

TIFA

MARCH 13, 2018

AGENDA

TIFA LLC MEETING AGENDA
March 13, 2018
11:30 a.m.
MEETING LOCATION
CITY OF TITUSVILLE
WATER RESOURCES
2836 GARDEN STREET – TITUSVILLE, FLORIDA

Roll Call

Action Items

- I. Approval of the Minutes of the TIFA LLC Meeting of February 15, 2018
(Presenter: James Perry)

Financial Items and Reports

- II. Presentation of the TIFA LLC Audit Report (Farlen Halikman)
- III. Presentation of the Management Representation Letter (Farlen Halikman)
- IV. Presentation of the TIFA LLC Tax Return (Farlen Halikman)
- V. Ratification of Expenses Paid from Operating Account and Request for Reimbursement (Presenter: James Perry)

Staff Reports / Informational Items

- III. Well WR-8 Restoration Status (Presenters: Sean Stauffer)
- IV. Update on Rail Trail Project (Presenter: Andy Jantzer)

Other Business

Public Comment

Next Scheduled Meeting

Open Items

Adjournment

FIRST ORDER OF BUSINESS

Date: March 13, 2018

To: TIFA LLC Management Committee

From: Sarah Sweeting, GMS, LLC

Subject: Approval of Minutes – February 15, 2018 TIFA LLC Meeting

Summary Explanation & Background: The draft minutes of the February 15, 2018 TIFA LLC meeting were previously circulated for review. The minutes of the TIFA LLC meeting are presented for review and approval. Since the draft minutes were circulated, on March 7, 2018, comments were received from the City of Titusville and Farmton Water Resources / Miami Corporation. No other comments have been received.

Source of Funds: This action requires no funds.

Minutes of TIFA LLC Meeting
February 15, 2018
11:30 a.m.
City of Titusville Water Resources
Mourning Dove Water Plant
2836 Garden Street
Titusville, Florida 32796

Persons in Attendance

Mike Brown, Miami Corporation, TIFA Management Committee Member
Jim Ball, City of Titusville, TIFA Management Committee Member
Sean Stauffer, City of Titusville, Water Resources Director
Ana Abreu-Ochoa City of Titusville
Susan Paddock, Farmton Water Resources (by telephone)
Helen Hutchens, Farmton Water Resources (by telephone)
David Fuechtman, Farmton Water Resources (by telephone)
Pat Gagliardi, Farmton Water Resources (by telephone)
James Perry, GMS LLC

James Perry conducted the meeting.

Action Items

I. Approval of the Minutes of the TIFA LLC Meeting of January 19, 2018

Member Ball moved to approve the minutes of the January 19, 2018 meeting as presented. Member Brown concurred and the motion passed.

Financial Items and Reports

II. Ratification of Expenses Paid from Operating Account and Request for Reimbursement (Presenter: James Perry)

Member Ball moved to ratify the expenses paid from the operating account and request for reimbursement in the amount of \$5,318.51. Member Brown concurred and the motion passed.

Staff Reports/Informational Items

III. Well WR-8 Restoration Status (Presenter Sean Stauffer)

Mr. Stauffer passed out one graph for WR-8 which shows the chloride levels reaching a more steady state. Staff will continue to monitor and will continue reporting monthly results.

IV. Update on Rail Trail Project (Presenter: Andy Jantzer)

Mr. Jantzer was in the field doing site inspections and meeting with contractors on this project. He will have an update for the board at the next meeting.

V. Area IV Update (Presenter: Sean Stauffer)

The warranty work was scheduled with Felix for Tuesday, January 23, 2018. All of the warranty work was completed that day to our satisfaction. Since construction and all warranty work has been completed, I will no longer provide updates on construction and this section should be removed from the agenda.

Other Business

Staff reported that the Florida Tangible Personal Property Tax returns would be prepared internally instead of by an outside preparer saving TIFA approximately \$3,200 annually.

Public Comment

Next Scheduled Meeting

The next meeting is scheduled for Tuesday, March 13th, 2018 at 11:30 a.m.

Open Items

Adjournment

Member Ball moved to adjourn the meeting at 11:45 a.m. Member Ball concurred and the meeting adjourned.

