



Rizzetta & Company

Highland Meadows Community Development District

**Board of Supervisors'
Special Meeting
June 12, 2023**

District Office:
8529 South Park Circle, Suite 330
Orlando, Florida 32819
407.472.2471

www.highlandmeadowscdd.org

HIGHLAND MEADOWS COMMUNITY DEVELOPMENT DISTRICT

Tom Fellows Community Center, 207 North Blvd. W., Davenport, FL 33837

Board of Supervisors	Cindy Chenowith Robert Williams Headley Oliver Eric Chenowith Ralph Martinez	Chair Vice Chair Assistant Secretary Assistant Secretary Assistant Secretary
District Manager	Scott Brizendine	Rizzetta & Company, Inc.
District Counsel	Roy Van Wyk	Kilinski Van Wyk
District Engineer	Rey Malave	Dewberry Engineering

All cellular phones must be placed on mute while in the meeting room.

The Audience Comment portion of the agenda is where individuals may make comments on matters that concern the District. Individuals are limited to a total of three (3) minutes to make comments during this time.

Pursuant to provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this meeting/hearing/workshop is asked to advise the District Office at least forty-eight (48) hours before the meeting/hearing/workshop by contacting the District Manager at (407) 472-2471. If you are hearing or speech impaired, please contact the Florida Relay Service by dialing 7-1-1, or 1-800-955-8771 (TTY) 1-800-955-8770 (Voice), who can aid you in contacting the District Office.

A person who decides to appeal any decision made at the meeting/hearing/workshop with respect to any matter considered at the meeting/hearing/workshop is advised that person will need a record of the proceedings and that accordingly, the person may need to ensure that a verbatim record of the proceedings is made including the testimony and evidence upon which the appeal is to be based.

HIGHLAND MEADOWS COMMUNITY DEVELOPMENT DISTRICT

District Office · Orlando, Florida · (407) 472-2471

Mailing Address · 3434 Colwell Avenue, Suite 200, Tampa, Florida 33614

www.highlandmeadowscdd.org

June 6, 2023

Board of Supervisors
**Highland Meadows Community
Development District**

AGENDA

Dear Board Members:

The regular meeting of the Board of Supervisors of the Highland Meadows Community Development District will be held on **Monday, June 12, 2023, at 10:30 a.m.** at the Tom Fellows Community Center, located at 207 North Blvd. W., Davenport, FL 33837. The following is the tentative agenda for the meeting:

- 1. CALL TO ORDER/ROLL CALL**
- 2. PUBLIC COMMENT**
- 3. BUSINESS ADMINISTRATION**
 - A. Consideration of the Minutes of the Board of Supervisors' Special Meeting held on November 14, 2022..... Tab 1
 - B. Consideration of Operation and Maintenance Expenditures for February, March, April 2023 Tab 2
- 4. BUSINESS ITEMS**
 - A. Presentation of Proposed Budget FY 2023-2024..... Tab 3
 - B. Consideration of Resolution 2023- 02, Approving FY 2024 Proposed Budget & Setting Public Hearing..... Tab 4
 - C. Consideration of Resolution 2023-03, Re-Designating Officers of the District..... Tab 5
 - D. Ratification of the Tri- Party Succession Agreement Between Highland Meadows CDD and US Bank National Association for Special Assessment Bonds, Series 2006A)..... Tab 6
 - E. Consideration to Renew Grau and Associates Agreement for Auditing Services..... Tab 7
- 5. STAFF REPORTS**
 - A. District Counsel
 - B. District Engineer
 - C. District Manager
- 6. SUPERVISOR REQUESTS AND COMMENTS**
- 7. ADJOURNMENT**

We look forward to seeing you at the meeting. In the meantime, if you have any questions, please do not hesitate to call us at (407) 472-2471.

Very truly yours,

Scott Brizendine

Scott Brizendine
District Manager

cc: Roy Van Wyk, Kilinski Van Wyk

Tab 1

MINUTES OF MEETING

Each person who decides to appeal any decision made by the Board with respect to any matter considered at the meeting is advised that the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

**HIGHLAND MEADOWS
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Highland Meadows Community Development District was held on **Tuesday, November 14, 2022, at 2 p.m.** located at the **Tom Fellows Community Center, located at 207 North Blvd. W., Davenport, FL 33837.**

Present and constituting a quorum:

Cindy Chenowith	Board Supervisor, Chairperson
Robert Williams	Board Supervisor, Vice Chairman
Eric Chenowith	Board Supervisor, Assistant Secretary
Ralph Martinez	Board Supervisor, Assistant Secretary
Headley Oliver	Board Supervisor, Assistant Secretary

Also present were:

Richard Hernandez	District Manager, Rizzetta & Company, Inc.
Roy Van Wyk	District Counsel, KE Law Group <i>(via speakerphone)</i>
Molly Banfield	District Engineer, Dewberry
Audience	Present

FIRST ORDER OF BUSINESS

Call to Order

Mr. Hernandez called the meeting to order and read the roll call.

SECOND ORDER OF BUSINESS

Audience Comments on Agenda Items

Mr. Hernandez answered an audience question regarding veteran benefits.

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THIRD ORDER OF BUSINESS

**Consideration of Minutes of the Board
of Supervisors' Regular Meeting held on
June 3, 2022**

The Board reviewed the minutes of the Board of Supervisors' Regular Meeting held on June 3, 2022.

On Motion by Ms. Chenowith, seconded by Mr. Chenowith, the Board of Supervisors approved the minutes of the Board of Supervisors' Regular Meeting held on June 3, 2022, as presented, for the Highland Meadows Community Development District.

FOURTH ORDER OF BUSINESS

**Consideration of Operation and
Maintenance Expenditures for May 2022**

The Board reviewed the Operation and Maintenance Expenditures for May 2022.

On Motion by Ms. Chenowith, seconded by Mr. Chenowith, with all in favor, the Board of Supervisors ratified the Operations and Maintenance Expenditures for May 2022 (12,783.85) for the Highland Meadows Community Development District.

