unlimited Life				
16	Drywall & Framing	161,250	30	22	252,047	238,553	11,159
17	Tile & Marble (Int & Ext)	135,000	35	27	227,324	212,477	8,149
18	Painting	446,230	10	2	517,868	515,286	258,611
19	Specialties & Signage	152,500	15	7	190,660	187,350	27,034
20	Parking Control Equipment	835,000	25	17	1,211,539	1,161,172	69,852
21	Elevators & Chutes	1,039,000	30	22	1,624,040	1,537,214	71,901
22	Plumbing	476,500	Unlimited Life				
23	Fire Sprinkler System	460,000	50	42	968,412	871,957	21,897
24	HVAC	581,000	15	7	726,385	713,792	102,994
25	Electrical	1,485,000	50	42	3,126,285	2,814,998	70,689
26	Subtotal Hard Costs	21,585,580			10,665,417	9,981,939	786,347
30	Subtotal General Contractor Costs	3,453,693			1,706,467	1,597,110	125,816
31	Subtotal Hard and General Contractor Costs	25,039,273			12,371,884	11,579,049	912,162
38	Subtotal Soft Costs	2,003,141			989,750	926,324	72,973
39	Subtotal Hard, G.C. and Soft Costs	27,042,414			13,361,634	12,505,373	985,135
40	Contingency	1,352,121			668,082	625,269	49,257
	Total	28,394,535			14,029,716	13,130,642	1,034,392

HOLLYWOOD BEACH COMMUNITY DEVELOPMENT DISTRICT I
PUBLIC PARKING FACILITIES
CAPITAL RESERVES & PURCHASES

	<u>BEGINNING</u> <u>BALANCE</u>	<u>OCT-19</u> <u>ACT</u>	<u>NOV-19</u> <u>ACT</u>	<u>DEC-19</u> <u>ACT</u>	<u>JAN-20</u> <u>ACT</u>	<u>FEB-20</u> <u>FC</u>	<u>MAR-20</u> <u>FC</u>	<u>APR-20</u> <u>FC</u>	<u>MAY-20</u> <u>FC</u>	<u>JUN-20</u> <u>FC</u>	<u>JUL-20</u> <u>FC</u>	<u>AUG-20</u> <u>FC</u>	<u>SEP-20</u> <u>FC</u>	TOTAL
Capital Reserves	290,121	5,331	5,470	5,887	7,404	8,119	10,355	9,296	6,304	8,032	8,966	7,085	6,053	378,422
Capital Purchases														
Parking Sign 1 [Daktroni	5,696													5,696
Parking Sign 1 [Tyson S	11,459													11,459
Parking Sign 2 [Daktroni	5,152													5,152
Parking Sign 2 [Tyson S	11,459													11,459
Parking Sign [JJW Cons	7,981													7,981
Grill Shades [JJW Const	5,960													5,960
Flash Valet 1	102,941													102,941
Flash Valet 2		120,273												120,273
<i>Awnings</i>											83,333	83,333	83,333	249,999
<i>Signage for No Cash Exit</i>								50,000						50,000
<i>Restriping Traffic</i>												15,000	15,000	30,000
<i>Large Scrubber</i>										42,000				42,000
<i>Sprinkler Project [Johnson Control]</i>						47,763								47,763
<i>Contingency for Piping/Sprinkler/Life Safety</i>													5,000	5,000
<i>Concrete Stoppers</i>													5,000	5,000
Total Purchases	150,647	120,273	0	0	0	47,763	0	0	50,000	42,000	83,333	98,333	108,333	700,683
Available Reserve	139,473	24,531	30,001	35,888	43,293	3,648	14,003	23,299	(20,397)	(54,366)	(128,733)	(219,981)	(322,261)	(322,261)



SUPERVISOR OF ELECTIONS
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MEMORANDUM

To: Jennifer McConnell
Government Management Services

From : John Way
Public Services Director

Date: April 15, 2019

Subject: Community Development District Information

Pursuant to your request, please be advised that the number of registered voters as of April 15, 2019 in the Special Districts requested is as follows:

<u>SPECIAL DISTRICT</u>	<u>NUMBER OF REGISTERES VOTERS</u>
Academical Village CDD	0
Coral Bay CDD	2066
Cypress Cove CDD	424
Hollywood Beach CDD District 1	0
McJunkin at Parkland	Pending
Orchid Grove CDD	631
Sabal Palm CDD	735
Turtle Run CDD	2478

We hope this information has been of assistance to you.

