ALLIGATOR POINT WATER RESOURCES DISTRICT

FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

ALLIGATOR POINT WATER RESOURCES DISTRICT
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INDEPENDENT AUDITORS' REPORT

To the District Board Members,
Alligator Point Water Resources District:

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the Alligator Point Water Resources District (the District), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the District, as of September 30, 2024, and the changes in financial position and cash flows, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2025 on our consideration of District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

James Moore & Co., P.L.

Tallahassee, Florida
February 12, 2025

ALLIGATOR POINT WATER RESOURCES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024

As management of the Alligator Point Water Resources District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended September 30, 2024.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of two components: 1) fund financial statements and 2) notes to the financial statements.

Fund financial statements. *A fund is a* grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Proprietary funds. The District maintains one proprietary fund. The District uses the proprietary fund to account for its water operations.

The basic fund financial statements can be found on pages 7 – 9 of this report.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to financial statements can be found on pages 10 – 133 of this report.

Water Fund Financial Analysis

A portion of the District's net position (49 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Comparative Net Position

	2024	2023
Current and other assets	$ 1,835,011	$ 1,700,360
Capital assets not being depreciated	101,963	50,972
Capital assets being depreciated, net	1,587,935	1,736,298
Total assets	3,524,909	3,487,630
Other liabilities	108,296	113,583
Total liabilities	108,296	113,583
Net position:		
Net Investment in capital assets	1,689,898	1,787,270
Unrestricted	1,726,715	1,586,777
Total net position	$ 3,416,613	$ 3,374,047

The remaining balance of *unrestricted net position* $1,726,715 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the District is able to report positive balances in all categories of net position.

Comparative Changes in Net Position

	2024	2023
Revenues:		
Program revenues:		
Charges for services and other	$ 218,718	$ 250,825
General revenues:		
Intergovernmental and other	330,229	314,839
Total revenues	548,947	565,664
Expenses:		
Water operations	506,381	508,861
Total expenses	506,381	508,861
Change in net position	42,566	56,803
Net position, beginning of year	3,374,047	3,317,244
Net position, end of year	$ 3,416,613	$ 3,374,047

The change in net position can be contributed to an increase in ad valorem tax revenue as well as a decrease in operating expenses.

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets for its business type activities as of September 30, 2024, amounts to $1,689,898 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment.

Additional information on the District's capital assets can be found in Note (3) on page 12 of this report.

Economic Factors and Next Year's Budgets and Rates

- As a condition of District Expansion that went into effect October 2023, the District will be upgrading water lines in the areas that were previously outside the District. The cost is estimated at $1,300,000.
- Ad Valorem tax for 24/25 was increased by 4.79% to 1.35 mils due to the cost of the construction of the upgraded lines.
- No other significant impacts are expected for next year.

All of these factors were considered in preparing the District's budget for the 2025 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Alligator Point Water Resources District, Post Office Box 155, Panacea, Florida 32346.

ALLIGATOR POINT WATER RESOURCES DISTRICT
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

ASSETS

Current assets	
Cash and cash equivalents	$ 829,805
Investments	958,509
Accounts receivable, net	18,669
Prepaids	28,028
Total current assets	1,835,011
Noncurrent assets	
Capital assets:	
Non-depreciable	101,963
Depreciable, net	1,587,935
Total noncurrent assets	1,689,898
Total Assets	$ 3,524,909

LIABILITIES AND NET POSITION

Current liabilities	
Accounts payable and accrued expenses	$ 14,657
Customer deposits	77,801
Unearned revenue	11,739
Compensated absences	4,099
Total current liabilities	108,296
Net Position	
Net investment in capital assets	$ 1,689,898
Unrestricted	1,726,715
Total net position	3,416,613
Total Liabilities and Net Position	$ 3,524,909

The accompanying notes to financial statements are an integral part of this statement.