FIFTH ORDER OF BUSINESS

**Public Hearing of Fiscal Year 2022-2023
Final Budget**

Mr. Hernandez presented and reviewed the Fiscal Year 2022-2023 Budget

On Motion by Ms. Chenowith, seconded by Mr. Chenowith, the Board of Supervisors agreed to open the public hearing on the Fiscal Year 2022-2023 Final Budget, for the Highland Meadows Community Development District.

No members of the public desired to provide public testimony or comment.

On Motion by Ms. Chenowith, seconded by Mr. Chenowith, the Board of Supervisors agreed to close the public hearing on the Fiscal Year 2022-2023 Final Budget, for the Highland Meadows Community Development District.

- i. Consideration of Resolution 2022-04, Adopting the Fiscal Year 2022-2023 Final Budget*

On Motion by Ms. Chenowith, seconded by Mr. Chenowith, (with the exception of Supervisor Robert Williams), the Board of Supervisors adopted Resolution 2022-04, Adopting the Fiscal Year 2022-2023 Final Budget, for the Highland Meadows Community Development District.

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SIXTH ORDER OF BUSINESS

**Consideration of Resolution 2022-05,
Imposing Special Assessments and
Certifying an Assessment Roll**

Mr. Hernandez presented and reviewed the Fiscal Year 2022-2023 Assessments.

On Motion by Ms. Chenowith, seconded by Mr. Williams, the Board of Supervisors agreed to open the public hearing on the Fiscal Year 2022-2023 Special Assessments, for the Highland Meadows Community Development District.

No members of the public desired to provide public testimony or comment.

On Motion by Mr. Chenowith, seconded by Mr. Williams, the Board of Supervisors agreed to close the public hearing on the Fiscal Year 2022-2023 Special Assessments, for the Highland Meadows Community Development District.

Mr. Hernandez presented and reviewed Resolution 202-05 with the Board.

On Motion, Ms. Chenowith, seconded by Mr. Chenowith, the Board of Supervisors adopted Resolution 2022-05, Imposing Special Assessments and Certifying an Assessment Roll, for the Highland Meadows Community Development District.

SEVENTH ORDER OF BUSINESS

**Consideration of Resolution 2022-06,
Setting the Fiscal Year 2022-2023
Meeting Schedule**

Mr. Hernandez presented and reviewed Resolution 2022-06 with the Board. The Board decided to hold Board of Supervisors meetings on Mondays at 2:00 p.m.

The regularly scheduled meetings will be held on November 14, 2022, April 18, 2023, June 19, 2023, and August 14, 2023.

On Motion, Ms. Chenowith, seconded by Mr. Martinez, the Board of Supervisors adopted Resolution 2022-06, Setting the Fiscal Year 2022-2023 Meeting Schedule, for the Highland Meadows Community Development District.

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EIGHTH ORDER OF BUSINESS

**Consideration of First Addendum to the
Contract for Professional District
Services**

Mr. Hernandez presented the First Addendum to the Board for their consideration. Mr. Hernandez advised that the contract amends the District contract with Rizzetta and Company to reflect the amended Schedule of Fees and Expenses listed on **Exhibit B**. Mr. Hernandez mentioned that the First Addendum is already a budgeted item.

On Motion, Ms. Chenowith, seconded by Mr. Martinez, the Board of Supervisors approved the First Addendum to the Contract for Professional District Services, for the Highland Meadows Community Development District.

NINTH ORDER OF BUSINESS

Staff Reports

- A.** District Counsel
No Report.
- B.** District Engineer
No Report.
- C.** District Manager
Mr. Hernandez advised that he would look at locks for panels and clocks.

TENTH ORDER OF BUSINESS

**Audience Comments and Supervisor
Requests**

✪ **Next Meeting:** Mr. Hernandez announced the next meeting is Monday, November 14, 2022, at 2:00 p.m.

ELEVENTH ORDER OF BUSINESS

Adjournment

On a Motion by Ms. Chenowith, seconded by Mr. Williams with all in favor, the Board of Supervisors adjourned the meeting at 12:51 p.m. for the Highland Meadows Community Development District.

Assistant Secretary

Chairperson/Vice Chairperson

Tab 2

**Highland Meadows Community
Development District
Check Register**

Company Name: Highland Meadows Community Development District
Report Name: Check Register
Created on: 03/17/2023
Location: 605-001--605 General Fund

Account	Payment date	Vendor name	Document/check no	Payment Amount
605TRUISTOP				
605TRUISTOP	02/01/2023	Rizzetta & Company, Inc.	100039	\$ 3,288.09
605TRUISTOP	02/02/2023	Duke Energy	ACH	\$ 59.17
605TRUISTOP	02/02/2023	Duke Energy	ACH	\$ 49.86
605TRUISTOP	02/03/2023	City of Davenport	ACH	\$ 97.56
605TRUISTOP	02/15/2023	Duke Energy	ACH	\$ 574.84
605TRUISTOP	02/15/2023	Duke Energy	ACH	\$ 377.20
605TRUISTOP	02/23/2023	Jacob Derek Miller	100040	\$ 2,530.50
605TRUISTOP	02/23/2023	Robert C. Williams	100041	\$ 31.31
				\$ 7,008.53

HIGHLAND MEADOWS COMMUNITY DEVELOPMENT DISTRICT

District Office · Riverview , Florida 33578
Mailing Address – 3434 Colwell Avenue, Suite 200, Tampa, Florida 33614
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Operation and Maintenance Expenditures March 2023 For Board Approval

Attached please find the check register listing the Operation and Maintenance expenditures paid from March 1, 2023 through March 31, 2023. This does not include expenditures previously approved by the Board.