HOLLYWOOD BEACH
COMMUNITY DEVELOPMENT DISTRICT I

Summary of Invoices

May 4, 2020

Account	Date	Check No.s	Total
<i>Operating</i>	10/29/2019	205-206	\$795.60
	12/2/2019	207-210	\$3,994.23
	12/10/2019	211-213	\$4,351.34
	1/27/2020	214-217	\$7,059.92
	2/28/2020	218-219	\$4,243.93
	3/24/2020	220-222	\$12,229.83
	4/21/2020	223-226	\$6,474.33
Total Invoices for Approval			\$39,149.18

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED YRMO	TO DPT	ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	#
10/29/19	00001	10/18/19	I0000425 MEETING NOTICE	201910	310-	51300-48000			ALM MEDIA, LLC	*	295.60	295.60	000205
10/29/19	00002	9/30/19	158615 FEES THRU 9/19	201909	310-	51300-31500			BILLING, COCHRAN, LYLES, MAURO &	*	500.00	500.00	000206
12/02/19	00005	10/01/19	74529 ANNUAL FEES FY2019/20	201910	310-	51300-54000			DEPARTMENT OF ECONOMIC OPPORTUNITY	*	175.00	175.00	000207
12/02/19	00003	11/05/19	6-829-47 DELIVERIES THRU 10/29/19	201910	310-	51300-42000			FEDEX	*	144.68	144.68	000208
12/02/19	00004	11/01/19	110 MANAGEMENT FEES 11/19	201911	310-	51300-34000			GMS - SO FLORIDA, LLC	*	3,090.00	3,174.55	000209
		11/01/19	110 WEBSITE ADMINISTRATION	201911	310-	51300-35101				*	83.33		
		11/01/19	110 POSTAGE AND DELIVERY	201911	310-	51300-42000				*	.92		
		11/01/19	110 COPIES	201911	310-	51300-42500				*	.30		
12/02/19	00008	11/04/19	18800 AUDIT FYE 09/30/19	201909	310-	51300-32200			GRAU & ASSOCIATES	*	500.00	500.00	000210
12/10/19	00001	11/26/19	I0000437 NOTICE OF SPECIAL MEETING	201911	310-	51300-48000			ALM MEDIA, LLC	*	90.53	90.53	000211
12/10/19	00002	10/31/19	159352 SVCS THRU 10/31/19	201910	310-	51300-31500			BILLING, COCHRAN, LYLES, MAURO &	*	1,008.50	1,008.50	000212
12/10/19	00004	12/01/19	111 MANAGEMENT FEES 12/19	201912	310-	51300-34000				*	3,090.00		
		12/01/19	111 WEBSITE ADMINISTRATION	201912	310-	51300-35101				*	83.33		
		12/01/19	111 OFFICE SUPPLIES	201912	310-	51300-51000				*	17.50		
		12/01/19	111 POSTAGE AND DELIVERIES	201912	310-	51300-42000				*	1.84		

