

*Cypress Park Estates
Community Development District*

Agenda

February 25, 2020

AGENDA

Cypress Park Estates

Community Development District

219 East Livingston Street, Orlando, Florida 32801
Phone: 407-841-5524 – Fax: 407-839-1526

February 18, 2020

Board of Supervisors
Cypress Park Estates
Community Development District

Dear Board Members:

The regular meeting of the Board of Supervisors of **Cypress Park Estates Community Development District** will be held **Tuesday, February 25, 2020 at 11:30 AM at 1925 US Hwy 98 S., Suite 201, Lakeland, FL 33801**. Following is the advance agenda for the meeting:

Board of Supervisors Meeting

1. Roll Call
2. Public Comment Period (Speakers will fill out a card and submit it to the District Manager prior to the beginning of the meeting)
3. Approval of Minutes of the January 28, 2020 Landowners' and Board of Supervisors Meetings
4. Public Hearing
 - A. Public Hearing on the Adoption of the FY 2019/2020 Budget
 - i. Consideration of Resolution 2020-31 Adoption of the District's Fiscal Year 2019-2020 Budget and Appropriating Funds
5. Consideration of Resolution 2020-32 Adopting an Internal Controls Policy
6. Consideration of Uniform Collection Agreement with Polk County Tax Collector
7. Staff Reports
 - A. Attorney
 - B. Engineer
 - C. District Manager's Report

¹ Comments will be limited to three (3) minutes

8. Other Business
9. Supervisors Requests and Audience Comments
10. Adjournment

The second order of business is the Public Comment Period where the public has an opportunity to be heard on propositions coming before the Board as reflected on the agenda, and any other items. Speakers must fill out a Request to Speak form and submit it to the District Manager prior to the beginning of the meeting.

The third order of business is the approval of the minutes of the January 28, 2020 Landowners' and Board of Supervisors meetings. A copy of the minutes from each meeting are enclosed for your review

The fourth order of business opens the Public Hearing. Section A is the Public Hearing on the Adoption of the FY 2019/2020 Budget. Sub-Section 1 is the Consideration of Resolution 2020-31 Adoption of the Districts Fiscal Year 2019-2020 Budget and Appropriating Funds. A copy of the resolution is enclosed for your review.

The fifth order of business is the Consideration of Resolution 2020-32 Adopting an Internal Controls Policy. A copy of the resolution is enclosed for your review.

The sixth order of business is the Consideration of Uniform Collection Agreement with Polk County Tax Collector. A copy of the agreement is included for your review.

The seventh order of business is Staff Reports. Any staff reports will be discussed at this time.

The balance of the agenda will be discussed at the meeting. In the meantime, if you should have any questions, please do not hesitate to contact me.

Sincerely,

Jill Burns
District Manager

CC: Sarah Warren, District Counsel

Enclosures

MINUTES

LANDOWNERS' MEETING

**MINUTES OF MEETING
CYPRESS PARK ESTATES
COMMUNITY DEVELOPMENT DISTRICT**

The Landowners' meeting of the Board of the Cypress Park Estates Community Development District was held Tuesday, **January 28, 2020** at 11:40 a.m. at 1925 US Hwy 98 S., Suite 201, Lakeland, FL.

Present and constituting a quorum:

| | |
|-----------------------------|---------------------|
| Scott Shapiro | Chairman |
| McKinzie Terrill | Vice Chairman |
| Allan Keen <i>via phone</i> | Assistant Secretary |
| Steve Rosser | Assistant Secretary |
| Hyzens Marc | Assistant Secretary |

Also present were:

| | |
|---------------|-----------------------|
| Jill Burns | District Manager, GMS |
| Sarah Warren | Hopping Green & Sams |
| Rodney Gadd | Gadd Engineering |
| David Wheeler | Landowner |

FIRST ORDER OF BUSINESS

Swearing in of Hyzens Marc

This item was not discussed.

SECOND ORDER OF BUSINESS

**Determination of Number of Voting Units
Represented**

Ms. Burns noted she had two proxy forms for Wheeler Farms, Inc. and Crooked C Ranch, Inc. Both proxies were assigned to McKinzie Terrill; Wheeler Farms was for 138.08 acres authorizing 139 votes and Crooked C Ranch was for 19.18 acres authorizing 20 votes. Mr. Terrill was authorized to cast 159 votes.

THIRD ORDER OF BUSINESS

Call to Order

Ms. Burns called the meeting to order.

FOURTH ORDER OF BUSINESS

Election of Chairman for the Purpose of Conducting the Landowners' Meeting

Ms. Burns was asked to conduct the meeting.

FIFTH ORDER OF BUSINESS

Nominations for the Position of Supervisor

Ms. Burns asked for nominations to fill the five vacancies. Mr. Terrill nominated himself, Scott Shapiro, Steve Rosser, Allen Keen, and Hyzens Marc.

SIXTH ORDER OF BUSINESS

Casting of Ballots

Ms. Burns asked Mr. Terrill to fill out the ballot for how many votes each nominated supervisor would receive. Mr. Terrill gave himself and Mr. Shapiro 159 votes. Mr. Rosser, Mr. Marc, and Mr. Keen received 150 votes each.

SEVENTH ORDER OF BUSINESS

Ballot Tabulation

Ms. Burns noted that Mr. Shapiro and Mr. Terrill would serve four year terms and Mr. Rosser, Mr. Marc, and Mr. Keen would serve two year terms.

EIGHTH ORDER OF BUSINESS

Landowner's Questions and Comments

There were no questions or comments.

NINTH ORDER OF BUSINESS

Adjournment

Ms. Burns adjourned the meeting at 11:43 a.m.

