

**NOTICE OF REGULAR MEETING OF NORTH FLORIDA WATER UTILITIES AUTHORITY
(NFWUA) BOARD OF DIRECTORS**

The NFWUA will meet at 9:30 AM., in Regular Session on June 4, 2025, in the Columbia County Tourist Development Conference Room, 971 W. Duval Street, Lake City, FL 32055.

In accordance with the Florida Statutes and Americans with Disabilities Act, any person needing a special accommodation to participate in this matter should contact the North Florida Water Utilities Authority by mail to James M. Swisher, Jr., Columbia County Clerk of Court & Comptroller, 173 NE Hernando Avenue, Lake City, Florida 32055 or by telephone at (386) 758-1041, no later than 48 hours prior to the hearing or proceeding for which this notice has been given. Persons requiring auditory assistance may access the foregoing telephone number by contacting the Florida Relay Service at 1-800-955-8770 (Voice) or 1-800-955-8771 (TDD).

If any person intends to appeal any decision related to this action, such person will need to provide a court reporter at such person's expense, for a transcript of the proceedings. All interested persons are invited to attend.

For further information, call (386) 758-1041.

North Florida Water Utilities Authority

Regular Meeting

Agenda

June 4, 2025 9:30 AM

Duval Place – Executive Conference Room

971 W Duval Street Lake City, FL 32055

1. Call to Order
2. Pledge of Allegiance
- 3 Roll Call
4. Additions & Deletions
5. Approval of Agenda

Public Comment:

Discussion Items:

1. Approve Employment Contract – Shannon Roberts
2. Contract Renewal – The NET Group Online
3. Finance Department – Bills & Vouchers – Ben Scott
4. Payne Consulting Services, Update and Possible Renewal
5. Raftelis Financial Consultants, Update on Rate Study
6. Approve FY 2024 Annual Audit, James Moore
7. Discuss Budget
8. Future Direction/ Plans

Board Comments:

Adjournment:

**EXECUTIVE DIRECTOR EMPLOYMENT AGREEMENT
BETWEEN
NORTH FLORIDA WATER UTILITIES AUTHORITY
AND
SHANNON ROBERTS**

THIS EMPLOYMENT AGREEMENT (“Agreement”) is made and entered into on this 4th day of June 2025, by and between North Florida Water Utilities Authority, an independent special district of the State of Florida (the “Authority”), and Shannon Roberts (“Roberts”).

W-I-T-N-E-S-S-E-T-H

WHEREAS, the Authority desires to employ the services of Roberts as “Executive Director” (being herein so called) of the Authority (the “Authority”), pursuant to the terms of the Interlocal Agreement between the Board of County Commissioners of Columbia County, Florida (“Columbia County”), and the Board of County Commissioners of Suwannee County, Florida (“Suwannee County”), dated April 16, 2024, forming the Authority effective as of April 18, 2024 (the “Interlocal Agreement”, which was designed upon adopted as Suwannee County Agreement No. 2024-61), and all relevant charters, codes, statutes, laws, and constitutional provisions applicable to the position of Executive Director of the Authority;

WHEREAS, it is the desire of the Authority to provide certain benefits and establish certain conditions of employment for Roberts as Executive Director in accordance with this Agreement;

WHEREAS, it is the desire of the Authority to secure and retain the services of Roberts as Executive Director and to provide inducement for him to continue in such employment; and

WHEREAS, Roberts desires to accept employment as Executive Director in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

Section 1. Employment.

A. The Authority hereby hires and appoints Roberts as Executive Director, under the terms established herein, to perform the duties and functions of “Administrator” of the Authority as specified in the Interlocal Agreement, and all relevant charters, codes, statutes, laws, constitutional provisions, and any other ordinances, regulations, resolutions or policies applicable to the position of Executive Director, and to perform such other legally permissible and proper duties and functions as the Authority shall assign from time to time.

B. Employment of Roberts as Executive Director shall be effective as of June 9, 2025. This Agreement shall remain in effect until terminated by the Authority or Roberts as provided herein.

C. Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of the Authority to terminate the services of Roberts as Executive Director at any time, subject only to the provisions set forth in Section 3 of this Agreement.

D. Nothing in this Agreement shall prevent, limit, or otherwise interfere with the right of Roberts to resign at any time from his position as the Executive Director, subject only to the provisions set forth in Section 4 of this Agreement.

Section 2. Duties and Obligations.

A. As the Executive Director, Roberts shall have all the duties, responsibilities, and powers set forth in the Interlocal Agreement applicable to the "Administrator" of the Authority, as defined therein, and under all relevant charters, codes, statutes, laws, constitutional provisions, and other ordinances, regulations, resolutions and policies applicable to the position of Executive Director. Roberts agrees to perform and undertake all such duties and responsibilities, and to exercise all such powers faithfully, industriously, and to the best of his ability, all in a professional and competent manner.