AP300R
 *** CHECK NOS. 000205-050000

YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER
 HOLLYWOOD BEACH-ENTERPRISE FND
 BANK A HOLLYWOOD BEACH-GF

RUN 4/23/20

PAGE 2

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED TO YRMO	DPT	ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
		12/01/19	111	201912	310	51300	42500			*	57.80		
			COPIES										
		12/01/19	111	201912	310	51300	49000			*	1.84		
			CONFERENCE ROOM										
								GMS - SO FLORIDA, LLC				3,252.31	000213
1/27/20	00002	11/30/19	159800	201911	310	51300	31500			*	2,648.00		
			SVCS THRU 11/2019										
								BILLING, COCHRAN, LYLES, MAURO &				2,648.00	000214
1/27/20	00003	12/10/19	6-862-33	201912	310	51300	42000			*	133.69		
			DELIVERIES THRU 12/03/19										
								FEDEX				133.69	000215
1/27/20	00004	1/01/20	112	202001	310	51300	34000			*	3,090.00		
			MGMT FEES 01/2020										
		1/01/20	112	202001	310	51300	35101			*	83.33		
			WEBSITE ADMINISTRATION										
		1/01/20	112	202001	310	51300	51000			*	17.50		
			OFFICE SUPPLIES										
		1/01/20	112	202001	310	51300	42000			*	3.00		
			POSTAGE										
		1/01/20	112	202001	310	51300	42500			*	84.40		
			COPIES										
								GMS - SO FLORIDA, LLC				3,278.23	000216
1/27/20	00008	1/03/20	18955	202001	310	51300	32200			*	1,000.00		
			AUDIT FYE 09/30/2019										
								GRAU & ASSOCIATES				1,000.00	000217
2/28/20	00002	12/31/19	160284	201912	310	51300	31500			*	1,068.50		
			SVCS THRU 12/19										
								BILLING, COCHRAN, LYLES, MAURO &				1,068.50	000218
2/28/20	00004	2/01/20	113	202002	310	51300	34000			*	3,090.00		
			MGMT FEES 02/2020										
		2/01/20	113	202002	310	51300	35101			*	83.33		
			WEBSITE ADMINISTRATION										
		2/01/20	113	202002	310	51300	42500			*	2.10		
			COPIES										
								GMS - SO FLORIDA, LLC				3,175.43	000219
3/24/20	00002	1/31/20	160804	202001	310	51300	31500			*	654.50		
			SVCS THRU 01/31/2020										
								BILLING, COCHRAN, LYLES, MAURO &				654.50	000220

HB3 HOLLYWOOD #3 SROSINA

AP300R
 *** CHECK NOS. 000205-050000

YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER
 HOLLYWOOD BEACH-ENTERPRISE FND
 BANK A HOLLYWOOD BEACH-GF

RUN 4/23/20

PAGE 3

CHECK DATE	VEND#	INVOICE DATE	INVOICE	EXPENSED TO YRMO	DPT	ACCT#	SUB	SUBCLASS	VENDOR NAME	STATUS	AMOUNT	CHECK AMOUNT	CHECK #
3/24/20	00004	3/01/20	114	202003	310-51300-34000				GMS - SO FLORIDA, LLC	*	3,090.00		
									MGMT FEES 03/01/20				
		3/01/20	114	202003	310-51300-35101				GMS - SO FLORIDA, LLC	*	83.33		
									WEBSITE ADMINISTRATION				
		3/01/20	114	202003	310-51300-42000				GMS - SO FLORIDA, LLC	*	2.00		
									POSTAGE AND DELIVERY				
											3,175.33	000221	
3/24/20	00008	3/02/20	19212	202003	310-51300-32200				GRAU & ASSOCIATES	*	8,400.00		
											8,400.00	000222	
4/21/20	00013	4/10/20	5463	202003	310-51300-31100				ALVAREZ ENGINEERS, INC	*	800.00		
											800.00	000223	
4/21/20	00009	2/11/20	25222670	202002	310-51300-32300				THE BANK OF NEW YORK MELLON	*	2,000.00		
											2,000.00	000224	
4/21/20	00002	2/29/20	161219	202002	310-51300-31500				BILLING, COCHRAN, LYLES, MAURO &	*	500.00		
											500.00	000225	
4/21/20	00004	4/01/20	115	202004	310-51300-34000				GMS - SO FLORIDA, LLC	*	3,090.00		
									MGMT FEES 04/2020				
		4/01/20	115	202004	310-51300-35101				GMS - SO FLORIDA, LLC	*	83.33		
									WEBSITE ADMINISTRATION				
		4/01/20	115	202004	310-51300-42000				GMS - SO FLORIDA, LLC	*	1.00		
									POSTAGE AND DELIVERY				
											3,174.33	000226	
											TOTAL FOR BANK A	39,149.18	
											TOTAL FOR REGISTER	39,149.18	

