Highland Meadows West Community Development District

Agenda

November 21, 2023

## Highland Meadows West Community Development District

219 E. Livingston St., Orlando, Florida 32801 Phone: 407-841-5524 – Fax: 407-839-1526

November 14, 2023

Board of Supervisors Highland Meadows West Community Development District

Dear Board Members:

A meeting of the Board of Supervisors of the **Highland Meadows West Community Development District** will be held **Tuesday, November 21, 2023**, at **9:30 AM** at the **Holiday Inn**—Winter Haven, **200 Cypress Gardens Blvd., Winter Haven, FL 33880** 

Those members of the public wishing to attend the meeting can do so using the information below:

Zoom Video Link: <u>https://us06web.zoom.us/j/83984984939</u> Call-In Information: 1-646-931-3860 Meeting ID: 839 8498 4939

Following is the advance agenda for the meeting:

#### **Audit Committee Meeting**

- 1. Roll Call
- 2. Public Comment Period
- 3. Approval of Minutes of October 17, 2023 Audit Committee Meeting
- 4. Review of Proposals and Tally of Audit Committee Members Rankings
  - A. Grau & Associates
  - B. Dibartolomeo, McBee, Hartley & Barnes
  - C. Carr, Riggs & Ingram
- 5. Adjournment

#### **Board of Supervisors Meeting**

- 1. Roll Call
- 2. Public Comment Period
- 3. Approval of Minutes of the October 17, 2023 Board of Supervisors Meeting
- 4. Consideration of Agreement with HOA for Holiday Light Installation
- Acceptance of Ranking of the Audit Committee and Authorizing Staff to Send a Notice of Intent to Award
- 6. Staff Reports
  - A. Attorney

- B. Engineer
- C. Field Manager's Report
- D. District Manager's Report
  - i. Approval of Check Register
  - ii. Balance Sheet and Income Statement
- 7. Other Business
- 8. Supervisors Requests
- 9. Adjournment

# AUDIT COMMITTEE MEETING

# MINUTES

#### **MINUTES OF MEETING** HIGHLAND MEADOWS WEST **COMMUNITY DEVELOPMENT DISTRICT**

The Audit Committee meeting of the Highland Meadows West Community Development District was held on Tuesday, October 17, 2023 at 9:30 a.m. at The Holiday Inn – Winter Haven, 200 Cypress Gardens Blvd., Winter Haven, Florida and by Zoom.

Present and constituting a quorum:

Daniel Arnette Bobbie Henley Jessica Kowalski Lindsey Roden Jessica Petrucci

Also, present were:

Tricia Adams	District Manager, GMS
Meredith Hammock	District Counsel, KVW Law
Marshall Tindall	Field Services Manager, GMS
Chance Arrington	District Engineer

The following is a summary of the discussions and actions taken at the October 17, 2023 Highland Meadows West Community Development District's Audit Committee Meeting.

#### FIRST ORDER OF BUSINESS

Ms. Adams called the meeting to order and stated that five Board members were in attendance, constituting a quorum.

#### **SECOND ORDER OF BUSINESS**

Ms. Adams noted that no members of the public were present nor were any members attending on Zoom to provide comments.

**Public Comment Period** 

#### **Roll Call**

#### THIRD ORDER OF BUSINESS

#### Audit Services

#### A. Approval of Request for Proposals and Selection Criteria

#### **B.** Approval of Notice of Request for Audit Services

Ms. Adams stated that the form of the documents can be found in the agenda package and that they were standard notices. She highlighted the evaluation criteria regarding the elements that the Board will evaluate from the proposals that are received. She asked for any questions and comments and added if there were no concerns and the Board was happy with the form of notice as well as the selection criteria, they can take all of the items as one slate. Hearing no questions or concerns, she asked for a motion to approve both items A and B.

On MOTION by Mr. Arnette, seconded by Ms. Kowalski, with all in favor, the Request for Proposals and Selection Criteria and Notice of Request for Audit Services, were approved.

#### C. Public Announcement of Opportunity to Provide Audit Services

Ms. Adams announced the opportunity to provide audit services to Highland Meadows West Community Development District.

#### FOURTH ORDER OF BUSINESS Adjournment

On MOTION by Mr. Arnette, seconded by Ms. Kowalski, with all in favor, the meeting was adjourned.

Secretary/Assistant Secretary

Chairman/Vice Chairman

# SECTION IV

		Hig	hland Meadows West (	CDD Auditor Selection			
	Ability of Personnel (20 pts)	Proposer's Experience (20 pts)	Understading of Scope of Work (20 pts)	Ability to Furnish the Required Services (20 pts)	Price (20 pts)	Total Points Earned	Ranking (1 being highest)
Grau & Associates					2023         \$5,550           2024         \$5,600           2025         \$5,700           2026         \$5,800           2027         \$5,900           TOTAL \$28,500		
DiBartolomeo, McBee, Hartley & Barnes					2023         \$2,850           2024         \$2,950           2025         \$3,100           2026         \$3,150           2027         \$3,250           TOTAL         \$15,300		
Carr, Riggs & Ingram					2023       \$8,500         2024       \$9,000         2025       \$9,500         2026       \$10,000         2027       \$10,500         TOTAL \$47,500		

# SECTION A



## Proposal to Provide Financial Auditing Services:

## HIGHLAND MEADOWS WEST

**COMMUNITY DEVELOPMENT DISTRICT** 

Proposal Due: November 3, 2023 5:00PM

### Submitted to:

Highland Meadows West Community Development District c/o District Manager 219 East Livingston Street Orlando, Florida 32801

Submitted by: Antonio J. Grau, Partner Grau & Associates 951 Yamato Road, Suite 280 Boca Raton, Florida 33431 Tel (561) 994-9299 (800) 229-4728 Fax (561) 994-5823 tgrau@graucpa.com www.graucpa.com



## **Table of Contents**

### Page

EXECUTIVE SUMMARY / TRANSMITTAL LETTER	1
FIRM QUALIFICATIONS	
FIRM & STAFF EXPERIENCE	6
REFERENCES	
SPECIFIC AUDIT APPROACH	
COST OF SERVICES	
SUPPLEMENTAL INFORMATION	



November 3, 2023

Highland Meadows West Community Development District c/o District Manager 219 East Livingston Street Orlando, Florida 32801

Re: Request for Proposal for Professional Auditing Services for the fiscal year ended September 30, 2023, with an option for four (4) additional annual renewals.

Grau & Associates (Grau) welcomes the opportunity to respond to the Highland Meadows West Community Development District's (the "District") Request for Proposal (RFP), and we look forward to working with you on your audit. We are an energetic and robust team of knowledgeable professionals and are a recognized leader of providing services to Community Development Districts. As one of Florida's few firms to primarily focus on government, we are especially equipped to provide you an effective and efficient audit.

Special district audits are at the core of our practice: **we have a total of 360 clients, 329 or 91% of which are special districts.** We know the specifics of the professional services and work products needed to meet your RFP requirements like no other firm. With this level of experience, we are able to increase efficiency, to provide immediate and continued savings, and to minimize disturbances to client operations.

#### Why Grau & Associates:

#### Knowledgeable Audit Team

Grau is proud that the personnel we assign to your audit are some of the most seasoned auditors in the field. Our staff performs governmental engagements year round. When not working on your audit, your team is refining their audit approach for next year's audit. Our engagement partners have decades of experience and take a hands-on approach to our assignments, which all ensures a smoother process for you.

#### Servicing your Individual Needs

Our clients enjoy personalized service designed to satisfy their unique needs and requirements. Throughout the process of our audit, you will find that we welcome working with you to resolve any issues as swiftly and easily as possible. In addition, due to Grau's very low turnover rate for our industry, you also won't have to worry about retraining your auditors from year to year.

#### **Developing Relationships**

We strive to foster mutually beneficial relationships with our clients. We stay in touch year round, updating, collaborating and assisting you in implementing new legislation, rules and standards that affect your organization. We are also available as a sounding board and assist with technical questions.

#### Maintaining an Impeccable Reputation

We have never been involved in any litigation, proceeding or received any disciplinary action. Additionally, we have never been charged with, or convicted of, a public entity crime of any sort. We are financially stable and have never been involved in any bankruptcy proceedings.

#### **Complying With Standards**

Our audit will follow the Auditing Standards of the AICPA, Generally Accepted Government Auditing Standards, issued by the Comptroller General of the United States, and the Rules of the Auditor General of the State of Florida, and any other applicable federal, state and local regulations. We will deliver our reports in accordance with your requirements.

This proposal is a firm and irrevocable offer for 90 days. We certify this proposal is made without previous understanding, agreement or connection either with any previous firms or corporations offering a proposal for the same items. We also certify our proposal is in all respects fair, without outside control, collusion, fraud, or otherwise illegal action, and was prepared in good faith. Only the person(s), company or parties interested in the project as principals are named in the proposal. Grau has no existing or potential conflicts, and anticipates no conflicts during the engagement. Our Federal I.D. number is 20-2067322.

We would be happy to answer any questions or to provide any additional information. We are genuinely excited about the prospect of serving you and establishing a long-term relationship. Please do not hesitate to call or email either of our Partners, Antonio J. Grau, CPA (<u>tgrau@graucpa.com</u>) or David Caplivski, CPA (<u>dcaplivski@graucpa.com</u>) at 561.994.9299. We thank you for considering our firm's qualifications and experience.

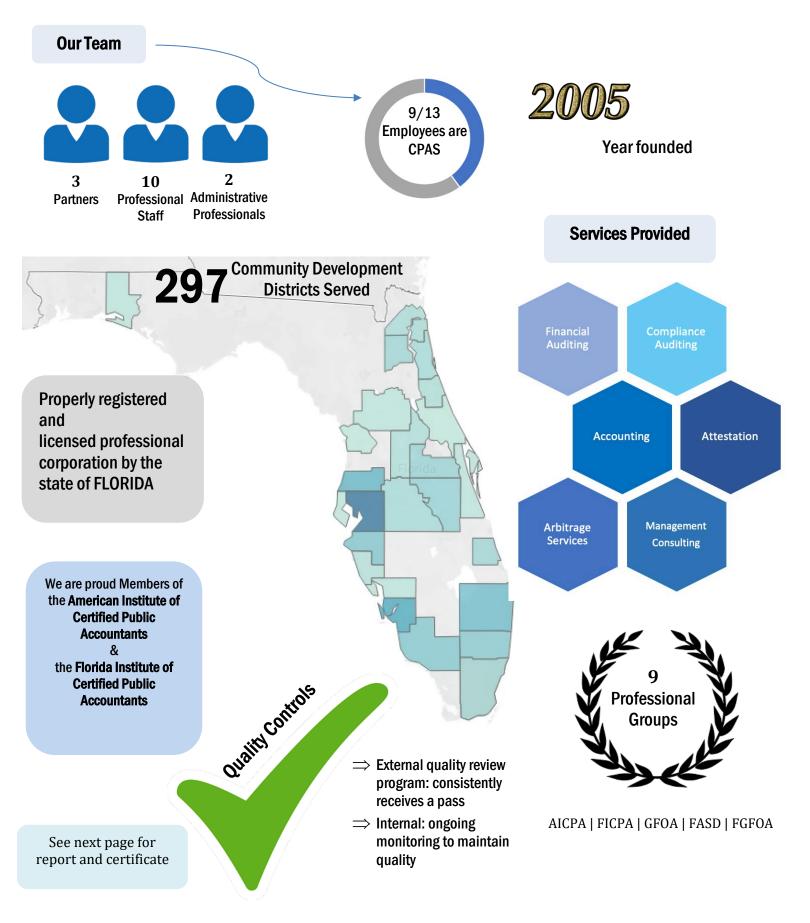
Very truly yours, Grau & Associates

Antonio J. Grau

## **Firm Qualifications**



### **Grau's Focus and Experience**









Peer Review Program

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

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

March 17, 2023

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 March 16, 2023, 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, 2025. 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

850.224.2727, x5957

cc: Daniel Hevia, Racquel McIntosh

Firm Number: 900004390114

Review Number: 594791

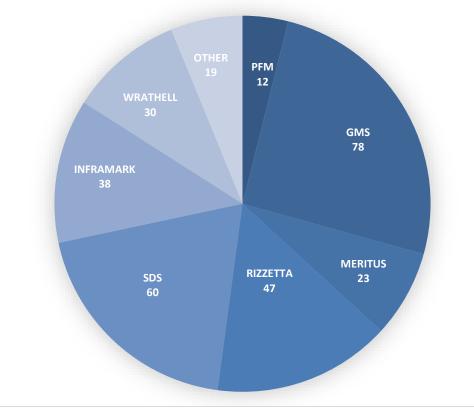
119 S Monroe Street, Suite 121 | Tallahassee, FL 32301 | 850.224.2727, in Florida | www.ficpa.org



## **Firm & Staff Experience**



## GRAU AND ASSOCIATES COMMUNITY DEVELOPMENT DISTRICT EXPERIENCE BY MANAGEMENT COMPANY



### **Profile Briefs:**

#### Antonio J GRAU, CPA (Partner)

Years Performing Audits: 35+ CPE (last 2 years): Government Accounting, Auditing: 24 hours; Accounting, Auditing and Other: 56 hours Professional Memberships: AICPA, FICPA, FGFOA, GFOA

#### David Caplivski, CPA (Partner)

Years Performing Audits: 13+ CPE (last 2 years): Government Accounting, Auditing: 24 hours; Accounting, Auditing and Other: 64 hours Professional Memberships: AICPA, FICPA, FGFOA, FASD

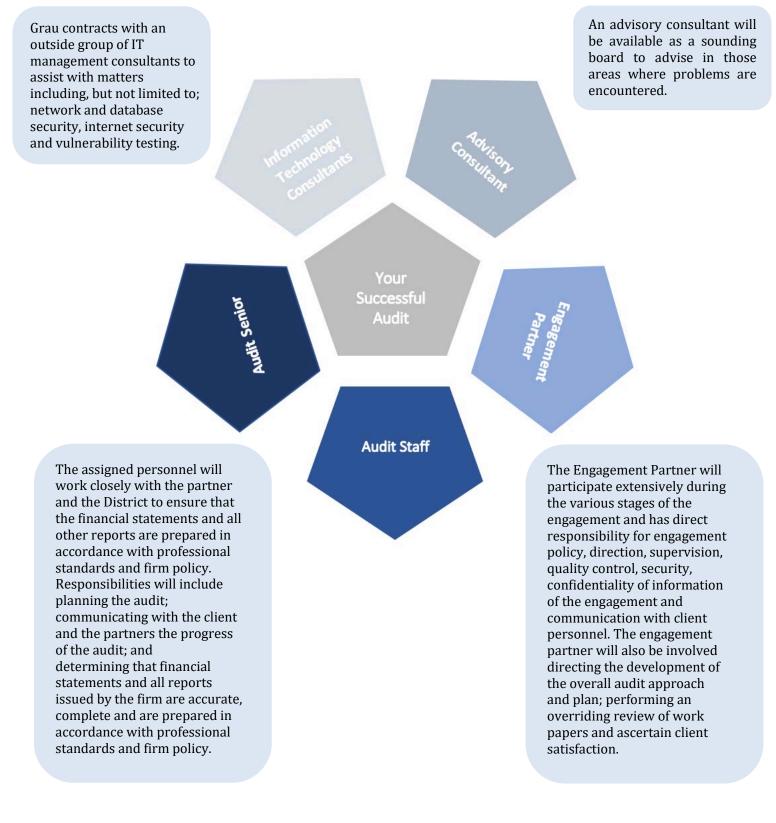
"Here at Grau & Associates, staying up to date with the current technological landscape is one of our top priorities. Not only does it provide a more positive experience for our clients, but it also allows us to perform a more effective and efficient audit. With the every changing technology available and utilized by our clients, we are constantly innovating our audit process." - Tony Grau

> "Quality audits and exceptional client service are at the heart of every decision we make. Our clients trust us to deliver a quality audit, adhering to high standards and assisting them with improvements for their organization." - David Caplivski



### **YOUR ENGAGEMENT TEAM**

Grau's client-specific engagement team is meticulously organized in order to meet the unique needs of each client. Constant communication within our solution team allows for continuity of staff and audit team.







