

Minutes of TIFA LLC Meeting
February 20, 2025
11:01 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, Miami Corporation (by telephone)
Helen Hutchens, Farmton Water Resources (by telephone)
Farlen Halikman, Farvis Mazars
Micah Skeldon, Farvis Mazars
Jeremy LeBrun, GMS LLC

Jeremy LeBrun conducted the meeting.

Roll Call

Action Items

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

Member Ball moved to approve the January 16, 2025 meeting minutes as presented. Member Lee concurred and the motion passed.

Financial Items and Reports

V. Presentation of Communication Letter (Presenter: Farlen Halikman)

Mr. Halikman: I would like to start with item V. From a high level I will give you what I think are the most important points to focus on. One is our responsibilities. Our responsibility is to make sure that the financial statements prepared by management are prepared in accordance with generally accepted accounting principles. Management is subject to supervision and

oversight of those in charge of governance, which is everyone here at this meeting. The audit scope remains the same as it has been as it has in the past and was discussed with management during our audit planning meeting. Regarding independence, we are independent CPAs in accordance with the rules of the American Institute of CPAs. None of us in the firm have any interest in either Farmton or City of Titusville. There is no concern about TIFA being able to continue as a going concern. There were no transactions that were entered into during 2024 that didn't have a clear authoritative guidance or consensus within the accounting rules. There was nothing there that arises to the level of concern. Note 2 to the financial statements describes the significant accounting policies and principles and those notes are neutral, consistent and clear. There were no adjustments posted or waived. There were no disagreements with management. There was no need for consultations outside the engagement team. There were no related party transactions other than what is disclosed in the footnotes to the financial statements. Regarding internal control when we plan our audit, we plan it not to give a report on internal control but to be able to design procedures that would get us to a point where we can rely enough on those controls that they would prevent fraud or would be able to detect it within a reasonable period of time. Reading the meters is the most important control and the way you do it where there is someone from GMS, someone from the city and somebody from Farmton and the auditors looking at all of it. My colleague this year rode through the woods in a pickup truck along with the rest of you and we take pictures of what the meter was reading that day. We can prove the revenues by multiplying the rates times the meter reading.

Member Ball moved to approve items II-V with staff to review and finalize the return. Member Lee concurred and the motion passed.

II. Presentation of TIFA LLC Draft Audit Report (Presenter: Farlen Halikman)

Mr. Halikman: The biggest change in the financial statements from last year is the letterhead. The report reads the same except that there is a paragraph in the middle of the first page, from prior year audited by other auditors. That refers to being audited last year by MSL this year it is Farvis Mazars as it will be going forward.

It is a perfectly clean report.

Ms. Hutchens: From Miami's perspective we have reviewed the audit report in conjunction with GMS as they were going through the process so any comments we had have been incorporated already.

III. Presentation of TIFA LLC Tax Return (Presenter Farlen Halikman)

Mr. Halikman: The tax return is going to be signed by Farvis Mazars. The numbers in this tax return are essentially the exact same numbers in the financial statements. The only difference is going to be in the speed of depreciation and amortization of your tangible and intangible assets. For taxes we expense as much as we are allowed to under the IRS code as quickly as we can under the IRS code. I know the city doesn't care about that because the city doesn't pay taxes, but Farmton and Miami Corporation will. We take advantage of the accelerated depreciation whereas

for generally accepted accounting principles there is no such thing as accelerated depreciation it is straight line. The K-1s that are attached in the back, one goes to the city one goes to Farmington there was \$201,747 of ordinary business income, \$20 of interest income to each and you have plenty of cash to pay the tax on that, there was \$415,000 of distributions during the year to each of you.

IV. Presentation of Management Representation Letter (Presenter: Farlen Halikman)

Mr. Halikman: We have done items III, IV and V on your agenda and I'm open to questions but the next steps would be your formal approval so we can finalize. We have given the management representation letter to Jeremy and he has that. In the integration from MSL to Farvis I forgot to render any invoice so I will hand it to Jeremy. Upon the management representation letter signed, we are prepared to issue the financial statements in the form that you have in the draft. The tax return we are prepared to issue upon hearing from Helen that she has completed her review and if she has any review comments that we have appropriately dealt with them.

Mr. Zhou: On page 1 of the rep letter the formal name is TIFA LLC without a comma and on the last page of the letter it has a comma. I don't know if we want it to be consistent.

Mr. Falikman: We shouldn't have a comma, that is a typo. When you sign it, cross out the comma. It appears in a couple other places too.

Member Ball moved to approve items II through V with the caveat of the tax return pending staff review and approval. Member Lee concurred and the motion passed.

VI. Ratification of Expenses Paid from Operating Account and Request for Reimbursement (Presenter: Jeremy LeBrun)

Member Lee moved to ratify the expenses paid from the operating account and request for reimbursement in the amount of \$11,860.20. Member Ball concurred and the motion passed.

Staff Reports/Informational Items

Ms. Hutchens: Insurance will be coming up at our next meeting.

Member Ball: Has there been a response from AECOM? We know they have our expectation that we are going to have a discussion with them before we finalize the report.

Mr. DeMayo: I haven't heard a response back but that is what the expectations are.

Member Ball: My expectation is that the managers have an opportunity to review that final draft with sufficient time to digest it and formulate our questions before we have that meeting. I don't want it the night before or at the meeting. I'm not signing the check until I'm satisfied with the final draft.

I want to thank Jim Boyd and Gene for all the work they have done in reviewing interim drafts and making very thoughtful and important comments.

Other Business

Public Comment

Next Scheduled Meeting

The next scheduled meeting is March 20, 2025.

Open Items

Adjournment

Member Lee moved to adjourn the meeting at 11:28 a.m. Member Ball concurred and the meeting adjourned.