B. Roberts, as the Executive Director, shall remain in the exclusive employ of the Authority and shall devote all necessary time, attention, knowledge, and skills necessary to faithfully perform his duties and responsibilities, and to exercise his powers under this Agreement. Roberts may, however, engage in educational and professional activities and other employment activities upon receipt of approval by the Authority at the Authority's expense, provided that such activities shall not interfere with his primary obligations as the Executive Director pursuant to this Agreement. Roberts shall dedicate no less than an average of forty (40) hours per week to the performance of his duties hereunder.

C. In the event Roberts shall serve on any appointed or elected Authority of any professional organization or serve on any committees related to his professional activities, in the event any monies are paid to, or gifts received by Roberts related to such service, such money or property shall be paid over to or delivered to the Authority, unless otherwise provided by the Authority.

Section 3. Termination and Severance Pay.

A. Termination without Cause. The Authority, acting by and through its Board, may, in accordance with its powers under the Interlocal Agreement and applicable Florida law, terminate the employment of Roberts as Executive Director, without cause. Additionally, if the Authority is jointly dissolved by its members in accordance with the Interlocal Agreement, the action will result in termination without cause. In all such instances, Roberts shall be provided with written notice of the decision of the Authority, and the effective date of termination shall be not less than 30 days following the effective vote to terminate Roberts. Upon termination under this part, Roberts will be entitled to:

(1) a severance payment equal to the lesser of twenty (20) weeks of base salary or the maximum severance permitted pursuant to Florida Statutes section 215.425;

(2) a lump sum payment at his then-hourly rate of base salary as Executive Director for all annual leave hours accumulated but unused as of the date of termination, not to exceed the maximum accrual provided in the Authority's approved personnel policies as may then be applicable to all other non-union employees of the Authority;

(3) a lump sum payment at his then-hourly rate of base salary as Executive Director for all sick leave hours accumulated but unused as of the date of termination, subject to the limitations and maximum accrual provided in the Authority's approved personnel policies as may then be applicable to all other non-union employees of the Authority; and

(4) continuation of the Executive Director's health insurance under Section 9 at Authority expense for a period of the lesser of twenty (20) weeks following the effective date of termination or

the maximum severance term permitted pursuant to Florida Statutes section 215.425 in accordance with, and within the limitations of, COBRA and the rates applicable thereunder.

B. Termination for Cause. The Authority may, by action of its Board in accordance with its powers under the Interlocal Agreement, for good cause shown, terminate the employment of Roberts as the Executive Director. Roberts shall be entitled to a hearing on the question of whether cause existed to terminate his employment within five (5) business days of termination under this part, if he requests a hearing, in writing, to the Authority's attorney. In the event Roberts's employment as Executive Director is terminated for cause, the Authority shall not pay severance pay described under subsection A(1) or pay for the continuation of health insurance described under subsection A(4) hereof. The term "for good cause shown" shall include but not be limited to all behaviors constituting "misconduct" as the term is defined at Florida Statutes section 443.036(29); gross negligence in the handling of Authority affairs; willful violation of the provisions of law; willful disregard of a direct order, demand, or policy of the Authority;; illegal or habitual alcohol or drug abuse; conviction of a felony; conviction of any crime involving moral turpitude or relating to official duties; or adjudication of violation of the Florida Ethics Code or Code of Ethics separately adopted and approved for the Authority, if any. For the purposes of this subsection, if Roberts pleads guilty or *nolo contendere* or is found guilty of a felony or an ethics violation, he shall be deemed to have been convicted, notwithstanding a suspension of sentence or a withholding of adjudication.

C. If Roberts, after FMLA leave because of sickness, accident, injury, mental incapacity or health should become permanently disabled or otherwise unable to perform his duties and responsibilities effectively, or to exercise his powers as Executive Director as provided in this Agreement for a period of four (4) successive weeks, then the Authority shall have the right to terminate this Agreement in accordance with provisions of subsection A hereof.

D. This Agreement shall continue in full force and effect until employment is terminated as provided herein, or a new employment agreement between Roberts and the Authority supersedes it.

Section 4. Resignation.

A. Roberts shall provide the Authority not less than sixty (60) days' written notice prior to the effective date of any voluntary resignation, unless the parties agree otherwise.

B. In the event Roberts voluntarily resigns his position as Executive Director, the Authority shall be under no obligation to pay severance pay described under subsection A(1) or pay for the continuation of health insurance described under subsection A(4) hereof.

Section 5. Compensation and Semiannual Review.

A. The Authority shall pay Roberts for his services as the Executive Director an annual base salary of \$125,000.00 payable in equal installments pursuant to Authority policy and may increase Roberts's compensation from time to time as herein provided.. This Agreement shall not be construed as limiting the authority of the Authority to increase the base salary or other benefits paid to Roberts under this or any other agreement.