Secretary/Assistant Secretary

Chairman/Vice Chairman

**BOARD OF
SUPERVISORS
MEETING**

**MINUTES OF MEETING
CYPRESS PARK ESTATES
COMMUNITY DEVELOPMENT DISTRICT**

The Regular meeting of the Board of Supervisors of the Cypress Park Estates Community Development District was held Tuesday, **January 28, 2020** at 11:45 a.m. at 1925 US Hwy 98 S., Suite 201, Lakeland, FL.

Present and constituting a quorum:

| | |
|-----------------------------|---------------------|
| Scott Shapiro | Chairman |
| McKinzie Terrill | Vice Chairman |
| Allan Keen <i>via phone</i> | Assistant Secretary |
| Steve Rosser | Assistant Secretary |
| Hyzens Marc | Assistant Secretary |

Also present were:

| | |
|---------------|-----------------------|
| Jill Burns | District Manager, GMS |
| Sarah Warren | Hopping Green & Sams |
| Rodney Gadd | Gadd Engineering |
| David Wheeler | Landowner |

FIRST ORDER OF BUSINESS

Roll Call

Ms. Burns called the meeting to order and called the roll. There were four members present, constituting a quorum.

SECOND ORDER OF BUSINESS

Public Comment Period

Ms. Burns asked for any public comments about items on the agenda. Hearing none, the next item followed.

THIRD ORDER OF BUSINESS

Organizational Matters

A. Administration of Oaths of Office to Newly Elected Board Members

Ms. Burns noted that a Landowners' Election was held prior to the Board meeting. The Supervisors who were elected were read the Oath of Office. Ms. Burns noted that Mr. Keen would

be sworn in at the next meeting since he was in attendance via phone. Mr. Terrill, Mr. Rosser, and Mr. Shapiro, were sworn in.

B. Consideration of Resolution 2020-26 Canvassing and Certifying the Results of the Landowners’ Election

Ms. Burns presented the results of the Landowners’ Election. Mr. Shapiro and Mr. Terrill received 159 votes each and will serve four year terms. Mr. Rosser, Mr. Keen, and Mr. Marc received 150 votes each and will serve two year terms.

On MOTION by Mr. Terrill, seconded by Mr. Shapiro, with all in favor, Resolution 2020-26 Canvassing and Certifying the Results of the Landowners’ Election, was approved.

C. Election of Officers

Ms. Burns noted that the officers could stay the same as presented at the Organizational Meeting, or they could change. The board chose to keep the same officer positions. Mr. Scott Shapiro was appointed as Chairman, McKinzie Terrill was appointed as Vice Chairman, and the other three supervisors, Allan Keen, Steve Rosser, Hyzens Marc, and George Flint with GMS, were appointed as Assistant Secretaries. Ms. Burns was appointed as Secretary.

D. Consideration of Resolution 2020-27 Electing Officers

Ms. Burns presented Resolution 2020-27, which designates the officers for the District, as stated above.

On MOTION by Mr. Terrill, seconded by Mr. Rosser, with all in favor, Resolution 2020-27 Designating Officers, with Mr. Shapiro as Chairman, Mr. Terrill as Vice Chairman, Mr. Keen as Assistant Secretary, Mr. Rosser as Assistant Secretary, Mr. Hyzens as Assistant Secretary, George Flint as Assistant Secretary, and Ms. Burns as Secretary, was approved.

FOURTH ORDER OF BUSINESS

Approval of Minutes of the December 11, 2019 Meeting

Ms. Burns presented the minutes of the December 11, 2019 board meeting and asked for any comments, corrections, or changes. The board had no changes.

On MOTION by Mr. Rosser, seconded by Mr. Terrill, with all in favor, the Minutes of the December 11, 2019 Meeting, were approved.

FIFTH ORDER OF BUSINESS

Public Hearings

A. Public Hearing on the Imposition of Special Assessments

On MOTION by Mr. Shapiro, seconded by Mr. Terrill, with all in favor, Opening the Public Hearing, was approved.

i. Presentation of Engineer’s Report

Mr. Gadd noted there had not been any changes since the last meeting. The board discussed the wastewater facilities on page 9 of the Engineer’s Report. Mr. Gadd stated that there will no longer be a 10 inch main going from the lift station to Johnson, the 10 inch will be along Johnson.

Ms. Warren asked Mr. Gadd if it was his professional opinion that the types of infrastructure improvements outlined in the Engineer’s Report are proper public improvements for the district to fund and/or construct. Mr. Gadd answered yes. Ms. Warren asked if the cost estimates outlined in Exhibit 7 are reasonable and proper based on his experience, and Mr. Gadd answered yes.

ii. Presentation of Assessment Methodology

Ms. Burns reviewed the methodology and noted that the report allocates the debt to properties based on the benefit they receive from the Capital Improvement Plan. The assessment report will be supplemented with at least one more Supplemental Report that will reflect the actual terms of the bonds at the time they are issued.

Ms. Burns reviewed the tables. Table 1 outlines the product type, there is 1 Single Product Type for 703 units. Table 2 outlines the Capital Improvement Plan. Table 3 shows the bonds sizing, which shows issuance of \$29,000,000 in order to generate the construction fund necessary to build the improvements in the Capital Improvement Plan. Table 4 shows the improvement cost per unit. Table 5 shows the par debt per unit, which is \$41,252 per unit. Table 6 shows a net and gross annual assessment for each product type. It also includes the collection fees for early payment discounts for Polk County. Table 7 is the Preliminary Assessment Roll; it shows the two landowners and the assessed area per acre. Ms. Burns asked for any questions on the report, the board had none.

