

TIFA

FEBRUARY 20, 2025

AGENDA

TIFA LLC MEETING AGENDA
February 20, 2025
11:00 a.m.
MEETING LOCATION
CITY OF TITUSVILLE
CITY HALL, COUNCIL CHAMBER, SECOND FLOOR
555 S. WASHINGTON AVENUE – TITUSVILLE, FLORIDA
Call in Number:
(US) 1-877-304-9269 (PIN: 480560)

Roll Call

Action Items

- I. Approval of the Minutes of the TIFA LLC Meeting January 16, 2025
(Presenter: Jeremy Lebrun)

Financial Items and Reports

- II. Presentation of TIFA LLC Draft Audit Report (Presenter: Farlen Halikman)
- III. Presentation of TIFA LLC Tax Return (Presenter: Farlen Halikman) (will be provided under separate cover)
- IV. Presentation of Management Representation Letter (Presenter: Farlen Halikman)
- V. Presentation of Communications Letter (Presenter: Farlen Halikman)
- VI. Ratification of Expenses Paid from Operating Account and Request for Reimbursement (Presenter: Jeremy Lebrun)

Staff Reports / Informational Items

Other Business

Public Comment

Next Scheduled Meeting

Open Items

Adjournment

Any person who decides to appeal any decision of the TIFA Members with respect to any matter considered at this meeting will need a record of the proceedings, and for such purpose, may need to ensure that a verbatim record of the proceedings is made, which

record includes the testimony and evidence upon which the appeal is to be based.

TIFA desires to accommodate persons with disabilities. Accordingly, any physically handicapped person, pursuant to Chapter 286.26 Florida Statutes, should, at least 48 hours prior to the meeting, submit a written request to the chairperson that the physically handicapped person desires to attend the meeting.

FIRST ORDER OF BUSINESS

Date: February 20, 2025

To: TIFA LLC Management Committee

From: Sarah Sweeting, GMS, LLC

Subject: Approval of Minutes – January 16, 2025 TIFA LLC Meeting

Summary Explanation & Background: The draft minutes of the January 16, 2025 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, no comments have been received.

Source of Funds: This action requires no funds.

Minutes of TIFA LLC Meeting
January 16, 2025
11:00 a.m.
City Hall Council Chamber, Second Floor
555 S. Washington Avenue
Titusville, Florida

Persons in Attendance

Robbie E. Lee, Jr., Miami Corp. Management, LLC, TIFA Management Committee Member
Jim Ball, City of Titusville, TIFA Management Committee Member
Richard Broome, City of Titusville, City Attorney
Gene DeMayo, City of Titusville. Water Production Superintendent
Yuan Zhou, Farmton Water Resources (by telephone)
Jeremy LeBrun, GMS LLC

Jeremy LeBrun conducted the meeting.

Roll Call

Action Items

I. Approval of the Minutes of the TIFA LLC Meeting of December 19, 2024 (Presenter: Jeremy LeBrun)

Member Ball moved to approve the December 19, 2024 meeting minutes as presented. Member Lee concurred and the motion passed.

Financial Items and Reports

II. Ratification of Expenses Paid from Operating Account and Request for Reimbursement in the amount of \$11,262.33 (Presenter: Jeremy LeBrun)

Member Ball moved to ratify the expenses paid from the operating account and request for reimbursement. Member Lee concurred and the motion passed.

Staff Reports/Informational Items

Member Ball: What is the latest information from AECOM as to when we can expect a draft of the final report?

Mr. DeMayo: I have requested that but have not gotten a response.

Other Business

Public Comment

Next Scheduled Meeting

The next meeting will be held February 20, 2025.

Open Items

Adjournment

Member Lee moved to adjourn the meeting at 11:04 a.m. Member Ball concurred and the meeting adjourned.