The total items being presented: **\$4,402.84**

Approval of Expenditures:

_____ Chairperson

**Highland Meadows Community
Development District
Check Register**

Company Name: Highland Meadows Community
Report Name: Development District
Created on: Check Register
Location: 04/04/2023
 605-001--605 General Fund

Account	Payment date	Vendor name	Document/ check no	Payment Amount
605TRUISTOP				
605TRUISTOP	03/03/2023	City of Davenport	ACH	\$ 97.56
605TRUISTOP	03/03/2023	Duke Energy	ACH	\$ 32.53
605TRUISTOP	03/03/2023	Duke Energy	ACH	\$ 32.62
605TRUISTOP	03/16/2023	Duke Energy	ACH	\$ 574.84
605TRUISTOP	03/16/2023	Duke Energy	ACH	\$ 377.20
605TRUISTOP	03/01/2023	Rizzetta & Company, Inc.	100042	\$ <u>3,288.09</u>
Report Total				\$ <u>4,402.84</u>

HIGHLAND MEADOWS COMMUNITY DEVELOPMENT DISTRICT

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Operation and Maintenance Expenditures April 2023 For Board Approval

Attached please find the check register listing the Operation and Maintenance expenditures paid from April 1, 2023 through April 30, 2023. This does not include expenditures previously approved by the Board.

The total items being presented: **\$11,014.64**

Approval of Expenditures:

_____ Chairperson

**Highland Meadows
Community Development
District
Check Register**

Company Name: Highland Meadows CDD
Report Name: Check Register
Created on: 05/02/2023
Location: 605-001--605 General Fund

Account	Payment date	Vendor name	Document /check no	Payment Amount
605TRUISTOP				
605TRUISTOP	04/05/2023	City of Davenport	ACH	\$ 97.56
605TRUISTOP	04/27/2023	Disclosure Services, LLC	100049	\$ 100.00
605TRUISTOP	04/03/2023	Duke Energy	ACH	\$ 32.77
605TRUISTOP	04/03/2023	Duke Energy	ACH	\$ 32.76
605TRUISTOP	04/17/2023	Duke Energy	ACH	\$ 569.72
605TRUISTOP	04/17/2023	Duke Energy	ACH	\$ 377.06
605TRUISTOP	04/11/2023	Innersync Studio, Ltd	100044	\$ 384.38
605TRUISTOP	04/11/2023	Jacob Derek Miller	100045	\$ 2,530.50
605TRUISTOP	04/21/2023	Jacob Derek Miller	100048	\$ 2,530.50
605TRUISTOP	04/11/2023	Joe G. Tedder, Tax Collector	100046	\$ 45.91
605TRUISTOP	04/11/2023	Kilinski / Van Wyk, PLLC	100047	\$ 399.50
605TRUISTOP	04/27/2023	Kilinski / Van Wyk, PLLC	100050	\$ 190.00
605TRUISTOP	04/05/2023	Rizzetta & Company, Inc.	100043	\$ 3,288.09
605TRUISTOP	04/27/2023	The Ledger / News Chief/ CA Florida Holdings, LLC	100051	\$ <u>435.89</u>
Report Total				\$ <u>11,014.64</u>

Tab 3



Rizzetta & Company

Highland Meadows Community Development District

highlandmeadowscdd.org

Proposed Budget for Fiscal Year 2023-2024

Presented by: Rizzetta & Company, Inc.

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Proposed Budget
Highland Meadows Community Development District
General Fund
Fiscal Year 2023/2024

	Chart of Accounts Classification	Actual YTD through 04/30/23	Projected Annual Totals 2022/2023	Annual Budget for 2022/2023	Projected Budget variance for 2022/2023	Budget for 2023/2024	Budget Increase (Decrease) vs 2022/2023	Comments
1								
2	REVENUES							
3								
4	Interest Earnings							
5	Interest Earnings	\$ 41	\$ 70	\$ -	\$ 70	\$ -	\$ -	
6	Special Assessments							
7	Tax Roll	\$ 175,611	\$ 175,611	\$ 175,191	\$ 420	\$ 177,161	\$ 1,970	
8								
9	TOTAL REVENUES	\$ 175,652	\$ 175,681	\$ 175,191	\$ 490	\$ 177,161	\$ 1,970	
10								
11	Balance Forward from Prior Year(s)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
12								
13	TOTAL REVENUES AND BALANCE FORWARD	\$ 175,652	\$ 175,681	\$ 175,191	\$ 490	\$ 177,161	\$ 1,970	
14								
15	EXPENDITURES - ADMINISTRATIVE							
16								
17	Legislative							
18	Supervisor Fees	\$ 400	\$ 1,400	\$ 5,000	\$ 3,600	\$ 5,000	\$ -	<i>Assumes quarterly meeting schedule and addtl for special meeting as necessary.</i>
19	Financial & Administrative							
20	Administrative Services	\$ 3,075	\$ 5,270	\$ 5,067	\$ (203)	\$ 5,481	\$ 414	<i>cost of living adjustment</i>
21	District Management	\$ 8,803	\$ 15,091	\$ 14,511	\$ (580)	\$ 15,695	\$ 1,184	<i>cost of living adjustment</i>
22	District Engineer	\$ 400	\$ 686	\$ 10,000	\$ 9,314	\$ 10,000	\$ -	
23	Disclosure Report	\$ 2,400	\$ 2,400	\$ 2,400	\$ -	\$ 2,400	\$ -	
24	Trustees Fees	\$ -	\$ 3,500	\$ 3,500	\$ -	\$ 3,500	\$ -	
25	Assessment Roll	\$ 5,460	\$ 5,460	\$ 5,250	\$ (210)	\$ 5,678	\$ 428	<i>cost of living adjustment</i>
26	Financial & Revenue Collections	\$ 2,433	\$ 4,172	\$ 4,012	\$ (160)	\$ 4,339	\$ 327	<i>cost of living adjustment</i>
27	Tax Collector / Property Appraiser Fee	\$ -	\$ -	\$ -	\$ -	\$ 2,880	\$ 2,880	<i>Property Appraiser charges 1% of amount levied on the tax roll</i>
28	Accounting Services	\$ 8,006	\$ 13,724	\$ 13,196	\$ (528)	\$ 14,273	\$ 1,077	<i>cost of living adjustment</i>
29	Auditing Services	\$ -	\$ 3,300	\$ 3,200	\$ (100)	\$ 3,400	\$ 200	<i>Per agreement with Grau & Associates</i>
30	Public Officials Liability Insurance	\$ 3,038	\$ 3,038	\$ 3,391	\$ 353	\$ 3,342	\$ (49)	<i>estimate from EGIS</i>
31	Legal Advertising	\$ 714	\$ 3,000	\$ 3,000	\$ -	\$ 3,000	\$ -	
32	Dues, Licenses & Fees	\$ 321	\$ 321	\$ 175	\$ (146)	\$ 175	\$ -	<i>Annual administrative fee to Department of Economic Opportunity</i>
34	Website Hosting, Maintenance, Backup	\$ 1,853	\$ 2,738	\$ 4,200	\$ 1,462	\$ 2,738	\$ (1,462)	<i>\$1,538 from Campus Suite and \$1,200 from Rizzetta</i>
35	Legal Counsel							
36	District Counsel	\$ 3,993	\$ 6,845	\$ 10,000	\$ 3,155	\$ 10,000	\$ -	<i>Suggest maintaining at no less than 10K.</i>
37								
38	Administrative Subtotal	\$ 40,896	\$ 70,945	\$ 86,902	\$ 15,957	\$ 91,901	\$ 4,999	
39								
40	EXPENDITURES - FIELD OPERATIONS							
41								
42	Electric Utility Services							
43	Utility Services	\$ 5,119	\$ 737	\$ 624	\$ (113)	\$ 780	\$ 156	<i>avg. \$65/mth</i>
44	Street Lights	\$ 940	\$ 9,650	\$ 10,025	\$ 375	\$ 10,140	\$ 115	<i>avg. \$845/mth</i>
45	Water-Sewer Combination Services							
46	Utility Services	\$ 3,262	\$ 13,200	\$ 13,988	\$ 788	\$ 13,500	\$ (488)	<i>Adjusted based on projections.</i>

