

**TARPON COVE DEPENDENT SPECIAL DISTRICT**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

TARPON COVE DEPENDENT SPECIAL DISTRICT

DUVAL COUNTY, FLORIDA

FOR THE YEAR ENDED SEPTEMBER 30, 2023

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## **INDEPENDENT AUDITOR'S REPORT**

TO THE BOARD OF DIRECTORS  
TARPON COVE DEPENDENT SPECIAL DISTRICT

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of Tarpon Cove Dependent Special District, ("The District"), which comprise the statement of financial position as of September 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statement referred to above present fairly, in all material respects, the financial position of Tarpon Cove Dependent Special District as of September 30, 2023, and the changes in its net assets and its 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 and the standards applicable to financial audits contained in the *Governmental Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Tarpon Cove Dependent Special District and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audits. 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; and

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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 Tarpon Cove Dependent Special District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's 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 auditor's 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 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements including omissions, 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 Tarpon Cove Dependent Special District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Tarpon Cove Dependent Special District's

ability to continue as a going concern for a reasonable period of time.

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

### **Other Matters**

#### **Required Supplemental Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the 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 consist 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 January 18, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in consideration of Tarpon Cove Dependent Special District's internal control over financial reporting and compliance.

In accordance with the *Rule of the Florida Auditor General*, we have also issued the management letter dated January 18, 2025.

Jacksonville, Florida  
January 18, 2025

*Howard & Company, CPAs, P.A.*

**Howard &  
Company**  
CERTIFIED PUBLIC ACCOUNTANTS, P.A.

**TARPON COVE DEPENDENT SPECIAL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023  
(Unaudited)**

Management's discussion and analysis of Tarpon Cove Dependent Special District's (the "District") financial performance provides an analysis of the District's financial activities. The analysis provides summary financial information for the District and should be read in conjunction with the District's financial statements.

**Overview of Financial Statements**

The District is engaged in a single governmental program and administers only one fund, the General Fund.

The basic financial statements of the District include a combined governmental fund and a government-wide statement, as well as notes to the financial statements. There is additional supplementary information following these financial statements, which may be of interest to the reader.

The statement of Governmental Fund Balance Sheet/Statement of Net Position is designed to provide the reader with the financial position of the District and is similar to private-sector financial statements. The statements include a Statement of Net Position and a Statement of Activities.

The statement of Governmental Fund Balance Sheet/Statement of Net Position, general fund column shows the District's near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirement.

All of the District's programs are considered to be governmental activities and are all related to the maintenance of the system of canals located in the Miller's Creek neighborhood. The District's primary source of funds for these activities is non-ad valorem assessment revenues from the property owners of the aforementioned neighborhoods. The District does not have any business-type activities that are intended to recover any or all of these costs through user fees and charges.

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

**TARPON COVE DEPENDENT SPECIAL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023  
(UNAUDITED)**

**Financial Highlights**

The following are various financial highlights for fiscal year ended September 30, 2023:

The District's overall net position increased by approximately \$40,883.

Total ending unrestricted net position were approximately a negative \$309,023.

The District had total expenses for the year of about \$14,152 compared to revenues of approximately \$55,035.

**Financial Analysis of the District**

The following schedule provides a summary of the assets, liabilities and net position of the District.

Over time, net position may serve as a useful indicator of a district's financial position. In the case of the District, liabilities exceed assets by \$309,023 at the close of the fiscal year. This year of financial activity of the District reflects revenues in excess of expenses, resulting in an increase in net position.

	<b>FYE 2023</b>
Current assets	\$ 10,680
Non-current assets	-
<b>Total Assets</b>	<u>10,680</u>
Current liabilities	42,814
Non-current liabilities	276,889
<b>Total Liabilities</b>	<u>319,703</u>
Unrestricted net position	<u>(309,023)</u>
<b>Total Net Position</b>	<u>\$ (309,023)</u>
District Revenues	
Operating revenues	\$ 55,035
Non-operating revenues	-
<b>Total Revenues</b>	<u>55,035</u>
Expenses	
Dredging operations	-
Interest expense & loan fees	13,970
Legal expense	0
Auditing expense	0
Legal advertising expense	144.00
Insurance expense	0
Other operating expenses	<u>38</u>
<b>Total Expenses</b>	<u>14,152</u>

**TARPON COVE DEPENDENT SPECIAL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023  
(UNAUDITED)**

**Financial Analysis of the District – (Continued)**

Change in Net Position	\$ 40,883
Net Position - Beginning of Year	<u>(349,906)</u>
Net Position - End of Year	<u>\$ (309,023)</u>

While the statement of net position shows the change in net position, the statement of revenues, expenditures and changes in fund balance provides answers as to the nature and source of these changes.