SECOND ORDER OF BUSINESS

TIFA LLC

*Financial Statements –
As of and for the Years Ended
December 31, 2024 and 2023*

Draft

02/13/2025

TIFA LLC

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Draft
02/13/2025

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of TIFA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about TIFA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Orlando, Florida

[Report Date]

TIFA LLC

BALANCE SHEETS AS OF DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current Assets:		
Cash	\$ 865,420	\$ 699,208
Accounts receivable	78,134	92,343
Prepaid expenses	13,911	12,628
Deposits	11,039	11,050
Total Current Assets	<u>968,504</u>	<u>815,229</u>
Wells and Wellfield (Note 3):		
Area IV Wellfield - Phase 1, net	1,080,667	1,141,152
Area IV Wellfield - Phase 2, net	3,524,018	3,692,986
Area IV Equipment, net	102	1,335
Monitoring wells, net	301,313	317,586
Easements	333,883	333,883
Mitigation credits	139,200	139,200
Wellfield assets - inactive	164,933	164,933
Total Wells and Wellfield, net	<u>5,544,116</u>	<u>5,791,075</u>
Intangible Assets (Note 4):		
Consumptive use permit, net	763,659	862,728
FPL fee, net	556,754	585,803
Total Intangible Assets	<u>1,320,413</u>	<u>1,448,531</u>
TOTAL ASSETS	<u>\$ 7,833,033</u>	<u>\$ 8,054,835</u>
LIABILITIES AND MEMBERS' CAPITAL		
Current Liabilities:		
Accounts payable	\$ 154,177	\$ 10,349
Total Current Liabilities	<u>154,177</u>	<u>10,349</u>
Members' Capital	<u>7,678,856</u>	<u>8,044,486</u>
TOTAL LIABILITIES AND MEMBERS' CAPITAL	<u>\$ 7,833,033</u>	<u>\$ 8,054,835</u>

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

TIFA LLC

STATEMENTS OF OPERATIONS AND CHANGES IN MEMBERS' CAPITAL AS OF DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
REVENUE:		
Water sales	\$ 1,151,571	\$ 1,158,221
Interest income	39	34
TOTAL REVENUE	<u>1,151,610</u>	<u>1,158,255</u>
OPERATING EXPENSES:		
Depreciation and amortization	375,077	375,077
Utilities	88,714	97,046
Operations and maintenance	79,875	53,590
Property and liability insurance	54,361	48,576
Consulting	35,788	-
Managing agent fees	26,000	26,000
Accounting fees	10,500	17,570
Tangible personal property tax	9,937	13,858
Hydrogeological services	4,000	4,000
Wetland monitoring	2,830	7,170
Miscellaneous	158	678
TOTAL OPERATING EXPENSES	<u>687,240</u>	<u>643,565</u>
NET INCOME	464,370	514,690
MEMBERS' CAPITAL - BEGINNING OF YEAR	8,044,486	8,419,796
Capital distributions	<u>(830,000)</u>	<u>(890,000)</u>
MEMBERS' CAPITAL - END OF YEAR	<u>\$ 7,678,856</u>	<u>\$ 8,044,486</u>

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

TIFA LLC

STATEMENTS OF CASH FLOWS AS OF DECEMBER 31, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 464,370	\$ 514,690
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	375,077	375,077
Changes in operating assets and liabilities:		
Accounts receivable	14,209	4,656
Prepaid expenses	(1,283)	(1,934)
Deposits	11	(11,050)
Accounts payable	143,828	2,147
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>996,212</u>	<u>883,586</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Members' capital distributions	(830,000)	(890,000)
NET CASH USED IN FINANCING ACTIVITIES	<u>(830,000)</u>	<u>(890,000)</u>
NET (DECREASE) INCREASE IN CASH	166,212	(6,414)
CASH AT BEGINNING OF YEAR	<u>699,208</u>	<u>705,622</u>
CASH AT END OF YEAR	<u>\$ 865,420</u>	<u>\$ 699,208</u>

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

TIFA LLC

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

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

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.