B. The Authority shall periodically review and evaluate the performance of Roberts as provided by this Agreement and the Interlocal Agreement. Without limitation to the generality of the foregoing, the Board of the Authority shall review Roberts' performance as Executive Director not less than

semiannually for the first two (2) years of his employment with the Authority, with a view of increasing his annual base salary to an amount not to exceed \$150,000.00 by the end of that two (2)-year period. Such increase in Roberts' annual base salary shall be in the sole discretion of the Board of the Authority, and each such increase shall be based on the Authority's Board's evaluation of Roberts' overall performance as Executive Director, including, but not limited to consideration of Roberts' (i) oversight and administration of all utility grants or loans for Columbia County, Suwannee County, and the Authority, (ii) transition, taking over, and running all utility billings and collections for Columbia County, Suwannee County, and the Authority, (iii) providing needed leadership, information, and responses, coordinating completion and delivery of pending rate study for the Authority by Raftelis, and implementing the completed rate study and its findings and recommendations, (iv) transitioning of all utility assets of Columbia County and Suwannee County to the Authority to the ownership, operation, and management of the Authority, and (v) discharge of the powers and duties of "Administrator" of the Authority, as specifically provided for under Article VIII.b.i. through vi., inclusive, of the Interlocal Agreement, which provisions are hereby incorporated by this reference.

Section 6. Retirement.

A. The Authority shall contribute to the Florida Retirement System on Roberts's behalf, and as soon as it is determined that the Executive Director position qualifies, as a member of the System's Senior Management Service Class, pursuant to Florida general law.

B. In addition to the retirement contributions made by the Authority to the Florida Retirement System, Roberts may contribute to such retirement program as he decides may be appropriate, deferred compensation in an amount equal to the current maximum amount provided for in 26 U.S.C. 457. Roberts shall at all times be fully vested in and entitled to all such contributions.

Section 7. Automobile, Communications and Home Office Equipment.

The parties understand and agree that the duties of the Executive Director require that he shall be on call for twenty-four-hour service. Due to the nature of his employment and to better facilitate Roberts's performance of these duties:

A. The Authority shall provide Roberts with a suitable Authority vehicle for his full-time use. The Authority shall be responsible for paying for the purchase, operation, maintenance, repair, insurance and regular replacement of said vehicle.

B. The Authority shall provide a "smart" mobile phone for Roberts' regular use. The phone shall at minimum support text and email messaging, calendar functions, and remote Internet access and browsing. This part shall not be read as to require an annual upgrade of Roberts' phone.

C. The Authority shall provide for the equipping of a home office at Roberts' residence to include a computer monitor, keyboard, mouse, and other computer peripherals necessary to complete work from home. These peripherals shall be compatible with Roberts' Authority-issued laptop computer. It is expected Roberts will be required to work from home from time to time, including during states of emergency or if other conditions limit access to Authority office facilities.

D. Roberts shall return in good condition all Authority-owned equipment upon termination of this contract.

Section 8. Other Benefits.

A. Except as may be otherwise limited under the terms of this Agreement, Roberts as the Executive Director shall be entitled to earn, use, accrue and be compensated for paid time off (“PTO”), holiday leave and other benefits as are generally granted to other non-union employees of the Authority. Roberts shall start this Agreement with 160 hours of PTO, which may be rolled over annually if not used.

B. The Authority, in consultation with Roberts, may from time to time fix any such other terms and conditions of employment as it may determine proper relating to Roberts’ performance under this Agreement, provided that such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement or other applicable law. Any amendment, modification, or other change to this Agreement shall be reduced to writing and signed by Roberts and the then-serving Chairperson of the Board of the Authority after consideration and approval by the Board of Authority.

Section 9. Insurance.

A. The Authority shall provide term life insurance as is generally provided to other non-union employees of the Authority in the amount of Roberts’ then current annual base salary, starting at \$125,000, at no charge to Roberts as the Executive Director.

B. The Authority shall provide to Roberts medical and dental insurance on the same terms and conditions as are available to all other non-union employees of the Authority.

Section 10. No Reduction of Benefits.

The Authority shall not at any time during the term of this Agreement reduce the salary, compensation, or other financial benefits of Roberts as the Executive Director, except and to the degree and extent such reduction is also imposed for all other non-union employees of the Authority.

Section 11. Dues and Association Memberships.

A. The Authority agrees to pay professional dues and subscriptions for Roberts as necessary for his participation in the Authority Board approved public water and wastewater utility associations, as well as any other organizations that the Authority agrees are necessary and desirable and conditioned upon annual budget approval.