### Antonio 'Tony ' J. Grau, CPA *Partner*

Contact: tgrau@graucpa.com | (561) 939-6672

#### Experience

For over 30 years, Tony has been providing audit, accounting and consulting services to the firm's governmental, non-profit, employee benefit, overhead and arbitrage clients. He provides guidance to clients regarding complex accounting issues, internal controls and operations.

As a member of the Government Finance Officers Association Special Review Committee, Tony participated in the review process for awarding the GFOA Certificate of Achievement in Financial Reporting. Tony was also the review team leader for the Quality Review of the Office of Management Audits of School Board of Miami-Dade County. Tony received the AICPA advanced level certificate for governmental single audits.

#### Education

University of South Florida (1983) Bachelor of Arts Business Administration

**Clients Served** (partial list) (>300) Various Special Districts, including:

Bayside Improvement Community Development District Dunes Community Development District Fishhawk Community Development District (I,II,IV) Grand Bay at Doral Community Development District Heritage Harbor North Community Development District St. Lucie West Services District Ave Maria Stewardship Community District Rivers Edge II Community Development District Bartram Park Community Development District Bay Laurel Center Community Development District

Boca Raton Airport Authority Greater Naples Fire Rescue District Key Largo Wastewater Treatment District Lake Worth Drainage District South Indian River Water Control

#### **Professional Associations/Memberships**

American Institute of Certified Public AccountantsFlorida Government Finance Officers AssociationFlorida Institute of Certified Public AccountantsGovernment Finance Officers Association MemberCity of Boca Raton Financial Advisory Board Member

#### Professional Education (over the last two years)

<u>Course</u>	<u>Hours</u>
Government Accounting and Auditing	24
Accounting, Auditing and Other	<u>56</u>
Total Hours	$\underline{80}$ (includes of 4 hours of Ethics CPE)





## David Caplivski, CPA/CITP, Partner

#### Contact : dcaplivski@graucpa.com / 561-939-6676

#### Experience

Grau & Assoc	iates P	artner
Grau & Assoc	iates M	lanager
Grau & Assoc	iates S	enior Auditor
Grau & Assoc	iates S	taff Auditor

2014-2020 2013-2014 2010-2013

2021-Present

#### Education

Florida Atlantic University (2009) Master of Accounting Nova Southeastern University (2002) Bachelor of Science Environmental Studies

#### **Certifications and Certificates**

Certified Public Accountant (2011) AICPA Certified Information Technology Professional (2018) AICPA Accreditation COSO Internal Control Certificate (2022)

#### Clients Served (partial list)

(>300) Various Special Districts Aid to Victims of Domestic Abuse **Boca Raton Airport Authority Broward Education Foundation CareerSource Brevard** CareerSource Central Florida 403 (b) Plan **City of Lauderhill GERS City of Parkland Police Pension Fund City of Sunrise GERS Coquina Water Control District Central County Water Control District** City of Miami (program specific audits) City of West Park **Coquina Water Control District** East Central Regional Wastewater Treatment Facl. East Naples Fire Control & Rescue District

Hispanic Human Resource Council Loxahatchee Groves Water Control District Old Plantation Water Control District Pinetree Water Control District San Carlos Park Fire & Rescue Retirement Plan South Indian River Water Control District South Trail Fire Protection & Rescue District Town of Haverhill Town of Haverhill Town of Hypoluxo Town of Hillsboro Beach Town of Lantana Town of Lauderdale By-The-Sea Volunteer Fire Pension Town of Pembroke Park Village of Wellington Village of Golf

#### Professional Education (over the last two years)

<u>Course</u>	<u>Hours</u>
Government Accounting and Auditing	24
Accounting, Auditing and Other	<u>64</u>
Total Hours	<u>88</u> (includes 4 hours of Ethics CPE)

#### **Professional Associations**

Member, American Institute of Certified Public Accountants Member, Florida Institute of Certified Public Accountants Member, Florida Government Finance Officers Association Member, Florida Association of Special Districts



## References



We have included three references of government engagements that require compliance with laws and regulations, follow fund accounting, and have financing requirements, which we believe are similar to the District.

## Dunes Community Development District

Scope of Work	Financial audit	
Engagement Partner	Antonio J. Grau	
Dates	Annually since 1998	
<b>Client Contact</b>	Darrin Mossing, Finance Director	
	475 W. Town Place, Suite 114	
	St. Augustine, Florida 32092	
	904-940-5850	

## **Two Creeks Community Development District**

Scope of Work	Financial audit
Engagement Partner	Antonio J. Grau
Dates	Annually since 2007
<b>Client Contact</b>	William Rizzetta, President
	3434 Colwell Avenue, Suite 200
	Tampa, Florida 33614
	813-933-5571

## Journey's End Community Development District

Scope of Work	Financial audit
<b>Engagement Partner</b>	Antonio J. Grau
Dates	Annually since 2004
Client Contact	Todd Wodraska, Vice President 2501 A Burns Road Palm Beach Gardens, Florida 33410 561-630-4922



# Specific Audit Approach



## AUDIT APPROACH

#### Grau's Understanding of Work Product / Scope of Services:

We recognize the District is an important entity and we are confident our firm is eminently qualified to meet the challenges of this engagement and deliver quality audit services. *You would be a valued client of our firm and we pledge to <u>commit all firm resources</u> to provide the level and quality of services (as described below) which not only meet the requirements set forth in the RFP but will <u>exceed those expectations</u>. Grau & Associates fully understands the scope of professional services and work products requested. Our audit will follow the Auditing Standards of the AICPA, <i>Generally Accepted Government Auditing Standards*, issued by the Comptroller General of the United States, and the Rules of the Auditor General of the State of Florida and any other applicable Federal, State of Local regulations. We will deliver our reports in accordance with your requirements.

#### Proposed segmentation of the engagement

Our approach to the audit engagement is a risk-based approach which integrates the best of traditional auditing techniques and a total systems concept to enable the team to conduct a more efficient and effective audit. The audit will be conducted in three phases, which are as follows:



#### **Phase I - Preliminary Planning**

A thorough understanding of your organization, service objectives and operating environment is essential for the development of an audit plan and for an efficient, cost-effective audit. During this phase, we will meet with appropriate personnel to obtain and document our understanding of your operations and service objectives and, at the same time, give you the opportunity to express your expectations with respect to the services that we will provide. Our work effort will be coordinated so that there will be minimal disruption to your staff.

#### During this phase we will perform the following activities:

- » Review the regulatory, statutory and compliance requirements. This will include a review of applicable federal and state statutes, resolutions, bond documents, contracts, and other agreements;
- » Read minutes of meetings;
- » Review major sources of information such as budgets, organization charts, procedures, manuals, financial systems, and management information systems;
- » Obtain an understanding of fraud detection and prevention systems;
- » Obtain and document an understanding of internal control, including knowledge about the design of relevant policies, procedures, and records, and whether they have been placed in operation;
- » Assess risk and determine what controls we are to rely upon and what tests we are going to perform and perform test of controls;
- » Develop audit programs to incorporate the consideration of financial statement assertions, specific audit objectives, and appropriate audit procedures to achieve the specified objectives;
- » Discuss and resolve any accounting, auditing and reporting matters which have been identified.



#### Phase II - Execution of Audit Plan

The audit team will complete a major portion of transaction testing and audit requirements during this phase. The procedures performed during this period will enable us to identify any matter that may impact the completion of our work or require the attention of management. Tasks to be performed in Phase II include, but are not limited to the following:

- » Apply analytical procedures to further assist in the determination of the nature, timing, and extent of auditing procedures used to obtain evidential matter for specific account balances or classes of transactions;
- » Perform tests of account balances and transactions through sampling, vouching, confirmation and other analytical procedures; and
- » Perform tests of compliance.

#### **Phase III - Completion and Delivery**

In this phase of the audit, we will complete the tasks related to year-end balances and financial reporting. All reports will be reviewed with management before issuance, and the partners will be available to meet and discuss our report and address any questions. Tasks to be performed in Phase III include, but are not limited to the following:

- » Perform final analytical procedures;
- » Review information and make inquiries for subsequent events; and
- » Meeting with Management to discuss preparation of draft financial statements and any potential findings or recommendations.

You should expect more from your accounting firm than a signature in your annual financial report. Our concept of truly responsive professional service emphasizes taking an active interest in the issues of concern to our clients and serving as an effective resource in dealing with those issues. In following this approach, we not only audit financial information with hindsight but also consider the foresight you apply in managing operations.

Application of this approach in developing our management letter is particularly important given the increasing financial pressures and public scrutiny facing today's public officials. We will prepare the management letter at the completion of our final procedures.

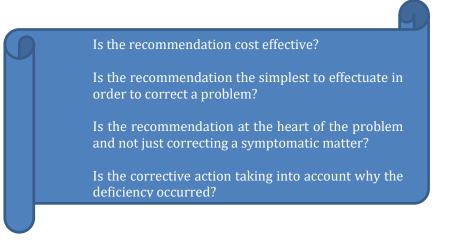
In preparing this management letter, we will initially review any draft comments or recommendations with management. In addition, we will take necessary steps to ensure that matters are communicated to those charged with governance.

In addition to communicating any recommendations, we will also communicate the following, if any:

- » Significant audit adjustments;
- » Significant deficiencies or material weaknesses;
- » Disagreements with management; and
- » Difficulties encountered in performing the audit.



Our findings will contain a statement of condition describing the situation and the area that needs strengthening, what should be corrected and why. Our suggestions will withstand the basic tests of corrective action:



To assure full agreement with facts and circumstances, we will fully discuss each item with Management prior to the final exit conference. This policy means there will be no "surprises" in the management letter and fosters a professional, cooperative atmosphere.

#### **Communications**

We emphasize a continuous, year-round dialogue between the District and our management team. We regularly communicate through personal telephone calls and electronic mail throughout the audit and on a regular basis.

Our clients have the ability to transmit information to us on our secure client portal with the ability to assign different staff with separate log on and viewing capability. This further facilitates efficiency as all assigned users receive electronic mail notification as soon as new information has been posted into the portal.



## **Cost of Services**



Our proposed all-inclusive fees for the financial audit for the fiscal years ended September 30, 2023-2027 are as follows:

Year Ended September 30,	Fee
2023	\$5,500
2024	\$5,600
2025	\$5,700
2026	\$5,800
2027	<u>\$5,900</u>
TOTAL (2023-2027)	<u>\$28,500</u>

The above fees are based on the assumption that the District maintains its current level of operations. Should conditions change or Bonds are issued the fees would be adjusted accordingly upon approval from all parties concerned.



## **Supplemental Information**



## **PARTIAL LIST OF CLIENTS**

SPECIAL DISTRICTS	Governmental Audit	Single Audit	Utility Audit	<b>Current Client</b>	Year End
Boca Raton Airport Authority	$\checkmark$	$\checkmark$		$\checkmark$	9/30
Captain's Key Dependent District	$\checkmark$			$\checkmark$	9/30
Central Broward Water Control District	$\checkmark$			~	9/30
Collier Mosquito Control District	$\checkmark$			$\checkmark$	9/30
Coquina Water Control District	$\checkmark$			$\checkmark$	9/30
East Central Regional Wastewater Treatment Facility	$\checkmark$		$\checkmark$		9/30
Florida Green Finance Authority	$\checkmark$				9/30
Greater Boca Raton Beach and Park District	$\checkmark$			$\checkmark$	9/30
Greater Naples Fire Control and Rescue District	$\checkmark$	$\checkmark$		$\checkmark$	9/30
Green Corridor P.A.C.E. District	$\checkmark$			$\checkmark$	9/30
Hobe-St. Lucie Conservancy District	$\checkmark$			$\checkmark$	9/30
Indian River Mosquito Control District	$\checkmark$				9/30
Indian Trail Improvement District	$\checkmark$			$\checkmark$	9/30
Key Largo Wastewater Treatment District	$\checkmark$	$\checkmark$	$\checkmark$	$\checkmark$	9/30
Lake Padgett Estates Independent District	$\checkmark$			$\checkmark$	9/30
Lake Worth Drainage District	$\checkmark$			$\checkmark$	9/30
Lealman Special Fire Control District	$\checkmark$			$\checkmark$	9/30
Loxahatchee Groves Water Control District	$\checkmark$				9/30
Old Plantation Control District	$\checkmark$			~	9/30
Pal Mar Water Control District	$\checkmark$			~	9/30
Pinellas Park Water Management District	$\checkmark$			~	9/30
Pine Tree Water Control District (Broward)	$\checkmark$			$\checkmark$	9/30
Pinetree Water Control District (Wellington)	$\checkmark$				9/30
Ranger Drainage District	$\checkmark$	$\checkmark$		~	9/30
Renaissance Improvement District	$\checkmark$			$\checkmark$	9/30
San Carlos Park Fire Protection and Rescue Service District	$\checkmark$			$\checkmark$	9/30
Sanibel Fire and Rescue District	$\checkmark$			$\checkmark$	9/30
South Central Regional Wastewater Treatment and Disposal Board	$\checkmark$			$\checkmark$	9/30
South-Dade Venture Development District	$\checkmark$			$\checkmark$	9/30
South Indian River Water Control District	$\checkmark$	$\checkmark$		$\checkmark$	9/30
South Trail Fire Protection & Rescue District	$\checkmark$			$\checkmark$	9/30
Spring Lake Improvement District	$\checkmark$			$\checkmark$	9/30
St. Lucie West Services District	$\checkmark$		$\checkmark$	$\checkmark$	9/30
Sunshine Water Control District	$\checkmark$			$\checkmark$	9/30
West Villages Improvement District	$\checkmark$			$\checkmark$	9/30
Various Community Development Districts (297)	$\checkmark$			~	9/30
TOTAL	333	5	3	328	



### **ADDITIONAL SERVICES**

#### **CONSULTING / MANAGEMENT ADVISORY SERVICES**

Grau & Associates also provide a broad range of other management consulting services. Our expertise has been consistently utilized by Governmental and Non-Profit entities throughout Florida. Examples of engagements performed are as follows:

- Accounting systems
- Development of budgets
- Organizational structures
- Financing alternatives
- IT Auditing

- Fixed asset records
- Cost reimbursement
- Indirect cost allocation
- Grant administration and compliance

#### **ARBITRAGE**

The federal government has imposed complex rules to restrict the use of tax-exempt financing. Their principal purpose is to eliminate any significant arbitrage incentives in a tax-exempt issue. We have determined the applicability of these requirements and performed the rebate calculations for more than 150 bond issues, including both fixed and variable rate bonds.

Current Arbitrage Calculations

We look forward to providing Highland Meadows West Community Development District with our resources and experience to accomplish not only those minimum requirements set forth in your Request for Proposal, but to exceed those expectations!

For even more information on Grau & Associates please visit us on <u>www.graucpa.com</u>.