Ms. Warren asked Ms. Burns to confirm that if the assessments are allocated as set forth in the Assessment Methodology, that the assessments would be fairly and reasonably apportioned to the properties receiving a benefit. Ms. Burns confirmed that they are. Ms. Warren asked that Ms. Burns confirm the benefit that the property would receive is in excess of the amount of assessments that would be levied. Ms. Burns confirmed that statement was correct.

iii. Consideration of Resolution 2020-28 Levying Special Assessments

Ms. Burns explained that Resolution 2020-28 adopts the Engineer’s Report and the Methodology. It confirms findings that the costs in the Engineer’s Report are reasonable and proper, and outlines that the assessments benefit the properties listed in Exhibit 7. The resolution also says that the improvements will constitute a benefit to all the properties that are listed that will be equal to, or in excess of, the special assessments on those properties.

Ms. Warren added that the resolution also, under Section 5, contemplates that at the time the district is ready to issue its first series of bonds, the district would then adopt a Supplemental Assessment Report that would specify the exact terms of the bonds, and impose the actual assessments necessary to repay those bonds.

On MOTION by Mr. Shapiro, seconded by Mr. Terrill, with all in favor, Resolution 2020-28 Levying Special Assessments, was approved.

iv. Consideration of Notice of Special Assessments - ADDED

Ms. Burns stated this notice will be recorded to show there is a governmental lien on the lands within the district.

On MOTION by Mr. Shapiro, seconded by Mr. Rosser, with all in favor, the Notice of Special Assessments, was approved.

On MOTION by Mr. Shapiro, seconded by Mr. Rosser, with all in favor, Closing the Public Hearing, was approved.

B. Public Hearing on Adoption of District Rules of Procedure

On MOTION by Mr. Shapiro, seconded by Mr. Terrill, with all in favor, Opening the Public Hearing, was approved.

i. Consideration of Resolution 2020-29 Adopting the Rules of Procedure

Ms. Burns presented Resolution 2020-29 and noted that the rules had not changed since the board saw them at the prior meeting. Ms. Burns asked for any questions from the board, the board had no questions.

On MOTION by Mr. Shapiro, seconded by Mr. Terrill, with all in favor, Resolution 2020-29 Adopting the Rules of Procedure, was approved.

On MOTION by Mr. Terrill, seconded by Mr. Shapiro, with all in favor, Closing the Public Hearing, was approved.

C. Public Hearing on the District’s Use of the Uniform Method of Levying, Collection, & Enforcement of Non Ad-Valorem Assessments

On MOTION by Mr. Shapiro, seconded by Mr. Rosser, with all in favor, Opening the Public Hearing, was approved.

i. Consideration of Resolution 2020-30 Expressing the District’s Intent to Utilize the Uniform Method of Collection

Ms. Burns presented Resolution 2020-30 and noted that this would allow the district to use the Polk County tax bill to collect assessments. It does not obligate them to do so until they are ready.

On MOTION by Mr. Rosser, seconded by Mr. Terrill, with all in favor, Resolution 2020-30 Expressing the District’s Intent to Utilize the Uniform Method of Collection, was approved.

On MOTION by Mr. Shapiro, seconded by Mr. Rosser, with all in favor, Closing the Public Hearing, was approved.

SIXTH ORDER OF BUSINESS

Ranking of Proposals for District Engineering Services and Selection of District Engineer

Ms. Burns stated that they received one proposal from Gadd & Associates, and she suggested ranking them #1. She suggested that they authorize staff to send a Notice of Intent to Award. Ms. Warren asked that they add to the motion, authorization of staff to prepare a Form of Agreement and authorization of the Chairman to execute the Agreement.

On MOTION by Mr. Shapiro, seconded by Mr. Terrill, with all in favor, Ranking Gadd & Associates #1 for District Engineering Services and Authorization for Staff to send a Notice of Intent to Award, Authorization of Staff to prepare a Form of Agreement, and Authorization of the Chairman to Execute the Agreement, was approved.

SEVENTH ORDER OF BUSINESS

Ratification of 2020 Data Sharing and Usage Agreement with Polk County Property Appraiser

Ms. Burns noted this is an agreement that they send for all districts. It is related to not disclosing exempt parcels.

On MOTION by Mr. Terrill, seconded by Mr. Rosser, with all in favor, the 2020 Data Sharing and Usage Agreement with the Polk County Property Appraiser, was ratified.

EIGHTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Ms. Warren reported that the bond validation hearing was scheduled for February 26th at 2:15 p.m. They are working with Ms. Burns’ office to compile the exhibits for the joint stipulation, and they have been in touch with the Assistant State Attorney.

B. Engineer

Mr. Gadd had nothing further to report.

C. District Manager’s Report

Ms. Burns had nothing further to report.

NINTH ORDER OF BUSINESS

Other Business

Mr. Shapiro stated that Mr. Marc was at the meeting and asked Ms. Burns if he could be sworn in. Ms. Burns answered that yes, she could swear him in off the record after the meeting adjourned.

TENTH ORDER OF BUSINESS

**Supervisors Requests and Audience
Comments**

There being none, the next item followed.

ELEVENTH ORDER OF BUSINESS

Adjournment

Ms. Burns adjourned the meeting at 12:08 p.m.

On MOTION by Mr. Terrill, seconded by Mr. Shapiro, with all in favor, the meeting was adjourned at 12:08 p.m.