B. The parties agree that it is necessary for the Executive Director and beneficial to the Authority for Roberts to attend professional conferences and training sessions relating to counties and Authority administration. The Authority agrees that Roberts shall be permitted to attend professional association conferences and training sessions as selected by Roberts. The Authority shall pay the attendance, travel, and lodging expenses incurred in Roberts’s attendance at such conferences including continuing education units, together with per diem for subsistence, all in accordance with the policies of the Authority applicable to non-union employees, and up to the limitations and restrictions set forth in Section 112.061, Florida Statutes or other applicable Florida law.

Section 12. Residence.

Roberts shall at all times remain a full-time resident of Suwannee or Columbia County, Florida, during his employment as Executive Director under this Agreement. Should Roberts cease to reside within Suwannee or Columbia County, Florida, that event shall constitute good cause for termination.

Section 13. Suspension

If the Authority wishes to investigate allegations of misconduct by Roberts, then the Authority shall have the authority to suspend Roberts as Executive Director, but only with full pay and benefits, until such investigation is complete and rendition of a final decision by the Authority is made. Suspension may be imposed only by agreement of a majority of the Board of the Authority and the Executive Director or after a public hearing in which a majority of the Authority Board members vote to suspend the Executive Director for cause. Prior to any hearing relating to suspension of Roberts, the Authority attorney shall give Roberts written notice setting forth any charges giving rise to just cause at least 7 days prior to such a hearing.

Section 14. Indemnification

To the extent required and otherwise allowed by law, but subject to the limitations set forth in Section 768.28, Florida Statutes, and as otherwise may be limited or prohibited by law, and without waiving any available defense of sovereign immunity of the Board or the Authority, the Authority shall defend, hold harmless, and indemnify Roberts against any tort, professional liability claim, or demand or other legal action, groundless or otherwise, arising out of an alleged act or omission committed by Roberts within the scope of his employment hereunder. Provided, however, that Roberts shall timely report any such allegation to the Authority and thereafter cooperate fully and honestly in the Authority's defense thereof. The Authority may compromise and settle any such claim or suit and pay the amount of any settlement or judgment rendered thereon, subject to reimbursement by Roberts if required by law. Said indemnification shall extend beyond termination of employment and expiration of this Agreement to provide full and complete protection to Roberts by the Authority for any acts or omissions committed within the scope of his employment hereunder as Executive Director, regardless of whether the notice or filing of a lawsuit for such tort, claim, demand, or other legal action occurs during or following Roberts's employment with the Authority. The provisions of this section shall not apply to any claim, demand, suit, or cause brought or asserted against Roberts for his acts or omissions committed while acting outside the course and scope of his employment under this Agreement, nor shall it apply for acts or omissions of Roberts committed in bad faith or with malicious purpose or in a manner exhibiting wanton and willful disregard of human rights, safety, property, or civil rights.

Section 15. Appropriation and Budget Process

The Authority is an independent special district of the State of Florida, and subject to annual budget, appropriation, allocation, and expenditure constraints related to its status. The Authority's performance and obligation to pay under this Agreement is contingent the Authority's Board's action in setting and approving an annual budget for the Authority which includes appropriation for funds sufficient to satisfy the Authority's fiscal obligations set forth in this Agreement. In addition, until such time as the Authority is financially self-sufficient from its own utility operations, the Authority's performance and obligation to pay under this Agreement is contingent upon annual


appropriations and funding from (i) Columbia County, (ii) Suwannee County, (iii) as to certain grants, loans, or programs, state or its executive agencies funding based on appropriation by the Florida Legislative, or (iv) , as to certain grants, loans, or programs, federal or its agencies funding based on appropriation by U.S. Congress.

Section 16. Entire Agreement

This document constitutes the entire Agreement between the parties, except as may be amended from time to time, in writing, by the parties hereto. All provisions contained in this Agreement are subject to and conditioned upon compliance with the Interlocal Agreement, counties' charter(s) or code(s), the Florida Administrative Code, and all statutes, laws, constitutional provisions, and other Authority ordinances, regulations, resolutions and policies. In the event of a conflict with this Agreement, the Interlocal Agreement, the counties' charter(s) or code(s), the Florida Administrative Code, and all such statutes, laws, constitutional provisions and other Authority ordinances, regulations, resolutions and policies shall take precedence.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to have been executed on behalf of each as of the date and year first above-written.