# SECTION B

## Highland Meadows West Community Development District

Proposer

DiBartolomeo, McBee, Hartley & Barnes, P.A. Certified Public Accountants

> 2222 Colonial Road, Suite 200 Fort Pierce, Florida 34950 (772) 461-8833

591 SE Port St. Lucie Boulevard Port Saint Lucie, Florida 34984 (772) 878-1952

**Contact:** 

Jim Hartley, CPA Principal

## **TABLE OF CONTENTS**

#### Letter of Transmittal

#### **Professional Qualifications**

$\succ$	Professional Staff Resources
$\triangleright$	Current and Near Future Workload
$\triangleright$	Identification of Audit Team
$\triangleright$	Resumes
$\triangleright$	Governmental Audit Experience

#### **Additional Data**

$\triangleright$	Procedures for Ensuring Quality Control & Confidentiality7
$\triangleright$	Independence
$\triangleright$	Computer Auditing Capabilities
$\triangleright$	Contracts of Similar Nature

#### **Technical Approach**

$\triangleright$	Agreement to Meet or Exceed the Performance Specifications	10
$\succ$	Tentative Audit Schedule	11
$\succ$	Description of Audit Approach 12	2-15
$\succ$	Proposed Audit Fee	16

## DIBARTOLOMEO, MCBEE, HARTLEY & BARNES, P.A.

**CERTIFIED PUBLIC ACCOUNTANTS** 

Highland Meadows West Community Development District Audit Selection Committee

Dear Committee Members:

**DMHB** 

We are pleased to have this opportunity to present the qualifications of DiBartolomeo, McBee, Hartley & Barnes, P.A. (DMHB) to serve as Highland Meadows West Community Development District's independent auditors. The audit is a significant engagement demanding various professional resources, governmental knowledge and expertise, and, most importantly, experience serving Florida local governments. DMHB understands the services required and is committed to performing these services within the required time frame. We have the staff available to complete this engagement in a timely fashion. We audit several entities across the State making it feasible to schedule and provide services at the required locations.

**Proven Track Record**— Our clients know our people and the quality of our work. We have always been responsive, met deadlines, and been willing to go the extra mile with the objective of providing significant value to mitigate the cost of the audit. This proven track record of successfully working together to serve governmental clients will enhance the quality of services we provide.

*Experience*—DMHB has a history of providing quality professional services to an impressive list of public sector clients in Florida. We currently serve a large number of public sector entities in Florida, including cities, villages, special districts, as well as a large number of community development districts. Our firm has performed in excess of 100 community development district audits. In addition, our senior management team members have between 25 and 35 years experience in serving Florida governments. DMHB is a recognized leader in providing services to governmental and non-profit agencies within the State of Through our experience in performing audits, we have been able to Florida. increase our audit efficiency and therefore reduce cost. We have continually passed this cost saving on to our clients and will continue to do so in the future. As a result of our experience and expertise, we have developed an effective and efficient audit approach designed to meet or exceed the performance specifications in accordance with audit standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States with minimal disruption to your operations. Our firm has frequent technical updates to keep our personnel informed and up to date on all changes that are occurring within the industry.

2222 Colonial Road, Suite 200 • Fort Pierce, Florida 34950 • 772-461-8833 • Fax: 772-461-8872 591 S.E. Port St. Lucie Blvd., • Port St. Lucie, Florida 34984 • 772-878-1952 • Fax: 772-878-1709

Member AICPA

Member AICPA Division for CPA Firms Private Company Practice Section Member AICPA

#### WWW.DMHBCPA.NET

*Timeliness* – In order to meet the Districts needs, we will perform interim internal control testing by January 31<sup>st</sup> from unaudited preliminary general ledgers provided. The remaining testing will be completed no later than May 1<sup>st</sup>. We will also review all minutes and subsequent needs related to the review of the minutes by January 31st. Follow up review will be completed as necessary.

*Communication and Knowledge Sharing*— Another driving force behind our service approach is frequent, candid and open communication with management with no surprises. During the course of the audit, we will communicate with management on a regular basis to provide you with a status report on the audit and to discuss any issues that arise, potential management letter comments, or potential audit differences.

In the accompanying proposal, you will find additional information upon which you can evaluate DMHB's qualifications. Our full team is in place and waiting to serve you. Please contact us at 2222 Colonial Road, Suite 200 Fort Pierce, FL 34950. Our phone number is (772) 461-8833. We look forward to further discussion on how our team can work together with you.

Very truly yours,

Sibertolomeo, U:Bee, Hartley : Barred

DiBartolomeo, McBee, Hartley & Barnes, P.A.

## **PROFESSIONAL QUALIFICATIONS**

DiBartolomeo, McBee, Hartley & Barnes, P.A. is a local public accounting firm with offices in the cities of Fort Pierce and Port St. Lucie. The firm was formed in 1982.

## Professional Staff Resources

Our services will be delivered through personnel in both our Port St. Lucie and Ft. Pierce offices, located at 591 S.E. Port St. Lucie Blvd., Port St. Lucie, FL 34984 and 2222 Colonial Road, Suite 200, Fort Pierce, Florida 34950, respectively. DMHB has a total of 19 professional staff including 9 with extensive experience serving governmental entities.

Professional Staff Classification	Number of Professionals
Partner	4
Managers	2
Senior	2
Staff	11
	19

DiBartolomeo, McBee, Hartley & Barnes provides a variety of accounting, auditing, tax litigation support, estate planning, and consulting services. Some of the governmental, non-profit accounting, auditing and advisory services currently provided to clients include:

- Annual financial and compliance audits including Single Audits of State and Federal financial assistance programs under the OMB A-133 audit criteria
- Issuance of Comfort Letters, consent letters, and parity certificates in conjunction with the issuance of tax-exempt debt obligations, including compiling financial data and interim period financial statement reviews
- Assisting in compiling historical financial data for first-time and subsequent submissions for the GFOA Certificate of Achievement for Excellence in Financial Reporting

## **PROFESSIONAL QUALIFICATIONS (CONTINUED)**

## > Professional Staff Resources (Continued)

- > Audits of franchise fees received from outside franchisees
- > Preparation of annual reports to the State Department of Banking and Finance
- Audits of Internal Controls Governmental Special Project
- > Assistance with Implementation of current GASB pronouncements

## Current and Near Future Workload

In order to better serve and provide timely and informative financial data, we have comprised an experienced audit team. Our present and future workloads will permit the proposed audit team to perform these audits within the time schedule required and meet all deadlines.

## Identification of Audit Team

The team is composed of people who are experienced, professional, and creative. They fully understand your business and will provide you with reliable opinions. In addition, they will make a point to maintain ongoing dialogue with each other and management about the status of our services.

The auditing firm you select is only as good as the people who serve you. We are extremely proud of the outstanding team we have assembled for your engagement. Our team brings many years of relevant experience coupled with the technical skill, knowledge, authority, dedication, and most of all, the commitment you need to meet your government reporting obligations and the challenges that will result from the changing accounting standards.

A flow chart of the audit team and brief resumes detailing individual team members' experience in each of the relevant areas follow.

Jim Hartley, CPA – Engagement Partner (resume attached) Will assist in the field as main contact

Jay McBee, CPA – Technical Reviewer (resume attached)

Christine Kenny, CPA – Senior (resume attached)

## **Jim Hartley**

## Partner – DiBartolomeo, McBee, Hartley & Barnes

## **Experience and Training**

Jim has over 35 years of public accounting experience and would serve as the engagement partner. His experience and training include:

- 35 years of non-profit and governmental experience.
- Specializing in serving entities ranging from Government to Associations and Special District audits.
- Has performed audits and advisory services for a variety of public sector entities.
- Has extensive experience performing audits of federal grant recipients in accordance with the Single Audit Act and the related Office of Management and Budget (OMB) guidelines.
- Experienced in maintaining the GFOA Certificate of Achievement.
- 120 hours of CPE credits over the past 3 years.

## **Recent Engagements**

Has provided audit services on governmental entities including towns, villages, cities, counties, special districts and community development districts. Jim has assisted with financial statement preparation, system implementation, and a variety of services to a wide range of non-profit and governmental entities. Jim currently provides internal audit and consulting services to governmental entities and non-profit agencies to assist in implementing and maintaining "best practice" accounting policies and procedures. Jim provides auditing services to the Fort Pierce Utilities Authority, St. Lucie County Fire District, City of Port St. Lucie, Tradition CDD #1 - 10, Southern Groves CDD #1-6, Multiple CDD audits, Town of St. Lucie Village, Town of Sewall's Point, Town of Jupiter Island along with several other entities, including Condo and Homeowner Associations.

## **Education and Registrations**

- Bachelor of Science in Accounting Sterling College.
- Certified Public Accountant

## **Professional Affiliations**

- Member of the American Institute of Certified Public Accountants
- Member of the Florida Institute of Certified Public Accountants
- Member of the Florida Government Finance Officers Association

## **Volunteer Service**

- Treasurer & Executive Board St. Lucie County Chamber of Commerce
- Budget Advisory Board St. Lucie County School District
- Past Treasurer Exchange Club for Prevention of Child Abuse & Exchange Foundation Board
- Board of Directors State Division of Juvenile Justice

## Jay L. McBee

Partner – DiBartolomeo, McBee, Hartley & Barnes

## **Experience and Training**

Jay has over 45 years of public accounting experience and would serve as the technical reviewer on the audit. His experience and training include:

- 45 years of government experience.
- Specializing in serving local government entities.
- Has performed audits and advisory services for a variety of public sector entities including counties, cities, special districts, and school districts.
- Has experience performing audits of federal grant recipients in accordance with the Single Audit Act and the related Office of Management and Budget (OMB) guidelines, including Circular A-133 and the Rules of the Auditor General.
- Has extensive experience in performing pension audits.
- Experienced in developing and maintaining the GFOA Certificate of Achievement.
- 120 Hours of relevant government CPE credits over the past 3 years.
- Experience in municipal bond and other governmental-financing options and offerings.

## **Recent Engagements**

Has provided auditing services on local governmental entities including towns, villages, cities, counties, special district and community development districts. Jay has assisted with financial preparation, system implementation, and a variety of government services to a wide range of governmental entities. Jay currently provides auditing services to the City of Port St. Lucie, City of Okeechobee Pension Trust Funds, St. Lucie County Fire District Pension funds, along with several other non-profit and governmental entities.

## **Education and Registrations**

- Bachelor of Science in Accounting and Quantitative Business Management West Virginia University.
- Certified Public Accountant

## **Professional Affiliations**

- Member of the American Institute of Certified Public Accountants
- Member of the Florida Institute of Certified Public Accountants
- Member of the Florida Government Finance Officers Association

## **Volunteer Service**

- Member of the St. Lucie County Citizens Budget Committee
- Finance committee for the First United Methodist Church
- Treasurer of Boys & Girls Club of St. Lucie County

## Christine M. Kenny, CPA

## Senior Staff – DiBartolomeo, McBee, Hartley & Barnes

## **Experience and training**

Christine has over 18 years of public accounting experience and would serve as a senior staff for the Constitutional Officers. Her experience and training include:

- 18 years of manager and audit experience.
- Has performed audits and advisory services for a variety of public sector entities including counties, cities, towns and special districts.
- Has experience performing audits of federal grant recipients in accordance with the Single Audit Act and the related Office of Management and Budget (OMB) guidelines, including Circular A-133 and the Rules of the Auditor General.
- 100 hours of relevant government CPE credits over the past 3 years.

## **Recent Engagements**

Has provided audit services on governmental entities including towns, villages, cities and special districts. Christine has assisted with financial statement preparation, system implementation, and a variety of services to a wide range of non-profit and governmental entities. Christine currently provides services to multiple agencies to assist in implementing and maintaining "best practice" accounting policies and procedures.

Engagements include St. Lucie County Fire District, City of Fort Pierce, Town of Sewall's Point, and Town of St. Lucie Village.

## **Education and Registrations**

- Bachelor of Science in Accounting Florida State University
- Professional Affiliations
- Active Member of the Florida Institute of Certified Public Accountants
- Active Member of the American Institute of Certified Public Accountants
- Member of the Florida Government Finance Officers Association

## **PROFESSIONAL QUALIFICATIONS (CONTINUED)**

## *Governmental Audit Experience*

DiBartolomeo, McBee, Hartley & Barnes, P.A., through its principals and members, has provided continuous in-depth professional accounting, auditing, and consulting services to local government units, nonprofit organizations, and commercial clients. Our professionals have developed considerable expertise in performing governmental audits and single audits and in preparing governmental financial statements in conformance with continually evolving GASB pronouncements, statements, and interpretations. All of the public sector entities we serve annually are required to be in accordance with GASB pronouncements and government auditing standards. We currently perform several Federal and State single audits in compliance with OMB Circular A-133 and under the Florida Single Audit Act. Our professionals are also experienced in assisting their clients with preparing Comprehensive Annual Financial Reports (GFOA).

All work performed by our firm is closely supervised by experienced certified public accountants. Only our most seasoned CPA's perform consulting services. Some of the professional accounting, auditing, and management consulting services currently provided to our local governmental clients include:

- Annual financial and compliance audits including Single Audits of State and Federal financial assistance programs under OMB A-133 audit criteria and the Florida Single Audit Act
- Assisting in compiling historical financial data for first-time and supplemental submissions for GFOA Certificate of Achievement of Excellence in Financial Reporting
- > Audits of franchise fees received from outside franchisees
- Assistance with Implementation of GASB-34
- Internal audit functions
- > Fixed assets review and updating cost/depreciation allocations and methods

## **ADDITIONAL DATA**

## > Procedures for Ensuring Quality Control & Confidentiality

Quality control in any CPA firm can never be taken for granted. It requires a continuing commitment to professional excellence. DiBartolomeo, McBee, Hartley & Barnes is formally dedicated to that commitment.

In an effort to continue to maintain the standards of working excellence required by our firm, DiBartolomeo, McBee, Hartley & Barnes, P.A. joined the Quality Review Program of the American Institute of Certified Public Accountants. To be a participating member firm, a firm must obtain an independent compliance review of its quality control policies and procedures to ascertain the firm's compliance with existing auditing standards on the applicable engagements. The scope of peer review is comprehensive in that it specifically reviews the following quality control policies and procedures of the participating firm:

- Professional, economic, and administrative independence
- Assignment of professional personnel to engagements
- Consultation on technical matters
- Supervision of engagement personnel
- Hiring and employment of personnel
- Professional development
- > Advancement
- Acceptance and continuance of clients
- Inspection and review system

## *Independence*

Independence is a hallmark of our profession. We encourage our staff to use professional judgment in situations where our independence could be impaired or the perception of a conflict of interest might exist. In the governmental sector, public perception is as important as professional standards. Therefore, independent auditors must exercise utmost care in the performance of their duties.

Our firm has provided continuous certified public accounting services in the government sector for 31 years, and we are independent of the Community Development Districts as defined by the following rules, regulations, and standards:

## **ADDITIONAL DATA (CONTINUED)**

## > Independence (Continued)

- Au Section 220 Statements on Auditing Standards issued by the American Institute of Certified Public Accountants
- ET Sections 101 and 102 Code of Professional Conduct of the American Institute of Certified Public Accountants
- Chapter 21A-21, Florida Administrative Code
- Section 473.315, Florida Statutes
- Solution Government Auditing Standards, issued by the Comptroller General of the United States

## Computer Auditing Capabilities

DiBartolomeo, McBee, Hartley & Barnes' strong computer capabilities as demonstrated by our progressive approach to computer auditing and extensive use of microcomputers. Jay McBee is the MIS partner for DMHB. Jay has extensive experience in auditing and evaluating various computer systems and would provide these services in this engagement.

