

**UNIVERSITY OF FLORIDA COLLEGE OF
PHARMACY FACULTY PRACTICE
ASSOCIATION, INC.**

FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

**UNIVERSITY OF FLORIDA COLLEGE OF
PHARMACY FACULTY PRACTICE ASSOCIATION, INC.
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JUNE 30, 2024 AND 2023**

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INDEPENDENT AUDITORS' REPORT

Board of Directors,
University of Florida College of Pharmacy
Faculty Practice Association, Inc.:

Report on the Financial Statements

Opinion

We have audited the financial statements of the University of Florida College of Pharmacy Faculty Practice Association, Inc. (the Association), a component unit of the University of Florida, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Association'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 Association as of June 30, 2024 and 2023, and the changes in its financial position and its cash flows for the years 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* (GAS), 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 the Association 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

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 the Association'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' Responsibility 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 GAS 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 GAS, 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 the Association'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 Association's ability to continue as a going concern for a reasonable period of time.

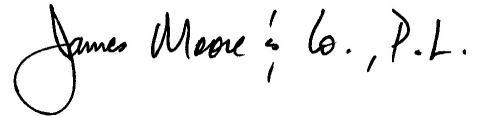
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents, 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 September 23, 2024, on our consideration of the Association'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 solely 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 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 the Association's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James Moore & Co., P.L." The signature is written in a cursive style with a large, looped initial "J".

Gainesville, Florida
September 23, 2024

**UNIVERSITY OF FLORIDA COLLEGE OF PHARMACY
FACULTY PRACTICE ASSOCIATION, INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2024 AND 2023**

This section of the University of Florida, College of Pharmacy Faculty Practice Association, Inc.’s (the “Association”) Annual Report presents management’s discussion and analysis of the Association’s financial performance during the fiscal year ended June 30, 2024. This discussion has been prepared by management and should be read in conjunction with the financial statements and footnotes. The financial statements, footnotes and this discussion and analysis are the responsibility of management.

While maintaining financial health is crucial to the long-term viability of the Association, the primary mission of the Association is to bill and collect fees for the clinical practice activities of the College of Pharmacy’s faculty. These fees support the educational, clinical and research mission of the College of Pharmacy of the University of Florida. Therefore, net position is accumulated only as required to ensure that there are sufficient reserve funds for future operations and implementation of new programs of the College of Pharmacy.

FINANCIAL HIGHLIGHTS

- The overall financial condition of the Association saw a decrease in net position from operations. The result in an overall decrease in operating revenue was due to various contract re-negotiations.
- Net position declined by \$(16,088), or a decrease of 3.87% over the prior fiscal year.

USING THIS ANNUAL REPORT

This annual report consists of financial statements prepared in accordance with the Governmental Accounting Standards Board Statement 35, *Basic Financial Statements—and Management’s Discussion and Analysis for Public Colleges and Universities*. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year’s revenues and expenses are taken into account regardless of when cash is received or paid.

NET POSITION

	2024	2023	2022	2024 vs. 2023	
				Increase (Decrease)	Percent Change
Assets					
Cash and cash equivalents	\$ 480,760	\$ 203,402	\$ 223,687	\$ 277,358	136.36%
Accounts receivable	195,442	233,543	407,022	(38,101)	-16.31%
Total assets	<u>\$ 676,202</u>	<u>\$ 436,945</u>	<u>\$ 630,709</u>	<u>\$ 239,257</u>	<u>54.76%</u>
Liabilities					
Accounts payable and other accrued expenses	\$ 252,000	\$ -	\$ 546	\$ 252,000	100.00%
Unearned revenue	24,669	21,324	-	3,345	15.69%
Total liabilities	<u>\$ 276,669</u>	<u>\$ 21,324</u>	<u>\$ 546</u>	<u>\$ 255,345</u>	<u>1197.45%</u>
Net Position					
Unrestricted	\$ 399,533	\$ 415,621	\$ 630,163	\$ (16,088)	-3.87%

**UNIVERSITY OF FLORIDA COLLEGE OF PHARMACY
FACULTY PRACTICE ASSOCIATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024 AND 2023
(Continued)**

At June 30, 2024, total assets were \$676,202, which consists of cash and accounts receivable. Assets increased by \$239,257 from 2023 due primarily to a decrease in professional services transfers to University of Florida in the current year. At June 30, 2023, total assets were \$436,945, which consists of cash and accounts receivable. Assets for 2023 decreased by \$(193,764) from 2022 due primarily to a decrease in professional services revenue.