EXECUTIVE DIRECTOR:



Shannon Roberts

AUTHORITY:
North Florida Water Utilities Authority

By: _____
Rocky Ford, Chairman

Attest:

James M. Swisher, Jr.
Clerk of Courts/Recording Secretary

NORTH FLORIDA WATER UTILITIES AUTHORITY

FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

DRAFT

**NORTH FLORIDA WATER UTILITIES AUTHORITY
TABLE OF CONTENTS
SEPTEMBER 30, 2024**

	<u>Page Number(s)</u>
Independent Auditors' Report	1 – 3
Management's Discussion and Analysis	4 – 5
Basic Financial Statements	
Statement of Net Position	6
Statement of Revenues, Expenditures, and Changes in Net Position	7
Statement of Cash Flows	8
Notes to Financial Statements	9 – 10
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 <i>Government Auditing Standards</i>	11 – 12
Independent Auditors' Management Letter Required by Chapter 10.550, Rules of the State of Florida Office of the Auditor General	13 – 15
Independent Accountants' Examination Report	16

INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
North Florida Water Utilities Authority:

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the North Florida Water Utilities Authority (the Authority), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority'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 North Florida Water Utilities Authority, 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 the Authority 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 Authority'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 the Authority'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 Authority'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 June 4, 2025, on our consideration of the Authority'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 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 Authority's internal control over financial reporting and compliance.

James Moore & Co., P.L.

Gainesville, Florida
June 4, 2025

DRAFT

**NORTH FLORIDA WATER UTILITIES AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

We offer readers of the North Florida Water Utilities Authority's (the Authority) financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended September 30, 2024.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Government Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Certain comparative information between the current year and prior year is required to be presented in the MD&A and is presented in the Financial Highlights.

Financial Highlights

Our financial statements provide these insights into the results of this year's operation:

- At September 30, 2024, the Authority's statement of net position reported an ending net position balance of \$150,896, with limited expenditures of grant revenues during the year of inception.
- The Authority's assets exceeded its liabilities at September 30, 2024 by \$150,896. The full amount (unrestricted net position) may be used to meet the Authority's ongoing obligations.
- Total revenues were \$200,001 for the fiscal year ending September 30, 2024. Of those amounts, the Authority earned and expended \$200,000 and \$49,105, respectively, in grant revenues.
- Total expenses were \$49,105 for September 30, 2024, which consisted of various professional service costs related to the inception of the Authority.

Overview of the Financial Statements

This annual report contains financial statements that report on the Authority, which is a proprietary fund-enterprise fund that provides the community with adequate water and wastewater treatment facilities. Enterprise funds are used to account for activities in a manner similar to private-sector business enterprises and use the accrual basis of accounting.

The first financial statement is the Statement of Net Position. This statement includes all of the Authority's assets and liabilities using the accrual basis of accounting. All of the current year transactions are recorded, regardless of when cash is received or paid. Net position – the difference between assets, liabilities and deferred items – can be used to measure the Authority's financial position.

The second financial statement is the Statement of Revenues, Expenses and Changes in Net Position. This statement is also shown using the accrual basis of accounting. It shows the increases and decreases in net position during the fiscal year. Over time, the increases or decreases in net position are useful indicators of whether the Authority's financial health is improving or deteriorating. However, other non-financial factors must also be considered when assessing the overall health of the Authority.

The Statement of Cash Flows reports cash receipts and cash payments, and classifies the Authority's cash transactions in four categories: operating, noncapital financing, capital and related financing, or investing activities.

In these statements, all of the Authority's activities are considered to be business-type activities, which are generally financed in whole or in part by fees charged to external parties for goods or services. The Authority has no governmental activities.

**NORTH FLORIDA WATER UTILITIES AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024**

Condensed Statement of Net Position

	2024
Assets	
Current and other assets	\$ 150,989
Total assets	\$ 150,989
Liabilities	
Accounts payable and other liabilities	\$ 93
Total liabilities	\$ 93
Net Position	
Unrestricted	\$ 150,896
Total Net Position	\$ 150,896

The Statement of Net Position column shows the Authority's assets less its liabilities. The difference between these assets and liabilities is reported as net position. Changes in net position over time may be helpful in indicating an improving or deteriorating financial position.

Condensed Statement of Revenue, Expenses and Changes in Net Position

	2024
Revenues:	
Program revenues:	
Grants	\$ 200,000
General revenues:	
Investment income	1
Total revenues	200,001
Expenses:	
Operating costs	49,105
Total expenses	49,105
Change in net position	150,896
Net Position – beginning	-
Net Position - ending	\$ 150,896

The Statement of Revenue, Expenses, and Changes in Net Position presents information showing how the net position changed during the fiscal year. The statement presents all underlying events, which give rise to the change, regardless of the timing of the related cash flows.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the statements.

Contacting the Authority

This financial report is designed to provide a general overview of the Authority's finances and to show the Authority's accountability for the management of the financial resources of the Authority. If you have any questions about this report or need additional financial information, you may contact the North Florida Water Utilities Authority by mail at P.O. Box 1529, Lake City, FL, 32056.