Secretary/Assistant Secretary

Chairman/Vice Chairman

SECTION IV

SECTION A

SECTION 1

RESOLUTION 2020-31

THE ANNUAL APPROPRIATION RESOLUTION OF THE CYPRESS PARK ESTATES COMMUNITY DEVELOPMENT DISTRICT (“DISTRICT”) RELATING TO THE ANNUAL APPROPRIATIONS AND ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2019, AND ENDING SEPTEMBER 30, 2020; AUTHORIZING BUDGET AMENDMENTS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Cypress Park Estates Community Development District (the “District”) was established by Ordinance No. 19-1664, adopted by the City Commission of the City of Haines City, Florida, effective as of December 5, 2019; and

WHEREAS, the District Manager has prepared and submitted to the Board of Supervisors of the Cypress Park Estates Community Development District (the “Board”) the proposed budget for the Fiscal Year 2019-2020, which concludes September 30, 2020; and

WHEREAS, the Board set a public hearing thereon and caused notice of such public hearing to be given by publication pursuant to Section 190.008(2)(a), *Florida Statutes*; and

WHEREAS, the District Manager posted the Proposed Budget on the District’s website at least two days before the public hearing; and

WHEREAS, Section 190.008(2)(a), *Florida Statutes*, requires that, prior to October 1st of each year, the Board, by passage of the Annual Appropriation Resolution, shall adopt a budget for the ensuing fiscal year and appropriate such sums of money as the Board deems necessary to defray all expenditures of the District during the ensuing fiscal year; and

WHEREAS, the District Manager has prepared a Proposed Budget, whereby the budget shall project the cash receipts and disbursements anticipated during a given time period, including reserves for contingencies for emergency or other unanticipated expenditures during the fiscal year.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE CYPRESS PARK ESTATES COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1. BUDGET

- a. The Board has reviewed the Proposed Budget, a copy of which is on file with the office of the District Manager and at the District’s Local Records Office, and hereby approves certain amendments thereto, as shown in Section 2 below.
- b. The Proposed Budget, attached hereto as **Exhibit “A,”** as amended by the Board, is hereby adopted in accordance with the provisions of Section 190.008(2)(a), *Florida Statutes* (“**Adopted Budget**”), and incorporated herein by reference;

The District Manager or Treasurer must establish administrative procedures to ensure that any budget amendments are in compliance with this Section 3 and Section 189.016, *Florida Statutes*, among other applicable laws. Among other procedures, the District Manager or Treasurer must ensure that any amendments to budget under subparagraphs c. and d. above are posted on the District’s website within 5 days after adoption and remain on the website for at least 2 years.

SECTION 4. EFFECTIVE DATE. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED THIS 25TH DAY OF FEBRUARY, 2020.

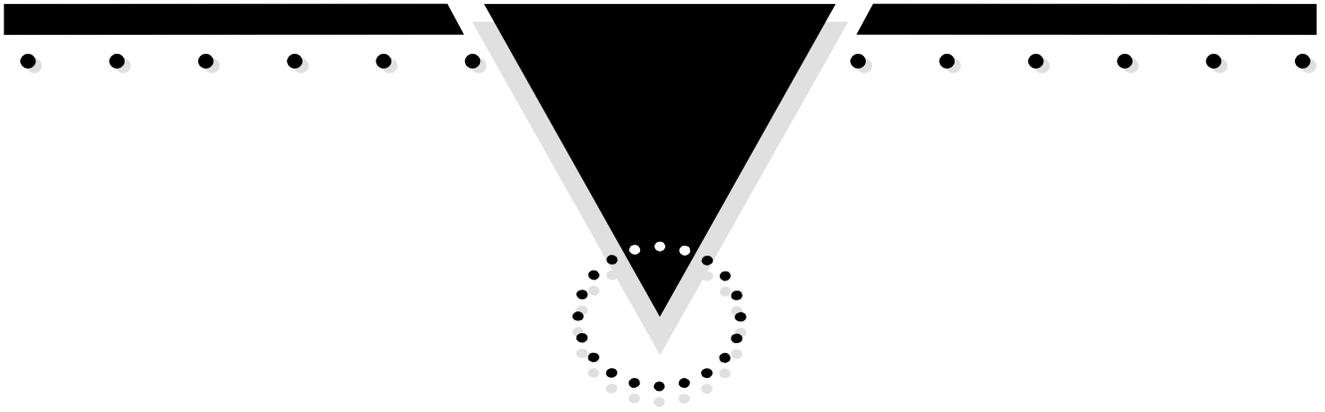
ATTEST:

**CYPRESS PARK ESTATES
COMMUNITY DEVELOPMENT
DISTRICT**

Secretary/Assistant Secretary

By: _____

Its: _____



Cypress Park Estates Community Development District

Proposed Budget
FY 2020

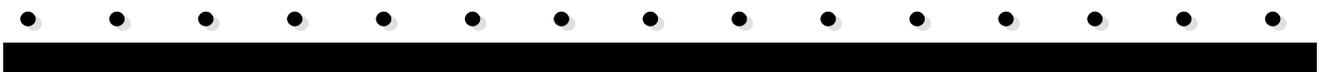


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1 General Fund

2-3 General Fund Narrative

Cypress Park Estates

Community Development District

Proposed Budget General Fund

| Description | Proposed Budget FY2020 |
|-------------|------------------------------|
|-------------|------------------------------|

Revenues

| | |
|-------------------------|----------|
| Developer Contributions | \$98,404 |
|-------------------------|----------|

| | |
|-----------------------|-----------------|
| Total Revenues | \$98,404 |
|-----------------------|-----------------|

Expenditures

Administrative

| | |
|--------------------------------|----------|
| Supervisor Fees | \$10,000 |
| Engineering | \$12,500 |
| Attorney | \$20,833 |
| Management Fees | \$29,167 |
| ** Information Technology | \$3,575 |
| Telephone | \$250 |
| Postage | \$833 |
| Insurance | \$5,000 |
| Printing & Binding | \$833 |
| Legal Advertising | \$10,000 |
| Other Current Charges | \$4,167 |
| Office Supplies | \$521 |
| Travel Per Diem | \$550 |
| Dues, Licenses & Subscriptions | \$175 |

| | |
|---------------------------|-----------------|
| Total Expenditures | \$98,404 |
|---------------------------|-----------------|

| | |
|---------------------------------------|------------|
| Excess Revenues/(Expenditures) | \$0 |
|---------------------------------------|------------|

* Budget is prorated from Dec 2019 through Sept 2020

** Budget amount includes a one-time website creation fee.

Cypress Park Estates Community Development District

GENERAL FUND BUDGET

REVENUES:

Developer Contributions

The District will enter into a Funding Agreement with the Developer to fund the General Fund expenditures for the Fiscal Year.