We view the computer operation as an integral part of its accounting systems. We would evaluate the computer control environment to:

- > Understand the computer control environment's effect on internal controls
- > Conclude on whether aspects of the environment require special audit attention
- Make preliminary determination of comments for inclusion in our management letter

This evaluation includes:

- System hardware and software
- Organization and administration
- Access

## **Contracts of Similar Nature within References**

Client	Years	Annual Audit In Accordance With GAAS	Engagement Partner	Incl. Utility Audit/ Consulting	GFOA Cert.	GASB 34 Implementation & Assistance	Total Hours
St. Lucie County Fire District Karen Russell, Clerk-Treasurer (772)462-2300	1984 - Current	4	Jim Hartley			٦	250-300
City of Fort Pierce Johnna Morris, Finance Director (772)-460-2200	2005- current	4	Mark Barnes		$\checkmark$	V	800
Fort Pierce Utilities Authority Nina Hurtubise, Finance Director (772)-466-1600	2005- current	$\checkmark$	Jim Hartley	$\checkmark$	V	$\checkmark$	600
Town of St. Lucie Village Diane Robertson, Town Clerk (772) 595-0663	1999 – current	V	Jim Hartley			V	100
City of Okeechobee Pension Trust Funds Marita Rice, Supervisor of Finance (863)763-9460	1998 – current	V	Jay McBee				60
St. Lucie County Fire District 175 Pension Trust Fund Chris Bushman , Captain (772) 462-2300	1990 - current	٦	Jay McBee				60
Tradition Community Development District 1-10 Alan Mishlove,District Finance Manager (407)382-3256	2002 - current	4	Jim Hartley			1	350
Legends Bay Community Development District Patricia Comings-Thibault (321)263-0132	2013- current	V	Jim Hartley				50
Union Park Community Development District Patricia Comings-Thibault (321)263-0132	2013- current	۸	Jim Hartley				50
Deer Island Community Development District Patricia Comings-Thibault (321)263-0132	2013- current	1	Jim Hartley				50
Park Creek Community Development District Patricia Comings-Thibault (321)263-0132	2013- current	٦	Jim Hartley				50
Waterleaf Community Development District Patricia Comings-Thibault (321)263-0132	2013- current	V	Jim Hartley				50

## **TECHNICAL APPROACH**

## a. An Express Agreement to Meet or Exceed the Performance Specifications.

- 1. The audit will be conducted in compliance with the following requirements:
  - **a.** Rules of the Auditor General for form and content of governmental audits
  - **b.** Regulations of the State Department of Banking and Finance
  - **c.** Audits of State and Local Governmental Units-American Institute of Certified Public Accountants.
- 2. The audit report shall contain the opinion of the auditor in reference to all financial statements, and an opinion reflecting compliance with applicable legal provisions.
- 3. We will also provide the required copies of the audit report, the management letter, any related reports on internal control weaknesses and one copy of the adjusting journal entries and financial work papers.
- 4. The auditor shall, at no additional charge, make all related work papers available to any Federal or State agency upon request in accordance with Federal and State Laws and Regulations.
- 5. We will work in cooperation with the District, its underwriters and bond council in regard to any bond issues that may occur during the term of the contract.
- 6. The financial statements shall be prepared in conformity with Governmental Accounting Standards Board Statement Number 34, 63 and 65.

We will commit to issuing the audit for each Fiscal year by June 1<sup>st</sup> of the following year. In order to ensure this we will perform interim internal control testing as required by January 31<sup>st</sup> from unaudited preliminary general ledgers provided. The remaining testing will be completed no later than May 1<sup>st</sup>. We will also review all minutes and subsequent needs related to the review of the minutes by January 30<sup>th</sup>. Follow up review will be completed as necessary.

Audit Phase and Tasks	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
I. Planning Phase:							
Meetings and discussions with Highland Meadows Community Development District personnel regarding operating, accounting and reporting matters							
Discuss management expectations, strategies and objectives							
Review operations					I		
Develop engagement plan							
Study and evaluate internal controls							
Conduct preliminary analytical review							
II. Detailed Audit Phase:							
Conduct final risk assessment							
Finalize audit approach plan							
Perform substantive tests of account balances							
Perform single audit procedures (if applicable)							
Perform statutory compliance testing				1			
III. Closing Phase:							
Review subsequent events, contingencies and commitments							
Complete audit work and obtain management representations							
Review proposed audit adjustments with client							
IV. Reporting Phase:							
Review or assist in preparation of financial statement for Highland Meadows Community Development District							
Prepare management letter and other special reports							
Exit conference with Highland Meadows Community Development District officials and management							
Delivery of final reports					•		

## b. A Tentative Schedule for Performing the Key phases of the Audit

## b. SPECIFIC AUDIT APPROACH

**Our partners are not strangers who show up for an entrance conference and an exit conference.** We have developed an audit plan that allows the partners to directly supervise our staff in the field. By assigning two partners to the audit, we will have a partner on-site for a significant portion of the fieldwork. This also gives the District an additional contact individual for questions or problems that may arise during the audit.

The scope of our services will include a financial, as well as, a compliance audit of the District's financial statements. Our audit will be conducted in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit will be conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local government entity audits performed in the State of Florida.

Our audit approach places emphasis on the accounting information system and how the data is recorded, rather than solely on the verification of numbers on a financial statement. This approach enables us to:

- Maximize our understanding of the District's operating environment
- Minimize time required conducting the audit since we start with broad considerations and narrow to specific audit objectives in critical areas

Our audit approach consists of four phases encompassing our audit process:

Planning Phase
Detailed Audit Phase
Closing Phase
Reporting

## Planning Phase

## **Meetings and Expectations:**

Our first step in this phase will be to set up a planning meeting with the financial and operating management of Highland Meadows Community Development District. Our goal here is to eliminate "surprises." By meeting with responsible officials early on we can discuss significant accounting policies, closing procedures and timetables, planned timing of our audit procedures and expectations of our work. This will also be the starting point for our discussions with management related to *SAS No. 99-Consideration of Fraud in a Financial Statement Audit.* Inquiries will be made regarding managements knowledge of fraud and on management's views regarding the risk of fraud.

## **Review Operations and Develop Engagement Plan**

It is critical that we understand the District's operating environment. To do this we will obtain and review such items as, organizational charts, recent financial statements, budget information, major contracts and lease agreements. We will also gather other information necessary to increase our understanding of the District's operations, organization, and internal control.

## Study and Evaluate Internal Control

As part of general planning, we will obtain an understanding and assessment of the District's control environment. This assessment involves a review of management's operating style, written internal control procedures, and the District's accounting system. The assessment is necessary to determine if we can rely on control procedures and thus reduce the extent of substantive testing.

We then test compliance with established control procedures by ascertaining that the significant strengths within the system are functioning as described to us. Generally, transactions are selected and reviewed in sufficient detail to permit us to formulate conclusions regarding compliance with control procedures and the extent of operation compliance with pertinent laws and regulations. This involves gaining an understanding of the District's procedures, laws and regulations, and testing systems for compliance by examining contracts, invoices, bid procedures, and other documents. After testing controls, we then evaluate the results of those tests and decide whether we can rely on controls and thus reduce other audit procedures.

## **Conduct Preliminary Analytical Review**

Also during the planning stage, we undertake analytical procedures that aid us in focusing our energies in the right direction. We call these analytical reviews.

A properly designed analytical review can be a very effective audit procedure in audits of governmental units. Analytical reviews consist of more than just a comparison of current-year actual results to prior-year actual results. Very effective analytical review techniques include trend analysis covering a number of years and comparisons of information not maintained totally within the financial accounting system, such as per capita information, prevailing market interest rates, housing statistics, etc.

Some examples of effective analytical reviews performed together and/or individually include:

- Comparison of current-year actual results with current-year budget for the current and past years with investigation of significant differences and/or trends
- Trend analysis of the percentage of current-year revenues to current-year rates for the current and previous years with investigation of significant changes in the collection percentage
- Trend analysis of the percentage of expenditures by function for the current and previous years with investigation of significant changes in percentages by department
- Monthly analysis of receipts compared to prior years to detect trends that may have audit implications

Conclusions reached enable us to determine the nature, timing and extent of other substantive procedures.

## **Conduct Final Risk Assessment and Prepare Audit Programs**

Risk assessment requires evaluating the likelihood of errors occurring that could have a material affect on the financial statements being audited. The conclusions we reach are based on many evaluations of internal control, systems, accounts, and transactions that occur throughout the audit. After evaluating the results of our tests of control and our final risk assessment we can develop detailed audit programs.

## **Perform Substantive Tests of Account Balances**

These tests are designed to provide reasonable assurance as to the validity of the information produced by the accounting system. Substantive tests involve such things as examining invoices supporting payments, confirmation of balances with independent parties, analytical review procedures, and physical inspection of assets. All significant accounts will be subjected to substantive procedures. Substantive tests provide direct evidence of the completeness, accuracy, and validity of data.

## **Perform Single Audit Procedures (if applicable)**

During the planning phase of the audit we will request and review schedules of expenditures of federal awards and state financial assistance. These schedules will be the basis for our determination of the specific programs we will test.

In documenting our understanding of the internal control system for the financial statement audit, we will identify control activities that impact major federal and state programs as well. This will allow us to test certain controls for the financial audit and the single audit concurrently. We will then perform additional tests of controls for each federal and state program selected for testing. We will then evaluate the results of the test of controls to determine the nature, timing and extent of substantive testing necessary to determine compliance with major program requirements.

## **Perform Statutory Compliance Testing**

We have developed audit programs for Highland Meadows Community Development District designed to test Florida Statutes as required by the Auditor General. These programs include test procedures such as general inquiries, confirmation from third parties, and examination of specific documents.

## **Closing Phase**

During the closing phase we perform detail work paper reviews, request legal letters, review subsequent events and proposed audit adjustments. Communication with the client is critical in this phase to ensure that the information necessary to prepare financial statements in conformity with accounting principles generally accepted in the United States has been obtained.

## **Reporting Phase**

## **Financial Statement Preparation**

As a local firm, we spend a considerable amount of time on financial statement preparation and support. With this in mind, we can assist in certain portions of the preparation of financial statements or simply review a draft of financials prepared by your staff. We let you determine our level of involvement.

## **Management Letters**

## We want to help you solve problems before they become major.

Our management letters go beyond citing possible deficiencies in the District's internal control structures. They identify opportunities for increasing revenues, decreasing costs, improving management information, protecting assets and improving operational efficiency.

The diversity of experience of our personnel and their independent and objective viewpoints make the comments, observations, and conclusions presented in our management letters a valuable source of information. We have provided positive solution-oriented objective recommendations to our governmental clients regarding investments, accounting accuracy, data processing, revenue bonds, payroll, utility billing, purchasing, budgeting, risk management, and internal auditing.

This review ensures the integrity of the factual data in the management letter but does not influence or impair our independence.

## **Exit Conferences and Delivery of Reports**

We anticipate meeting with appropriate District personnel in February and issuing the final required reports by the May meeting of each year.

## **PROPOSED AUDIT FEE**

DiBartolomeo, McBee, Hartley & Barnes P.A. will perform the annual audit of Highland Meadows West Community Development District for the five years as follows:

\$ 2,850
\$ 2,950
\$ 3,100
\$ 3,150
\$ 3,250

In years of new debt issuance fees may be adjusted as mutually agreed upon.

# SECTION C

# Professional Services Proposal for Highland Meadows West Community Development District

November 3, 2023

### Proposer

Carr, Riggs & Ingram CPAs and Advisors 500 Grand Boulevard, Suite 210 Miramar Beach, FL 32550 Phone: 850.837.3141 Fax: 850.654.4619

## Submitted by

K. Alan Jowers Engagement Partner AJowers@CRIcpa.com





Dear Highland Meadows West Community Development District:

Carr, Riggs & Ingram, LLC (CRI) appreciates the opportunity to propose on auditing services to Highland Meadows West Community Development District. We are genuinely excited about the prospect of continuing to serve you and strengthening our long-term relationship. We pride ourselves on getting to know our clients and illuminating solutions by providing innovative ideas to move them from compliance to providing them a competitive advantage.

**Investment in You.** We believe in developing long-term, mutually beneficial relationships and quickly demonstrating value with a fee structure and service solutions that provide immediate and continued savings. Our investment starts on "Day 1" as your assigned team begins with our proven, streamlined process that minimizes your time and disruption during the service provider change and continues throughout the relationship.

**Dedicated Team.** CRI's team consists of more than 2,000 professionals, which allows us to tailor your service team by aligning their industry, service, and specialty skills with your needs. Our dedicated teams deliver the highest level of business acumen and knowledge to your organization; our commitment to consistent staffing allows you to maximize savings and remain focused on your needs.

**Equilibrium.** CRI delivers big firm expertise with small firm service. Of approximately 46,000 public accounting firms in the United States, CRI currently ranks in the top 25. Additionally, as a part of PrimeGlobal, an association of independent accounting firms, we have access to international resources as – and when – needed. Leveraging these resources while maintaining local decision-making authority means that simplified solutions are only a phone call away. And we believe that's the best of both worlds for our clients.

Active Partner Participation. Collectively, our partners deliver expertise derived from more than 7,500 years of business experience. With this level of talent, we thoughtfully choose a partner that aligns with your business' needs and industry. Our hands-on, working partners "show up" to convey our genuine commitment to your success. They strive to earn trusted advisor roles by digging in, proactively learning your business, and producing long-term value for you.

**Simplified Solutions.** While our 500+ cumulative partner certifications is an impressive statistic, success is measured by translating complex concepts into client solutions. While accounting is the language of business, we're here to decipher the jargon and help you make educated decisions. CRInnovate embraces agility and invention.

Our CRI vSTAR<sup>™</sup> process provides a transformational approach to client service by encompassing every service we offer in a completely virtual format. Regardless of physical location, our processes are designed to provide clients with increased efficiencies, reduced travel costs, and crisis-proofing for business functions.

We have enjoyed being your business partner for the last five years and we welcome the opportunity to continue demonstrating the same teamwork, expertise, innovation, and responsiveness that have made us one of the fastest growing public accounting firms in the United States. Again, we appreciate your consideration.

Sincerely,

K. Alan Jowers Engagement Partner Carr, Riggs & Ingram, LLC



# **TABLE OF CONTENTS**

YOUR NEEDS	
UNDERSTANDING & MEETING YOUR NEEDS	4
YOUR SERVICES & FEES	
YOUR SERVICES & FEES	5
YOUR CHOICE: CRI	
FIRM PROFILE	6
GOVERNMENT CREDENTIALS	7
RELEVANT EXPERIENCE	8
YOUR SOLUTION TEAM	9
DELIVERING QUALITY TO YOU	13
WORKING TOGETHER: OVERVIEW	
SHARING CRI'S VALUES WITH YOU	14
TRANSITIONING YOU	15
CRI'S GLOBAL RESOURCES	16
JOIN OUR CONVERSATION	17
WORKING TOGETHER: DETAILS	
CRI AUDIT FRAMEWORK	18
CRI AUDIT APPROACH	20
APPENDIX	
APPENDIX A - RFP DOCUMENTS	22

# **UNDERSTANDING & MEETING YOUR NEEDS**



From the RFP or during our recent visit with your team, we understood your team to express the following needs, requests, and/or issues. We've detailed our proposed solutions below and are happy to discuss other related projects as they arise and upon request.