Cash and Cash Equivalents

TIFA considers all unrestricted, highly liquid securities 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.

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 was 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 as water is delivered to the customers at the amount expected to be received from the customer.

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.

Subsequent Events

Events and transactions have been evaluated for potential recognition or disclosure through **DATE**, 2025, the date the financial statements were available to be issued.

3. WELLS AND WELLFIELD

Wells and wellfield, net, consist of the following as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Area IV Wellfield - Phase 1	\$ 1,814,563	\$ 1,814,563
Area IV Wellfield - Phase 2	5,069,053	5,069,053
Area IV Equipment	6,162	6,162
Monitoring wells	488,189	488,189
	<u>7,377,967</u>	<u>7,377,967</u>
Accumulated depreciation	<u>(2,471,867)</u>	<u>(2,224,908)</u>
	4,906,100	5,153,059
Easements	333,883	333,883
Mitigation credits	139,200	139,200
Wellfield assets - inactive	164,933	164,933
Wells and wellfield, net	<u>\$ 5,544,116</u>	<u>\$ 5,791,075</u>

Depreciation expense was \$246,959 and \$246,959 for the years ended December 31, 2024 and 2023, 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, 2024, and 2023:

	<u>2024</u>	<u>2023</u>
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>(1,532,425)</u>	<u>(1,404,307)</u>
Intangible assets, net	<u>\$ 1,320,413</u>	<u>\$ 1,448,531</u>

Amortization expense was \$128,118 for each of the years ended December 31, 2024 and 2023, and is approximately \$128,000 per year for each of 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, 2024 and 2023, 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.

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 \$49,044 and \$27,242 for the years ended December 31, 2024 and 2023, respectively, and are included in the Operations and Maintenance line item on the Statements of Operations and Changes in Members' Capital.

Draft

02/13/2025

FOURTH ORDER OF BUSINESS

Forvis Mazars
255 South 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, 2024 and 2023, 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 the date of this letter, 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 November 14, 2024, 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.

There are inactive wellfield assets worth approximately \$165,000 that, while not currently in use, are capable of being activated and used in the future.

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, 2024 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, 2024.

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, 2024 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, 2024, 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, 2024 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, 2024 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.

Very truly yours,

TIFA, LLC

Manager

Date

Manager

Date

FIFTH ORDER OF BUSINESS

Forvis Mazars Planning Communication to the Management Committee and Members

TIFA, LLC

December 31, 2024

Thank You for Selecting Forvis Mazars

We are grateful for the opportunity to serve TIFA, LLC and gain insight into your operations. This communication provides useful information relevant to your role as those charged with governance of the entity, including summarized information required by professional standards, such as the planned scope and timing of the audit.

Our goal is to establish a foundation for effective two-way communication throughout the audit. We are available at your convenience to discuss this information and answer questions as we begin our audit.

Contacts During the Engagement

We understand the appropriate person in the governance structure with whom to communicate is:

- Jeremy LeBrun, Manager GMS, LLC
- Katie Costa, Director of Accounting Services GMS, LLC

Your audit leader for any questions or communications is:

- Farlen Halikman, Partner | Farlen.Halikman@us.forvismazars.com | (321) 279-1583

Overview & Responsibilities

Matter	Description of Audit Area
Scope of Our Audit	<p>We have been engaged to audit the financial statements of TIFA, LLC for the fiscal year ended December 31, 2024.</p> <p>Please refer to our contract, dated November 14, 2024, for additional information and the terms of our engagement.</p>
Audit Standards & Materiality	<p>We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.</p> <p>References to items that are material refer to misstatements, including omissions, that could, in our professional judgment, reasonably be expected to influence the economic decisions of users made on the basis of the financial statements.</p>
Our Responsibilities	<p>We are responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management, with your oversight, are prepared, in all material respects, in accordance with the applicable financial reporting framework.</p>

Matter	Description of Audit Area
Your Responsibilities	Our audit of the financial statements does not relieve you or management of your responsibilities.
Distribution Restriction	This communication is intended solely for the information and use of the Management Committee and, if appropriate, management of the entity and is not intended to be, and should not be, used by anyone other than these specified parties.