**Highland Meadows Community Development District
Debt Service
Fiscal Year 2023/2024**

Chart of Accounts Classification	Series 2006	Budget for 2023/2024
REVENUES		
Special Assessments		
Net Special Assessments ⁽¹⁾	\$87,984.00	\$87,984.00
TOTAL REVENUES	\$87,984.00	\$87,984.00
EXPENDITURES		
Administrative		
Financial & Administrative		
Debt Service Obligation	\$87,984.00	\$87,984.00
Administrative Subtotal	\$87,984.00	\$87,984.00
TOTAL EXPENDITURES	\$87,984.00	\$87,984.00
EXCESS OF REVENUES OVER EXPENDITURES	0.00	0.00

Collection and Discount % applicable to the County: 6.0%

Gross assessments \$93,600.00

Notes:

Tax Roll County Collection Costs and Early Payment discount is 6% of Tax Roll. Budgeted net of tax roll assessments. See Assessment Table.

⁽¹⁾ Maximum Annual Debt Service less any Prepaid Assessments received.

HIGHLAND MEADOWS COMMUNITY DEVELOPMENT DISTRICT

FISCAL YEAR 2023/2024 ASSESSMENT SCHEDULE

2023/2024 O&M Budget		\$202,161.00
Polk County Collection Cost @	2%	\$4,301.30
Early Payment Discount @	4%	\$8,602.60
2023/2024 Total:		<u><u>\$215,064.89</u></u>

2022/2023 O&M Budget	\$200,191.48
2023/2024 O&M Budget	\$202,161.00
Total Difference:	<u><u>\$1,969.52</u></u>

	PER UNIT ANNUAL ASSESSMENT		Proposed Increase / Decrease	
	2023/2024	2023/2024	\$	%
Debt Service - Single Family	\$985.48	\$975.00	-\$10.48	-1.06%
Operations/Maintenance - Single Family	\$969.64	\$968.76	-\$0.88	-0.09%
Total	\$1,955.12	\$1,943.76	-\$11.36	-0.58%

HIGHLAND MEADOWS COMMUNITY DEVELOPMENT DISTRICT

FISCAL YEAR 2023/2024 O&M & DEBT SERVICE ASSESSMENT SCHEDULE

TOTAL O&M BUDGET		\$202,161.00
COLLECTION COSTS @ ⁽⁵⁾	2.0%	\$4,301.30
EARLY PAYMENT DISCOUNT @	4.0%	<u>\$8,602.60</u>
TOTAL O&M ASSESSMENT		<u>\$215,064.89</u>

<u>LOT SIZE</u>	<u>UNITS ASSESSED</u>		<u>EAU FACTOR</u>	<u>ALLOCATION OF O&M ASSESSMENT</u>			<u>PER LOT ANNUAL ASSESSMENT</u>		
	<u>O&M</u>	<u>SERIES 2006 DEBT SERVICE</u> ^{(1) (2)}		<u>TOTAL EAU's</u>	<u>% TOTAL EAU's</u>	<u>TOTAL O&M BUDGET</u>	<u>O&M</u>	<u>DEBT SERVICE</u> ⁽³⁾	<u>TOTAL</u> ⁽⁴⁾
SINGLE FAMILY 65'/70'	222	96	1.00	222.00	100.00%	\$215,064.89	\$968.76	\$975.00	\$1,943.76
	<u>222</u>	<u>96</u>		<u>222.00</u>	<u>100.00%</u>	<u>\$215,064.89</u>			

LESS: Polk County Collection Costs (2%) and Early Payment Discounts (4%): (\$12,903.89)

Net Revenue to be Collected \$202,161.00

⁽¹⁾ Reflects 126 (one hundred twenty-six) Series 2006 prepayments.

⁽²⁾ Reflects the number of total lots with Series 2006 debt outstanding.

⁽³⁾ Annual debt service assessment per lot adopted in connection with the Series 2006 bond issue. Annual assessment includes principal, interest, Polk County collection costs and early payment discount costs.