**Budgetary Highlights**

There were no budgets for the General Fund.

Revenues received in the General Fund were higher than the prior year amount by \$5,104 due primarily to real estate tax assessments.

**TARPON COVE DEPENDENT SPECIAL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023  
(UNAUDITED)**

**Economic Factors and Future Activities**

The District's Board of Supervisors are anticipating that the District's financial position and results of operations will improve moderately in the coming fiscal years. The District's first dredging operation of its waterways was completed during fiscal 2020. The District entered into a loan agreement with Ameris Bank to provide financing of up to \$450,000 of the cost. The District will service this debt through July of 2030 primarily with revenues from non-ad valorem assessments.

The future assessment revenue should be sufficient to service the debt for the foreseeable future.

**Contacting the District's Financial Management**

The financial report is designed to present users with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions concerning any of the information provided in this report or need additional information, contact the District's President, Robert Davis at 14560 San Pablo Drive North, Jacksonville, FL 32224.

**TARPON COVE DEPENDENT SPECIAL DISTRICT**

**GOVERNMENTAL FUND BALANCE SHEET/**

**STATEMENT OF NET POSITION**

**SEPTEMBER 30, 2023**

	<b>General Fund</b>	<b>Adjustments</b>	<b>Statement of Net Position</b>
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 10,680	\$ -	\$ 10,680
Total current assets	10,680	-	10,680
Total assets	\$ 10,680	\$ -	\$ 10,680
<b>Liabilities</b>			
Current liabilities			
Current Portion of Revenue Note Payable, Series 2020	\$ 42,814	\$ -	\$ 42,814
Total current liabilities	42,814	-	42,814
Noncurrent liabilities			
Revenue Note Payable, Series 2020	276,889	-	276,889
Total liabilities	319,703	-	319,703
<b>Fund Balance</b>			
Unassigned	(309,023)	309,023	-
Total Liabilities and Fund Balance	\$ 10,680		
<b>Net Position</b>			
Unrestricted		(309,023)	(309,023)
Total Liabilities and Net Position		\$ -	\$ 10,680

See Independent Auditor's Report and Notes to Financial Statements.  
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**TARPON COVE DEPENDENT SPECIAL DISTRICT**  
**STATEMENT OF GOVERNMENTAL FUND REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCE/**  
**STATEMENT OF ACTIVITES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Operating revenues			
Assessment income	\$ 55,035	\$ -	\$ 55,035
Other income	-	-	-
Total operating revenues	<u>55,035</u>	<u>-</u>	<u>55,035</u>
Operating expenditures			
Dredging & Permits	-	-	-
Interest Expense & Loan Fees	13,970	-	13,970
Legal service	-	-	-
Auditing expense	-	-	-
Legal advertising	144	-	144
Insurance	-	-	-
Other administrative	38	-	38
Total operating expenditures	<u>14,152</u>	<u>-</u>	<u>14,152</u>
Nonoperating Revenues			
Spoil revenue	<u>0</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenses	40,883	-	40,883
Fund Balance/Net position, beginning of year	<u>(349,906)</u>	<u>-</u>	<u>(349,906)</u>
Fund Balance/Net position, end of year	<u>\$ (309,023)</u>	<u>\$ -</u>	<u>\$ (309,023)</u>

TARPON COVE DEPENDENT SPECIAL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The District is a dependent special district, created in 2017 by the City Council under ordinance number 2017-154-E of the City of Jacksonville, Duval County, Florida pursuant to Section 189.02 of the Florida Statutes; adopting a charter for the Tarpon Cove Dependent Special District for the limited purpose of maintaining the system of canals located in the Tarpon Cove neighborhood. It operates under the direction of a Board of Supervisors elected by the registered voters within the District.

The District uses the criteria established in GASB Statement No. 14 to define the reporting entity and identify component units. Component units are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the District's financial statements to be misleading or incomplete. There are no entities to consider for inclusion as a component unit within the District's reporting entity. The District did not participate in any joint ventures during the 2022-2023 fiscal year.

**Basic Financial Statements**

The District is engaged in a single governmental program and administers only one fund, the General Fund. The Statement of Net Position reports the District's financial position as of the end of the fiscal year for the General Fund. The District has taken the option of presenting combined fund financial statements and government-wide statements using a columnar format that reconciles fund financial data to government-wide data in a separate column.

The Statements of Governmental Fund Balance Sheet and Net Position reports the District's financial position as of the end of the fiscal year for both the General Fund and the governmental activities.