	NEEDS & ISSUES	SOLUTIONS & SERVICES		
Technical	The District is required to have independent audits performed on its financial statements.	Perform external audit services in accordance with auditing standards generally accepted in the United States of America (GAAS), in order to express an opinion on the Highland Meadows West Community Development District's financial statements.		
Relational	The District's Board of Supervisors and management expect open and continuous communication with their CPA firm in order to avoid surprise findings at the end of the audit.	Communicate contemporaneously and directly with management regarding the results of our procedures. Anticipate and respond to concerns of management and/or the Audit Committee (if/when formed).		

# **YOUR SERVICES & FEES**



We value creating mutually rewarding, long-term relationships with our clients. Our goal is to provide high quality, responsive service that yields returns far greater than your investment in our professional fees. Please find below our proposal of fees to provide the requested services for the upcoming fiscal years.

SERVICE	CRI FEES				
	2023	2024	2025	2026	2027
Perform external audit services in accordance with auditing standards generally accepted in the United States of America (GAAS)	\$8,500	\$9,000	\$9,500	\$10,000	\$10,500

\*Actual out-of-pocket expenses will be billed separately and are not included in the fee.

If Highland Meadows West Community Development District requests additional services outside of this proposal, professional fee hourly rates are as follows, but may be negotiated depending on the project request:

CLASSIFICATION	HOURLY RATE
Partner	\$380
Manager	\$230
Senior	\$165
Staff	\$125
IT Specialist	\$400
Fraud Specialist	\$400

Our professional fees are based on the key assumptions that Highland Meadows West Community Development District will:

- Make available documents and work papers for review at Highland Meadows West Community Development District's headquarters location, although we may choose to review at alternate locations.
- Prepare certain schedules and analyses and provide supporting documents as requested.
- Assist us in obtaining an understanding of the accounting systems of Highland Meadows West Community Development District.
- Not experience a significant change in business operations or financial reporting standards.

## **CRI FIRM PROFILE**



# FOUNDED IN 1997 • 12 STATES







## **TOP 25 CPA FIRM** (as ranked by Accounting Today)



# **25+ YEARS** of consistent growth since formation

**CRI FIRM VALUES:** CLIENT SERVICE. RESPECT. INTEGRITY.



• 35+ MARKETS across the United States & Mexico

## SERVICES

Accounting & Auditing Advisory Business Support & Transactions Business Tax Employee Benefit Plans Governance, Risk & Assurance Individual Tax & Planning IT Audits & Assurance

## **INDUSTRY EXPERTISE**

Captive Insurance Commercial Real Estate Construction Financial Institutions Governments Healthcare Insurance Manufacturing & Distribution Nonprofit

## **CRI FAMILY OF COMPANIES**

Auditwerx
 CRI Advanced Analytics
 CRI Capital Advisors
 CRI Simple Numbers
 CRI TPA Services
 Level Four Advisory Services
 Paywerx
 Preferred Legacy Trust

# **GOVERNMENT CREDENTIALS**



# **CRI'S GOVERNMENTAL EXPERTISE**



# **RELEVANT EXPERIENCE**



CRI delivers a depth of resources that ensures our understanding of your challenges and innovative solutions for overcoming them. Our team's combined experience is derived from providing audit, tax, consulting, and accounting outsourcing services. We parlay this vast experience and derived best practices into proven solutions that benefit you. Below we share specific, relevant client references; we encourage you to consult with them.

RELATIONSHIP	TIMELINE	SERVICE DESCRIPTION	RELEVANT POINTS TO CONSIDER
Rizzetta & Company Shawn Wildermuth 3434 Colwell Avenue Suite 200 Tampa, FL 33614 813.933.5571	2006 – Present	Annual Financial Statement Audits of Multiple CDDs	<ul> <li>Client service experience</li> <li>Responsiveness to client needs</li> <li>Long-term relationship</li> <li>CDD management co.</li> </ul>
GMS, LLC Dave DeNagy 14785 Old St. Augustine Road Suite 4 Jacksonville, FL 32258 904.288.9130	2006 – Present	Annual Financial Statement Audits of Multiple CDDs	<ul> <li>Client service experience</li> <li>Responsiveness to client needs</li> <li>Long-term relationship</li> <li>CDD management co.</li> </ul>
Wrathell, Hunt & Associates, LLC Jeffrey Pinder 2300 Glades Road Suite 410W Boca Raton, FL 33431 561.571.0010	2006 – Present	Annual Financial Statement Audits of Multiple CDDs	<ul> <li>Client service experience</li> <li>Responsiveness to client needs</li> <li>Long-term relationship</li> <li>CDD management co.</li> </ul>
PFM Group Consulting, LLC Jennifer Glasgow 12051 Corporate Blvd. Orlando, FL 32817 407.382.3256	2007 – Present	Annual Financial Statement Audits of Multiple CDDs	<ul> <li>Client service experience</li> <li>Responsiveness to client needs</li> <li>Long-term relationship</li> <li>CDD management co.</li> </ul>



# K. Alan Jowers Engagement Partner

AJowers@CRIcpa.com 850.337.3213 | Direct



### **Representative Clients**

- Santa Rosa County District School Board
- Okaloosa Gas District
- Santa Rosa Island Authority
- Pasco County
- Okaloosa County District School Board
- Pinellas County School
   District
- Celebration Community
   Development District
- Hammock Bay Community
   Development District
- Amelia National Community
   Development District

### Experience

Alan has over 25 years of experience in public accounting primarily with financial statement assurance engagements. His practice includes local governmental entities, condominium and homeowner associations, non-profit organizations, and nonpublic companies. He currently has direct engagement responsibility for a significant number of audits throughout the state of Florida.

Alan is licensed to practice as a certified public accountant in Florida and Georgia. He is a member of the Board of Directors of the Florida Institute of Certified Public Accountants (FICPA), has been an active member of the FICPA's State and Local Governmental Committee, and is a past chair of its Common Interest Realty Association Committee. He is also active in the Panhandle Chapter of the Florida Governmental Finance Officers Association (FGFOA) and is a former member of the FGFOA's statewide Technical Resource Committee.

### **Education, Licenses & Certifications**

- Masters of Accountancy, University of Alabama
- BS, Accounting, Florida State University
- Certified Public Accountant

- American Institute of Certified Public Accountants (AICPA)
- Florida Institute of Certified Public Accountants (FICPA) member of the Board of Governors
- Governmental Finance Officers Association (GFOA)
- Florida Governmental Finance Officers Association (FGFOA)



# Chad Branson

**Concurring Partner** 

CBranson@CRIcpa.com 850.337.3226 | Direct

### Representative Service Areas

- Local Governments including Water and Sewer Organizations and Fire Districts
- School Districts including
   Foundations
- Nonprofit Organizations

# Representative Clients (including previous clients)

- School Districts Pinellas County, Okaloosa County, Pasco County, Santa Rosa County
- Florida Office of Early
   Learning Coalition
- Florida Department of Elder
   Affairs
- Fire Districts -Destin, Ocean
   City, North Bay
- Utilities Regional Utilities,Midway Water Systems, Inc.,Emerald Coast Utilities Authority
- Escambia County

### Experience

Chad Branson has over 20 years of experience in public accounting, with practice concentrations in auditing governmental, nonprofit, and for profit entities. Chad has accumulated experience throughout his career in Federal and Florida Single Audit Acts compliance monitoring and auditing. During his career he has supervised and managed audit engagements for a wide variety of governmental and nonprofit organization clients. In addition, he has performed internal audit work, information technology general controls testing, forensic investigations, and risk assessments for governmental entities.

Chad has been with Carr, Riggs and Ingram, LLC since 2005.

### **Education, Licenses & Certifications**

- Bachelor and Master of Accountancy University of Mississippi, Oxford MS
- Certified Public Accountant (CPA) Licensed in Florida and Mississippi
- Community Association Manager (CAM) Florida
- Certified Information Technology Professional AICPA

- American Institute of Certified Public Accountants (AICPA)
- Florida Institute of Certified Public Accountants (FICPA)
- Emerald Coast Chapter (FICPA) Board
- Florida Governmental Finance Officers Association (FGFOA)



# **Grace Hartness**

Senior Manager

GHartness@CRIcpa.com 850.337.3243 | Direct



### **Representative Clients**

- Community Development
   Districts
- Condominium and
   Homeowner Associations
- Utility Services
- School Districts
- County and Local
   Governments
- Non-Profit Organizations

#### Experience

Grace has over 15 years accounting and audit experience with CRI. She has worked on several major construction companies, government entities, community development districts, condominium and homeowner associations and non-profit organizations. In addition, she has been involved in special audit projects for the Miami-Dade Airport Authority. Grace is licensed to practice as a certified public accountant in Florida and exceeds all continuing professional education requirements related to Government Auditing Standards. In addition, Grace fluently speaks several languages including French and Arabic. Grace currently supervises engagements for many special districts in the State of Florida including community development districts and school districts. She is active in our firm's condominium and homeowner association practice. Grace started with CRI in August 2006, upon completion of her master's degree, and was promoted to manager in 2011.

### **Education, Licenses & Certifications**

- MAcc, Accounting, University of West Florida
- Certified Public Accountant
- · Community Association Manager (CAM), Licensed in Florida

- American Institute of Certified Public Accountants (AICPA)
- Florida Institute of Certified Public Accountants (FICPA)



## Lauren Villarreal Senior Manager

LVillarreal@CRIcpa.com 850.337.3223 | Direct



#### Representative Service Areas

- Community Development
   Districts
- Condominium and Homeowner Associations
- Employee Benefit Plans
- County and Local
   Governments
- Non-Profit Organizations

#### Experience

Lauren has six years auditing and accounting experience in the Destin office of CRI. She is an audit senior manager with primary responsibility for fieldwork and reporting on audits of clients in a variety of industries including local governmental and nonprofit entities as well as employee benefit plans and commercial businesses. She is currently the in-charge auditor for over two dozen community development districts with several CDD management companies in the State of Florida.

Lauren is licensed to practice as a Certified Public Accountant in Florida. She is a member of the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants. She exceeds all continuing professional education requirements related to Government Auditing Standards.

Lauren currently supervises engagements for many governmental entities in the State of Florida including community development districts and other special governments. She is active in our firm's governmental industry line as well as the condominium and homeowner association practice. In addition, Lauren has accumulated experience in Federal and Florida Single Audit Acts compliance monitoring and auditing. Lauren has performed several single audits of federal grants under OMB Circular A-133.

### **Education, Licenses & Certifications**

- BS, Accounting, Florida State University
- BS, Business Administration, Florida State University
- Certified Public Accountant
- Community Association Manager (CAM), Licensed in Florida

- American Institute of Certified Public Accountants (AICPA)
- Florida Institute of Certified Public Accountants (FICPA)

# **DELIVERING QUALITY TO YOU**



## **AUDIT METHODOLOGY**

Our audit, tax, consulting, and client accounting services documentation is maintained electronically. Compliance with our methodology is regularly reviewed and evaluated as part of our internal quality program, which is further discussed in this section under **INTERNAL QUALITY CONTROL REVIEWS AND EXTERNAL REVIEWS**. Comprehensive policies and procedures governing all of our practices and addressing professional and regulatory standards and implementation issues are constantly updated for new professional developments and emerging issues. See the table of contents to identify the relevant audit approach and methodology detailed description section.

## **ENGAGEMENT QUALITY REVIEW PARTNER (CONCURRING PARTNER)**

Audit engagements are assigned engagement quality review (EQR) partner, as appropriate. This role is one of the most important elements of our quality assurance process, as it provides for a timely, independent review of key accounting and auditing issues. The EQR partner also reviews the financial statements and related supporting documentation—including the disclosures—to evaluate their fair presentation under accounting principles generally accepted in the United States of America (GAAP).

## **INTERNAL QUALITY CONTROL REVIEWS AND EXTERNAL REVIEWS**

Experienced partners and professional staff of our firm conduct quality control reviews of our audits. Our partners' work is reviewed annually, and the inspection process includes periodic testing of the effectiveness of our quality controls and a continuous improvement program. This risk-based annual inspection is intended to mimic the triennial peer review described in the following paragraph and are performed on completed engagements. In addition to this inspection, we perform in-process, "pre-issuance" reviews of partners' work that are chosen for using a risk-based selection process; these reviews are performed by our corporate quality control team. The combination of the in-process and completed engagements is part of our continuous improvement processes.

Peer reviews are performed every three years by another independent public accounting firm. The most recent review of our firm was performed in 2022 by Brown Edwards, whose report was the most favorable possible "Pass."

In addition, we are registered with the PCAOB and our 2021 PCAOB inspection report was also the most favorable possible no audit deficiencies or quality control defects identified.

The 2021 PCAOB report can be viewed at <u>https://pcaob-assets.azureedge.net/pcaob-dev/docs/default-source/inspections/reports/documents/104-2022-150-carr-riggs.pdf?sfvrsn=2a077f2f\_2</u>.

# SHARING CRI'S VALUES WITH YOU

Contraction of the second seco



We are proud of our hands-on, service-centric, and results-oriented approach. Combining that approach with quality controls and superior talent allows us to help you achieve your goals and strengthen your management systems and processes. This approach is further emphasized through our three core values which guide our team's behavior and function as the foundation for interactions with our clients and each other.

# UNYIELDING INTEGRITY

## CLIENT SERVICE

Defining our brand by meeting or exceeding the highest expectations of our clients

## RESPECT

Building productive, longterm relationships with each other that are based on mutual respect, trust, and sharing

## INTEGRITY

RESPECT

FOR AL

Living with sincerity, transparency, and honesty

# **TRANSITIONING YOU**



When choosing to change firms, the time involved in working with new accounting professionals is often a concern. CRI's welldefined efficient, seamless transition process is designed to:

- · Provide you with value from the very first encounter,
- Avoid interruption of service,
- Minimize disruption and investment of management's time,
- Raise the standard of service, and
- Establish ongoing channels of communication with Highland Meadows West Community Development District's management.

The transition plan is comprised of the following key activities and can occur within approximately two weeks, depending on the availability of the parties involved:

PREDECESSOR FIRM Management approves the CRI and management sign change in firms, pending engagement letter. new firm's completion of Management notifies • CRI and management client acceptance predecessor firm of decision develop communication procedures. to change service providers. plan protocol. • CRI performs client CRI makes inquiries of and CRI and management acceptance procedures, reviews predecessor firm finalize timetable and key workpapers related to your such as: dates. prior year's audit and tax - Interview key service services (as applicable). • CRI develops initial provider relationships understanding of your • Predecessor firm provides - Interview predecessor business processes. copies of requested firm. workpapers. CRI reports to management - Internal firm review and process review items subsequent to initial approval. planning stage. CLIENT **PRE-APPROVAL & UNDERSTANDING &** ACCEPTANCE PLANNING

# **CRI'S GLOBAL RESOURCES**



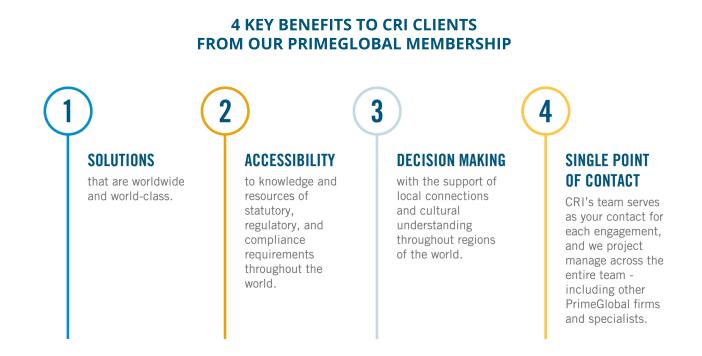
Many businesses are expanding and/or evaluating their global reach, and they require assistance in order to comprehensively consider the various financial implications of growing in international markets. In addition to CRI's internal resources, we deliver the expertise and support of some of the world's most highly regarded accounting firms through shared alliance as members of PrimeGlobal.