Minimal liabilities relative to assets are held by the Association at year end June 30, 2024, 2023, and 2022. Liabilities consist of accounts payable associated with payments made on behalf of University of Florida for general support. Unearned revenue reflects customer over-payments in excess of revenue earned as a result of a subsequent customer credit granted.

Net Position

Total net position of \$399,533 at June 30, 2024 represents a decrease of \$(16,088) or 3.87%, from \$415,621 at June 30, 2023. Total net position of \$415,621 at June 30, 2023 represents a decrease of \$(214,542) or 34.05%, from \$415,621 at June 30, 2022. Factors that contributed to these changes were the decreases in operating revenues for 2024 and 2023.

CHANGES IN NET POSITION

	2024	2023	2022	2024 vs. 2023	
				Increase (Decrease)	Percent Change
Operating revenues					
Program revenues	\$ 1,469,603	\$ 1,659,174	\$ 3,140,190	\$ (189,571)	-11.43%
Operating expenses					
Professional services	1,485,691	1,873,716	9,522,967	(388,025)	-20.71%
Operating loss	<u>(16,088)</u>	<u>(214,542)</u>	<u>(6,382,777)</u>	<u>198,454</u>	<u>-92.50%</u>
Nonoperating expenses					
Transfers to University of Florida for general support	-	-	(10,100)	-	0.00%
Change in net position	<u>\$ (16,088)</u>	<u>\$ (214,542)</u>	<u>\$ (6,392,877)</u>	<u>\$ 198,454</u>	<u>-92.50%</u>

Operating Revenues and Expenses

Operating income (loss) is shown as a change of \$(16,088), \$(214,542) and \$(6,392,877), respectively for 2024, 2023, and 2022.

The total operating revenue is derived from clinical service contracts engaged by the faculty for the Association. These billings for services provide the total operating income for the Association. The decrease in operating revenues for 2024 and 2023 relative to 2022 is a product of the faculty's cyclical nature of contract negotiation, performance, and conclusion of programs. Contracts generally have a two to three-year life, and, as a result, influence operating income.

**UNIVERSITY OF FLORIDA COLLEGE OF PHARMACY
FACULTY PRACTICE ASSOCIATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024 AND 2023
(Continued)**

Operating expenses consist of transfers to the University of Florida for professional services, and were \$1,485,691, \$1,873,716, and \$9,522,967, respectively for 2024, 2023, and 2022. The College uses the production of the Association to pay for operational costs, such as professional services of accountants, attorneys, and consultants. Significant fluctuation between the years is the result of contract termination and the timing of transfers to the University of Florida for professional services and general operating support.

Non-operating Revenues and Expenses

There is no significant activity noted for non-operating activity for any of the years presented above.

CASH FLOWS

	2024	2023	2022	2024 vs. 2023	
				Increase (Decrease)	Percent Change
Cash provided by (used in):					
Operating activities	\$ 277,358	\$ (20,285)	\$ (6,313,455)	\$ 297,643	-1467.31%
Noncapital financing activities	-	-	(10,100)	-	0.00%
Net increase (decrease) in cash and cash equivalents	<u>277,358</u>	<u>(20,285)</u>	<u>(6,323,555)</u>	<u>297,643</u>	<u>-1467.31%</u>
Cash and cash equivalents, beginning of year	203,402	223,687	6,547,242	(20,285)	-9.07%
Cash and cash equivalents, end of year	<u>\$ 480,760</u>	<u>\$ 203,402</u>	<u>\$ 223,687</u>	<u>\$ 277,358</u>	<u>136.36%</u>

During the current year, total cash increased by \$277,358.

Funds from Operating Activities

Net cash provided by operating activities was \$277,358 in 2024 as compared to \$(20,285) used in 2023. This was the result of a decrease in transfers to the University of Florida for professional services and general operating support, respectively for 2024 and 2023 creating an inverse relationship between cash held by the Association and transfers in the fiscal year.

Funds from Financing and Investing Activities

There is no significant activity noted for financing or investing activity for any of the years presented above that would have a significant impact on cash flows.

**UNIVERSITY OF FLORIDA COLLEGE OF PHARMACY
FACULTY PRACTICE ASSOCIATION, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024 AND 2023
(Continued)**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Currently, the Association holds no capital assets and did not donate any property to the University of Florida as has happened in previous years.