EXPENDITURES:

Administrative:

Supervisor Fees

Chapter 190, Florida Statutes, allows for each Board member to receive \$200 per meeting, not to exceed \$4,800 per year paid to each Supervisor for the time devoted to District business and meetings.

Engineering

The District's engineer will be providing general engineering services to the District, e.g. attendance and preparation for monthly board meetings, review invoices and various projects as directed by the Board of Supervisors and the District Manager.

Attorney

The District's legal counsel will be providing general legal services to the District, e.g. attendance and preparation for meetings, preparation and review of agreements, resolutions, etc. as directed by the Board of Supervisors and the District Manager.

Management Fees

The District will incur costs for Management, Accounting and Administrative services during the Fiscal Year.

Information Technology

Represents costs related to the District's accounting and information systems, District's website creation and maintenance, electronic compliance with Florida Statutes and other electronic data requirements. There is a one time website creation fee from VGlobalTech.

| Description | Annually |
|------------------------------------|-----------------|
| Information Technology | |
| Website Maintenance (GMS) | \$1,200 |
| Website Creation Fee (VGlobalTech) | \$2,575 |
| Total | \$3,775 |

Cypress Park Estates
Community Development District
GENERAL FUND BUDGET

Telephone

Telephone and fax machine.

Postage

The District incurs charges for mailing of Board meeting agenda packages, overnight deliveries, correspondence, etc.

Insurance

The District's general liability, public official's liability insurance and property insurance coverages.

Printing & Binding

Printing and Binding agenda packages for board meetings, printing of computerized checks, stationary, envelopes etc.

Legal Advertising

The District is required to advertise various notices for monthly Board meetings, public hearings, etc. in a newspaper of general circulation.

Other Current Charges

Bank charges and any other miscellaneous expenses incurred during the year.

Office Supplies

Any supplies that may need to be purchased during the fiscal year, e.g., paper, minute books, file folders, labels, paper clips, etc.

Travel Per Diem

The Board of Supervisors can be reimbursed for travel expenditures related to the conducting of District business.

Dues, Licenses & Subscriptions

The District is required to pay an annual fee to the Florida Department of Economic Opportunity for \$175. This is the only expense under this category for the District.

SECTION V

RESOLUTION 2020-32

**A RESOLUTION BY THE BOARD OF SUPERVISORS OF THE
CYPRESS PARK ESTATES COMMUNITY DEVELOPMENT
DISTRICT ADOPTING AN INTERNAL CONTROLS POLICY
CONSISTENT WITH SECTION 218.33, FLORIDA STATUTES;
PROVIDING AN EFFECTIVE DATE.**

WHEREAS, the Cypress Park Estates Community Development District (the “District”) is a local unit of special-purpose government created and existing pursuant to Chapter 190, *Florida Statutes*, being situated entirely within the City of Haines City, Florida; and

WHEREAS, consistent with Section 218.33, *Florida Statutes*, the District is statutorily required to establish and maintain internal controls designed to prevent and detect fraud, waste, and abuse as defined in Section 11.45(1), *Florida Statutes*; promote and encourage compliance with applicable laws, rules, contracts, grant agreements, and best practices; support economical and efficient operations; ensure reliability of financial records and reports; and safeguard assets; and

WHEREAS, to demonstrate compliance with Section 218.33, *Florida Statutes*, the District desires to adopt by resolution the Internal Controls Policy attached hereto as **Exhibit A**.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF
SUPERVISORS OF THE CYPRESS PARK ESTATES DISTRICT:**

SECTION 1. The attached Internal Controls Policy attached hereto as **Exhibit A** is hereby adopted pursuant to this Resolution.

SECTION 2. If any provision of this Resolution is held to be illegal or invalid, the other provisions shall remain in full force and effect.

SECTION 3. This Resolution shall become effective upon its passage and shall remain in effect unless rescinded or repealed.

PASSED AND ADOPTED THIS 25TH DAY OF FEBRUARY, 2020.

ATTEST:

**CYPRESS PARK ESTATES
COMMUNITY DEVELOPMENT DISTRICT**

Secretary/Assistant Secretary

Chairperson, Board of Supervisors

EXHIBIT "A"

CYPRESS PARK ESTATES COMMUNITY DEVELOPMENT DISTRICT INTERNAL CONTROLS POLICY

1. Purpose.

- 1.1. The purpose of this internal controls policy is to establish and maintain internal controls for the Cypress Park Estates Community Development District.
- 1.2. Consistent with Section 218.33(3), *Florida Statutes*, the internal controls adopted herein are designed to:
 - 1.2.1. Prevent and detect Fraud, Waste, and Abuse (as hereinafter defined).
 - 1.2.2. Promote and encourage compliance with applicable laws, rules, contracts, grant agreements, and best practices.
 - 1.2.3. Support economical and efficient operations.
 - 1.2.4. Ensure reliability of financial records and reports.
 - 1.2.5. Safeguard Assets (as hereinafter defined).

2. Definitions.

- 2.1. "Abuse" means behavior that is deficient or improper when compared with behavior that a prudent person would consider a reasonable and necessary operational practice given the facts and circumstances. The term includes the misuse of authority or position for personal gain.
- 2.2. "Assets" means District assets such as cash or other financial resources, supplies, inventories, equipment and other fixed assets, real property, intellectual property, or data.
- 2.3. "Auditor" means the independent auditor (and its employees) retained by the District to perform the annual audit required by state law.
- 2.4. "Board" means the Board of Supervisors for the District.
- 2.5. "District Management" means (i) the independent contractor (and its employees) retained by the District to provide professional district management services to the District and (ii) any other independent contractor (and its employees) separately retained by the District to provide amenity management services, provided said services include a responsibility to safeguard and protect Assets.