SECOND ORDER OF BUSINESS

"Draft For Discussion Purposes Only"

TIFA LLC

*Financial Statements –
As of and for the Years Ended
December 31, 2017 and 2016*

"Draft For Discussion Purposes Only"

TIFA LLC

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Certified Public Accountants

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Management Committee and Members
TIFA LLC
Titusville, Florida

We have audited the accompanying financial statements of TIFA LLC, which comprise the balance sheets as of December 31, 2017 and 2016, and the related statements of operations and changes in members' capital, and cash flows for the years then ended, and the related notes to the financial statements.

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 an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 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 opinion.

"Draft For Discussion Purposes Only"

To the Management Committee and Members
TIFA LLC

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TIFA LLC as of December 31, 2017 and 2016, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

MOORE STEPHENS LOVELACE, P.A.
Certified Public Accountants

Orlando, Florida
[Rep Ltr Date]

"Draft For Discussion Purposes Only"

TIFA LLC

**BALANCE SHEETS
AS OF DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
ASSETS		
Current Assets:		
Cash	\$ 631,887	\$ 425,213
Accounts receivable	79,424	189,448
Prepaid expenses	15,916	17,622
Total Current Assets	<u>727,227</u>	<u>632,283</u>
Wells and Wellfield (Note 3):		
Area IV Wellfield - Phase 1, net	1,504,065	1,564,550
Area IV Wellfield - Phase 2, net	4,706,797	4,875,765
Monitoring wells, net	415,223	431,497
Easements	333,883	333,883
Mitigation credits	139,200	139,200
Wellfield assets - inactive	164,933	164,933
Total Wells and Wellfield	<u>7,264,101</u>	<u>7,509,828</u>
Intangible Assets (Note 4):		
Consumptive use permit, net	1,457,145	1,556,214
FPL fee, net	760,093	789,141
Total Intangible Assets	<u>2,217,238</u>	<u>2,345,355</u>
TOTAL ASSETS	<u>\$ 10,208,566</u>	<u>\$ 10,487,466</u>
LIABILITIES AND MEMBERS' CAPITAL		
Current Liabilities:		
Accounts payable	\$ 11,886	\$ 6,857
Total Current Liabilities	11,886	6,857
Members' Capital	<u>10,196,680</u>	<u>10,480,609</u>
TOTAL LIABILITIES AND MEMBERS' CAPITAL	<u>\$ 10,208,566</u>	<u>\$ 10,487,466</u>

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

"Draft For Discussion Purposes Only"

TIFA LLC

**STATEMENTS OF OPERATIONS AND CHANGES IN MEMBERS' CAPITAL
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
REVENUE:		
Water sales	\$ 1,144,198	\$ 1,134,397
Interest income	30	57
TOTAL REVENUE	<u>1,144,228</u>	<u>1,134,454</u>
OPERATING EXPENSES:		
Depreciation and amortization	373,844	372,605
Operations and maintenance	54,903	86,005
Property and liability insurance	63,037	70,030
Utilities	70,352	55,274
Tangible personal property tax	42,579	49,834
Managing agent fees	26,000	26,000
Accounting fees	21,246	17,746
Wetland monitoring	3,679	3,679
Hydrogeological services	2,517	3,500
Miscellaneous	-	46
TOTAL OPERATING EXPENSES	<u>658,157</u>	<u>684,719</u>
NET INCOME	486,071	449,735
MEMBERS' CAPITAL - BEGINNING OF YEAR	10,480,609	10,842,730
Capital contributions	-	528,144
Capital distributions	<u>(770,000)</u>	<u>(1,340,000)</u>
MEMBERS' CAPITAL - END OF YEAR	<u>\$ 10,196,680</u>	<u>\$ 10,480,609</u>

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

"Draft For Discussion Purposes Only"

TIFA LLC

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 486,071	\$ 449,735
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	373,844	372,605
Changes in operating assets and liabilities:		
Accounts receivable	110,024	(97,115)
Prepaid expenses	1,706	4,096
Accounts payable	5,029	4,582
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>976,674</u>	<u>733,903</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of wellfield and related assets	-	(495,370)
NET CASH USED IN INVESTING ACTIVITIES	<u>-</u>	<u>(495,370)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Members' capital contributions	-	539,306
Members' capital distributions	(770,000)	(1,340,000)
NET CASH USED IN FINANCING ACTIVITIES	<u>(770,000)</u>	<u>(800,694)</u>
NET INCREASE (DECREASE) IN CASH	206,674	(562,161)
CASH AT BEGINNING OF YEAR	<u>425,213</u>	<u>987,374</u>
CASH AT END OF YEAR	<u>\$ 631,887</u>	<u>\$ 425,213</u>
NON-CASH FINANCING AND INVESTING ACTIVITIES:		
Construction Capital Expenditures Contributed In-kind:		
Easements	\$ -	\$ 11,162

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

“Draft For Discussion Purposes Only”

TIFA LLC

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

1. ORGANIZATION AND DESCRIPTION OF THE ENTITY

TIFA LLC (“TIFA”) was organized as a Florida Limited Liability Company on April 21, 2010, pursuant to the terms of a Settlement Framework Agreement and a Limited Liability Company Operating Agreement (“Operating Agreement”) between the City of Titusville, Florida (“City”), and Farmton Water Resources, LLC (“Farmton”) (collectively, the “Members”).