Planned Timing of the Engagement

We succeed in our engagements by collaborating with management through frequent communication. We require the assistance of management and staff to prepare supporting documents, schedules, and analysis and depend on those items to be ready no later than the dates that we mutually agree will meet your deadlines.

We expect to begin our audit on approximately December 30, 2024. We anticipate that our Auditor will perform the Water Pump observation on December 30, 2024 and then perform the rest of the audit work in the office.

Draft financial statements are expected to be ready January 31, 2025, and we will issue our report on approximately February 15, 2025.

Planned Audit Scope

We welcome any input you may have regarding the information discussed below. We also welcome any insight you have related to any other risk areas or other significant risk areas you believe warrant particular attention.

Extent of Testing

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Establishing Our Understanding

An audit also includes obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we will express no such opinion.

Communicating Deficiencies or Significant Matters

An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate internal control related matters that are required to be communicated under professional standards.

We will also communicate significant matters arising during the audit of the financial statements that are relevant to you in overseeing the financial reporting process as required by professional standards.

Significant Risks of Material Misstatement

We have preliminarily identified the following areas of significant risks of material misstatement due to error or fraud and propose to address these areas as described:

Risk Areas:

- Water Revenue

Other Procedures to Be Performed

We may also request written representations from the entity's attorneys as part of the engagement, and they may bill the entity for responding to this inquiry.

At the conclusion of our audit, we will require certain written representations from management about the financial statements and related matters.

We may identify additional significant risks as we complete our procedures.

Consideration of Error or Fraud

One of the most common questions we receive from Management Committees is, "How do you address fraud in a financial statement audit?" Our responsibility, as it relates to fraud, in an audit of financial statements is addressed in auditing standards generally accepted in the United States of America.

Our audit approach includes such procedures as:

- Engagement team brainstorming
- Inquiries of management and others
- Reviewing accounting estimates for bias

Confirmation of Independence

This communication is to provide you with information regarding our independence with respect to the entity and facilitate our discussion with you regarding independence matters.

We are communicating all relationships between our firm or any of its affiliates and the entity that may reasonably be thought to bear on independence as of the date of this communication. We are not aware of any such relationships.

We hereby confirm that, as of the date of this communication, we are independent with respect to the entity in compliance with the rules of the United States Securities and Exchange Commission and other applicable professional organizations and regulatory bodies.

SIXTH 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
2/20/2025	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	\$11,860.20	2/20/2025	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.

 Robert E. Lee, Manager

 Jim Ball, Manager

Date: _____, 2025

Date: _____, 2025

TIFA LLC
Check Detail
January 15 through February 19, 2025

<u>Type</u>	<u>Num</u>	<u>Date</u>	<u>Name</u>	<u>Account</u>	<u>Paid Amount</u>	<u>Original Amount</u>
Bill Pmt -Check	ACH01162025	01/16/2025	Florida Department of Revenue	103.00 · Cash- Nort...		-90.17
Bill	4QTR2024	12/31/2024		501.50 · O&M Parts ...	-90.17	90.17
TOTAL					-90.17	90.17
Bill Pmt -Check	ACH02192025	02/19/2025	Florida Power & Light	103.00 · Cash- Nort...		-7,683.07
Bill	February2025	02/03/2025		511.00 · Utilities	-7,683.07	7,683.07
TOTAL					-7,683.07	7,683.07
Bill Pmt -Check	1426	02/19/2025	The City of Titusville	103.00 · Cash- Nort...		-4,086.96
Bill	COT01312025	01/31/2025		501.00 · O&M Oper...	-4,086.96	4,086.96
TOTAL					-4,086.96	4,086.96