- 2.6. “Fraud” means obtaining something of value through willful misrepresentation, including, but not limited to, intentional misstatements or intentional omissions of amounts or disclosures in financial statements to deceive users of financial statements, theft of an entity’s assets, bribery, or the use of one’s position for personal enrichment through the deliberate misuse or misapplication of an organization’s resources.
- 2.7. “Internal Controls” means systems and procedures designed to prevent and detect fraud, waste, and abuse; promote and encourage compliance with applicable laws, rules, contracts, grant agreements, and best practices; support economical and efficient operations; ensure reliability of financial records and reports; and safeguard assets.
- 2.8. “Risk” means anything that could negatively impact the District’s ability to meet its goals and objectives. The term includes strategic, financial, regulatory, reputational, and operational risks.
- 2.9. “Waste” means the act of using or expending resources unreasonably, carelessly, extravagantly, or for no useful purpose.

3. Control Environment.

3.1. Ethical and Honest Behavior.

- 3.1.1. District Management is responsible for maintaining a work environment that promotes ethical and honest behavior on the part of all employees, contractors, vendors and others.
- 3.1.2. Managers at all levels must behave ethically and communicate to employees and others that they are expected to behave ethically.
- 3.1.3. Managers must demonstrate through words and actions that unethical behavior will not be tolerated.

4. Risk Assessment.

- 4.1. Risk Assessment. District Management is responsible for assessing Risk to the District. District Management’s Risk assessments shall include, but not be limited to:
 - 4.1.1. Identifying potential hazards.
 - 4.1.2. Evaluating the likelihood and extent of harm.
 - 4.1.3. Identifying cost-justified precautions and implementing those precautions.

5. Control Activities.

5.1. Minimum Internal Controls. The District hereby establishes the following minimum Internal Controls to prevent and detect Fraud, Waste, and Abuse:

5.1.1. Preventive controls designed to forestall errors or irregularities and thereby avoid the cost of corrections. Preventive control activities shall include, but not be limited to, the following:

5.1.1.1. Identifying and segregating incompatible duties and/or implementing mitigating controls.

5.1.1.2. Performing accounting functions in accordance with Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) standards.

5.1.1.3. Requiring proper authorizations to access and/or modify accounting software.

5.1.1.4. Implementing computerized accounting techniques (e.g. to help identify coding errors, avoid duplicate invoices, etc.).

5.1.1.5. Maintaining a schedule of the District's material fixed Assets.

5.1.1.6. Maintaining physical control over the District's material and vulnerable Assets (e.g. lock and key, computer passwords, network firewalls, etc.).

5.1.1.7. Retaining and restricting access to sensitive documents.

5.1.1.8. Performing regular electronic data backups.

5.1.2. Detective controls designed to measure the effectiveness of preventive controls and to detect errors or irregularities when they occur. Detective control activities shall include, but not be limited to, the following:

5.1.2.1. Preparing financial reports in accordance with Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) standards.

5.1.2.2. Reviewing financial statements and investigating any material variances between budgeted expenses and actual expenses.

5.1.2.3. Establishing and implementing periodic reconciliations of bank, trust, and petty cash accounts.

- 5.1.2.4. Establishing an internal protocol for reporting and investigating known or suspected acts of Fraud, Waste, or Abuse.
 - 5.1.2.5. Engaging in periodic physical inventory counts and comparisons with inventory records.
 - 5.1.2.6. Monitoring all ACH (electronic) transactions and the sequencing of checks.
- 5.2. Implementation. District Management shall implement the minimum Internal Controls described herein. District Management may also implement additional Internal Controls that it deems advisable or appropriate for the District. The specific ways District Management implements these minimum Internal Controls shall be consistent with Generally Accepted Accounting Principles (GAAP) and otherwise conform to Governmental Accounting Standards Board (GASB) and American Institute of Certified Public Accountants (AICPA) standards and norms.

6. Information and Communication.

- 6.1. Information and Communication. District Management shall communicate to its employees (needing to know) information relevant to the Internal Controls, including but not limited to any changes to the Internal Controls and/or changes to laws, rules, contracts, grant agreements, and best practices.
- 6.2. Training. District Management shall regularly train its employees (needing the training) in connection with the Internal Controls described herein and promote and encourage compliance with applicable laws, rules, contracts, grant agreements, and best practices.

7. Monitoring Activities.

- 7.1. Internal Reviews. District Management shall internally review the District's Internal Controls at least once per year. In connection with this internal review, District Management shall:
 - 7.1.1.1. Review its operational processes.
 - 7.1.1.2. Consider the potential risk of Fraud, Waste, or Abuse inherent in each process.
 - 7.1.1.3. Identify the controls included in the process, or controls that could be included, that would result in a reduction in the inherent risk.
 - 7.1.1.4. Assess whether there are Internal Controls that need to be improved or added to the process under consideration.

- 7.1.1.5. Implement new controls or improve existing controls that are determined to be the most efficient and effective for decreasing the risk of Fraud, Waste or Abuse.
- 7.1.1.6. Train its employees on implemented new controls or improvements to existing controls.
- 7.2. External Audits and Other Reviews. Audits and other reviews may be performed on various components of the District's Internal Controls by the Auditor consistent with Government Auditing Standards (GAS). Audits may identify material deficiencies in the Internal Controls and make recommendations to improve them. District Management shall communicate and cooperate with the Board and the Auditor regarding the potential implementation of Auditor recommendations.