## WHO IS PRIMEGLOBAL?



## HOW OUR PRIMEGLOBAL MEMBERS CAN BENEFIT YOU

We supplement our in-depth, industry knowledge and specialized services through our collaborations with other PrimeGlobal firms to help you evaluate your options globally. CRI's goal is to provide you with the information you need to make well-informed, smart business decisions.



# JOIN OUR CONVERSATION



We know that some information that makes perfect sense to a CPA may not be as clear to our clients. Therefore, we produce original content in the form of articles, videos, white papers, webinars, and more to provide timely, down-to-earth translations of complex subjects. We publish this original content on <u>CRIcpa.com</u> and across all our many social channels.

# FOLLOW CRI ON SOCIAL MEDIA @CRICPA



# **SUBSCRIBE TO THE CRI E-NEWSLETTER**

# CRICPA.COM/NEWSLETTER-SIGNUP



## IT FIGURES: THE CRI PODCAST

Created to provide insight into the latest developments and regulations in the accounting and finance space, It Figures is an accounting and advisory focused podcast for business and organization leaders, entrepreneurs, and anyone who is looking to go beyond the status quo.

Listen on Apple Podcasts, Spotify, iHeart Radio, and more. itfigurespodcast.com

## Top 25 CPA Firm - #1 CPA Firm in the Gulf Coast Region



### **CRI AUDIT FRAMEWORK**

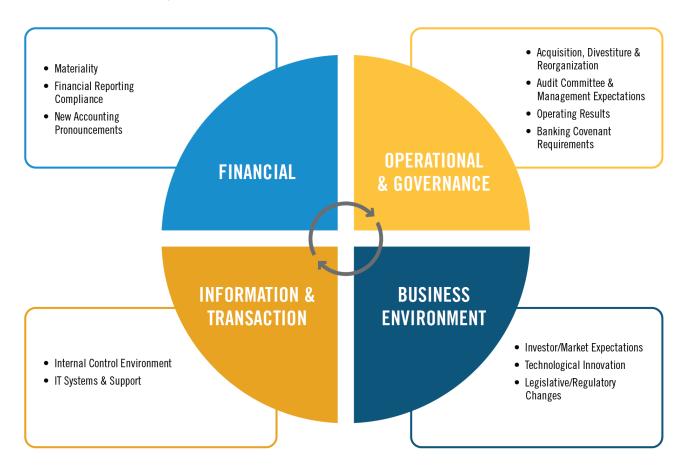


Our proposed services require a coordinated effort between us and Highland Meadows West Community Development District's team. Planning and continual communication are essential to developing the appropriate procedures, working collaboratively to resolve any identified issues, and meeting your timelines.

CRI's audit approach occurs within a framework of our client's business and industry; therefore, we assess risk by:

- · Understanding management's perspectives and goals, and
- · Considering business conditions and threats that could prevent management from achieving its business objectives.

We assess risks in the following areas:



### **CRI AUDIT FRAMEWORK**



Our ultimate intent is to drill down from these broad risks to specific financial reporting risks. We understand both these risks and management's processes and procedures for mitigating them (i.e. internal controls) in order to develop our procedures to carry out our audit responsibilities.

Although our audits are conducted through a structured, risk-based model, we focus on understanding the client's needs, requirements, and expectations. We work collaboratively with management and the Audit Committee (or similar function) to develop a communication and work plan to continuously improve client service, by doing so we help in moving your team from simple compliance to providing you with a competitive advantage.

In planning, we concentrate on "key risks," (items with a greater risk of a material misstatement, a material weakness in internal controls, or other matters resulting in the issuance of an inappropriate audit report). We focus on "material" items (i.e. those items that would be important to the user of your financial statements). When evaluating materiality of identified misstatements, certain quantitative and qualitative factors must be considered—which may include:

- Impact on operating trends (revenue/income, expenses, net income, etc).
- Nature of the misstatement (i.e., did the misstatement result from an unlawful transaction?).
- Impact on liquidity, capital/surplus, earnings capacity, etc.
- Impact to loan covenants and contractual and regulatory requirements.

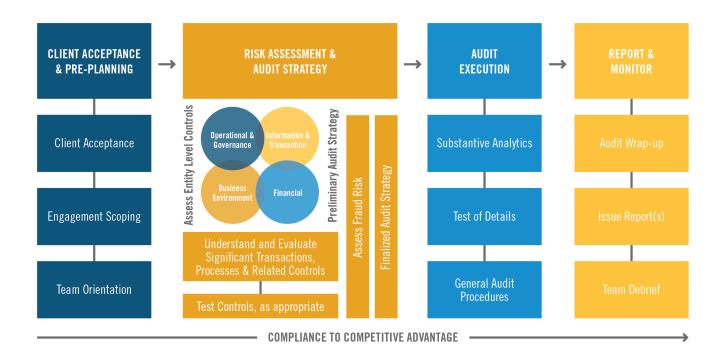
Consistent communication is a key to completion of the audit. By ensuring constant involvement, we are in a better position to respond to your issues timely and efficiently. Therefore, we plan to meet with your management to:

- Set-up the audit by reviewing the mapping of Highland Meadows West Community Development District's financial information (financial statements and notes) to significant processes and IT systems to ensure that all significant account balances, transactions, procedures, and systems are tested as deemed necessary.
- Discuss ongoing changes—specifically new accounting pronouncements and key business transactions in their early stages, enabling us to agree on the resolution of various complex business issues on a timely basis.

### **CRI AUDIT APPROACH**



Our audit approach is a four stage approach, as depicted in the summary below. Our client acceptance and risk assessment procedures occur during detailed conversations and observations with your team. The results of those procedures allow us to tailor an audit program to your specific risks and needs. We then execute the audit, report the results, and evaluate continuous improvement opportunities for ongoing service and benefit to you.



### **CRI AUDIT APPROACH**



#### **STAGE 1: CLIENT ACCEPTANCE & PRE-PLANNING**

- Perform client acceptance procedures.
- Collaborate with management to agree to expectations and scope.
- Assign appropriate staff based on client needs and assessed risk.

#### **STAGE 2: RISK ASSESSMENT & AUDIT STRATEGY**

- Interview client personnel and others to understand client-specific objectives and risks.
- Assess following aspects of the organization for their impact on the audit plan:
  - environmental and other external risks,
  - management's fraud and IT risk assessment models,
  - entity level controls including:
    - control environment
    - risk assessment,
    - information and communication,
    - and monitoring controls.
  - IT General Computer (ITGC) controls, such as
    - IT Environment
    - Developing and Delivering IT, and
    - Operating and Monitoring IT.
- Determine materiality.
- Develop and document our understanding of and/or reliance on:
  - linkage of financial statements to:
    - significant transactions,
    - processes,
    - IT systems, and
    - related controls,
  - existence of/reliance on SOC entities and their reports,
  - internal audit, and
  - specialists (e.g. valuation, pension costs, etc.).
- If elected, test controls including ITGC, through a mix of:
  - inquiry,
  - observation
  - examination, and
  - re-performance.
- Perform preliminary analytical procedures.
- Finalize risk assessments and develop a final audit strategy.

#### **STAGE 3: AUDIT EXECUTION**

- Where possible to test as efficiently as possible:
  - develop detailed analytical procedures to use as substantive tests (benefit = reducing tests of details): Examples include:
    - ratio analysis,
    - regression analysis,
    - trend analysis,
    - predictive tests, or
    - reasonableness test,
  - utilize Computer-Assisted Audit Techniques (CAATs) (benefit = automation of testing for more coverage and less disruption to the client), and
  - perform targeted testing (also known as "coverage" testing) to test large portions of account balances (benefit = more coverage with smaller selections).
- Perform tests of details, including sampling.
- Perform general audit procedures such as tests related to:
- commitments and contingencies,
- legal letters,
- management representations,
- reviews of Board minutes,
- related party transactions,
- debt covenants, and
- going concern.
- Perform other tests for compliance such as Yellow Book or Single Audit tests.

#### **STAGE 4: REPORT & MONITOR**

- Continually monitor throughout the audit providing feedback as agreed during scoping.
- Conclude the audit (i.e. issue opinions and reports).
- Develop and present:
  - reports,
  - required communications,
  - management letter comments, and
  - other audit-related deliverables.
- Perform debriefings to identify opportunities for improvement with our:
  - engagement team, and/or
  - client's team.



#### HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRCT REQUEST FOR PROPOSALS FOR ANNUAL AUDIT SERVICES

The Highland Meadows West Community Development District hereby requests proposals for annual financial auditing services. The proposal must provide for the auditing of the District's financial records for the fiscal year ending September 30, 2023, with an option for four (4) additional annual renewals. The District is a local unit of special purpose government created under Chapter 190, *Florida Statues*, for the purpose of financing, constructing and maintaining public infrastructure. The District is located in Polk County, Florida. The District currently has an operating budget of approximately \$460,024. The final contract will require that, among other things, the audit for the fiscal year ending September 30, 2023, be completed no later than June 1, 2024.

Each auditing entity submitting a proposal must be authorized to do business in Florida; hold all applicable state and federal professional licenses in good standing, including but not limited to a license under Chapter 473, Florida Statutes, and be qualified to conduct audits in accordance with "Government Auditing Standards", as adopted by the Florida Board of Accountancy. Audits shall be conducted in accordance with Florida law and particularly section 218.39, Florida Statutes, and the rules of the Florida Auditor General.

Proposal package, which include evaluation criteria and instructions to proposers, are available from the District Manager at the address and telephone number listed below.

Proposers must provide one (1) original hard copy and one (1) electronic copy of their proposal to Governmental Management Services – Central Florida, LLC Attn: Tricia Adams, District Manager, 219 East Livingston Street, Orlando, Florida 32801, in an envelope marked on the outside "Auditing Services – Highland Meadows West Community Development District."

Proposals must be received by **5:00 PM on Friday**, **November 3**, **2023**, at the office address listed above. Proposals received after this time will not be eligible for consideration. Please direct all questions regarding this Notice to the District Manager who can be reached at (407) 841-5524.

District Manager Governmental Management Services – Central Florida, LLC



#### HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT REQUEST FOR PROPOSALS

#### District Auditing Services for Fiscal Year 2023 Polk County, Florida

#### INSTRUCTIONS TO PROPOSERS

SECTION DUE DATE. 1. Sealed proposals must be received no later than Friday, November 3, 2023 5:00 at p.m., at the offices of Governmental Management Services Central Florida, LLC. Attn: Tricia Adams/ Brittany Brookes, District Manager, 219 East Livingston Street, Orlando, Florida 32801. Proposals will be publicly opened at that time.

**SECTION 2.** FAMILLARITY WITH THE LAW. By submitting a proposal, the Proposer is assumed to be familiar with all federal, state, and local laws, ordinances, rules and regulations that in any manner affect the work. Ignorance on the part of the Proposer will in no way relieve it from responsibility to perform the work covered by the proposal in compliance with all such laws, ordinances and regulations.

**SECTION 3. QUALIFICATIONS OF PROPOSER.** The contract, if awarded, will only be awarded to a responsible Proposer who is qualified by experience and licensing to do the work specified herein. The Proposer shall submit with its proposal satisfactory evidence of experience in similar work and show that it is fully prepared to complete the work to the satisfaction of the District.

**SECTION 4. SUBMISSION OF ONLY ONE PROPOSAL.** Proposers shall be disqualified, and their proposals rejected if the District has reason to believe that collusion may exist among the Proposers, the Proposer has defaulted on any previous contract or is in arrears on any previous or existing contract, or for failure to demonstrate proper licensure and business organization.

SECTION 5. SUBMISSION OF PROPOSAL. Submit one (1) original hard copy and one

of Proposal and other (1) electronic copy the Documents, requested attachments. at the time and place indicated herein. which shall be enclosed sealed envelope, in an opaque marked with the title

"Auditing Services – Highland Meadows West Community Development District" on the face of it.

**SECTION 6. MODIFICATION AND WITHDRAWAL.** Proposals may be modified or withdrawn by an appropriate document duly executed and delivered to the place where proposals are to be submitted at any time prior to the time and date the proposals are due. No proposal may be withdrawn after opening for a period of ninety (90) days.

SECTION 7. PROPOSAL DOCUMENTS. The proposal documents shall consist of the notice announcing the request for proposals, these instructions, the Evaluation Criteria Sheet and a proposal with all required documentation pursuant to Section 12 of these instructions (the "Proposal Documents").



SECTION 8. PROPOSAL. In making its proposal, each Proposer represents that it has read and understands the Proposal Documents and that the proposal is made in accordance therewith.

SECTION 9. BASIS OF AWARD/RIGHT TO REJECT. The District reserves the right to reject any and all proposals, make modifications to the work, and waive any informalities or irregularities in proposals as it is deemed in the best interests of the District.

**SECTION 10.** CONTRACT AWARD. Within fourteen (14) days of receipt of the Notice of Award from the District, the Proposer shall enter into and execute a Contract (engagement letter) with the District.

SECTION 11. LIMITATION OF LIABILITY. Nothing herein shall be construed as or constitute a waiver of District's limited waiver of liability contained in Section 768.28, *Florida Statutes*, or any other statute or law.

**SECTION 12. MISCELLANEOUS.** All proposals shall include the following information in addition to any other requirements of the proposal documents.

- A. List position or title of all personnel to perform work on the District audit. Include résumés for each person listed; list years of experience in present position for each party listed and years of related experience.
- B. Describe proposed staffing levels, including résumés with applicable certifications.
- C. Three references from projects of similar size and scope. The Proposer should include information relating to the work it conducted for each reference as well as a name, address and phone number of a contact person.
- D. The cost of the provision of the services under the proposal for Fiscal Years 2023, 2024, 2025, 2026, and 2027. The District intends to enter into five (5) separate one-year agreements
- E. Provide a proposed schedule for performance of the audit.

**SECTION 13. PROTESTS.** In accordance with the District's Rules of Procedure, any protest regarding the Proposal Documents, must be filed in writing, at the offices of the District Manager, within seventy-two (72) calendar hours (excluding Saturday, Sunday, and state holidays) after the receipt of the Proposal Documents. The formal protest setting forth with particularity the facts and law upon which the protest is based shall be filed within seven (7) calendar days (including Saturday, Sunday, and state holidays) after the initial notice of protest was filed. Failure to timely file a notice of protest or failure to timely file a formal written protest shall constitute a waiver of any right to object or protest with respect to the aforesaid Proposal Documents.



SECTION 14. EVALUATION OF PROPOSALS. The criteria to be used in the evaluation of proposals are presented in the Evaluation Criteria Sheet, contained within the Proposal Documents.

#### HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT AUDITOR SELECTION EVALUATION CRITERIA

#### 1. Ability of Personnel.

(E.g., geographic location of the firm's headquarters or permanent office in relation to the project; capabilities and experience of key personnel; present ability to manage this project; evaluation of existing workload; proposed staffing levels, etc.)

#### 2. Proposer's Experience.

(E.g. past record and experience of the Proposer in similar projects; volume of work previously performed by the firm; past performance for other community development districts in other contracts; character, integrity, reputation of Proposer, etc.)

#### 3. Understanding of Scope of Work.

Extent to which the proposal demonstrates an understanding of the District's needs for the services requested.