⁽⁴⁾ Annual assessment that will appear on November 2023 Polk County property tax bill. Amount shown includes all applicable collection costs. Property owner is eligible for a discount of up to 4% if paid early.

⁽⁵⁾ The 1% Property Appraiser fee is now billed separately to the District, therefore it is being incorporated into the general fund budget.

GENERAL FUND BUDGET ACCOUNT CATEGORY DESCRIPTION

The General Fund Budget Account Category Descriptions are subject to change at any time depending on its application to the District. Please note, not all General Fund Budget Account Category Descriptions are applicable to the District indicated above. Uses of the descriptions contained herein are intended for general reference.

REVENUES:

Interest Earnings: The District may earn interest on its monies in the various operating accounts.

Tax Roll: The District levies Non-Ad Valorem Special Assessments on all of the assessable property within the District to pay for operating expenditures incurred during the Fiscal Year. The assessments may be collected in two ways. The first is by placing them on the County's Tax Roll, to be collected with the County's Annual Property Tax Billing. This method is only available to land properly platted within the time limits prescribed by the County.

Event Rental: The District may receive monies for event rentals for such things as weddings, birthday parties, etc.

Miscellaneous Revenues: The District may receive monies for the sale or provision of electronic access cards, entry decals etc.

Facilities Rentals: The District may receive monies for the rental of certain facilities by outside sources, for such items as office space, snack bar/restaurants etc.

EXPENDITURES – ADMINISTRATIVE:

Supervisor Fees: The District may compensate its supervisors within the appropriate statutory limits of \$200.00 maximum per meeting within an annual cap of \$4,800.00 per supervisor.

Administrative Services: The District will incur expenditures for the day to today operation of District matters. These services include support for the District Management function, recording and preparation of meeting minutes, records retention and maintenance in accordance with Chapter 119, Florida Statutes, and the District's adopted Rules of Procedure, preparation and delivery of agenda, overnight deliveries, facsimiles and phone calls.

District Management: The District as required by statute, will contract with a firm to provide for management and administration of the District's day to day needs. These services include the conducting of board meetings, workshops, overall administration of District functions, all required state and local filings, preparation of annual budget, purchasing, risk management, preparing various resolutions and all other secretarial duties requested by the District throughout the year is also reflected in this amount.

District Engineer: The District's engineer provides general engineering services to the District. Among these services are attendance at and preparation for monthly board meetings, review of construction invoices and all other engineering services requested by the district throughout the year.

Disclosure Report: The District is required to file quarterly and annual disclosure reports, as required in the District's Master Trust Indenture, with the specified repositories. This is contracted out to a third party in compliance with the Trust Indenture.

Trustee's Fees: The District will incur annual trustee's fees upon the issuance of bonds for the oversight of the various accounts relating to the bond issues.

Assessment Roll: The District will contract with a firm to maintain the assessment roll and annually levy a Non-Ad Valorem assessment for operating and debt service expenses.

Financial & Revenue Collections: Services include all functions necessary for the timely billing and collection and reporting of District assessments in order to ensure adequate funds to meet the District's debt service and operations and maintenance obligations. These services include, but are not limited to, assessment roll preparation and certification, direct billings and funding request processing as well as responding to property owner questions regarding District assessments. This line item also includes the fees incurred for a Collection Agent to collect the funds for the principal and interest payment for its short-term bond issues and any other bond related collection needs. These funds are collected as prescribed in the Trust Indenture. The Collection Agent also provides for the release of liens on property after the full collection of bond debt levied on particular properties.

Accounting Services: Services include the preparation and delivery of the District's financial statements in accordance with Governmental Accounting Standards, accounts payable and accounts receivable functions, asset tracking, investment tracking, capital program administration and requisition processing, filing of annual reports required by the State of Florida and monitoring of trust account activity.

Auditing Services: The District is required annually to conduct an audit of its financial records by an Independent Certified Public Accounting firm, once it reaches certain revenue and expenditure levels, or has issued bonds and incurred debt.

Arbitrage Rebate Calculation: The District is required to calculate the interest earned from bond proceeds each year pursuant to the Internal Revenue Code of 1986. The Rebate Analyst is required to verify that the District has not received earnings higher than the yield of the bonds.

Travel: Each Board Supervisor and the District Staff are entitled to reimbursement for travel expenses per Florida Statutes 190.006(8).

Public Officials Liability Insurance: The District will incur expenditures for public officials' liability insurance for the Board and Staff.

Legal Advertising: The District will incur expenditures related to legal advertising. The items for which the District will advertise include, but are not limited to meeting schedules, special meeting notices, and public hearings, bidding etc. for the District based on statutory guidelines

Bank Fees: The District will incur bank service charges during the year.

Dues, Licenses & Fees: The District is required to pay an annual fee to the Department of Economic Opportunity, along with other items which may require licenses or permits, etc.

Miscellaneous Fees: The District could incur miscellaneous throughout the year, which may not fit into any standard categories.

Website Hosting, Maintenance and Email: The District may incur fees as they relate to the development and ongoing maintenance of its own website along with possible email services if requested.

District Counsel: The District's legal counsel provides general legal services to the District. Among these services are attendance at and preparation for monthly board meetings, review of operating and maintenance contracts and all other legal services requested by the district throughout the year.

EXPENDITURES - FIELD OPERATIONS:

Deputy Services: The District may wish to contract with the local police agency to provide security for the District.

Security Services and Patrols: The District may wish to contract with a private company to provide security for the District.

Electric Utility Services: The District will incur electric utility expenditures for general purposes such as irrigation timers, lift station pumps, fountains, etc.

Streetlights: The District may have expenditures relating to streetlights throughout the community. These may be restricted to main arterial roads or in some cases to all streetlights within the District's boundaries.

Utility - Recreation Facility: The District may budget separately for its recreation and or amenity electric separately.

Gas Utility Services: The District may incur gas utility expenditures related to district operations at its facilities such as pool heat etc.

Garbage - Recreation Facility: The District will incur expenditures related to the removal of garbage and solid waste.