HOLLYWOOD BEACH COMMUNITY DEVELOPMENT DISTRICT I

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

March 31, 2020

ASSETS:

Current Assets:

Cash and Cash Equivalents:

Cash \$1,491
Cash - Operating Account \$336,682

Series 2014 Investments:

Reserve \$2,728,403
Interest \$1,046,441
Revenue \$0
User Fees \$940,721
Acquisition & Construction \$793

Receivables

Resort \$98,313

Noncurrent Assets:

Prepays \$0
Deposits \$14,135

Capital Assets:

Infrastructure Under Construction \$28,439,512
Accumulated Depreciation (\$2,812,515)
Construction in Progress \$270,920

TOTAL ASSETS

\$31,064,896

LIABILITIES:

Current Liabilities:

Accounts Payable \$3,300
AP Trade \$0
Accrued Credit Card Fees \$5,568
Accrued Management Fees \$5,682
Due to Developer \$581,629
Accrued Vacation \$1,878
Sales Tax Payable \$10,142
Accrued Interest Payable \$1,046,441

Noncurrent Liabilities:

Unamortized Bond Premium \$199,772
Bonds Payable - Series 2014 \$34,730,000

TOTAL LIABILITIES

\$36,584,412

NET POSITION

Net Invested in Capital Assets (\$6,931,453)
Restricted \$2,728,403
Unrestricted (\$1,316,466)

TOTAL NET POSITION

(\$5,519,516)