The Statement of Revenues, Expenditures and Change in Fund Balances and the Statement of Activities reports changes in the financial position of the General Fund and the governmental activities, and the degree to which functional activities are offset by program revenues for the governmental activities.

TARPON COVE DEPENDENT SPECIAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2023

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** – (Continued)

**Measurement, Basis of Accounting and Financial Statement Presentation**

The financial statement of the District are prepared in accordance with generally accepted accounting principles (GAAP). The District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The District's governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Expenditures are recorded when the related fund liability is incurred.

**Net Position**

Net position represents the difference between assets and liabilities reported for the governmental activities. Net position is reported as restricted when there are externally imposed restrictions or restrictions imposed by enabling legislation. Unrestricted net positions are net positions that do not meet the definition of the classification previously described. As of September 30, 2023, the District had no restricted net position.

**Cash and Cash Equivalents**

All of the cash deposits of the District are placed with qualified public depositories and are insured by federal depository insurance.

**Fund Types and Major Funds**

Governmental Funds

General-Fund - The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

TARPON COVE DEPENDENT SPECIAL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2023

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** – (Continued)

**Measurement, Basis of Accounting and Financial Statement Presentation** – (Continued)

**Budgets and Budgetary Accounting**

The District prepares a budget for its General Fund-Statement of Revenues and Expenditures on a consistent basis, which does not differ materially from generally accepted accounting principles. The budget and amendments, if any, are approved by the District.

**Use of Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

**Risk Management**

The District is exposed to various risks of loss including general liability, property, and officials' liability. To manage its risks, the District has commercial insurance.

**Non-Ad Valorem Assessments and Collection**

Florida Statutes requires that special districts provide for the collection and enforcement of non-ad valorem assessments, expressing the specific intent to use the uniform method of levy, collection and enforcement. The District has entered into an interlocal agreement with the Duval County Property Appraiser and the Duval County Tax Collector to administer the collection and enforcement of the non-ad valorem assessments.

**Allowance for Doubtful Accounts**

As explained in the paragraph above, delinquent taxes and special assessments are subject to collection by the Tax Collector's office through the sale of tax certificates on real property and the issuance of warrants for seizure and sale of tangible personal property. Consequently, an allowance for uncollectible accounts is not maintained because the District believes all amounts will ultimately be collected by the Duval County Tax Collector.

TARPON COVE DEPENDENT SPECIAL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

**2. CONCENTRATION OF CREDIT RISK**

At September 30, 2023, a total of \$10,680 in cash is on deposit. All deposits are insured by federal deposit insurance or collateralized pursuant to Chapter 280, Florida Statutes.

In addition to insurance provided by the Federal Deposit Insurance Corporation, deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, Florida Security for Public Deposit Act, the State Treasurer requires all Florida qualified depositories to deposit with the Treasurer or another banking institution eligible collateral. In the event of a failure of qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

**3. SPECIAL ASSESSMENT REVENUE NOTES, SERIES 2020**

On June 1, 2020, the District entered into a loan agreement with Ameris Bank totaling \$450,000 for the purpose of financing a dredging project that was completed in the fiscal year 2021. The terms of the loan agreement provided for advances under the note, on a non-revolving basis, during an initial one-year availability period.

Interest is payable monthly at the rate of 3.99% per annum and principal is payable monthly beginning in the fiscal year 2021. The note matures on July 1, 2030. At September 30, 2023, the outstanding principal balance was \$319,703.

The scheduled principal maturities as of September 30, 2023 are as follows:

2024	\$ 42,814
2025	44,553
2026	46,364
2027	50,209
2028	52,249
Thereafter	83,514
Total	<u>\$ 319,703</u>

**4. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through January 18, 2025, which is the date the financial statements were available to be issued. In the opinion of management, no events occurred subsequent to September 30, 2023, through January 18, 2025, that require adjustment to the accompanying financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE  
BUDGET AND ACTUAL – GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	Budgeted Amounts		Actual	Variance Over (Under)
	Original	Final		
<b>Revenues</b>				
Net Assessments	\$ -	\$ -	\$ 55,035	\$ 55,035
Interest Income	-	-	145	145
<b>Total Revenues</b>	-	-	55,180	55,180
<b>Expenditures</b>				
<b>Administrative</b>				
Legal services	-	-	-	-
Annual audit	-	-	-	-
Legal advertising	-	-	144	144
Office supplies and postage	-	-	-	-
Insurance	-	-	-	-
Other administrative expenditures	-	-	38	38
<b>Total Administrative Expenditures</b>	-	-	182	182
<b>Canal Maintenance and Dredging Operations</b>				
Dredging contractor	-	-	-	-
Navigational Aids & Markers	-	-	-	-
Engineering fees	-	-	-	-
<b>Total Canal Maintenance and Dredging Operations</b>	-	-	-	-
<b>Debt Service</b>				
Interest expense & loan fees	-	-	13,970	13,970
<b>Total Debt Service</b>	-	-	13,970	13,970
<b>Total Expenditures</b>	-	-	14,152	14,152
<b>Excess Revenues (Expenditures)</b>	\$ -	\$ -	\$ 41,028	\$ 41,028
<b>Fund Balance - beginning of year</b>	(349,906)	(349,906)	(349,906)	-
<b>Fund Balance - end of year</b>	\$ (349,906)	\$ (349,906)	\$ (308,878)	\$ 41,028