Bond, Notes, and Capital Leases

Currently, the Association has not issued any bonds, notes, or entered into any capital leasing arrangements. It does not anticipate, at this time, issuing any instruments of this type in the future.

ECONOMIC FACTORS

The factors that are likely to affect the operational ability of the Association to perform its mission are related to the continuing strengths or weaknesses in the state economy as a whole. Generally, the revenues derived by faculty members come from corporate sources, or, in some cases, state agencies. These sources are sensitive to the overall state of the economy in Florida, and, to a lesser extent, the economy of the nation as well. The Association's budget derived from the State of Florida has a marginal impact on the Association, primarily through the hiring of new faculty or the reduction of other faculty that may ensue from budget cuts. The Association has developed a strategy that has minimized the effect of these changes and does not foresee any large impact occurring as a result. The Association is not as involved in the effects of HIPAA on clinical service entities such as the UF Health Clinics or College of Medicine, due to the third-party provider nature of its clinical services.

CONTACTING THE ASSOCIATION'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Association's Board of Directors and creditors and the Board of Trustees of the University of Florida with a general overview of the Association's finances. If you have questions about this report or need additional information, contact Shaima Coffey, the Executive Director of Finance and Administration, at (352) 273-6304.

**UNIVERSITY OF FLORIDA COLLEGE OF PHARMACY
FACULTY PRACTICE ASSOCIATION, INC.
STATEMENTS OF NET POSITION
JUNE 30, 2024 AND 2023**

	2024	2023
Current assets		
Cash and cash equivalents	\$ 480,760	\$ 203,402
Accounts receivable	195,442	233,543
Total current assets	676,202	436,945
Current liabilities		
Accounts payable and other accrued expenses	252,000	-
Unearned revenue	24,669	21,324
Total current liabilities	276,669	21,324
Net position		
Unrestricted	\$ 399,533	\$ 415,621

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

**UNIVERSITY OF FLORIDA COLLEGE OF PHARMACY
FACULTY PRACTICE ASSOCIATION, INC.
STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	2024	2023
Operating revenues		
Program revenues	\$ 1,469,603	\$ 1,659,174
Operating expenses		
Transfers to University of Florida for professional services	1,485,691	1,873,716
Operating loss	(16,088)	(214,542)
Change in net position	(16,088)	(214,542)
Net position, beginning of year	415,621	630,163
Net position, end of year	\$ 399,533	\$ 415,621

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

**UNIVERSITY OF FLORIDA COLLEGE OF PHARMACY
FACULTY PRACTICE ASSOCIATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	2024	2023
Cash flows from operating activities		
Cash received from consulting services	\$ 1,511,049	\$ 1,853,977
Payments to University of Florida - professional services	(1,485,691)	(1,874,262)
Net cash provided by (used in) operating activities	25,358	(20,285)
Cash flows from noncapital financing activities		
Transfers from University of Florida	252,000	-
Net change in cash and cash equivalents	277,358	(20,285)
Cash and cash equivalents, beginning of year	203,402	223,687
Cash and cash equivalents, end of year	\$ 480,760	\$ 203,402
Reconciliation of operating loss to cash provided by (used in) operating activities		
Operating loss	\$ (16,088)	\$ (214,542)
Adjustments to reconcile operating loss to cash provided by (used in) operating activities:		
Decrease in accounts receivable	38,101	173,479
Increase (decrease) in accounts payable and accrued expenses	-	(546)
Increase in unearned revenue	3,345	21,324
Net cash provided by (used in) operating activities	\$ 25,358	\$ (20,285)

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

**UNIVERSITY OF FLORIDA COLLEGE OF PHARMACY
FACULTY PRACTICE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

(1) **Reporting Entity:**

The University of Florida College of Pharmacy Faculty Practice Association, Inc. (the “Association”) is a not-for-profit corporation formed by the University of Florida College of Pharmacy in 1998. The Association performs billing and collection of fees associated with the practice of pharmacy at the University of Florida College of Pharmacy. The Association funds salary supplements and other related costs for the benefit of the faculty of the College of Pharmacy. The Association also transfers funds to the University of Florida (the “University”) in the furtherance of its above stated purpose. The Association is an affiliated Association and a component unit of the University of Florida and is, therefore, included by discrete presentation in the financial statements of that reporting entity.

