TRIUMPH GULF COAST, INC.

FINANCIAL STATEMENTS
DECEMBER 31, 2024



The report accompanying this deliverable was issued by Warren Averett, LLC.

TRIUMPH GULF COAST, INC. TABLE OF CONTENTS DECEMBER 31, 2024

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS	
Fund Balance Sheet / Statement of Net Position	7
Statement of Revenues, Expenditures and Changes in Fund Balance / Statement of Activities	8
Notes to the Financial Statements	9
COMPLIANCE SECTION	
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	14





INDEPENDENT AUDITORS' REPORT

To the Board of Directors Triumph Gulf Coast, Inc.

Opinions

We have audited the accompanying financial statements of the governmental activities and the General Fund of Triumph Gulf Coast, Inc. (the Organization) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the Organization as of December 31, 2024, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with 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. 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 Organization 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 opinions.

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 Organization'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 opinions.

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 generally accepted auditing standards 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 generally accepted auditing standards 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 Organization'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 Organization'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 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 13, 2025, on our consideration of the Organization'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 the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Pensacola, Florida June 13. 2025

Warren averett, LLC

TRIUMPH GULF COAST, INC. MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2024

General Information

Management is pleased to offer the following assessment of the operations of Triumph Gulf Coast, Inc. (the Organization) for the year ended December 31, 2024.

Financial Highlights

The assets of the Organization exceeded its liabilities at December 31, 2024, by \$604,596,118.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Organization's basic financial statements. The Organization's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Organization's finances in a manner similar to private-sector business. The government-wide financial statements consist of the statement of net position and the statement of activities.

The statement of net position presents information on all of the Organization's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Organization is improving or deteriorating.

The statement of activities presents information showing how the Organization's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenue and expenses reported in this statement for some items will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities of objectives. The Organization uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Organization maintains one governmental fund, which is the General Fund.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be used in evaluating an organization's near-term financing requirements.

TRIUMPH GULF COAST, INC. MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2024

Governmental Funds – Continued

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions.

Notes to the Financial Statements

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

Government-Wide Financial Analysis

The Organization's net position increased by \$24,724,695 during the year. At the end of the current fiscal year, the Organization is able to report a positive balance in net position. The same situation held true for the prior year. The Organization recognized revenue of \$113,038,235 in 2024. This amount includes the annual settlement payment of \$80,000,000 and interest income of \$33,038,235. Subsequent settlement payments are scheduled to be received annually through 2033. Funds disbursed increased from \$51,894,713 in 2023 to \$87,254,156 in 2024. The increase is attributed to the increase of ongoing grant projects.

TRIUMPH GULF COAST, INC. STATEMENTS OF NET POSITION AS OF DECEMBER 31, 2024 AND 2023

	2024	2023
ASSETS		
Cash and prepaid items	\$ 617,674,364	\$ 589,392,390
Advance on funds disbursed		2,970,399
Total assets	617,674,364	592,362,789
LIABILITIES		
Accounts payable and accrued expenses	51,821	32,334
Funds disbursed payable	13,026,425	12,459,032
Total liabilities	13,078,246	12,491,366
NET POSITION		
Restricted	95,942,988	134,069,425
Unrestricted	508,653,130	445,801,998
TOTAL NET POSITION	\$ 604,596,118	\$ 579,871,423

TRIUMPH GULF COAST, INC. MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2024

TRIUMPH GULF COAST, INC. STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
REVENUES		
General revenue:		
Settlement income appropriation	\$ 80,000,000	\$ 80,000,000
Interest income	33,038,235	16,800,588
Total revenues	113,038,235	96,800,588
EXPENSES		
Administrative	1,059,384	940,061
Funds disbursed	87,254,156	51,894,713
Total expenses	88,313,540	52,834,774
CHANGE IN NET POSITION	24,724,695	43,965,814
NET POSITION, BEGINNING OF YEAR	579,871,423	535,905,609
NET POSITION, END OF YEAR	\$ 604,596,118	\$ 579,871,423

Request for Information

This report is designed to provide a general overview of Triumph Gulf Coast, Inc.'s finances for all those with an interest. Questions concerning any of the information in this report or requests for additional information should be addressed as follows:

Triumph Gulf Coast, Inc. 4100 Legendary Drive, Suite 200 Destin, Florida 32541



TRIUMPH GULF COAST, INC. FUND BALANCE SHEET / STATEMENT OF NET POSITION DECEMBER 31, 2024

ASSETS		
	General Fund	Governmental Activities
CURRENT ASSETS		
Cash and cash equivalents	\$ 617,638,038	\$ 617,638,038
Prepaid expenses	36,326	36,326
TOTAL ASSETS	\$ 617,674,364	617,674,364
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 51,821	51,821
Funds disbursed payable	13,026,425	13,026,425
TOTAL LIABILITIES	13,078,246	13,078,246
	NITION	
FUND BALANCE / NET POS	SITION	
Fund balance - nonspendable	36,326	
Fund balance - restricted	95,942,988	
Fund balance - committed	416,446,757	
Fund balance - unassigned	92,170,047	
TOTAL FUND BALANCE	604,596,118	
TOTAL LIABILITIES AND FUND BALANCE	\$ 617,674,364	
Restricted		95,942,988
Unrestricted		508,653,130
TOTAL NET POSITION		\$ 604,596,118

TRIUMPH GULF COAST, INC. STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE/ STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2024

	General Fund	Governmental Activities
REVENUES Settlement revenue appropriation Interest income	\$ 80,000,000 33,038,235	\$ 80,000,000 33,038,235
Total revenues	113,038,235	113,038,235
EXPENDITURES/EXPENSES Administrative and general Funds disbursed	1,059,384 87,254,156	1,059,384 87,254,156
Total expenditures/expenses	88,313,540	88,313,540
EXCESS OF REVENUES OVER EXPENDITURES	24,724,695	
FUND BALANCE, BEGINNING OF YEAR	579,871,423	
FUND BALANCE, END OF YEAR	\$ 604,596,118	
CHANGE IN NET POSITION		24,724,695
NET POSITION, BEGINNING OF YEAR		579,871,423
NET POSITION, END OF YEAR		\$ 604,596,118

1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Organization

Triumph Gulf Coast, Inc. (the Organization) was organized in 2017, as a Florida not-for-profit corporation, to oversee the expenditure of 75 percent of all funds received by the Florida Department of Commerce (FloridaCommerce), for economic damages to the state that resulted from the 2010 Deepwater Horizon oil spill. The Organization is required to administer the distribution of funds to be used for the recovery, diversification and enhancement of the eight Northwest Florida counties disproportionately affected by the oil spill. Those counties include Escambia, Santa Rosa, Okaloosa, Walton, Bay, Gulf, Franklin and Wakulla.

The Organization is governed by a seven-member Board, which is appointed by the Governor (1), the Attorney General (1), the Chief Financial Officer (1), the President of the Senate (2) and the Speaker of the House (2). Appointments and terms of office are established pursuant to Florida Statute 288.8014.

The following is a summary of the more significant accounting policies and practices of the Organization, which affect significant elements of the accompanying financial statements.

Reporting Entity

The accounting policies adopted by the Organization conform to accounting principles generally accepted in the United States of America as applied to not-for-profit organizations reporting using the governmental model. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Organization (the primary government). There were no entities that required inclusion as a component unit within the Organization's financial statements.

Basis of Presentation

Government-wide financial statements – While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental fund and reports information on all of the nonfiduciary activities of the Organization. Separate financial statements are provided for the governmental fund.

Fund financial statements – The fund financial statements provide information about the Organization's governmental fund:

• The General Fund is established to account for resources devoted to financing the general operations of the Organization. All operating resources are recorded in the General Fund.

Measurement Focus and Basis of Accounting

The Organization's financial statements are prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, which requires the Organization to present *basic financial statements*, which are defined as follows:

The statement of net position and the statement of activities report information using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. These statements focus on the Organization's activities, as a whole, and report all of the assets, liabilities, revenues, expenses, and gains and losses of the entity.

The fund balance sheet and the statement of revenues, expenditures and changes in fund balance report information using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or within 60 days after year-end. Expenditures are generally recorded when a liability is incurred, as under accrual accounting.

GASB Statement No. 34 requires disclosure of the reconciliation adjustments, which convert the fund financial statements into government-wide financial statements. The Organization has elected to present the respective fund financial statements and the government-wide financial statements in a combined format containing the reconciliation adjustments.

Assets, Liabilities and Net Position or Fund Balance

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, as well as investments that are readily convertible to cash. Investments purchased within three months of maturity are considered to be cash equivalents.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded when consumed, rather than when purchased.

Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Classification of Fund Balance

GASB Statement No. 54 (GASB 54) establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which an Organization is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, under GASB 54, are comprised of the following:

Nonspendable – includes amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items not expected to be converted to cash, such as inventories and prepaid items.

Restricted – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed – includes amounts that can be used only for the specific purposes determined by a formal action of the Organization's highest level of decision-making authority. The Board of Directors is the highest level of decision-making authority for the Organization that can, by passing a motion prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the action remains in place until a similar action is taken to remove or revise the limitation.