TIFA’s purpose is to facilitate the permitting, design, construction, and operation of a groundwater wellfield on certain property located in Brevard County and monitoring wells in Volusia County, Florida, and to do so in a manner designed to reasonably avoid adverse impact on the water resource and ecosystem. On May 10, 2011, the St. Johns River Water Management District granted TIFA’s application for expansion of the Consumptive Use Permit (“CUP”) to 2.75 million gallons per day (“MGD”). Phase 1 of the wellfield produces 0.75 MGD. Phase 2 of the wellfield produces 2.0 MGD. As of December 31, 2015, the entire wellfield has been placed in service.

The proposed groundwater wellfield is intended to provide certain agreed-upon minimum amounts of bulk water exclusively to the City and, to the extent available, to Farmton and others. The pricing and rate structure for the sale of water is defined in the Operating Agreement.

The Operating Agreement provides that the City has the exclusive right to purchase bulk water from TIFA at prices based on the cost of TIFA’s operation, plus a return on Members’ capital. The rates are set annually, as indicated in the Operating Agreement, and are subject to adjustment quarterly, as of and when additional maintenance capital contributions are made and/or wellfield assets are placed in service. In consideration for these rights, the City has agreed to purchase a minimum of 0.75 MGD of water, if available, annually from TIFA for a period of ten years, with certain automatic, additional ten-year options to renew. The Operating Agreement further provides that the City will pay for the minimum amount of water to be purchased, regardless of whether the minimum amount is actually used.

Subject to the availability of 2.75 MGD of water, the Operating Agreement also includes the right for Farmton to purchase a maximum of up to 0.6 MGD of water from the City’s 2.75 MGD under certain circumstances, as designated in the Operating Agreement. In the event that Farmton exercises its right under the Operating Agreement to purchase 0.6 MGD of water from TIFA, Farmton will be required to purchase water at rates consistent with the cost of the City securing replacement water.

2. SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

TIFA considers all unrestricted, highly liquid investments with a maturity of three months or less from the date of purchase to be cash equivalents.

Accounts Receivable

Accounts receivable represent amounts due from the City for the purchase of bulk water. TIFA values its receivables based on the volume of bulk water provided to the City each month at an approved rate.

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Capitalization

The Operating Agreement provides, among other things, for the methodologies that the Members will use to make contributions for TIFA’s initial and ongoing capitalization of its activities, as follows:

Initial Capitalization

Pursuant to the Operating Agreement, the Members contributed to TIFA an initial cash contribution of \$25,000 each and certain assets, including a CUP, easements, wells, mitigation credits, and other wellfield development costs. Contributed assets are recorded at their fair values, as determined by cost, appraisal, or other appropriate valuation methodologies.

Construction Capital Contributions

The City and Farmton are each further required to pay or contribute fifty percent of the cost to construct the wellfield. For Phase 1 construction, the obligation to make construction capital contributions were satisfied, in the case of the City, by direct payment of construction costs, and in the case of Farmton, by payment to the City of Farmton’s share of construction costs paid directly by the City. For Phase 2 construction, TIFA directly incurred the construction costs. The City and Farmton paid their percentage upon completion of a capital call by the managers. Farmton made certain construction capital contributions by a grant or assignment of easements over certain property under its control.

Maintenance Capital Contributions

Subsequent to construction of the wellfield, each Member is required to contribute fifty percent of the cost of renewal and replacement of wellfield facilities, as required to maintain the wellfield in working condition.

Wellfield-related and Intangible Assets

Acquisitions of new wellfield-related and intangible assets with a cost basis, if acquired, or fair value, if contributed, greater than \$10,000, and an estimated useful life greater than one year are capitalized. The cost of maintenance, repairs, and recurring replacements is charged to operations as incurred. Depreciation and amortization of wellfield-related and intangible assets is provided using the straight-line method over estimated useful lives of 30 years and 20 years, respectively.