HOLLYWOOD BEACH COMMUNITY DEVELOPMENT DISTRICT I

Parking Garage - Proprietary Fund

Statement of Revenues, Expenses and Changes in Net Position

For the Period Ended March 31, 2020

<u>EXPENSE CODE</u>	<u>DESCRIPTION</u>	<u>ADOPTED BUDGET</u>	<u>PRORATED BUDGET THRU 03/31/20</u>	<u>ACTUAL THRU 03/31/20</u>	<u>VARIANCE</u>
<u>OPERATING REVENUES:</u>					
041.300.34900.10200	Parking Revenue - Public	\$2,531,820	\$1,265,910	\$1,003,905	(\$262,005)
041.300.34900.10300	Parking Revenue - Resort	\$405,141	\$202,570	\$143,951	(\$58,619)
041.300.34900.10000	User Fees - Garage	\$50,636	\$25,318	\$22,957	(\$2,361)
041.300.34900.10100	User Fees - Resort	\$1,506,504	\$753,252	\$626,336	(\$126,916)
TOTAL OPERATING REVENUES		<u>\$4,494,101</u>	<u>\$2,247,051</u>	<u>\$1,797,149</u>	<u>(\$449,902)</u>
<u>OPERATING EXPENSES</u>					
<u>Administrative</u>					
041.310.51300.31100	Engineering	\$10,000	\$5,000	\$800	\$4,200
041.310.51300.31200	Arbitrage	\$1,250	\$625	\$0	\$625
041.310.51300.31300	Dissemination Agent	\$2,500	\$1,250	\$0	\$1,250
041.310.51300.31500	Attorney	\$20,000	\$10,000	\$5,880	\$4,121
041.310.51300.32200	Annual Audit-FY19	\$9,900	\$9,900	\$9,400	\$500
041.310.51300.32300	Trustee Fees	\$2,000	\$2,000	\$2,000	\$0
041.310.51300.34000	Management Fees	\$37,080	\$18,540	\$18,540	\$0
041.310.51300.41000	Telephone	\$300	\$150	\$0	\$150
041.310.51300.42000	Postage	\$1,000	\$500	\$288	\$212
041.310.51300.45000	Insurance - G/L	\$16,655	\$16,655	\$16,194	\$461
041.310.51300.45000	Insurance-Business Income Loss	\$12,600	\$12,600	\$12,360	\$240
041.310.51300.48000	Legal Advertising	\$3,000	\$1,500	\$386	\$1,114
041.310.51300.49000	Other Current Charges	\$500	\$250	\$348	(\$98)
041.310.51300.35101	Website Compliance	\$1,000	\$500	\$500	\$0
041.310.51300.51000	Office Supplies	\$250	\$125	\$38	\$87
041.310.51300.54000	Dues, Licenses & Subscriptions	\$175	\$175	\$175	\$0
041.310.51300.60000	Capital Outlay	\$290	\$145	\$0	\$145
TOTAL ADMINISTRATIVE		<u>\$120,000</u>	<u>\$80,665</u>	<u>\$66,909</u>	<u>\$13,756</u>
<u>Parking Garage Facility</u>					
041.320.54900.12000	Wages - CDD	\$548,537	\$274,268	\$134,597	\$139,671
041.320.54900.52000	Supplies	\$9,250	\$4,625	\$6,306	(\$1,681)
041.320.54900.46001	Claims & Damages	\$6,000	\$3,000	\$0	\$3,000
041.320.54900.49000	Credit Card & Bank Fees	\$94,588	\$47,294	\$44,649	\$2,645
041.320.54900.45001	General Insurance	\$98,425	\$49,213	\$44,687	\$4,526
041.320.54900.46000	Maintenance & Repairs	\$88,399	\$44,200	\$33,433	\$10,767
041.320.54900.46100	Miscellaneous	\$1,020	\$510	\$300	\$210
041.320.54900.42500	Printing & Stationery	\$7,500	\$3,750	\$1,866	\$1,884
041.320.54900.52005	Uniforms	\$9,720	\$4,860	\$810	\$4,050
041.320.54900.43000	Utilities	\$42,000	\$21,000	\$20,151	\$849
041.320.54900.34000	Management Fee	\$117,478	\$58,739	\$45,914	\$12,825
TOTAL PARKING GARAGE FACILITY		<u>\$1,022,917</u>	<u>\$511,458</u>	<u>\$332,713</u>	<u>\$178,745</u>
TOTAL OPERATING EXPENSES		<u>\$1,142,917</u>	<u>\$592,123</u>	<u>\$399,622</u>	<u>\$192,501</u>
OPERATING INCOME (LOSS)		<u>\$3,351,184</u>	<u>\$1,654,927</u>	<u>\$1,397,527</u>	<u>(\$257,400)</u>

HOLLYWOOD BEACH COMMUNITY DEVELOPMENT DISTRICT I

Parking Garage - Proprietary Fund

Statement of Revenues, Expenses and Changes in Net Position

For the Period Ended March 31, 2020

<u>EXPENSE CODE</u>	<u>DESCRIPTION</u>	<u>ADOPTED BUDGET</u>	<u>PRORATED BUDGET THRU 03/31/20</u>	<u>ACTUAL THRU 03/31/20</u>	<u>VARIANCE</u>
<u>NON OPERATING REVENUE (EXPENSES)</u>					
041.300.36100.00100	Interest Income	\$0	\$0	\$23,309	\$23,309
041.320.54900.60000	Maintenance Reserves	(\$89,882)	(\$44,941)	\$0	\$44,941
041.310.51300.73000	Other Debt Service Costs	\$0	\$0	\$0	\$0
TOTAL NON OPERATING REVENUE (EXPENSES)		<u>(\$89,882)</u>	<u>(\$44,941)</u>	<u>\$23,309</u>	<u>\$68,251</u>
<u>Debt Service</u>					
041.310.51700.72000	Interest Expense - 4/1	\$1,046,441	\$1,046,441	\$1,046,441	\$0
041.310.51700.72000	Interest Expense - 10/1	\$1,046,441	\$0	\$0	\$0
041.310.51300.71000	Principal Expense - 10/1	\$610,000	\$0	\$0	\$0
TOTAL DEBT SERVICE		<u>\$2,702,881</u>	<u>\$1,046,441</u>	<u>\$1,046,441</u>	<u>\$0</u>
CHANGE IN NET POSITION		<u>\$558,421</u>	<u>\$563,546</u>	<u>\$374,396</u>	<u>(\$189,150)</u>
TOTAL NET POSITION - BEGINNING		\$0		(\$4,785,178)	
TOTAL NET POSITION - ENDING		<u>\$558,421</u>		<u>(\$4,410,782)</u>	