Solid Waste Assessment Fee: The District may have an assessment levied by another local government for solid waste, etc.

Water-Sewer Utility Services: The District will incur water/sewer utility expenditures related to district operations.

Utility - Reclaimed: The District may incur expenses related to the use of reclaimed water for irrigation.

Aquatic Maintenance: Expenses related to the care and maintenance of the lakes and ponds for the control of nuisance plant and algae species.

Fountain Service Repairs & Maintenance: The District may incur expenses related to maintaining the fountains within throughout the Parks & Recreational areas

Lake/Pond Bank Maintenance: The District may incur expenditures to maintain lake banks, etc. for the ponds and lakes within the District's boundaries, along with planting of beneficial aquatic plants, stocking of fish, mowing and landscaping of the banks as the District determines necessary.

Wetland Monitoring & Maintenance: The District may be required to provide for certain types of monitoring and maintenance activities for various wetlands and waterways by other governmental entities.

Mitigation Area Monitoring & Maintenance: The District may be required to provide for certain types of monitoring and maintenance activities for various mitigation areas by other governmental entities.

Aquatic Plant Replacement: The expenses related to replacing beneficial aquatic plants, which may or may not have been required by other governmental entities.

General Liability Insurance: The District will incur fees to insure items owned by the District for its general liability needs

Property Insurance: The District will incur fees to insure items owned by the District for its property needs

Entry and Walls Maintenance: The District will incur expenditures to maintain the entry monuments and the fencing.

Landscape Maintenance: The District will incur expenditures to maintain the rights-of-way, median strips, recreational facilities including pond banks, entryways, and similar planting areas within the District. These services include but are not limited to monthly landscape maintenance, fertilizer, pesticides, annuals, mulch, and irrigation repairs.

Irrigation Maintenance: The District will incur expenditures related to the maintenance of the irrigation systems.

Irrigation Repairs: The District will incur expenditures related to repairs of the irrigation systems.

Landscape Replacement: Expenditures related to replacement of turf, trees, shrubs etc.

Field Services: The District may contract for field management services to provide landscape maintenance oversight.

Miscellaneous Fees: The District may incur miscellaneous expenses that do not readily fit into defined categories in field operations.

Gate Phone: The District will incur telephone expenses if the District has gates that are to be opened and closed.

Street/Parking Lot Sweeping: The District may incur expenses related to street sweeping for roadways it owns or are owned by another governmental entity, for which it elects to maintain.

Gate Facility Maintenance: Expenses related to the ongoing repairs and maintenance of gates owned by the District if any.

Sidewalk Repair & Maintenance: Expenses related to sidewalks located in the right of way of streets the District may own if any.

Roadway Repair & Maintenance: Expenses related to the repair and maintenance of roadways owned by the District if any.

Employees - Salaries: The District may incur expenses for employees/staff members needed for the recreational facilities such as Clubhouse Staff.

Employees - P/R Taxes: This is the employer's portion of employment taxes such as FICA etc.

Employee - Workers' Comp: Fees related to obtaining workers compensation insurance.

Management Contract: The District may contract with a firm to provide for the oversight of its recreation facilities.

Maintenance & Repair: The District may incur expenses to maintain its recreation facilities.

Facility Supplies: The District may have facilities that required various supplies to operate.

Gate Maintenance & Repairs: Any ongoing gate repairs and maintenance would be included in this line item.

Telephone, Fax, Internet: The District may incur telephone, fax and internet expenses related to the recreational facilities.

Office Supplies: The District may have an office in its facilities which require various office related supplies.

Clubhouse - Facility Janitorial Service: Expenses related to the cleaning of the facility and related supplies.

Pool Service Contract: Expenses related to the maintenance of swimming pools and other water features.

Pool Repairs: Expenses related to the repair of swimming pools and other water features.

Security System Monitoring & Maintenance: The District may wish to install a security system for the clubhouse

Clubhouse Miscellaneous Expense: Expenses which may not fit into a defined category in this section of the budget

Athletic/Park Court/Field Repairs: Expense related to any facilities such as tennis, basketball etc.

Trail/Bike Path Maintenance: Expenses related to various types of trail or pathway systems the District may own, from hard surface to natural surfaces.

Special Events: Expenses related to functions such as holiday events for the public enjoyment

Miscellaneous Fees: Monies collected and allocated for fees that the District could incur throughout the year, which may not fit into any standard categories.

Miscellaneous Contingency: Monies collected and allocated for expenses that the District could incur throughout the year, which may not fit into any standard categories.

Capital Outlay: Monies collected and allocated for various projects as they relate to public improvements.

RESERVE FUND BUDGET ACCOUNT CATEGORY DESCRIPTION

The Reserve Fund Budget Account Category Descriptions are subject to change at any time depending on its application to the District. Please note, not all Reserve Fund Budget Account Category Descriptions are applicable to the District indicated above. Uses of the descriptions contained herein are intended for general reference.

REVENUES:

Tax Roll: The District levies Non-Ad Valorem Special Assessments on all of the assessable property within the District to pay for operating expenditures incurred during the Fiscal Year. The assessments may be collected in two ways. The first is by placing them on the County's Tax Roll, to be collected with the County's Annual Property Tax Billing. This method is only available to land properly platted within the time limits prescribed by the County.

Off Roll: For lands not on the tax roll and that is by way of a direct bill from the District to the appropriate property owner.

Developer Contributions: The District may enter into a funding agreement and receive certain prescribed dollars from the Developer to off-set expenditures of the District.

Miscellaneous Revenues: The District may receive monies for the sale or provision of electronic access cards, entry decals etc.

EXPENDITURES:

Capital Reserve: Monies collected and allocated for the future repair and replacement of various capital improvements such as club facilities, swimming pools, athletic courts, roads, etc.

Capital Outlay: Monies collected and allocated for various projects as they relate to public improvements.

DEBT SERVICE FUND BUDGET
ACCOUNT CATEGORY DESCRIPTION

The Debt Service Fund Budget Account Category Descriptions are subject to change at any time depending on its application to the District. Please note, not all Debt Service Fund Budget Account Category Descriptions are applicable to the District indicated above. Uses of the descriptions contained herein are intended for general reference.