Revenue Recognition

Water rates charged per thousand gallons are determined in accordance with the Operating Agreement and annual budgeting process. Revenue from bulk water sales is recognized based on meter readings of water delivered.

Income Taxes

TIFA has elected to be treated as a pass-through entity for income tax reporting purposes. As a result, all items of taxable income or loss are allocated to the individual Members to be reported on their individual income tax returns, as applicable. Accordingly, these financial statements include no provision or liability for federal or state income taxes.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

Subsequent Events

Events and transactions have been evaluated for potential recognition or disclosure through the date the financial statements were available to be issued.

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3. WELLS AND WELLFIELD

Wells and wellfield, net, consist of the following as of December 31, 2017 and 2016:

	2017	2016
Area IV Wellfield - Phase 1	\$ 1,814,563	\$ 1,814,563
Area IV Wellfield - Phase 2	5,069,053	5,069,053
Monitoring wells	488,189	488,189
	<u>7,371,805</u>	<u>7,371,805</u>
Accumulated depreciation	<u>(745,720)</u>	<u>(499,993)</u>
	6,626,085	6,871,812
Easements	333,883	333,883
Mitigation credits	139,200	139,200
Wellfield assets - inactive	164,933	164,933
Wells and wellfield, net	<u>\$ 7,264,101</u>	<u>\$ 7,509,828</u>

Depreciation expense was \$245,727 and \$244,487 for the years ended December 31, 2017 and 2016, respectively.

Inactive wellfield assets, while not currently in use, are capable of being activated and used in the future.

4. INTANGIBLE ASSETS

Intangible assets, net, consist of the following as of December 31, 2017 and 2016:

	2017	2016
Consumptive use permit (CUP)	\$ 1,981,386	\$ 1,981,386
FPL fee - Phase 1	459,340	459,340
FPL fee - Phase 2	412,112	412,112
	<u>2,852,838</u>	<u>2,852,838</u>
Accumulated amortization	<u>(635,600)</u>	<u>(507,483)</u>
Intangible assets, net	<u>\$ 2,217,238</u>	<u>\$ 2,345,355</u>

Amortization expense was \$128,117 and \$128,118 for the years ended December 31, 2017 and 2016, respectively. Amortization is approximately \$128,000 per year for the next five years on the intangible assets currently placed in service.

5. MANAGING AGENT FEES

On July 1, 2015, TIFA contracted with Governmental Management Services, LLC (“GMS”) to provide, among other things, management and accounting services. The term of the management agreement is one year. Thereafter, the agreement shall be extended for one-year periods, unless either party gives written notice on or before 60 days prior to the anniversary date of the effective date, unless terminated earlier. During the years ended December 31, 2017 and 2016, TIFA paid management fees to GMS of \$26,000 each year.

6. COMMITMENTS AND CONTINGENCIES

Concentrations and Credit Risk

TIFA receives all of its revenue from the City through sale of bulk water pumped from the wells.

Financial instruments, which potentially subject TIFA to concentrations of credit risk, consist of cash deposits, which, at times, may exceed federal deposit insurance limits.

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Wellfield Operations and Maintenance Agreement

On May 24, 2010, TIFA entered into a Wellfield Operations and Maintenance Agreement with the City under which the City shall operate and maintain the wellfield pursuant to the fees and obligations specified in the agreement. Fees incurred pursuant to this agreement totaled \$35,709 and \$41,062, respectively, for the years ended December 31, 2017 and 2016, and are included in the Operations and Maintenance line item on the Statement of Operations and Changes in Members' Capital.

THIRD ORDER OF BUSINESS

TIFA LLC
2836 GARDEN STREET
TITUSVILLE, FLORIDA 32796

Moore Stephens Lovelace, P.A.
Certified Public Accountants and Advisors
255 S. Orange Ave., Suite 600
Orlando, FL 32801

This representation letter is provided in connection with your audit of the financial statements of TIFA LLC ("TIFA"), which comprise the balance sheets as of December 31, 2017 and 2016, and the related statements of operations and changes in members' capital, and cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

We confirm, to the best of our knowledge and belief, as of March 12, 2018, the following representations made to you during your audit:

GENERAL

We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 22, 2017, including our responsibility for the preparation and fair presentation of the financial statements.

The financial statements referred to above are fairly presented in conformity with U.S. GAAP.

Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

We have made available to your representatives all financial records and related data.