**NORTH FLORIDA WATER UTILITIES AUTHORITY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024**

ASSETS

Current assets:

Cash and cash equivalents	\$ 140,921
Prepays	10,068
Total assets	<u>\$ 150,989</u>

LIABILITIES

Current liabilities:

Accounts payable	\$ 93
Total liabilities	<u>\$ 93</u>

NET POSITION

Unrestricted	\$ 150,896
Total net position	<u>\$ 150,896</u>

DRAFT

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

**NORTH FLORIDA WATER UTILITIES AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Operating revenues	
Charges for services	\$ -
Total operating revenues	<u>-</u>
Operating expenses	
Operating expenses	49,105
Total operating expenses	<u>49,105</u>
Operating income (loss)	<u>(49,105)</u>
Nonoperating revenues (expenses)	
Investment income (loss)	1
Operating grants	200,000
Total nonoperating revenues (expenses)	<u>200,001</u>
Change in net position	<u>150,896</u>
Net position, beginning of year	-
Net position, end of year	<u><u>\$ 150,896</u></u>

DRAFT

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

**NORTH FLORIDA WATER UTILITIES AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Cash flows from operating activities	
Cash payments to suppliers	\$ (59,080)
Net cash provided by (used in) operating activities	<u>(59,080)</u>
Cash flows from noncapital financing activities	
Operating grants	200,000
Net cash provided by (used in) noncapital financing activities	<u>200,000</u>
Cash flows from investing activities	
Interest received	1
Net cash provided by (used in) investing activities	<u>1</u>
Net change in cash and cash equivalents	<u>140,921</u>
Cash and cash equivalents, beginning of year	-
Cash and cash equivalents, end of year	<u><u>\$ 140,921</u></u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:	
Operating income (loss)	\$ (49,105)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Changes in assets and liabilities	
Decrease (Increase) in inventory and prepaid expenses	(10,068)
Increase (Decrease) in accounts payable and accrued expenses	93
Total adjustments	<u>(9,975)</u>
Net cash provided by (used in) operating activities	<u><u>\$ (59,080)</u></u>

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

NORTH FLORIDA WATER UTILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

(1) Summary of Significant Accounting Policies:

The accounting policies of the North Florida Water Utilities Authority (the Authority) conform to generally accepted accounting principles applicable to governmental units. The following is a summary of significant policies.

(a) **Reporting entity**—The Authority is a special-purpose local government operating pursuant to an interlocal agreement dated April 16, 2024, between Columbia County, Florida, and Suwannee County, Florida, (the Counties) to contract for an to provide for the operation and maintenance of their respective water, wastewater, and reclaimed water facilities located within the Counties. The Authority is governed by a five-person board including two individuals from each of the Counties, plus a fifth individual who is appointed by the other four members and must be a resident of one of the Counties. Each of the Counties funded the Authority’s operations with \$100,000 operating grants in 2024.

The Authority uses the criteria established in GASB Statement No. 14, as amended, to define the reporting entity and identify component units. Component units are entities for which the Authority is considered to be financially accountable or entities that would be misleading to exclude. There are no other entities that qualify for inclusion as a component unit within the Authority's reporting entity.

(b) **Basis of presentation**—The financial transactions of the Authority 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 Authority's future operating revenues will 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 and operating grants from member counties, result from nonexchange transactions or ancillary activities.

(c) **Measurement focus and basis of accounting**—The Authority 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 Authority'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 Authority considers only highly liquid investments with original maturities of less than three months to be cash equivalents.

(e) **Inventories and prepaids**—Prepaid items 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.

(f) **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. The Authority did not own any capital assets at September 30, 2024.

NORTH FLORIDA WATER UTILITIES AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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

(g) **Net position flow assumption**—Sometimes the Authority 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 Authority’s policy to consider restricted net position to have been used before unrestricted net position is applied.

(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 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. The Authority only invests excess public funds in certificates of deposit with qualified public depositories, which is an authorized form of investment pursuant to the provisions of Section 218.415, Florida Statutes. Such investments are stated at cost and are entirely insured or collateralized. The Authority does not have any investments recorded at fair value.

(3) **Risk Management:**

The Authority is exposed to various risks of loss for which it carries commercial insurance. Settled claims have not exceeded insurance coverage in any of the past three years.

(4) **Contingencies and Uncertainties:**

The Authority is sometimes a party to lawsuits and claims arising out of the normal conduct of its activities. While the results of lawsuits or other proceedings against the Authority cannot be predicted with certainty, management does not expect that these matters will have a material adverse effect on the financial condition of the Authority.

(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 Authority’s financial statements:

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.

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.

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,
North Florida Water Utilities Authority:

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 North Florida Water Utilities Authority (the Authority) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 4, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audits of the financial statements, we considered the Authority'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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 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 Authority'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audits we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of 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 audits 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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

James Moore & Co., P.L.