REVENUES:

Special Assessments: The District may levy special assessments to repay the debt incurred by the sale of bonds to raise working capital for certain public improvements. The assessments may be collected in the same fashion as described in the Operations and Maintenance Assessments.

EXPENDITURES – ADMINISTRATIVE:

Bank Fees: The District may incur bank service charges during the year.

Debt Service Obligation: This would be a combination of the principal and interest payment to satisfy the annual repayment of the bond issue debt.

Tab 4

RESOLUTION 2023-02

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE HIGHLAND MEADOWS COMMUNITY DEVELOPMENT DISTRICT APPROVING PROPOSED BUDGETS FOR FISCAL YEAR 2023/2024 AND SETTING A PUBLIC HEARING THEREON PURSUANT TO FLORIDA LAW; ADDRESSING TRANSMITTAL, POSTING AND PUBLICATION REQUIREMENTS; ADDRESSING SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the District Manager has heretofore prepared and submitted to the Board of Supervisors (“**Board**”) of the Highland Meadows Community Development District (“**District**”) prior to June 15, 2023, proposed budgets (“**Proposed Budget**”) for the fiscal year beginning October 1, 2023 and ending September 30, 2024 (“**Fiscal Year 2023/2024**”); and

WHEREAS, the Board has considered the Proposed Budget and desires to set the required public hearing thereon.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE HIGHLAND MEADOWS COMMUNITY DEVELOPMENT DISTRICT:

1. **PROPOSED BUDGET APPROVED.** The Proposed Budget prepared by the District Manager for Fiscal Year 2023/2024 attached hereto as **Exhibit A** is hereby approved as the basis for conducting a public hearing to adopt said Proposed Budget.

2. **SETTING A PUBLIC HEARING.** A public hearing on said approved Proposed Budget is hereby declared and set for the following date, hour and location:

DATE: _____, 2023

HOUR: _____

LOCATION: _____

3. **TRANSMITTAL OF PROPOSED BUDGET TO LOCAL GENERAL PURPOSE GOVERNMENTS.** The District Manager is hereby directed to submit a copy of the Proposed Budget to the City of Davenport and Polk County at least 60 days prior to the hearing set above.

4. **POSTING OF PROPOSED BUDGET.** In accordance with Section 189.016, *Florida Statutes*, the District’s Secretary is further directed to post the approved Proposed Budget on the District’s website at least two days before the budget hearing date as set forth in Section 2 and to ensure that it remains on the website for at least 45 days.

5. **PUBLICATION OF NOTICE.** Notice of this public hearing shall be published in the manner prescribed in Florida law.

6. **SEVERABILITY.** The invalidity or unenforceability of any one or more provisions

of this Resolution shall not affect the validity or enforceability of the remaining portions of this Resolution, or any part thereof.

7. **EFFECTIVE DATE.** This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED THIS 12TH DAY OF JUNE 2023.

ATTEST:

**HIGHLAND MEADOWS COMMUNITY
DEVELOPMENT DISTRICT**

Secretary

By: _____
Its: _____

Tab 5

RESOLUTION 2023-03

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE HIGHLAND MEADOWS COMMUNITY DEVELOPMENT DISTRICT DESIGNATING CERTAIN OFFICERS OF THE DISTRICT, AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the Highland Meadows Community Development District (“**District**”) is a local unit of special-purpose government created and existing pursuant to Chapter 190, Florida Statutes; and

WHEREAS, the Board of Supervisors of the District desires to designate certain Officers of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE HIGHLAND MEADOWS COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1. _____ is appointed Chairman.

SECTION 2. _____ is appointed Vice Chairman.

SECTION 3. _____ is appointed Secretary.
_____ is appointed Assistant Secretary.
_____ is appointed Assistant Secretary.
_____ is appointed Assistant Secretary.
Scott Brizendine _____ is appointed Assistant Secretary.
Brian Mendes _____ is appointed Assistant Secretary.
_____ is appointed Treasurer.
_____ is appointed Assistant Treasurer.

SECTION 4. This Resolution shall become effective immediately upon its adoption.

SECTION 5. All previous resolutions regarding officers are hereby repealed.

PASSED AND ADOPTED this 12th day of June 2023.

ATTEST:

HIGHLAND MEADOWS COMMUNITY DEVELOPMENT DISTRICT

Secretary/Assistant Secretary

Chairperson/Vice Chairperson, Board of Supervisors

Tab 6

TRI-PARTY SUCCESSION AGREEMENT

This Tri-Party Succession Agreement is dated as of _____, 2023 among Highland Meadows Community Development District (the “District”), U.S. Bank National Association, as Trustee (“USB”), and U.S. Bank Trust Company, National Association (“Trust Company”). Reference is made to that certain Master Trust Indenture, dated as of August 1, 2006, as amended and supplemented, (collectively, the “Master Indenture”) between the District and USB as successor Trustee to SunTrust Bank (“Trustee”) thereunder relating to the District’s \$2,945,000 Special Assessment Bonds, Series 2006A. Capitalized terms used herein and not defined are used as defined in the Master Indenture. The parties agree as follows:

A. USB has notified the District that USB, has transferred (by contribution) substantially all its corporate trust business to Trust Company (USB’s direct wholly owned subsidiary) and desires to transfer its administration of the Master Indenture from USB to Trust Company such that Trust Company shall be the successor in interest to USB, as Trustee under the Master Indenture. Trust Company hereby represents and certifies to the District that it is a national banking association organized under the laws of the United States of America. Trust Company is qualified to do and does business in one or more states of the United States of America and has an officially reported combined capital, surplus, undivided profits, and reserves aggregating at least \$1,000,000,000. Trust Company is therefore qualified to act as successor Trustee under Section 11.14 of the Master Indenture and successor Registrar and Paying Agent under Section 11.21 of the Master Indenture.