We have provided you with:

- Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
- Additional information that you have requested from us for the purpose of the audit.
- Unrestricted access to persons within TIFA from whom you determined it necessary to obtain audit evidence.

We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

All material transactions have been recorded in the accounting records and are reflected in the financial statements.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors. We recognize that we are responsible for adjusting the financial statements to correct material misstatements. There were no corrected or uncorrected misstatements.

INTERNAL ACCOUNTING CONTROL

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

We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

There are no material weaknesses in the system of internal accounting control, including any for which we believe the cost of corrective actions exceeds the benefits. There have been no changes in the system of internal accounting control since December 31, 2017 that would significantly affect the system.

MINUTES AND CONTRACTS

We have made available to you all minutes of the meetings of members of TIFA, or summaries of actions of recent meetings for which minutes have not yet been prepared.

We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

OWNERSHIP AND PLEDGING OF ASSETS

TIFA has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral. All assets to which TIFA has satisfactory title appear in the balance sheets.

RECEIVABLES

Receivables represent valid claims against the debtors indicated and do not include amounts for water provided subsequent to December 31, 2017.

LONG-LIVED ASSETS, INCLUDING INTANGIBLE ASSETS

We review long-lived assets and identifiable intangible assets for impairment whenever events or changes in circumstances have indicated that their carrying amounts might not be recoverable. No events or circumstances have occurred that indicate the carrying amounts of those assets might require adjustment.

RELATED-PARTY TRANSACTIONS

Generally accepted accounting standards define related parties as follows: "Affiliates of the enterprise; entities for which investments are accounted for by the equity method by the enterprise; trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management; members of the immediate families of principal owners of the enterprise and its management; and other parties with which the

enterprise may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests.”

We have disclosed to you the identity of TIFA’s related parties and all the related-party relationships and transactions of which we are aware, if any.

ARRANGEMENTS WITH FINANCIAL INSTITUTIONS

There are no arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances. There are no lines-of-credit or similar arrangements.

CONTINGENT LIABILITIES

The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with generally accepted accounting principles.

There have been no violations of laws or regulations in any jurisdiction whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.

We are not aware of any unasserted claims or assessments that are probable of assertion.

There have been no communications from regulatory agencies or government representatives, employees or others concerning investigations or allegations of noncompliance with laws or regulations in any jurisdiction or deficiencies in financial reporting practices or other matters that could have a material adverse effect on the financial statements.

There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed nor are there any accruals for loss contingencies included in the balance sheets.

There are no oral or written guarantees of the debt of others under which TIFA may be liable.

We have not consulted a lawyer concerning litigation, claims or assessments during the year ended December 31, 2017 or through the date of this letter.

We are not aware of any environmental issues which should be considered for their potential impact on the financial statements.

We have purchased insurance coverage that we believe is adequate and meets all applicable regulatory requirements.

PURCHASE AND SALE COMMITMENTS

At December 31, 2017, TIFA had no significant commitments to purchase assets in excess of normal requirements or at prices which were in excess of market at that date, and no important sales commitments which it is unable to fulfill or which were at prices less than costs.

There were no agreements or commitments to repurchase assets previously sold. There were no undisclosed commitments outstanding at December 31, 2017 for the purchase or construction of significant assets.

INSTANCES OF FRAUD AND CONFLICTS OF INTEREST

We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.

We have no knowledge of any fraud or suspected fraud affecting TIFA involving management or employees who have significant roles in the system of internal accounting control.

We have no knowledge of any fraud or suspected fraud affecting TIFA involving others that could have a material effect on the financial statements.

There are no instances where any officer or employee of TIFA has an interest in a company with which TIFA does business which would be considered a "conflict of interest." Such an interest would be contrary to TIFA's policy.

ACCOUNTING ESTIMATES

We have identified all accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates, and we believe the estimates and the underlying assumptions are reasonable.

CONCENTRATIONS

There are no concentrations existing at the date of the financial statements that make TIFA vulnerable to the risk of a near-term, severe impact that have not been disclosed in the financial statements. We understand that concentrations include individual or group concentrations of customers, suppliers, lenders, products, services, or markets.

SUBSEQUENT EVENTS

No events or transactions have occurred since December 31, 2017 which would have a material effect on the financial statements at that date or for the year then ended, or which are of such significance in relation to TIFA's affairs as to require mention in a note to the financial statements in order to make them not misleading as to the financial position, results of operations or cash flows of TIFA.