Gainesville, Florida
June 4, 2025

DRAFT

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

To the Board of Directors,
North Florida Water Utilities Authority:

Report on the Financial Statements

We have audited the basic financial statements of the North Florida Water Utilities Authority (the Authority), as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated June 4, 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 Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's 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 June 4, 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. This is the first year the Authority has existed, therefore, there were no findings in a preceding audit report.

Official Title and Legal District

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. The North Florida Water Utilities Authority was established via interlocal agreement described in Note (1) to the financial statements. There are no component units related to the Authority.

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 Authority 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 audits, we determined that the Authority 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 Authority. It is management's responsibility to monitor the Authority'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 had no 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 that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Specific Special District Information – North Florida Water Utilities Authority

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 Authority reported the following unaudited data:

- a) The total number of district employees compensated in the last pay period of the district's fiscal year: 0 employees.
- b) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year: 0 independent contractors.
- c) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: \$-0-.
- d) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: \$-0-.
- 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: None.

- 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: there were no amendments between the original and final total district expenditure budget.

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 Board of Supervisors, and is not intended to be and should not be used by anyone other than these specified parties.

James Moore & Co., P.L.

Gainesville, Florida
June 4, 2025

DRAFT

INDEPENDENT ACCOUNTANTS' REPORT

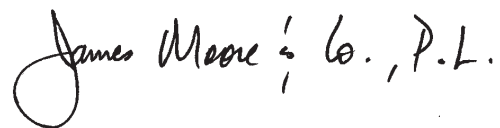
To the Board of Directors,
North Florida Water Utilities Authority:

We have examined the North Florida Water Utilities Authority's (the Authority) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies* (the Statute), for the year ended September 30, 2024. The Authority's management is responsible for the Authority'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 American Institute of Certified Public Accountants (AICPA). Those standards require that we obtain reasonable assurance by evaluating against the aforementioned statutes during the year ended September 30, 2024 and performing other procedures to obtain sufficient appropriate evidence to express an opinion that conveys the results of our evaluation of the Town's compliance during the year ended September 30, 2024. 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 Authority, and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our examination engagement.

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



Gainesville, Florida
June 4, 2025

June 4, 2025

To the Board of Directors of,
North Florida Water Utilities Authority:

We have audited the financial statements of North Florida Water Utilities Authority (the Authority) as of and for the year ended September 30, 2024, and have issued our report thereon dated June 4, 2025. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated February 14, 2025, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of the Authority solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings, if any, regarding significant control deficiencies over financial reporting and material noncompliance, and other matters noted during our audit in a separate letter to you dated June 4, 2025.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

Professional standards require that we, as auditors, identify significant risks that impact the audit based upon the nature of the organization and design our audit procedures to adequately address those risks. As part of the audit process, we have identified the following significant risks, which are being communicated solely to comply with auditing standards and do not represent any specific finding and/or concerns related to the audit:

- Override of internal controls by management
- Improper revenue recognition

Our audit was designed to adequately address the above risks and no issues were noted that impacted our ability to render an opinion on the financial statements.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Authority is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year ended September 30, 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates and Related Disclosures

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. We noted no significant estimates in the financial statements for the year ended September 30, 2024.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Authority's financial statements relate to:

The Deposits and Investments note summarizes the Authority's cash balances and insurance protection.

Significant Unusual Transactions

There were no significant unusual transactions identified as a result of our audit procedures that were brought to the attention of management and required to be communicated to you.

Identified or Suspected Fraud

We have not identified nor have we obtained information that indicates that fraud may have occurred.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For the purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. The list below summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

- None noted.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The following material misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management:

- None noted.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Authority's financial statements or the auditor's report. No such disagreements arose during the course of our audit.

Representations Requested from Management

We have requested certain written representations from management that are included in the attached management representation letter dated June 4, 2025.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

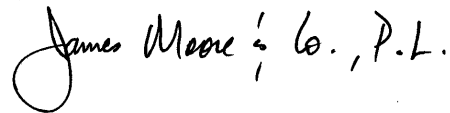
Other Significant Matters, Findings, or Issues

Pursuant to professional standards, our responsibility as auditors for other information in whether financial or nonfinancial, included in the Authority's annual reports does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, with respect to the supplementary information accompanying the financial statements, we have: made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the use of the Board of Directors and management of the North Florida Water Utilities Authority and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

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

JAMES MOORE & CO., P.L.