**Note to Schedule**

There is not a budget prepared so no approval by the Board of Supervisors.

**ADDITIONAL  
ELEMENTS  
REQUIRED BY  
GOVERNMENT  
*AUDITING STANDARDS***

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

Board of Supervisors  
Tarpon Cove Dependent Special District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Tarpon Cove Dependent Special District, which comprise the statement of net position as of September 30, 2023, and the related statements of revenues, expenses and changes in net position for the fiscal year then ended, and the related notes to the financial statements, and have issued my report thereon dated January 18, 2025.

**Internal Control over Financial Reporting**

In planning and performing my audit of the financial statements, we considered Tarpon Cove Dependent Special District’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Tarpon Cove Dependent Special District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Tarpon Cove Dependent Special District’s internal control.

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

important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my 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.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Tarpon Cove Dependent Special District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 my 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.

Jacksonville, FL  
January 18, 2025

*Howard & Company, CPAs, P.A.*

**ADDITIONAL ELEMENTS REQUIRED BY  
AUDITOR GENERAL**

**INDEPENDENT AUDITOR'S  
MANAGEMENT LETTER**

January 18, 2025

Board of Supervisors  
Tarpon Cove Dependent Special District Jacksonville, Florida

We have audited the basic financial statements of the Tarpon Cove Dependent Special District as of and for the year ended September 30, 2023, and have issued my report thereon dated January 18, 2025. 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. We have issued our Independent Auditor's 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. Disclosures in that report, which is dated January 18, 2025, should be considered in conjunction with this Management Letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's report.

**CURRENT YEAR COMMENTS**

**Investment of Public Funds**

Rules of the Auditor General require my audit to include a review of the Tarpon Cove Dependent Special District's compliance with Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with my audit, we determined that the Tarpon Cove Dependent Special District complied with Section 218.415, Florida Statutes.

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## **CURRENT YEAR COMMENTS** – (Continued)

### **Current Year Recommendations**

Rules of the Auditor General require that we address in the Management Letter any recommendations to improve financial management. In connection with our audit, we recommend the District prepare and approve an annual budget.

### **Violations of Contracts and Grant Provisions or Abuse**

Rules of the Auditor General require that we address violations of provisions of contracts or grant agreements, fraud, illegal acts, 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 more than inconsequential. In connection with our audit, we did not have any such findings.

### **Matters Inconsequential to the Financial Statements**

Rules of the Auditor General provides that the auditor may, based upon professional judgment, report the following matters that have an inconsequential effect on the financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse; and (2) deficiencies in internal control that are not significant deficiencies. In connection with my audit for the fiscal year ended September 30, 2023, we did not have any such findings.

### **Oversight Unit and Component Units**

Rules of the Auditor General require that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this Management Letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 to the financial statements.

### **Consideration of Financial Emergency Criteria**

Rules of the Auditor General require a statement be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503, Florida Statutes, and identification of the specific conditions met. In connection with our audit, we determined that the Tarpon Cove Dependent Special District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

### **Annual Financial Report**

Rules of the Auditor General require that we determine whether the annual financial report for Tarpon Cove Dependent Special District for the fiscal year ended September 30, 2023, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year

**CURRENT YEAR COMMENTS** – (Continued)

**Annual Financial Report** – (Continued)

ended September 30, 2023. In connection with our audit, we determined that these two reports were in substantial agreement.

**Financial Condition Assessment Procedures**

Rules of the Auditor General require that we apply financial condition assessment procedures. In connection with our audit, we applied financial condition assessment procedures. It is management's responsibility to monitor the Tarpon Cove Dependent Special District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by management. The results of our procedures did not disclose any matters that are required to be reported.

This information is intended solely for the use of the Board of Supervisors of the Tarpon Cove Dependent Special District and the Florida Auditor General and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*John W. Howard, CPA*

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