B. USB hereby resigns as Trustee, Registrar and Paying Agent under the Master Indenture, and the District hereby accepts such resignation and appoints Trust Company as the successor Trustee, Registrar and Paying Agent under the Master Indenture. Trust Company hereby accepts such appointment as successor Trustee, Registrar and Paying Agent under the Master Indenture, and the parties hereby agree that Trust Company is fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of USB, its predecessor; and USB hereby transfers to Trust Company all such estates, properties, rights, powers and trusts and is contemporaneously herewith delivering all its records relating to the Master Indenture to Trust Company.

C. The District hereby waives the notice requirements contained in Section 11.11 and Section 11.18 of the Master Indenture.

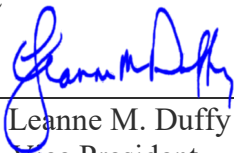
D. The District hereby certifies to Trust Company that no Event of Default or event which, with the giving of notice or the passage of time or both, would become an Event of Default, has occurred, and is continuing under the Master Indenture.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be duly executed, effective as of the day and year first above written.

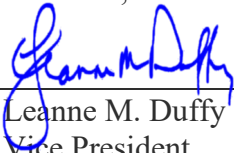
HIGHLAND MEADOWS COMMUNITY
DEVELOPMENT DISTRICT

By: _____
Name:
Title:

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By:  _____
Name: Leanne M. Duffy
Title: Vice President

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Successor Trustee

By:  _____
Name: Leanne M. Duffy
Title: Vice President

Tab 7



Grau & Associates

CERTIFIED PUBLIC ACCOUNTANTS

951 Yamato Road • Suite 280
Boca Raton, Florida 33431
(561) 994-9299 • (800) 299-4728
Fax (561) 994-5823
www.graucpa.com

February 20, 2023

To Board of Supervisors
Highland Meadows Community Development District
12750 Citrus Park Lane, Suite 115
Tampa, Florida 33625

We are pleased to confirm our understanding of the services we are to provide Highland Meadows Community Development District, City of Davenport, Florida ("the District") for the fiscal year ended September 30, 2022. We will audit the financial statements of the governmental activities and each major fund, including the related notes to the financial statements, which collectively comprise the basic financial statements of Highland Meadows Community Development District as of and for the fiscal year ended September 30, 2022. In addition, we will examine the District's compliance with the requirements of Section 218.415 Florida Statutes. This letter serves to renew our agreement and establish the terms and fee for the 2022 audit.

Accounting principles generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Budgetary comparison schedule

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that information:

- 1) Compliance with FL Statute 218.39 (3) (c)

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the District and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the District's financial statements. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add emphasis-of-matter or other-matter paragraphs. If our opinion on the financial statements is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or issue a report, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the District is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Examination Objective

The objective of our examination is the expression of an opinion as to whether the District is in compliance with Florida Statute 218.415 in accordance with Rule 10.556(10) of the Auditor General of the State of Florida. Our examination will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and will include tests of your records and other procedures we consider necessary to enable us to express such an opinion. We will issue a written report upon completion of our examination of the District's compliance. The report will include a statement that the report is intended solely for the information and use of management, those charged with governance, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add emphasis-of-matter or other-matter paragraphs. If our opinion on the District's compliance is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the examination or are unable to form or have not formed an opinion, we may decline to express an opinion or issue a report, or may withdraw from this engagement.

Other Services

We will assist in preparing the financial statements and related notes of the District in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for compliance with Florida Statute 218.415 and will provide us with the information required for the examination. The accuracy and completeness of such information is also management's responsibility. You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. In addition, you will be required to make certain representations regarding compliance with Florida Statute 218.415 in the management representation letter. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Management is responsible for designing, implementing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Grau & Associates and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a cognizant or oversight agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Grau & Associates personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies. Notwithstanding the foregoing, the parties acknowledge that various documents reviewed or produced during the conduct of the audit may be public records under Florida law. The District agrees to notify Grau & Associates of any public record request it receives that involves audit documentation.

Our fee for these services will not exceed \$3,300 for the September 30, 2022 audit, unless there is a change in activity by the District which results in additional audit work or if additional Bonds are issued.

All accounting records (including, but not limited to, trial balances, general ledger detail, vendor files, bank and trust statements, minutes, and confirmations) for the fiscal year ended September 30, 2022 must be provided to us no later than January 15, 2023, in order for us to complete the engagement by April 15, 2023.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. Invoices will be submitted in sufficient detail to demonstrate compliance with the terms of this agreement. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate.

This agreement may be renewed each year thereafter subject to the mutual agreement by both parties to all terms and fees. The fee for each annual renewal will be agreed upon separately.

The District has the option to terminate this agreement with or without cause by providing thirty (30) days written notice of termination to Grau & Associates. Upon any termination of this agreement, Grau & Associates shall be entitled to payment of all work and/or services rendered up until the effective termination of this agreement, subject to whatever claims or off-sets the District may have against Grau & Associates.

We will provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2019 peer review report accompanies this letter.

We appreciate the opportunity to be of service to Highland Meadows Community Development District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Grau & Associates



Racquel McIntosh

RESPONSE:

This letter correctly sets forth the understanding of Highland Meadows Community Development District.

By: _____

Title: _____

Date: _____



FICPA Peer Review Program
Administered in Florida
by The Florida Institute of CPAs



Peer Review
Program

AICPA Peer Review Program
Administered in Florida
by the Florida Institute of CPAs

February 20, 2020

Antonio Grau
Grau & Associates
951 Yamato Rd Ste 280
Boca Raton, FL 33431-1809

Dear Antonio Grau:

It is my pleasure to notify you that on February 20, 2020, the Florida Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is December 31, 2022. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation.

Sincerely,
FICPA Peer Review Committee

Peer Review Team
FICPA Peer Review Committee
paul@ficpa.org
800-342-3197 ext. 251

Florida Institute of CPAs

cc: Daniel Hevia, Racquel McIntosh

Firm Number: 900004390114

Review Number: 571202