DRAFT

June 4, 2025

James Moore & Co., P.L.
5931 NW 1st Place
Gainesville, Florida 32607

This representation letter is provided in connection with your audit of the financial statements of North Florida Water Utilities Authority (the Authority) as of September 30, 2024, and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the Authority in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information such that, in the light of surrounding circumstances, 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.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of June 4, 2025:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated February 14, 2025, for the preparation and fair presentation of the financial statements of the Authority in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation, and maintenance of the system 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.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
5. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
6. We have a process to track the status of audit findings and recommendations.
7. We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
8. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

9. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
10. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
11. The effects of uncorrected misstatements summarized in the attached schedule and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.
 - None noted.
12. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
13. All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
14. All funds and activities are properly classified.
15. All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
16. All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
17. Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
18. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
19. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
20. All interfund and intra-entity transactions and balances have been properly classified and reported.
21. Special items and extraordinary items have been properly classified and reported.
22. Deposit and investment risks have been properly and fully disclosed.
23. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
24. All required supplementary information is measured and presented within the prescribed guidelines.
25. With regard to investments and other instruments reported at fair value:

- a. The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - c. The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
 - d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
26. There have been no cybersecurity breaches or other cyber events whose effects should be considered for disclosure in the financial statements, as a basis for recording a loss contingency, or otherwise considered when preparing the financial statements.

Information Provided

27. We have provided you with:
- a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the Authority referred to above, such as records, documentation, meeting minutes, and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit; and
 - c. Unrestricted access to persons within the entity and others from whom you determined it necessary to obtain audit evidence.
28. The financial statements and any other information included in the annual report are consistent with one another, and the other information does not contain any material misstatements.
29. All transactions have been recorded in the accounting records and are reflected in the financial statements.
30. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
31. We have provided to you our analysis of the entity's ability to continue as a going concern, including significant conditions and events present, and if necessary, our analysis of management's plans, and our ability to achieve those plans.
32. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
- a. Management;
 - b. Employees or contractors who have significant roles in internal control; or
 - c. Others where the fraud could have a material effect on the financial statements.
33. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
34. We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation, claims, or assessments.

35. We have disclosed to you the identity of all the entity's related parties and the nature of all the related party relationships and transactions of which we are aware.
36. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
37. The Authority has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
38. We have disclosed to you all guarantees, whether written or oral, under which the Authority is contingently liable.
39. We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
40. For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
41. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
42. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
43. There are no:
 - a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.
 - d. Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
44. The Authority has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
45. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

46. The Authority is in compliance with all applicable rate covenants and coverage requirements for all debt issues.
47. As part of your audit, you assisted with preparation of the financial statements and related notes. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
48. With respect to the required supplementary information accompanying the financial statements:
 - a. We acknowledge our responsibility for the presentation of the required supplementary information (RSI).
 - b. We believe the required supplementary information, including its form and content, is measured and fairly presented within the prescribed guidelines.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
49. In order to provide oversight of the financial statement preparation services provided by you at an appropriate level, we have established effective review policies and procedures including the performance of the following functions:
 - a. Reconcile general ledger amounts to the draft financial statements utilizing grouping schedules to be provided by you.
 - b. Review all supporting documentation and explanations for journal entries you proposed and approve the entries.
 - c. Review and approve schedules and calculations supporting amounts included in the notes to the financial statements.
 - d. Review and approve the cash flow worksheet used in preparing the statement of cash flows.
 - e. Apply analytic procedures to the draft financial statements.
 - f. Perform other procedures as considered necessary by us.
50. We have evaluated and classified any subsequent events as recognized or nonrecognized through the date of this letter. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

Section 218.415, Florida Statutes, *Local Government Investment Policies*

51. We confirm, to the best of our knowledge and belief, as of June 4, 2025, the following representations made to you during your examination engagement related to the Authority's compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies* (the Statute):
 - a. All relevant matters are reflected in the measurement or evaluation of the Authority's compliance with the Statute.

- b. All known matters contradicting the measurement or evaluation of the Authority's compliance with the Statute and any communication from regulatory agencies or others affecting the Authority's compliance with the Statute have been disclosed to you, including communications received between the end of the period addressed by the practitioner's report and the date of the practitioner's report.
- c. We are responsible for:
 - i. All deficiencies in internal control relevant to the Authority's compliance with the Statute;
 - ii. Selecting the criteria; and
 - iii. Determining that such criteria are suitable, will be available to the intended users, and are appropriate for the purpose of the engagement.
- d. Any known events occurring subsequent to September 30, 2024, that would have a material effect on the Authority's compliance with the Statute have been disclosed to you.
- e. We have provided you with all relevant information and access as agreed upon in the terms of the engagement.
- f. We have responded fully to all inquiries made to us by you during the examination.
- g. We have disclosed to you:
 - i. All deficiencies in internal control relevant to the Authority's compliance with the Statute of which we are aware.
 - ii. Our knowledge of any actual, suspected, or alleged fraud affecting the Authority's compliance with the Statute.
 - iii. Our knowledge of any actual, suspected, or alleged noncompliance with laws or regulations affecting the Authority's compliance with the Statute.

Signed: _____

David Kraus

Signed: _____

Jay Swisher

Signed: _____

Ben Scott