ALLIGATOR POINT WATER RESOURCES DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Operating revenues	
Charges for services	$ 213,553
Other operating revenues	5,165
Total operating revenues	218,718
Operating expenses	
Personnel services	94,084
Professional fees	124,212
Insurance	28,929
Repairs and maintenance	33,932
Materials, supplies and other	62,055
Contracted services	6,270
Depreciation	156,899
Total operating expenses	506,381
Operating income (loss)	(287,663)
Nonoperating revenues (expenses)	
Ad valorem taxes	278,047
Investment income (loss)	55,982
Gain (loss) on disposal of capital assets	(3,800)
Total nonoperating revenues (expenses)	330,229
Change in net position	42,566
Net position, beginning of year	3,374,047
Net position, end of year	$ 3,416,613

The accompanying notes to financial statements are an integral part of this statement.

ALLIGATOR POINT WATER RESOURCES DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Cash flows from operating activities	
Cash received from customers	$ 219,302
Cash payments to employees	(94,084)
Cash payments to suppliers	(268,010)
Net cash provided by (used in) operating activities	(142,792)
Cash flows from noncapital financing activities	
Taxes received	278,047
Net cash provided by (used in) noncapital financing activities	278,047
Cash flows from capital and related financing activities	
Payments to acquire and construct plant property	(59,096)
Net cash provided by (used in) capital and related financing activities	(59,096)
Cash flows from investing activities	
Interest received	4,450
Net cash provided by (used in) investing activities	4,450
Net change in cash and cash equivalents	80,609
Cash and cash equivalents, beginning of year	749,196
Cash and cash equivalents, end of year	$ 829,805
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	
Operating income (loss)	$ (287,663)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation expense	156,899
Gain (Loss) on disposal of capital assets	(3,800)
Decrease (Increase) in accounts receivable	(2,510)
Increase (Decrease) in accounts payable and accrued expenses	(8,812)
Increase (Decrease) in customer deposits payable	406
Increase (Decrease) in unearned revenue	2,688
Total adjustments	144,871
Net cash provided by (used in) operating activities	$ (142,792)

The accompanying notes to financial statements are an integral part of this statement.

ALLIGATOR POINT WATER RESOURCES DISTRICT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

(1) **Summary of Significant Accounting Policies:**

The accounting policies of the Alligator Point Water Resources District (the "District") conform to generally accepted accounting principles applicable to governmental units. The following is a summary of significant policies.

(a) **Reporting entity**—The District was established and operates under a resolution adopted pursuant to the provisions of Chapter 63-1350, Laws of Florida, Special Acts of 1963 (repealed and reenacted by 2005-351, Laws of Florida), and other applicable provisions of laws. The District was organized to construct, establish, operate and maintain a water system for the benefit of the citizens of Alligator Point and Franklin County. The accompanying financial statements present the government only since there are no component units for which the government is considered to be financially accountable.

(b) **Basis of presentation**—The financial transactions of the District are reported as a proprietary fund type - Enterprise Fund. Enterprise Funds are used to account for activities in a manner similar to private-sector business enterprises. The District's operating revenues result from exchange transactions. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as investment earnings, result from nonexchange transactions or ancillary activities.

(c) **Measurement focus and basis of accounting**—The District utilizes the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of the related cash flows.

(d) **Cash and cash equivalents**—The District's cash consists of legally authorized demand deposits. The institutions in which such deposits are kept are certified as Qualified Public Depositories under the Florida Public Deposits Act. Therefore, the total bank balances on deposit at September 30, 2024 are insured or collateralized pursuant to Chapter 280, Florida Statutes. For purposes of the statement of cash flows, the District considers only highly liquid investments with original maturities of less than three months to be cash equivalents.

(e) **Accounts receivable**—The District's accounts receivable are stated at net realizable value, reduced by an allowance for uncollectable accounts, where appropriate. Accounts receivable are net of a $1,593 allowance.