#### 4. Ability to Furnish the Required Services. (20 Points)

Extent to which the proposal demonstrates the adequacy of Proposer's financial resources and stability as a business entity necessary to complete the services required.

#### 5. Price.

Points will be awarded based upon the lowest total proposal for rendering the services and the reasonableness of the proposal.

26

TOTAL

#### CRIcpa.com

(100 Points)

(20 Points)

(20 Points)

(20 Points)

(20 Points)

# BOARD OF SUPERVISORS MEETING

# MINUTES

#### MINUTES OF MEETING HIGHLAND MEADOWS WEST COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Highland Meadows West Community Development District was held on Tuesday, **October 17, 2023** at 9:30 a.m. at The Holiday Inn – Winter Haven, 200 Cypress Gardens Blvd., Winter Haven, Florida and by Zoom.

Present and constituting a quorum:

Daniel Arnette *joined late* Bobbie Henley Jessica Kowalski Lindsey Roden Jessica Petrucci Chairman Vice Chair Assistant Secretary Assistant Secretary Assistant Secretary

Also, present were:

Tricia Adams	District Manager, GMS
Meredith Hammock	District Counsel, KVW Law
Marshall Tindall	Field Services Manager, GMS
Chance Arrington	District Engineer

The following is a summary of the discussions and actions taken at the October 17, 2023 Highland Meadows West Community Development District's Board of Supervisors Meeting.

#### FIRST ORDER OF BUSINESS

Ms. Adams called the meeting to order and stated that four Board members were in attendance, constituting a quorum.

#### SECOND ORDER OF BUSINESS

Ms. Adams noted that no members of the public were present nor were any members attending on Zoom to provide comments.

#### Roll Call

**Public Comment Period** 

#### THIRD ORDER OF BUSINESS

#### Approval of Minutes of the July 20, 2023 Board of Supervisors Meeting

Ms. Adams asked for any corrections on the July 20, 2023 Board of Supervisors meeting minutes. This has been reviewed by District Counsel and District Management. Hearing no comments or corrections, Ms. Adams asked for a motion of approval.

On MOTION by Ms. Roden, seconded by Ms. Kowalski, with all in favor, the Minutes of the July 20, 2023 Board of Supervisors Meetings, were approved.

#### FOURTH ORDER OF BUSINESS

# Consideration of Work Authorization 2024-01 with Dewberry

Ms. Adams presented work authorization 2024-01 with Dewberry for District engineering services. The rates for the current fiscal year can be found on page 15 of the agenda package. There was a representative from Dewberry on the line available for any Board questions. There being no questions, there was a motion of approval.

\**Mr. Arnette joined the meeting in person at this time.* 

Ms. Burns also stated for the record that Mr. Arnette joined the meeting, and all future action will include his participation.

On MOTION by Ms. Roden, seconded by Ms. Kowalski, with all in favor, Work Authorization 2024-01 with Dewberry, was approved.

#### FIFTH ORDER OF BUSINESS Appointment of Audit Committee

Ms. Adams stated that each year the District is required to undergo an annual independent audit. This District is at the point where they are requesting proposals for auditing services and appointing an audit committee. Typically, the Board will appoint themselves as the audit committee and immediately following the Board meeting will be an audit committee meeting to review materials. She then asked for a motion to appoint the Board of Supervisors as the audit committee.

On MOTION by Ms. Kowalski, seconded by Ms. Roden, with all in favor, the Appointment of the Board of Supervisors as the Audit Committee, was approved.

#### SIXTH ORDER OF BUSINESS

#### **Staff Reports**

#### A. Attorney

Ms. Hammock stated that she had nothing further for the Board but was happy to answer any questions they may have. There being none, the next item followed.

#### **B.** Engineer

Mr. Arrington had nothing further for the Board and the next item followed. Ms. Adams asked the Chairman to excuse the engineer for the remainder of the meeting.

#### C. Field Manager's Report

Mr. Tindall presented the field manager's report which can be found in the agenda package and summarized it for the Board. Completed items include:

- Landscaping work is satisfactory.
  - Winter season schedule started October 1<sup>st</sup> with ponds shifting to bi-weekly visits.
- Minor fence repairs.
- Filled hole at Tortugas shade pavilion and added touchup sod.

In progress items include:

- Tree monitoring and follow-up with HOA.
- Fence vandalism from school traffic is being monitored and staff is working with law enforcement.
- Replacement of sign bracket at mailboxes is being scheduled.

#### **D.** District Manager's Report

#### i. Approval of Check Register

Ms. Adams presented the check register for Board consideration from August 3, 2023 through October 3, 2023. She offered to answer any questions from the Board. Hearing none, she asked for a motion of approval.

On MOTION by Ms. Kowalski, seconded by Ms. Roden, with all in favor, the Check Register, was approved.

#### ii. Balance Sheet and Income Statement

Ms. Adams presented the unaudited financials. This is for informational purposes only. No action was required.

#### SEVENTH ORDER OF BUSINESS

There being no comments, the next item followed.

#### EIGHTH ORDER OF BUSINESS

#### Supervisors Requests and Audience Comments

There being no comments, the next item followed.

#### NINTH ORDER OF BUSINESS

Adjournment

**Other Business** 

On MOTION by Ms. Roden, seconded by Ms. Kowalski, with all in favor, the meeting was adjourned.

Secretary/Assistant Secretary

Chairman/Vice Chairman

# SECTION IV

# to be provided under separate cover

# ${\sf S}{\sf E}{\sf C}{\sf T}{\sf I}{\sf O}{\sf N}\;{\sf V}$

	Highland Meadows West CDD Auditor Selection												
	Ability of Personnel (20 pts)	Proposer's Experience (20 pts)	Understading of Scope of Work (20 pts)	Ability to Furnish the Required Services (20 pts)	Price (20 pts)	Total Points Earned	Ranking (1 being highest)						
Grau & Associates													
DiBartolomeo, McBee, Hartley & Barnes													

# SECTION VI

# SECTION C

# Highland Meadows West CDD Field Management Report



11/21/2023 Marshall Tindall Field Services Manager GMS

# Complete

# Landscaping

- Landscaper's has kept the CDD tracts well maintained.
- Routine irrigation repairs were completed including replacing a bad decoder.



# Complete

# Site Items

- Replacement valve and plug installed in sidewalk.
- Signs reinstalled for parking at mailboxes after replacing the damaged bracket.
- Minor fence damage repaired.



# In Progress

# Site Items

- General cleaning of Entrance signs, fences, and perimeter walls as needed.
- Reviewing landscape beds for plant touchups at entrances for holiday season.

4



# Conclusion

For any questions or comments regarding the above information, please contact me by phone at 407-346-2453 or by email at <u>mtindall@gmscfl.com</u>. Thank you.

Respectfully,

Marshall Tindall

# SECTION D

# SECTION 1

# Highland Meadows West Community Development District

#### Summary of Check Register

August 3, 2023 to October 3, 2023

Fund	Date	Check No.'s	Amount
General Fund			
deneral rand	8/4/23	479-484	\$ 5,403.49
	8/9/23	485-486	\$ 5,935.94
	8/23/23	487-489	\$ 7,987.05
	8/31/23	490-493	\$ 2,594.62
	9/14/23	494-497	\$ 14,752.63
	9/20/23	498	\$ 50,000.00
		Total Amount	\$ 86,673.73

AP300R YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK F *** CHECK DATES 08/03/2023 - 10/03/2023 *** HIGHLAND MEADOWS WEST-GF BANK A HIGHLAND MEADOW WEST	REGISTER RUN 10/10/23	PAGE 1
CHECK VEND#INVOICEEXPENSED TO VENDOR NAME STA DATE DATE INVOICE YRMO DPT ACCT# SUB SUBCLASS	ATUS AMOUNT	CHECK AMOUNT #
8/04/23 00041 7/20/23 BH072020 202307 310-51300-11000	* 200.00	
BOS MEETING 7/20/23 BOBBIE HENLEY		200.00 000479
8/04/23 00052 7/31/23 10299 202307 320-53800-49000 MAIL TRASH COLLECT JULY23	* 100.00	
MAIL TRASH COLLECT JULY23 CLEAN STAR SERVICES OF CENTRAL FL		100.00 000480
8/04/23 00051 7/20/23 JP072020 202307 310-51300-11000	* 200.00	
BOS MEETING 7/20/2023 JESSICA PETRUCCI		200.00 000481
8/04/23 00043 7/20/23 JK072020 202307 310-51300-11000	* 200.00	
BOS MEETING 7/20/23 JESSICA KOWALSKI		200.00 000482
8/04/23 00044 7/20/23 LR072020 202307 310-51300-11000	* 200.00	
BOS MEETING 7/20/23 LINDSEY RODEN		200.00 000483
8/04/23 00026 7/01/23 9436 202307 320-53800-46200	* 4,278.67	
LANDSCAPE MAINT JULY 23 7/19/23 9527 202307 320-53800-47300	* 224.82	
REPLACE NOZZLES/ROTOR PRINCE & SONS INC.		4,503.49 000484
8/09/23 00001 8/01/23 166 202308 310-51300-34000 MANAGEMENT FEES AUG 23	* 3,154.42	
8/01/23 166 202308 310-51300-35200	* 100.00	
WEBSITE ADMIN AUG 23 8/01/23 166 202308 310-51300-35100 INFORMATION TECH AUG 23	* 150.00	
8/01/23 166 202308 310-51300-31300	* 500.00	
DISSEMINATION SVC AUG 23 8/01/23 166 202308 310-51300-51000	* .21	
OFFICE SUPPLIES AUG 23 8/01/23 166 202308 310-51300-42000	* 16.11	
POSTAGE AUG 23 8/01/23 167 202308 320-53800-12000	* 656.25	
FIELD MANAGEMENT AUG 23 8/01/23 167 202308 310-51300-42500 PRINT BOS AUG 23	* 23.78	
GOVERNMENTAL MANAGEMENT SERVICES		4,600.77 000485
8/09/23 00024 8/09/23 08092023 202308 300-20700-10200 ASSESSMENT TSFR SER2019	* 803.52	

HIMW --HIGH WEST-- CWRIGHT

AP300R YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER *** CHECK DATES 08/03/2023 - 10/03/2023 *** HIGHLAND MEADOWS WEST-GF BANK A HIGHLAND MEADOW WEST	RUN 10/10/23	PAGE 2
CHECK VEND#INVOICEEXPENSED TO VENDOR NAME STATUS DATE DATE INVOICE YRMO DPT ACCT# SUB SUBCLASS	AMOUNT	CHECK AMOUNT #
8/09/23 08092023 202308 300-20700-10200 *	392.70	
ASSESSMENT TSFR SER2020A2 8/09/23 08092023 202308 300-20700-10200 * ASSESSMENT TSFR SER2020A3	138.95	
ASSESSMENT ISFR SER2020A3 HIGHLAND MEADOWS WEST CDD C/O		1,335.17 000486
8/23/23 00001 6/30/23 168 202306 320-53800-47400 * GENERAL MAINT JUNE 23	5,550.50	
GOVERNMENTAL MANAGEMENT SERVICES		3,556.38 000487
8/23/23 00036 7/16/23 6893 202305 310-51300-31500 * GENERAL COUNSEL MAY 23	152.00	
KILINSKI / VAN WYK, PLLC		152.00 000488
8/23/23 00026 8/01/23 9669 202308 320-53800-46200 * LANDSCAPE MAINT AUG 23	4,278.67	
PRINCE & SONS INC.		4,278.67 000489
8/31/23 00035 7/31/23 00057483 202307 310-51300-48000 * NOT FY24 BUDGET MTG7/3/23	691.08	
NOI F124 BODGEI MIG7/3/23 CA FLORIDA HOLDINGS, LLC		691.08 000490
8/31/23 00037 8/18/23 2321536 202307 310-51300-31100 * ENGINEER SVCS JULY 23	99.00	
ENGINEER SVCS JULI 23 DEWBERRY ENGINEERS, INC		99.00 000491
	1,691.91	
GENERAL MAINI COLL 23 GOVERNMENTAL MANAGEMENT SERVICES		1,691.91 000492
8/31/23 00026 8/15/23 9784 202308 320-53800-47300 * REPLACE NOZZLES/SPRAYHEAD	112.63	
PRINCE & SONS INC.		112.63 000493
9/14/23 00052 8/29/23 10541 202308 320-53800-49000 *	100.00	
MAIL TRASH AUG 23 CLEAN STAR SERVICES OF CENTRAL FL		100.00 000494
9/14/23 00001 9/01/23 170 202309 310-51300-34000 *	3,154.42	
MANAGEMENT FEES SEPT 23 9/01/23 170 202309 310-51300-35200 *	100.00	
WEBSITE ADMIN SEPT 23 9/01/23 170 202309 310-51300-35100 *	150.00	
INFORMATION TECH SEPT 23 9/01/23 170 202309 310-51300-31300 * DISSEMINATION SVC SEPT 23	500.00	

HIMW --HIGH WEST-- CWRIGHT

AP300R YEAR-TO-DATE ACCOUNTS PAYABLE PREPAID/COMPUTER CHECK REGISTER RUN 10/10/23 PAGE 3 \*\*\* CHECK DATES 08/03/2023 - 10/03/2023 \*\*\* HIGHLAND MEADOWS WEST-GF BANK A HIGHLAND MEADOW WEST

CHECK VEND#INV DATE DATE	OICEEXPENSED TO INVOICE YRMO DPT ACCT# S	VENDOR NAME SUBCLASS	STATUS	AMOUNT	CHECK AMOUNT #
9/01/23	170 202309 310-51300-5 OFFICE SUPPLIES SEPT 23	1000	*	.15	
9/01/23		2000	*	116.81	
9/01/23		2000	*	656.25	
9/01/23		9000	*	1.33	
		GOVERNMENTAL MANAGEMENT SERVICES			4,678.96 000495
9/14/23 00026 9/01/23	9967 202309 320-53800-4 LANDSCAPE MAINT SEPT 23	6200	*	4,278.67	
		PRINCE & SONS INC.			4,278.67 000496
9/14/23 00039 7/24/23	11312 202307 320-53800-4 INSTALL/REMOVE LIVE OAKS	9000	*	5,695.00	
		STEWART & ASSOCIATES PROPERTY SVCS			5,695.00 000497
9/20/23 00053 9/20/23	09202023 202309 300-58100-1 FY23 CAPITAL RESERVE TSFR	0000	*	50,000.00	
		HIGHLAND MEADOWS WEST CAP RES ACCT			50,000.00 000498
		TOTAL FOR BANK A		86,673.73	
		TOTAL FOR REGIST	ER	86,673.73	

HIMW --HIGH WEST-- CWRIGHT

# SECTION 2

*Community Development District* 

# Unaudited Financial Reporting

October 31, 2023



# Table of Contents

1	Balance Sheet
2-3	General Fund
4	Debt Service Fund Series 2019
5	Debt Service Fund Series 2020 A2
6	Debt Service Fund Series 2020 A3
7	Capital Reserve Fund
8-9	Month to Month
10	Long Term Debt Report