Unassigned – includes amounts that have not been restricted, committed or assigned to specific purposes. Unassigned amounts are technically available for any purpose.

Fund Balance/Net Position Flow Assumptions

Sometimes, the Organization will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Organization's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. However, there is an exception to this policy for the \$5 million of appropriated interest received for administrative costs. Only certain administrative costs that have been approved by the Board of Directors are applied to the appropriated interest. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Revenue Sources and Agency Transactions

Settlement income is received by FloridaCommerce pursuant to the Deepwater Horizon settlement agreement and is recognized when received.

In 2023, legislation passed authorizing the Organization to retain interest earned on invested settlement funds from July 1, 2023 through June 30, 2024. In 2024, legislation passed authorizing the Organization to retain interest earned on invested settlement funds effective July 1, 2024. This interest is recognized as revenue when earned.

Income Taxes

The Organization is generally exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code; therefore, no provision for income taxes has been made in the accompanying financial statements.

The Organization files income tax returns in the U.S. federal jurisdiction. Income tax returns for the past three years are subject to examination by tax authorities and may change upon examination. The Organization has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with 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 Organization.

2. CASH AND CASH EQUIVALENTS

The amount reported as cash and cash equivalents consists of cash in a demand account, money market funds and the SBA Florida PRIME investment account.

At December 31, 2024, the carrying amounts of cash and money market funds held were \$278,801. Custodial credit risk is the risk that the Organization's deposits might not be recovered. The Organization does not have a deposit policy for custodial credit risk; however, the Organization has not experienced any losses in its cash and money market fund accounts and believes it is not exposed to any significant risk.

Cash invested with the SBA represents the Organization's participation in Florida PRIME, which is authorized by Section 218.415(17), Florida Statutes. Florida PRIME operates under investment guidelines established by Section 215.47, Florida Statutes. The Organization's investments in Florida PRIME are reported at amortized cost. As of December 31, 2024, the balance was \$617,359,237. The fair value of the Organization's position in Florida PRIME is the same as the value of the pool shares.

Since Florida PRIME is similar to money market funds where shares are owned in the fund rather than the actual underlying investments, disclosures for foreign currency risk are not applicable. In addition, there are no security lending activities for these funds, as the Organization does not own the underlying shares. In accordance with GASB Statement No. 79, Florida PRIME qualifies for measuring its investments at amortized cost, and management of the pool believes that the pool is exempt from the GASB Statement No. 72 fair value hierarchy disclosures. As of December 31, 2024, there were no redemption fees or maximum transaction amounts or any other requirements that serve to limit a participant's daily access to 100% of their account value.

The SBA's interpretation of GASB Statement No. 40 is that information related to credit risk and interest rate risk are applicable to the SBA accounts as noted below:

Credit Quality:

Florida PRIME is rated by Standard and Poor's and carries an AAAm rating for December 31, 2024.

Interest Rate Risk:

The weighted average days to maturity (WAM) of Florida PRIME's investment portfolio was 39 days at December 31, 2024. A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM is relevant as an assessment of the sensitivity of Florida PRIME's investments to interest rate changes.

3. RESTRICTED FUND BALANCE

Per Florida Statute 288.8013, at least \$120,000,000 of the initial settlement appropriation must be allocated equally among the eight disproportionately affected counties. In addition, at least \$3,200,000 of the annual settlement appropriations received, beginning in 2019, must be allocated to each county. As of December 31, 2024, the Organization had a restricted fund balance of \$95,942,988.

4. COMMITTED FUND BALANCE

The Board has committed funds in excess of the amounts restricted. As of December 31, 2024, the Organization had a committed fund balance of \$416,446,757.

5. FUNDS DISBURSED

During 2024, funds were disbursed as follows:

	Funds Disbursed
Bay County	\$ 2,073,880
Escambia County	11,113,063
Franklin County	3,649,480
Gulf County	2,181,824
Okaloosa County	45,401,766
Santa Rosa County	7,150,204
Wakulla County	14,274,398
Walton County	1,266,022
Supplemental - award impacts multiple counties	143,519
	\$ 87,254,156

6. SIGNIFICANT FUNDING SOURCE

The Organization's sole source of funding is received from FloridaCommerce. A significant reduction in the level of this funding could have an adverse effect on the Organization.







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 Triumph Gulf Coast, Inc.

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 *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the General Fund of Triumph Gulf Coast, Inc. (the Organization) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise of the Organization's basic financial statements and have issued our report thereon dated June 13, 2025.

Internal Control over Financial Reporting

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Pensacola, Florida June 13, 2025

Warren averett. LLC