(f) **Prepaids**—Prepaid insurance consists of insurance premiums, which have been paid prior to the end of the fiscal year, but represent expenses which are applicable to future accounting periods. These amounts do not constitute available spendable resources even though they are a component of current assets.

(g) **Capital assets**—Capital assets are recorded at cost less accumulated depreciation, except contributed assets which are recorded at acquisition value on the date of contribution. Expenditures of $5,000 or more are capitalized. Depreciation, on a straight-line basis, is charged over estimated useful lives ranging from 3 to 40 years.

(1) **Summary of Significant Accounting Policies:** (Continued)

(h) **Compensated absences**—The District's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for compensated absences is accrued when incurred in the District's financial statements.

(i) **Impact fees—**The Authority has not adopted any ordinances or resolutions to levy impact fees in accordance with Section 163.31801, Florida Statutes.

(j) **Net position flow assumption—**Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to determine amounts reported as restricted and unrestricted net position, it is the District's policy to consider restricted net position to have been used before unrestricted net position is applied.

(k) **Revenue recognition**—Operating revenue consists primarily of charges for services, which are billed to customers for water. Billings are included in revenue as meters are read each month. Unbilled revenues are accrued based on estimated consumption of the most recent billing. Unearned revenue represents advance collections from customers.

(l) **Property taxes**—The Franklin County Tax Collector bills and collects property taxes for the District. Details of the District's property tax calendar are presented below:

Lien Date:	January 1
Levy Date:	October 1
Due Date:	November 1
Delinquency Date:	April 1, of the following year

(m) **Use of estimates**—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

(2) **Deposits and Investments:**

All deposits are placed in a bank that qualifies as a public depository, as required by law (Florida Security for Public Deposits Act). Accordingly, all deposits are insured by Federal depository insurance and/or entirely collateralized pursuant to Chapter 280, Florida Statutes.

Investments in the Local Government Surplus Funds Trust ("PRIME Fund") are held with the Florida State Board of Administration. This fund is structured as a "2a-7 like" fund, which is carried at amortized cost. Amortized cost includes accrued income and is a method of calculating an investment's value by adjusting its acquisition cost for amortization of discount or premium over the period from purchase to maturity. Thus, the balance in the fund is its fair value. A "2a-7 like" fund is not registered with the SEC as an investment company, but never the less has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940, which comprises the rules governing money market funds.

(2) **Deposits and Investments:** (Continued)

The foremost objective of the District's investment policy is the safety of capital and liquidity of funds. Achieving an optimal rate of return is of secondary importance as compared to the safety and liquidity of funds. The District's investment policy limits investments to those relatively low risk securities authorized in anticipation of earning a fair return relative to the risk being assumed. How the District manages credit risk, interest rate risk, and custodial credit risk is as follows:

Credit Risk: The District minimizes credit risk, the risk of loss due to failure of the security, by limiting investments to authorized investments. The PRIME Fund is rated by Standards and Poor's. The current rating is AAAm.

Interest Rate Risk: The District manages its exposure to declines in fair values of investments by investing operating funds primarily in shorter-term securities, Florida State Board of Administration Florida PRIME. The weighted average days to maturity of the Florida PRIME at September 30, 2024 was 39 days. Next interest rate reset dates for floating rate securities are used in the calculation of the weighted average days to maturity.

Custodial Credit Risk: Investments are subject to custodial credit risk if the securities are uninsured, not registered in the District's name, and are held by the party that either sells to or buys for the District. No investments held at year end were subject to custodial credit risk. The Florida State Board of Administration Florida PRIME does not participate in securities lending, but the District owns shares of the Florida PRIME and not the underlying investments.