Specific Authority: §§ 190.011(5)], 218.33(3), *Florida Statutes*

Effective date: February 25, 2020

SECTION VI

UNIFORM COLLECTION
AGREEMENT
DISTRICT

THIS AGREEMENT made and entered into this 11 day of, February 2020 by and between Cypress Park Estates Community Development District (“District”), whose address is 219 East Livingston Street Orlando FL 32801 and the Honorable Joe G. Tedder, State Constitutional Tax Collector in and for the Polk County Political Subdivision, whose address is Polk County Tax Collectors Office, P.O. Box 1189, Bartow, Florida 33831-1189 (“Tax Collector”).

SECTION I

Findings and Determinations

The parties find and determine:

1. District is authorized to impose and levy, and by appropriate Resolution has expressed its intent to use the statutory uniform methodology of collection for, certain non-ad valorem special assessments for Lakeside Preserve Community Development District as authorized by constitutional and statutory municipal home rule and by section 197.3632, Florida Statutes (2012) and Rule 12D-18, Florida Administrative Code.

2. The term “Assessments” means those certain levies by the District which purport to constitute non-ad valorem special assessments for Cypress Park Estates CDD improvements and related systems, facilities and services pursuant to Ordinance 19-1664 a non-ad valorem special assessment is lienable under Section 4, Article X, Florida Constitution, if it results in a special benefit peculiar to the parcels of property involved, over and above general community benefit, as a result of a logical connection to the property involved from the system, facility and service provided by the District and if it is apportioned to the property fairly and reasonably.

3. The uniform statutory collection methodology is provided in section 197.3632, Florida Statutes, and Rule 12D-18, Florida Administrative Code (“uniform methodology”), with its enforcement provisions, including the use of tax certificates and tax deeds for enforcing against any delinquencies; and

4. The uniform methodology is more fair to the delinquent property owner than traditional lien foreclosure methodology.

5. The uniform methodology provides for more efficiency of collection by virtue of the Assessment being on the official tax notice issued by the Tax Collector which will produce positive economic benefits to the District and its citizens; and

6. The uniform methodology, through use of the official tax notice, will tend to eliminate confusion.

7. The Tax Collector, as the State Constitutional Officer for the county political subdivision, charged by general law in Chapter 197, Florida Statutes, and related rules and regulations, to function as the agent of the Florida Department of Revenue for purposes of the uniform methodology for the Assessments.

8. The sole and exclusive responsibility to determine, impose and levy the Assessments and to determine that it is a legal, constitutional and lienable non-ad valorem special assessment for Cypress Park Estates CDD and related systems, facilities and services is that of the District and no other person, entity or officer.

SECTION II

Applicable Law and Regulations

1. Section 2, Article VIII, Florida Constitution; Chapter 170, Florida Statutes; sections 197.3631, 3632 and 3635, Florida Statutes; Rule 12D-18, Florida Administrative Code; and all other applicable provisions of constitutional and statutory law, govern the exercise by the District of its local self-government power to render and pay for municipal services.

2. Section 1(d), Article VIII, Florida Constitution; Chapter 197, Florida and other applicable provisions of constitutional and statutory law apply to Tax Collector in his capacity as a state constitutional county officer and agent of the Florida Department of Revenue for purpose the of collecting and enforcing the collection of non-ad valorem special assessments levied by District.

3. Section 197.3631, Florida Statutes, constitutes supplemental authority for District to levy non-ad valorem assessments including such non-ad valorem special assessments as the “Assessments” for Cypress Park Estates CDD and related systems, facilities and services.

4. Section 197.3632, Florida Statutes, and Rule 12D-18, Florida Administrative Code, have provisions that apply both to District and to Tax Collector, as well as, to the Department of Revenue and the Property Appraiser in and for the county.

SECTION III

Purpose

The purpose of this Agreement under Rule 12D-18, Florida Administrative Code, is to establish the terms and conditions under which the Tax Collector shall collect and enforce the collection of those certain non-ad valorem special assessments, the “Assessments,” levied by District to include compensation by District to the Tax Collector for actual costs of collection pursuant to section 197.3632(8)(c), Florida Statutes; payment by District of any costs involved in separate mailings because of non-merger of any non-ad valorem special assessment roll as certified by the Chair of the Board of Cypress Park Estates Community Development District

or his or her designee, pursuant to section 197.3632(7), Florida Statutes; and reimbursement by District for necessary administrative costs, including, but not limited to, those costs associated with personnel, forms, supplies, data processing, computer equipment, postage and programming which attend all of the collection and enforcement duties imposed upon the Tax Collector by the uniform methodology, as provided in section 197.3632(2), Florida Statutes.

SECTION IV

Term

The term of this Agreement shall commence upon execution, effective for 2020 tax notice purposes, and shall continue and extend uninterrupted from year-to-year, automatically renewed for successive periods not to exceed one (1) year each, unless District shall inform the Tax Collector, as well as Property Appraiser and the Department of Revenue, by 10 January of each calendar year, if District intends to discontinue using the uniform methodology for such Assessments pursuant to section 197.3632(6), Florida Statutes (2012) and Rule 12D-18.006(3), Florida Administrative Code, using form DR-412 promulgated by the Florida Department of Revenue.

SECTION V

Duties and Responsibilities of District

District agrees, covenants and contracts to:

1. Compensate the Tax Collector for collections on behalf of the special assessment district in the amount of two percent (2%) on the balance pursuant to 192.091(2)(b), Florida Statutes and 12D-18.004(2), Florida Administrative Code. The Authority agrees the 2% will be deducted from the balance at the time of each distribution.
2. To pay for or alternatively to reimburse the Tax Collector for any separate tax notice necessitated by the inability of the Tax Collector to merge the non-ad valorem special assessment roll certified by District pursuant to section 197.3632(7), Florida Statutes and Rule 12D-18.004(2) Florida Administrative Code.
3. District upon being timely billed shall pay directly for necessary advertising relating to implementation of the uniform non-ad valorem special assessment law pursuant to sections 197.3632 and 197.3635, Florida Statutes, and Rule 12D-18.004(2), Florida Administrative Code.
4. By 15 September of each calendar year, the Chair of the Board of the Cypress Park Estates Community Development District, or his or her designee, shall certify, using DR Form 408 to the Tax Collector the non-ad valorem assessment (“Assessment”) roll on compatible electronic medium, tied to the property parcel identification number, and otherwise in conformance with the ad valorem tax rolls submitted by the Property Appraiser in July to the Department of Revenue. District, or its agent on behalf of District, shall post the non-ad valorem special assessment for each parcel on the said non-ad valorem assessment roll and shall exercise

its responsibility that such non-ad valorem assessment roll be free of errors and omissions. Section 197.3632(10), Florida Statutes, and Rule 12D-18.006, Florida Administrative Code.