Moore Stephens Lovelace, P.A.
Certified Public Accountants and Advisors
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Very truly yours,

TIFA, LLC

Manager

Date

Manager

Date

FIFTH ORDER OF BUSINESS

**TIFA LLC
INVOICE APPROVAL BY MANAGERS**

WHEREAS, the undersigned are the duly appointed and acting Managers of TIFA LLC, which operates pursuant to that certain Limited Liability Company Operating Agreement of TIFA LLC dated May 24, 2010 ("Operating Agreement"); and,

WHEREAS, at a duly called and noticed public meeting of the Managers as indicated below, the undersigned approved the contract and/or authorized the expenditure as indicated below, and further authorized the managers to execute the Invoice Approval by Managers form reflecting such authorized expenditures in order to process payments.

Previous Authorizations		
TIFA Meeting Date	Approved	Total Contract or Expenditure Authorized
03/13/2018	Imprest Account Reimbursement from Depository Account	See Attached

NOW, THEREFORE, the Managers of TIFA LLC, based upon the previous TIFA authorizations, approve the following payments:

Invoice Description	Total Amount	Pursuant to Previous TIFA Authorization Date	Invoice Payment
Transfer to imprest account at Northern Trust ending *8866	\$9,747.34	03/13/18	To be Paid by TIFA upon this approval

Except as otherwise set forth herein, defined terms shall have the meaning set forth in the Operating Agreement. This Action may be executed in several counterparts, and all counterparts so executed shall constitute one Approval binding on all parties.

IN WITNESS WHEREOF, the undersigned represent and warrant that each is the duly authorized and appointed agent of TIFA LLC.

Mike Brown, Manager

Jim Ball, Manager

Date: _____, 2018

Date: _____, 2018

TIFA LLC
Check Detail
February 8 through March 5, 2018

Type	Num	Date	Name	Item	Account	Paid Amount	Original Amount
Bill Pmt -Check	1242	02/15/2018	Moore Stephens L...		103.00 · Cash- Nort...		-3,500.00
Bill	118130	01/31/2018			502.02 · Accounting	-3,500.00	3,500.00
TOTAL						-3,500.00	3,500.00
Check	1243	03/05/2018	Cardmember Service		103.00 · Cash- Nort...		-938.32
					203.50 · Northen Tr...	-938.32	938.32
TOTAL						-938.32	938.32
Bill Pmt -Check	1244	03/05/2018	DRMP, Inc.		103.00 · Cash- Nort...		-2,583.42
Bill	0149430	01/01/2018			508.00 · Wetland M...	-2,502.96	2,502.96
Bill	0149683	01/01/2018			508.00 · Wetland M...	-80.46	80.46
TOTAL						-2,583.42	2,583.42
Bill Pmt -Check	1245	03/05/2018	The City of Titusville		103.00 · Cash- Nort...		-3,616.65
Bill	13/2018	01/02/2018			501.00 · O&M Oper...	-347.60	347.60
Bill	15/2018	01/02/2018			501.00 · O&M Oper...	-296.86	296.86
Bill	10-2018	01/04/2018			501.00 · O&M Oper...	-144.65	144.65
Bill	14/2018	01/05/2018			501.00 · O&M Oper...	-127.74	127.74
Bill	11-2018	01/08/2018			501.00 · O&M Oper...	-296.86	296.86
Bill	12-2018	01/08/2018			501.00 · O&M Oper...	-246.12	246.12
Bill	1-2018	01/09/2018			501.00 · O&M Oper...	-347.60	347.60
Bill	2-2018	01/12/2018			501.00 · O&M Oper...	-144.65	144.65
Bill	3-2018	01/16/2018			501.00 · O&M Oper...	-279.95	279.95
Bill	16/2018	01/19/2018			501.00 · O&M Oper...	-127.74	127.74
Bill	4-2018	01/23/2018			501.00 · O&M Oper...	-279.95	279.95
Bill	5-2018	01/24/2018			501.00 · O&M Oper...	-178.47	178.47
Bill	6-2018	01/25/2018			501.00 · O&M Oper...	-178.47	178.47
Bill	7-2018	01/26/2018			501.00 · O&M Oper...	-127.74	127.74
Bill	8-2018	01/30/2018			501.00 · O&M Oper...	-279.95	279.95
Bill	9-2018	01/31/2018			501.00 · O&M Oper...	-212.30	212.30
TOTAL						-3,616.65	3,616.65