As of September 30, 2024, the District had $958,509 of investments in Florida PRIME. reported at fair market value:

(3) **Capital Assets:**

Changes in the District's capital assets for the year ended September 30, 2024, were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 19,552	$ -	$ -	$ 19,552
Construction in progress	31,420	50,991	-	82,411
Total assets not being depreciated	50,972	50,991	-	101,963
Capital assets being depreciated:				
System	3,538,056	12,336	(6,162)	3,544,230
System Equipment	81,601	-	(3,320)	78,281
Buildings	797,725	-	-	797,725
Vehicles	66,998	-	-	66,998
Furniture and Equipment	32,312	-	(4,722)	27,590
Total assets being depreciated	4,516,692	12,336	(14,204)	4,514,824
Less accumulated depreciation for:				
Total accumulated depreciation	(2,780,394)	(156,899)	10,404	(2,926,889)
Total capital assets being depreciated, net	1,736,298	(144,563)	(3,800)	1,587,935
Business-type activities capital assets, net	$ 1,787,270	$ (93,572)	$ (3,800)	$ 1,689,898

Depreciation expense for the year ended September 30, 2024 was $156,899.

(4) Risk Management:

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets and errors and omissions for which the District carries commercial insurance. However, the District cannot obtain wind or storm insurance to cover losses related to its water system infrastructure and/or water tanks. Any losses on these assets would be funded from unrestricted net position.

(5) Recent Accounting Pronouncements:

The Governmental Accounting Standards Board ("GASB") has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for subsequent fiscal years that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the District's financial statements:

(a) GASB issued Statement No. 101, *Compensated Absences*, in June 2022. GASB Statement No. 101 amends the existing guidance related to the calculation and disclosures surrounding the liability for compensated absences. The provisions for GASB 101 are effective for fiscal years beginning after December 15, 2023.

(b) GASB issued Statement No. 102, *Certain Risk Disclosures*, in December 2023. GASB Statement 102 requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints. The provisions for GASB 102 are effective for fiscal years beginning after June 15, 2024.

(c) GASB issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. The objective of GASB 103 is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The effective date for implementation is fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

(d) GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, in September 2024. GASB Statement No. 104 requires governments to disclose separate information about specific types of capital assets and establishes criteria for identifying and reporting capital assets held for sale. The objective of GASB 104 is to enhance transparency and improve the usefulness of financial statements for stakeholders by providing more detailed information on these assets. The provisions are effective for fiscal years beginning after June 15, 2025.

(6) Contractual Commitment:

As of September 30, 2024, the District had the following commitments related to unfinished projects:

Projects	Remaining Commitment
Water-Line Replacement – Sun N Sands	$ 1,700,000

JAMESMOORE

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors,
Alligator Point Water Resources District:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Alligator Point Water Resources District (the District) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 12, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described below as items 2024-001 and 2024-002 that we consider to be material weaknesses.

2024-001: Preparation of Financial Statements

The District is unable to prepare financial statements in accordance with Generally Accepted Accounting Principles ("GAAP"). The District's lack of knowledge of GAAP increases the risk that the financial statements could be materially misstated as a whole. We recommend management select and apply the appropriate accounting principles to prepare the financial statements in accordance with generally accepted accounting principles.

2024-002: Segregation of Duties

Due to the size of the District's accounting and administrative staff certain internal controls are not in place that would be preferred if the staff were large enough, to provide optimum segregation of duties. This situation dictates that the Board of Directors remains involved in the financial affairs of the District to provide oversight and independent review functions. There is an increased risk of manipulation of cash receipts and disbursements that could result in the financial statements being material misstated or misappropriation of assets. We recommend that the Board continue to be actively involved in the District's transactions through review of monthly board packets, journal entries, and financials. Also, we recommend the District not use pre-signed checks in their operations, and consider alternative methods for payments.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Alligator Point Water Resources District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Management's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our engagement and described in the accompanying Corrective Action Plan. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

James Moore & Co., P.L.

Tallahassee, Florida
February 12, 2025

INDEPENDENT AUDITORS' MANAGEMENT LETTER REQUIRED BY CHAPTER 10.550, RULES OF THE STATE OF FLORIDA, OFFICE OF THE AUDITOR GENERAL

To the District Board Members,
Alligator Point Water Resources District:

Report on the Financial Statements

We have audited the financial statements of Alligator Point Water Resources District (the District), as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated February 12, 2025.