HOLLYWOOD BEACH COMMUNITY DEVELOPMENT DISTRICT I
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION (MONTH TO MONTH)
FY 2020

	October-19	November-19	December-19	January-20	February-20	March-20	April-20	May-20	June-20	July-20	August-20	September-20	Total
Revenues													
041.300.34900.10200	Parking Revenue - Public	\$ 146,034	\$ 155,337	\$ 157,916	\$ 224,690	\$ 194,862	\$ 125,066	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,003,905
041.300.34900.10300	Parking Revenue - Other	\$ 25,055	\$ 17,795	\$ 29,761	\$ 24,753	\$ 29,613	\$ 16,974	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 143,951
041.300.34900.10000	User Fee Revenue - Resort	\$ 92,038	\$ 96,899	\$ 102,918	\$ 115,787	\$ 140,844	\$ 77,850	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 626,336
041.300.34900.10100	User Fee Revenue-Garage	\$ 3,422	\$ 3,462	\$ 3,754	\$ 4,989	\$ 4,489	\$ 2,841	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,957
041.300.36100.00100	Interest - Reserve	\$ -	\$ 4,054	\$ 3,451	\$ 3,449	\$ 3,390	\$ 3,168	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,511
041.300.36100.00200	Interest - Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
041.300.36100.00300	Interest - Revenue	\$ -	\$ 49	\$ 159	\$ 159	\$ 369	\$ 383	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,119
041.300.36100.00500	Interest - User Fees	\$ -	\$ 863	\$ 816	\$ 840	\$ 1,055	\$ 1,101	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,675
041.300.36100.00600	Interest - Aqc & Construction	\$ -	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5
Total Revenues		\$ 266,549	\$ 278,460	\$ 298,776	\$ 374,668	\$ 374,623	\$ 227,383	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,820,458
Expenses													
Administrative													
041.310.51300.31100	Engineering	\$ -	\$ -	\$ -	\$ -	\$ 800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 800
041.310.51300.31200	Arbitrage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
041.310.51300.31300	Dissemination Agent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
041.310.51300.31500	Attorney	\$ 1,009	\$ 2,648	\$ 1,069	\$ 655	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,880
041.310.51300.32200	Annual Audit	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ 8,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,400
041.310.51300.32300	Trustee Fees	\$ -	\$ -	\$ -	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000
041.310.51300.34000	Management Fees	\$ 3,090	\$ 3,090	\$ 3,090	\$ 3,090	\$ 3,090	\$ 3,090	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,540
041.310.51300.41000	Telephone	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
041.310.51300.42000	Postage	\$ 147	\$ 1	\$ 136	\$ 3	\$ -	\$ 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 288
041.310.51300.42500	Printing & Binding	\$ 16,194	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,194
041.310.51300.45000	Insurance - G/L	\$ 12,360	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,360
041.310.51300.45000	Insurance - Business Income Loss	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
041.310.51300.48000	Legal Advertising	\$ 296	\$ 91	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 386
041.310.51300.49000	Other Current Charges	\$ 62	\$ 63	\$ 48	\$ 49	\$ 61	\$ 66	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 348
041.310.51300.35101	Website Administration	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ 83	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
041.310.51300.51000	Office Supplies	\$ 3	\$ -	\$ 18	\$ 18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38
041.310.51300.54000	Dues, Licenses	\$ 175	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 175
Total Administrative		\$ 33,418	\$ 5,976	\$ 4,443	\$ 4,897	\$ 5,734	\$ 12,441	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,909
Parking Garage													
041.320.54900.45000	Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
041.320.54900.12000	Wages - CDD	\$ 23,885	\$ 17,119	\$ 19,317	\$ 18,574	\$ 17,846	\$ 12,142	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 108,883
041.320.54900.12100	Payroll Burden	\$ 2,650	\$ 1,965	\$ 2,066	\$ 1,847	\$ 1,631	\$ 1,275	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,434
041.320.54900.12200	Vacation/Holiday	\$ 1,365	\$ 2,881	\$ 1,953	\$ 2,289	\$ 1,360	\$ 1,205	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,053
041.320.54900.23000	Group Insurance	\$ 463	\$ 450	\$ 342	\$ 415	\$ 386	\$ 386	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,442
041.320.54900.52001	Employee Meals	\$ 264	\$ 110	\$ 124	\$ 130	\$ 74	\$ 83	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 785
041.320.54900.52000	Supplies	\$ 1,140	\$ 524	\$ 1,765	\$ 639	\$ 1,874	\$ 364	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,306
041.320.54900.46001	Claims & Damages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
041.320.54900.49000	Credit Card & Bank Fees	\$ 6,377	\$ 6,303	\$ 7,707	\$ 9,274	\$ 10,113	\$ 4,875	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,649
041.320.54900.45001	General Insurance	\$ 7,612	\$ 7,366	\$ 7,611	\$ 7,612	\$ 6,875	\$ 7,611	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,687
041.320.54900.46000	Maintenance & Repairs	\$ 7,026	\$ 3,421	\$ 7,694	\$ 3,666	\$ 3,193	\$ 8,433	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,433
041.320.54900.46100	Miscellaneous	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300
041.320.54900.42500	Printing & Stationery	\$ 379	\$ 729	\$ -	\$ 374	\$ -	\$ 384	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,866
041.320.54900.52005	Uniforms	\$ 810	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 810
041.320.54900.43000	Utilities	\$ 3,473	\$ 3,368	\$ 3,700	\$ 3,131	\$ 3,035	\$ 3,444	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,151
041.320.54900.34000	Management Fee	\$ 6,844	\$ 6,925	\$ 7,507	\$ 9,978	\$ 8,979	\$ 5,681	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,914
Total Parking Garage		\$ 62,338	\$ 51,211	\$ 59,836	\$ 57,979	\$ 55,416	\$ 45,933	\$ -	\$ 6,870	\$ 7,600	\$ 5,908	\$ 5,094	\$ 332,713
Total Expenses		\$ 95,756	\$ 57,187	\$ 64,279	\$ 62,876	\$ 61,150	\$ 58,374	\$ -	\$ 6,870	\$ 7,600	\$ 5,908	\$ 5,094	\$ 399,622