5. District agrees to abide by and implement its duties under the uniform law pursuant to all the provisions of sections 197.3632 and 197.3635, Florida Statutes, or its successor of statutory provisions and all applicable rules promulgated by the Department of Revenue and their successor rules.

6. District acknowledges that the Tax Collector has no duty, authority or responsibility in the imposition and levy of any non-ad valorem special assessments, including the District's "Assessment" and that it is the sole responsibility and duty of District to follow all procedural and substantive requirements for the levy and imposition of constitutionally lienable non-ad valorem special assessments, including the Assessments.

7. District shall indemnify and hold harmless Tax Collector to the extent of any legal action which may be filed in local, state or federal courts against Tax Collector regarding the imposition, levy, roll preparation and certification of the Assessments; District shall pay for or reimburse Tax Collector for fees for legal services rendered to Tax Collector with regard to any such legal action. Nothing herein shall be deemed or construed as a waiver of sovereign immunity by the Tax Collector or the District, and the parties shall have and maintain at all times and for all purposes any and all rights, immunities and protections available under controlling legal precedent as provided under Section 768.28, Florida Statute, or its successor and as provided under other applicable law.

SECTION VI

Duties of the Tax Collector

1. The Tax Collector or its agent shall merge timely the legally certified "Assessment" roll of the District with all non-ad valorem assessment rolls, merge said rolls with the tax roll, prepare a collection roll and prepare a combined notice (the tax notice) for both ad valorem taxes and non-ad valorem special assessments for all levying authorities within the county political subdivision, pursuant to sections 197.3632 and 197.3635, Florida Statutes, and its successor provisions, and any applicable rules, and their successor rules, promulgated by the Department of Revenue, and in accordance with any specific ordinances or resolutions adopted by district, so long as said ordinances and resolutions shall themselves each and every one clearly state intent to use the uniform method for collecting such assessments and so long as they are further not inconsistent with, or contrary to, the provisions of sections 197.3632 and 197.3635, Florida Statutes, and their successor provisions, and any applicable rules.

2. Tax Collector shall collect the Assessments of District as certified by the Chair of the Cypress Park Estates Community Development District or his or her designee, to the Tax Collector no later than 15 September of each calendar year on compatible electronic medium, tied to the property identification number for each parcel, and in the format used in July by the

Property Appraiser for the ad valorem rolls submitted to the Department of Revenue, using, DR Form 408, and free of errors or omissions.

3. The Tax Collector agrees to cooperate with District in implementation of the uniform methodology for collecting Assessments pursuant to sections 197.3632 and 197.3635, Florida Statutes, and any successor provisions and applicable rules. The Tax Collector shall not accept any non-ad valorem assessment roll for the Assessments of District that is not officially, timely and legally certified to the Tax Collector pursuant to Chapter 197, Florida Statutes, and Rule 12D-18, Florida Administrative Code.

4. If the Tax Collector discovers errors or omissions on such roll, Tax Collector may request District to file a corrected roll or a correction of the amount of any assessment and District shall bear the cost of any such error or omission.

5. If Tax Collector determines that a separate mailing is authorized pursuant to section 197.3632(7), Florida Statutes, and any applicable rules promulgated by the Department of Revenue, and any successor provision to said law or rules, the Tax Collector shall either mail a separate notice of the particular non-ad valorem special assessment (“Assessment”) or shall direct District to mail such a separate notice. In making this decision, the Tax Collector shall consider all costs to District and to the taxpayers of such a separate mailing as well as the adverse effect to the taxpayers of delay in multiple notices. If such a separate mailing is effected, District shall bear all costs associated with the separate notice for the non-ad valorem special assessment that could not be merged, upon timely billing by the Tax Collector.

SECTION VII

Entire Agreement

1. The parties shall perform all their obligations under this agreement in accordance with good faith and prudent practice.

2. This agreement constitutes the entire agreement between the parties with respect to the subject matter contained herein and may not be amended, modified or rescinded, unless otherwise provided in this Agreement, except in writing and signed by all the parties hereto. Should any provision of this Agreement be declared to be invalid, the remaining provisions of this Agreement shall remain in full force and effect, unless such provision found to be invalid alter substantially the benefits of the Agreement for either of the parties or renders the statutory and regulatory obligations unperformable.

3. This Agreement shall be governed by the laws of the State of Florida.

4. Written notice shall be given to the parties at the following addresses, or such other place or person as each of the parties shall designate by similar notice:

a. As to Tax Collector: Address Joe G. Tedder
P.O. Box 1189
Bartow, FL 33831-1189

b. As to District: Address Cypress Park Estates Community
Development District
219 East Livingston Street
Orlando FL 32801

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals and such of them as are corporations have caused these presents to be signed by their duly authorized officers.

ATTEST:

POLK COUNTY TAX COLLECTOR

Joe G. Tedder, Tax Collector

By: Joe G. Tedder
Printed Name

Date: _____

ATTEST:

_____ By: _____
Printed Name

ATTEST:

_____ By: _____
Printed Name

As authorized for execution by the District _____ of _____ City
at its _____ regular meeting.