Auditors' Responsibility

We conducted our audit in accordance with auditing 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; and Chapter 10.550, Rules of the Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 12, 2025, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have not been taken to address findings and recommendations made in the preceding annual financial audit report, see below.

Tabulation of Uncorrected Audit Findings		
Current Year Finding #	**2023 FY Finding #**	**2022 FY Finding #**
2024-001	2023-001	2022-001
2024-002	2023-002	2022-002

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This is disclosed as required by accounting principles generally accepted in the United States of America in Note 1(a) to the financial statements. There are no component units related to the District.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the District has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Alligator Point Water Resources District. It is management's responsibility to monitor the District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units; therefore, we did not any such component units that failed to provide the necessary information, nor is any specific special district information required to be reported.

Specific Special District Information

The following items have been provided to us to comply with state reporting requirements and have not been audited by us. We did not audit the following information within this section, nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on this data.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the District reported the following unaudited data:

a) The total number of district employees compensated in the last pay period of the district's fiscal year: 2

b) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year: 3

c) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: $87,320

d) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: $36,125

e) Each construction project with a total cost of at least $65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as:

    a. $1,700,000

f) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as follows: the district's original budget totaled $369,500, there were no budget amendments.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7, Rules of the Auditor General, the District reported the following unaudited data:

a) The mileage rate or rates imposed by the district: 1.45

b) The total amount of ad valorem taxes collected by or on behalf of the district: $278,047

c) The total amount of outstanding bonds issued by the district and the terms of such bonds are: $0

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and applicable management and the District board members**,** and is not intended to be and should not be used by anyone other than these specified parties.

James Moore & Co., P.L.

Tallahassee, Florida
February 12, 2025

INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Directors,
Alligator Point Water Resources District:

We have examined the Alligator Point Water Resources District's (the District) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies* (the Statute), for the year ended September 30, 2024. The District's management is responsible for the District's compliance with those requirements. Our responsibility is to obtain reasonable assurance by evaluating against the requirements and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our evaluation based on our examination.

Our examination was conducted in accordance with the attestation standards for a direct examination engagement established by the AICPA. Those standards require that we obtain reasonable assurance by evaluating against aforementioned statutes and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our measurement or evaluation of the District's compliance. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks that were not in accordance with those requirements in all material respects, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our examination engagement.

In our opinion, the District's compliance for the year ended September 30, 2024, was in accordance with the aforementioned requirements in all material respects.

James Moore & Co., P.L.

Tallahassee, Florida
February 12, 2025

ALLIGATOR POINT WATER RESOURCES DISTRICT

P. O. Box 155 Panacea, FL 32346
850-349-2274

In response to the Independent Auditors Report on Interna! Control over Financial reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in accordance with Government Auditing Standards, the District issues the following response.

Management Response to Finding 2024-001

With respect to the Preparation of Financial Statements and Footnotes, while it has been the District's practice to have its Fiscal Administrator prepare monthly financial reports for the Board of Directors and financial reports in preparation of the annual audit, we have relied upon the audit firm to identify and draft the financial statements and related note disclosures. It would be cost prohibitive to engage another accounting firm to draft the financial statements and related disclosures in advance of the year end audit procedures; consequently, the District declines to do so at this time.

Management Response to Finding 2024-002

In response to the Independent Auditors Report on Segregation of Duties based on an Audit of Financial Statements Performed in accordance with Government Auditing Standards the Alligator Point Water Resources District takes the following position.

With respect to the Segregation of Duties and Internal Controls, the District is aware of the control problem which is existent due to the lack of staff and funding for additional staff. The District's Board of Directors will remain involved in the financial affairs of the District as legally acceptable and to the benefit of the Districts customers. The District is open to entertain suggestions for better controls, than those already put in place, with relations to pre-signed checks.

Sara Turner