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

(a) **Basis of presentation**—For financial reporting purposes, the Association is considered a special-purpose government engaged only in business-type activities. Accordingly, the Association prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for proprietary funds, which is similar to those for private business enterprises. Accordingly, revenues are recorded when earned and expenses are recorded when incurred. The Association’s accounting policies conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

(b) **Cash and cash equivalents**—For purposes of reporting cash flows, cash includes cash and interest bearing deposits with original maturity dates of less than 90 days and overnight repurchase agreements.

(c) **Revenues**—Revenues are recorded as services are provided and are derived principally from corporate pharmaceutical sponsors for specific clinical services that are administered by the University of Florida College of Pharmacy.

(d) **Expenditures**—Expenditures are recognized on the accrual basis of accounting. Payment of non-faculty salaries and purchases of equipment and supplies are accomplished by the Association through transfers to the University of Florida Miscellaneous Gifts and Grants Fund.

(e) **Classification of revenues**—The Association classifies its revenues as operating or non-operating according to the following criteria:

(i) **Operating revenues**—include the primary activities of contributions from donors, program revenues, rental activities, and special events.

(ii) **Non-operating revenues**—include revenues derived from investments and contributions restricted for capital additions or endowments.

(f) **Net position**—The Association’s net position is classified as follows:

(i) **Restricted**—represent assets that are restricted in purpose.

(ii) **Unrestricted**—represents assets that are not restricted for any purpose and available for current operations.

The Association uses restricted expendable net position to fund allowable expenses to the extent available. As of June 30, 2024 and 2023, the Association had no restricted net position.

**UNIVERSITY OF FLORIDA COLLEGE OF PHARMACY
FACULTY PRACTICE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

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

(g) **Income taxes**—The Association has been granted an exemption from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Association annually files a Form 990, “Return of Association Exempt from Income Tax” with the Internal Revenue Service. The Association’s income tax returns for the past three years are subject to examination by tax authorities, and may change upon examination. The Association has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with the accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements of the Association.

(h) **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. These estimates and assumptions affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

(i) **Donated services**—The Association occupies space at the University of Florida College of Pharmacy and is assisted by employees of the University. Since there is no clearly measurable basis to value these contributed services, the value of such services is not recorded in the accompanying financial statements.

(j) **Recently issued 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. The Foundation has not currently determined what, if any, impact implementation of the following will have on the Foundation’s financial statements.

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 in GASB 101 are effective for fiscal years beginning after December 15, 2023.

GASB issued Statement No. 102, *Certain Risk Disclosures*, in December 2023. The objective of GASB 102 is to provide users of governmental financial statements with essential information about risks related to an entity’s vulnerabilities due to certain concentrations or constraints. The provisions in GASB 103 are effective for fiscal years beginning after June 15, 2024.

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 an entity’s accountability. The provisions in GASB 103 are effective for fiscal years beginning after June 15, 2025.

**UNIVERSITY OF FLORIDA COLLEGE OF PHARMACY
FACULTY PRACTICE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

(3) **Concentration of Credit Risk:**

(a) **Demand deposits**—The Association has demand deposits with one regional bank with bank balances totaling \$644,959 and \$203,306 at June 30, 2024 and 2023, respectively. The Association has no policy requiring collateral or other security to support its deposits, although all demand deposits with banks are federally insured up to \$250,000 under FDIC protection.

(b) **Accounts receivable**—For the year ended June 30, 2024, approximately 80% of the Association's accounts receivable was due from four customers. For the year ended June 30, 2023, approximately 72% of the Association's accounts receivable was due from three customers.

(c) **Revenues earned**—For the year ended June 30, 2024, revenues from four customers accounted for approximately 80% of total revenues. For the year ended June 30, 2023, revenues from four customers accounted for approximately 84% of total revenues.

(4) **Risk Management:**

The Association obtains professional liability protection coverage from the University of Florida self-insurance program that is paid for by the University of Florida College of Pharmacy.

**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**

Board of Directors,
University of Florida College of Pharmacy
Faculty Practice Association, Inc.:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the University of Florida College of Pharmacy Faculty Practice Association, Inc. (the Association) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Association's basic financial statements, and have issued our report thereon dated September 23, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Association'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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.

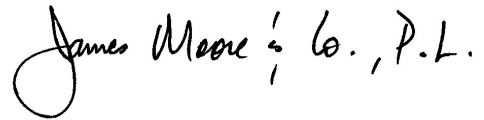
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association'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*.

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.

Gainesville, Florida
September 23, 2024