HOLLYWOOD BEACH COMMUNITY DEVELOPMENT DISTRICT I
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION (MONTH TO MONTH)
FY 2020

	October-19	November-19	December-19	January-20	February-20	March-20	April-20	May-20	June-20	July-20	August-20	September-20	Total
<u>NON OPERATING REVENUE (EXPENSES)</u>													
Total Non Operating Revenue (Expenses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>Debt Service</u>													
041.310.51700.72000 Interest Expense - 4/1	\$ 174,407	\$ 174,407	\$ 174,407	\$ 174,407	\$ 174,407	\$ 174,407	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,046,441
041.310.51700.72000 Interest Expense - 10/1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
041.310.51300.71000 Principal Expense - 10/1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Debt Service	\$ 174,407	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,046,441					
Change in Net Position	\$ (3,613)	\$ 46,867	\$ 60,090	\$ 137,385	\$ 139,066	\$ (5,398)	\$ -	\$ -	\$ (6,870)	\$ (7,600)	\$ (5,908)	\$ (5,094)	\$ 374,396
Capital Reserves	\$ 4,878	\$ 5,329	\$ 6,268	\$ 5,144	\$ 7,347	\$ 9,183	\$ 8,686	\$ 5,631	\$ 7,375	\$ 8,579	\$ 6,805	\$ 5,752	\$ 80,977