# Highland Meadows West Community Development District

**Combined Balance Sheet** 

October 31, 2023

		General Fund	Debt Service Fund		Capi	tal Reserve Fund	Totals Governmental Funds		
Assets:									
<u>Cash:</u>									
Operating Account	\$	158,265	\$	-	\$	50,201	\$	208,466	
Investments:									
<u>Series 2019</u>									
Reserve	\$	-	\$	160,125	\$	-	\$	160,125	
Revenue	\$	-	\$	246,140	\$	-	\$	246,140	
Prepayment	\$	-	\$	1,082	\$	-	\$	1,082	
Series 2020A2									
Reserve	\$	-	\$	78,728	\$	-	\$	78,728	
Revenue	\$	-	\$	68,378	\$	-	\$	68,378	
Prepayment	\$	-	\$	1	\$	-	\$	1	
Series 2020A3									
Reserve	\$	-	\$	27,886	\$	-	\$	27,886	
Revenue	\$	-	\$	26,713	\$	-	\$	26,713	
Prepayment	\$	-	\$	1	\$	-	\$	1	
Assessments Receivable	\$	1,078	\$	1,329	\$	-	\$	2,407	
Due from General Fund	\$	-	\$	8	\$	-	\$	8	
Prepaid Expenses	\$	10,437	\$	-	\$	-	\$	10,437	
Total Assets	\$	169,780	\$	610,390	\$	50,201	\$	830,371	
Liabilities:									
Accounts Payable	\$	13,551	\$	-	\$	-	\$	13,551	
Due to Debt Service	\$	8	\$	-	\$	-	\$	8	
	Ŧ	-					-	-	
Total Liabilites	\$	13,559	\$	-	\$	-	\$	13,559	
Fund Balance:									
Nonspendable:									
Prepaid Items	\$	10,437	\$	-	\$	-	\$	10,437	
Restricted for:									
Debt Service - Series 2019	\$	-	\$	408,151	\$	-	\$	408,151	
Debt Service - Series 2020A2	\$	-	\$	147,500	\$	-	\$	147,500	
Debt Service - Series 2020A3	\$	-	\$	54,739	\$	-	\$	54,739	
Assigned for:									
Capital Reserves	\$	-	\$	-	\$	50,201	\$	50,201	
Unassigned	\$	145,785	\$	-	\$	-	\$	145,785	
Total Fund Balances	\$	156,222	\$	610,390	\$	50,201	\$	816,813	
Total Liabilities & Fund Balance	\$	169,780	\$	610,390	\$	50,201	\$	830,371	

**Community Development District** 

#### **General Fund**

#### Statement of Revenues, Expenditures, and Changes in Fund Balance

		Adopted	Prora	ated Budget		Actual			
	Budget		Thru	Thru 10/31/23		10/31/23	Variance		
<u>Revenues:</u>									
Assessments - Tax Roll	\$	434,733	\$	-	\$	-	\$	-	
Other Revenue	\$	-	\$	-	\$	30	\$	30	
Total Revenues	\$	434,733	\$	-	\$	30	\$	30	
Expenditures:									
<u>General &amp; Administrative:</u>									
Supervisor Fees	\$	12,000	\$	1,000	\$	1,000	\$	-	
Engineering	\$	15,000	\$	1,250	\$	-	\$	1,250	
District Counsel	\$	18,961	\$	1,580	\$	-	\$	1,580	
Annual Audit	\$	6,100	\$	-	\$	-	\$	-	
Assessment Administration	\$	5,000	\$	5,000	\$	5,000	\$	-	
Arbitrage	\$	900	\$	-	\$	-	\$	-	
Dissemination	\$	6,000	\$	500	\$	500	\$	-	
Trustee Fees	\$	12,297	\$	4,840	\$	4,840	\$	-	
Management Fees	\$	40,124	\$	3,344	\$	3,344	\$	(0)	
Information Technology	\$	1,800	\$	150	\$	150	\$	-	
Website Maintenance	\$	1,200	\$	100	\$	100	\$	-	
Postage & Delivery	\$	970	\$	81	\$	4	\$	76	
Office Supplies	\$	1,000	\$	83	\$	0	\$	83	
Copies	\$	500	\$	42	\$	-	\$	42	
Insurance	\$	6,886	\$	6,886	\$	6,197	\$	689	
Legal Advertising	\$	2,500	\$	208	\$	-	\$	208	
Other Current Charges	\$	972	\$	81	\$	39	\$	42	
Dues, Licenses & Subscriptions	\$	175	\$	175	\$	175	\$	-	
Subtotal General & Administrative	\$	132,385	\$	25,320	\$	21,349	\$	3,971	

**Community Development District** 

**General Fund** 

#### Statement of Revenues, Expenditures, and Changes in Fund Balance

	Adopted		Pror	Prorated Budget		Actual		
		Budget	Thru	u 10/31/23	Thru 10/31/23		I	/ariance
<b>Operations &amp; Maintenance</b>								
Field Expenditures								
Property Insurance	\$	4,745	\$	4,745	\$	5,124	\$	(380)
Field Management	\$	8,348	\$	696	\$	696	\$	(0)
Interlocal Amenity Agreement	\$	101,033	\$	8,419	\$	-	\$	8,419
Playground Lease	\$	30,000	\$	2,500	\$	1,363	\$	1,137
Landscape Maintenance	\$	56,250	\$	4,688	\$	4,279	\$	409
Landscape Replacement	\$	18,000	\$	1,500	\$	-	\$	1,500
Streetlights	\$	19,800	\$	1,650	\$	1,501	\$	149
Electric	\$	6,864	\$	572	\$	659	\$	(87)
Water & Sewer	\$	5,400	\$	450	\$	173	\$	277
Sidewalk & Asphalt Maintenance	\$	2,500	\$	208	\$	-	\$	208
Irrigation Repairs	\$	6,000	\$	500	\$	512	\$	(12)
General Repairs & Maintenance	\$	10,000	\$	833	\$	-	\$	833
Janitorial	\$	1,200	\$	100	\$	-	\$	100
Contingency	\$	7,500	\$	625	\$	-	\$	625
Subtotal Operations & Maintenance	\$	277,639	\$	27,486	\$	14,306	\$	13,180
Total Expenditures	\$	410,024	\$	52,806	\$	35,655	\$	17,151
Excess (Deficiency) of Revenues over Expenditures	\$	24,709	\$	(52,806)	\$	(35,625)	\$	(17,121)
Other Financing Sources/(Uses):								
Transfer In/(Out) - Capital Reserves	\$	(50,000)	\$	-	\$	-	\$	-
Total Other Financing Sources/(Uses)	\$	(50,000)	\$	-	\$	-	\$	-
Net Change in Fund Balance	\$	(25,291)			\$	(35,625)		
Fund Balance - Beginning	\$	25,291			\$	191,847		
Fund Balance - Ending	\$	-			\$	156,222		

**Community Development District** 

**Debt Service Fund Series 2019** 

#### Statement of Revenues, Expenditures, and Changes in Fund Balance

	Adopted		Prorate	d Budget	Actual			
	Budget		Thru 10	Thru 10/31/23		u 10/31/23	Variance	
Revenues:								
Assessments	\$	322,524	\$	-	\$	-	\$	-
Interest Income	\$	-	\$	-	\$	1,648	\$	1,648
Total Revenues	\$	322,524	\$	-	\$	1,648	\$	1,648
Expenditures:								
Interest - 11/1	\$	113,019	\$	-	\$	-	\$	-
Principal - 11/1	\$	90,000	\$	-	\$	-	\$	-
Interest - 5/1	\$	111,219	\$	-	\$	-	\$	-
Total Expenditures	\$	314,238	\$	-	\$	-	\$	-
Excess (Deficiency) of Revenues over Expenditures	\$	8,287			\$	1,648	\$	1,648
Fund Balance - Beginning	\$	240,954			\$	406,504		
Fund Balance - Ending	\$	249,241			\$	408,151		

**Community Development District** 

Debt Service Fund Series 2020 A2

#### Statement of Revenues, Expenditures, and Changes in Fund Balance

	Adopted		Prorate	d Budget	Actual			
		Budget	Thru 1	0/31/23	Thru 10/31/23		Variance	
Revenues:								
Assessments	\$	157,625	\$	-	\$	-	\$	-
Interest Income	\$	-	\$	-	\$	595	\$	595
Total Revenues	\$	157,625	\$	-	\$	595	\$	595
Expenditures:								
Interest - 11/1	\$	48,297	\$	-	\$	-	\$	-
Principal - 5/1	\$	60,000	\$	-	\$	-	\$	-
Interest - 5/1	\$	48,297	\$	-	\$	-	\$	-
Total Expenditures	\$	156,594	\$	-	\$	-	\$	-
Excess (Deficiency) of Revenues over Expenditures	\$	1,031	\$	-	\$	595	\$	595
Fund Balance - Beginning	\$	66,304			\$	146,905		
Fund Balance - Ending	\$	67,335			\$	147,500		

**Community Development District** 

**Debt Service Fund Series 2020 A3** 

#### Statement of Revenues, Expenditures, and Changes in Fund Balance

	Adopted		Prorated	d Budget		Actual		
		Budget	Thru 10	)/31/23	Thru	10/31/23	Va	ariance
Revenues:								
Assessments	\$	55,775	\$	-	\$	-	\$	-
Interest Income	\$	-	\$	-	\$	221	\$	221
Total Revenues	\$	55,775	\$	-	\$	221	\$	221
Expenditures:								
Interest - 11/1	\$	16,634	\$	-	\$	-	\$	-
Principal - 5/1	\$	20,000	\$	-	\$	-	\$	-
Interest - 5/1	\$	16,634	\$	-	\$	-	\$	-
Total Expenditures	\$	53,269	\$	-	\$	-	\$	-
Excess (Deficiency) of Revenues over Expenditures	\$	2,506			\$	221	\$	221
Fund Balance - Beginning	\$	25,937			\$	54,518		
Fund Balance - Ending	\$	28,444			\$	54,739		

**Community Development District** 

**Capital Reserve Fund** 

#### Statement of Revenues, Expenditures, and Changes in Fund Balance

	Adopted		Prorate	d Budget	Actual			
		Budget	Thru 10	Thru 10/31/23		10/31/23	Variance	
<u>Revenues</u>								
Interest Income	\$	-	\$	-	\$	201	\$	201
Total Revenues	\$	-	\$	-	\$	201	\$	201
Expenditures:								
Capital Outlay	\$	-	\$	-	\$	-	\$	-
Total Expenditures	\$	-	\$	-	\$	-	\$	-
Excess (Deficiency) of Revenues over Expenditures			\$	-	\$	201	\$	201
Other Financing Sources/(Uses)								
Transfer In/(Out)	\$	50,000	\$	-	\$	-	\$	-
Total Other Financing Sources (Uses)	\$	50,000	\$	-	\$	-	\$	-
Net Change in Fund Balance	\$	50,000			\$	201		
Fund Balance - Beginning	\$	50,000			\$	50,000		
Fund Balance - Ending	\$	100,000			\$	50,201		

# Highland Meadows West Community Development District Month to Month

	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July	Aug	Sept	Total
Revenues:													
Assessments - Tax Roll	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	
Other Revenue	\$ 30 \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	30
Total Revenues	\$ 30 \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	30
Expenditures:													
<u>General &amp; Administrative:</u>													
Supervisor Fees	\$ 1,000 \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	1,000
Engineering	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
District Counsel	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
Annual Audit	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
Assessment Administration	\$ 5,000 \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	5,000
Arbitrage	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
Dissemination	\$ 500 \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	500
Trustee Fees	\$ 4,840 \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	4,840
Management Fees	\$ 3,344 \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	3,344
Information Technology	\$ 150 \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	150
Website Maintenance	\$ 100 \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	100
Postage & Delivery	\$ 4 \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	4
Office Supplies	\$ 0 \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	0
Printing & Binding	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
Insurance	\$ 6,197 \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	6,197
Legal Advertising	\$ - \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	
Other Current Charges	\$ 39 \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	39
Dues, Licenses & Subscriptions	\$ 175 \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	175
Total General & Administrative	\$ 21,349 \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	21,349

# Highland Meadows West Community Development District Month to Month

	_	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July	Aug	Sept	Total
<b>Operations &amp; Maintenance</b>														
Field Expenditures														
Property Insurance	\$	5,124 \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	5,124
Field Management	\$	696 \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	696
Interlocal Amenity Agreement	\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
Playground Lease	\$	1,363 \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	1,363
Landscape Maintenance	\$	4,279 \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	4,279
Landscape Replacement	\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
Streetlights	\$	1,501 \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	1,501
Electric	\$	659 \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	659
Water & Sewer	\$	173 \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	173
Irrigation Repairs	\$	512 \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	512
Janitorial	\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
General Repairs & Maintenance	\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
Contingency	\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
Security	\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
Total Operations & Maintenance	\$	14,306 \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	14,306
Total Expenditures	\$	35,655 \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	35,655
Excess (Deficiency) of Revenues over Expenditures	\$	(35,625) \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	(35,625)
Other Financing Sources/Uses:														
Transfer In/(Out) - Capital Reserves	\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
Total Other Financing Sources/Uses	\$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	-
Net Change in Fund Balance	\$	(35,625) \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	(35,625)

#### Community Development District Long Term Debt Report

SERIES 2019, SPECIAL	ASSESSMENT REVENUE BONDS
INTEREST RATE:	4.000%, 4.125%, 4.875%, 5.000%
MATURITY DATE:	11/1/2049
RESERVE FUND DEFINITION	50% MAXIMUM ANNUAL DEBT SERVICE
RESERVE FUND REQUIREMENT	\$160,125
RESERVE FUND BALANCE	\$160,125
BONDS OUTSTANDING - 04/25/19	\$6,385,000
LESS: SPECIAL CALL - 05/01/20	(\$500,000)
LESS: SPECIAL CALL - 08/01/20	(\$885,000)
LESS: PRINCIPAL PAYMENT - 11/01/20	(\$105,000)
LESS: SPECIAL CALL - 11/01/20	(\$30,000)
LESS: PRINCIPAL PAYMENT - 11/01/21	(\$85,000)
LESS: PRINCIPAL PAYMENT - 11/01/22	(\$90,000)

CURRENT BONDS OUTSTANDING

SERIES 2020 ASSESSMENT AREA	2, SPECIAL ASSESSMENT REVENUE BONDS
INTEREST RATE:	2.875%, 3.250%, 3.625%, 4.000%
MATURITY DATE:	5/1/2050
RESERVE FUND DEFINITION	50% MAXIMUM ANNUAL DEBT SERVICE
RESERVE FUND REQUIREMENT	\$78,728
RESERVE FUND BALANCE	\$78,728
BONDS OUTSTANDING - 02/18/20	\$2,770,000
LESS: PRINCIPAL PAYMENT - 05/01/21	(\$55,000)
LESS: PRINCIPAL PAYMENT - 05/01/22	(\$55,000)
LESS: PRINCIPAL PAYMENT - 05/01/23	(\$60,000)
CURRENT BONDS OUTSTANDING	\$2,600,000

\$4,690,000

SERIES 2020 ASSESSMENT AREA 3, SPECIAL ASSESSMENT REVENUE BONDS							
INTEREST RATE:	2.875%, 3.250%, 3.625%, 4.000%						
MATURITY DATE:	5/1/2050						
RESERVE FUND DEFINITION	50% MAXIMUM ANNUAL DEBT SERVICE						
RESERVE FUND REQUIREMENT	\$27,886						
RESERVE FUND BALANCE	\$27,886						
BONDS OUTSTANDING - 02/18/20	\$955,000						
LESS: PRINCIPAL PAYMENT - 05/01/21	(\$20,000)						
LESS: PRINCIPAL PAYMENT - 05/01/22	(\$20,000)						
LESS: PRINCIPAL PAYMENT - 05/01/23	(\$20,000)						
CURRENT BONDS OUTSTANDING	\$895,000						