

GULF CONSORTIUM
FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

**GULF CONSORTIUM
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SEPTEMBER 30, 2024**

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INDEPENDENT AUDITORS' REPORT

To the Governing Board,
Gulf Consortium:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the general fund of the Gulf Consortium (the Consortium), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Consortium'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 respective financial position of the governmental activities and general fund of the Consortium as of September 30, 2024, and the respective changes in financial position thereof 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Consortium 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 Consortium'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 GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consortiums' 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 Consortium'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 and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

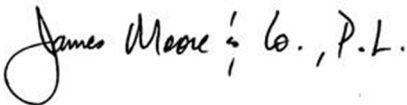
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Consortium's basic financial statements. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and schedule of receipts and expenditures of funds related to the *Deepwater Horizon* oil spill as required by as required by Chapter 10.557 (3)(f), Rules of the Auditor General, are presented for purposes of an additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards and schedule of receipts and expenditures of funds related to the *Deepwater Horizon* oil spill are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2025, on our consideration of the Consortium'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 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 Consortium's internal control over financial reporting and compliance.

Daytona Beach, Florida
June 25, 2025

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'.

**GULF CONSORTIUM
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024
(Continued)**

We offer readers of the Gulf Consortium's (the Consortium's) financial statements this narrative overview and analysis of the financial activities of the Consortium 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

- The Consortium's assets exceeded its liabilities by \$\$4,927,639 (net position), which represents an increase of \$\$90,643 from the prior year. Of this amount, \$4,759,488 is restricted for restoration and recovery projects and \$168,151 is unrestricted and may be used to meet the Consortium's ongoing obligations to its members and creditors.
- Program revenues consist of membership assessments paid by each of the 23 member counties, grant awards expended from the Oil Spill Impact Program, and a class action settlement payment related to the Deepwater Horizon oil spill. Total revenues recognized during fiscal year 2024 were \$\$7,810,028.
- The Consortium's governmental fund (the general fund) reported ending fund balance of \$4,927,639, which represents an increase of \$\$90,643 from the prior year. Ending unassigned fund balance of \$153,542 is available for spending at the discretion of the Board of Directors. Unassigned fund balance represents 1.99% of total expenditures for the general fund.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The Consortium is a legal entity and public body created pursuant to the provisions of Chapter 163, Florida Statutes (the Interlocal Act) in 2012 through an interlocal agreement between the 23 Florida counties with frontage along the Gulf of Mexico (the member counties), from Escambia County in the western panhandle of Florida to Monroe County on the southern tip of Florida.

The member counties formed the Consortium to join together for the purposes of implementing the consortia of local political subdivisions contemplated by the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012 (the RESTORE Act). The Consortium's primary purpose is to develop a State Expenditure Plan (SEP) for the expenditure of the Oil Spill Restoration Impact Allocation required by the RESTORE Act following the *Deepwater Horizon* oil spill event in 2010.

The Consortium's Board of Directors consists of one representative from each of the member counties. As a public agency, the Consortium must meet all state transparency requirements, including the Public Records Law and the Florida Sunshine Law. The Board of Directors meets on a quarterly basis to carry out its duties in administering the oil spill funds.

The Consortium executed a memorandum of understanding (MOU) with Florida Governor Rick Scott in 2013 to foster the development of the SEP, to enhance coordination and also to ensure consistency with the goals and objectives of the Gulf Coast Ecosystem Restoration Council's (the Restoration Council) Initial

**GULF CONSORTIUM
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024
(Continued)**

Comprehensive Plan. The MOU outlines cooperation elements between the Governor's Office and the Consortium and identifies the Consortium as the party responsible for the creation of the SEP.

FINANCIAL ANALYSIS OF THE CONSORTIUM

Our analysis of the Consortium begins with a measure of the Consortium's financial position or financial health by reporting its assets and deferred outflows of resources and liabilities and deferred inflows of resources and the difference between them, referred to as "net position". Over time, increases or decreases in net position are one indicator of whether its financial health is improving or deteriorating. However, other nonfinancial factors should also be considered in evaluating the Consortium's financial health.

Following is a summarized statement of net position as of September 30, 2024 and 2023:

	Governmental Activities		
	<u>2024</u>	<u>2023</u>	<u>Difference</u>
ASSETS			
Cash and cash equivalents	\$ 4,928,634	\$ 467,010	\$ 4,461,624
Accounts receivable	-	4,725,817	(4,725,817)
Due from other governments	1,293,647	367,490	(264,193)
Prepays	14,609	21,828	(7,219)
Total assets	<u>\$ 6,236,890</u>	<u>\$ 5,582,145</u>	<u>\$ 654,745</u>
LIABILITIES			
Accounts payable and accrued liabilities	\$ 13,379	\$ 745,149	\$ (731,770)
Due to other governments	1,295,872	-	1,295,872
Total liabilities	<u>\$ 1,309,251</u>	<u>\$ 745,149</u>	<u>\$ 564,102</u>
NET POSITION			
Restricted	4,759,488	4,725,817	33,671
Unrestricted	168,151	111,179	56,972
Total net position	<u>\$ 4,927,639</u>	<u>\$ 4,836,996</u>	<u>\$ 90,643</u>

The material portion of the Consortium's assets consists of cash received during the current year from a prior year class action settlement receivable. The remaining assets represent receivables relating primarily to SEP grants for reimbursements submitted and not yet paid.

**GULF CONSORTIUM
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2024
(Continued)**

Following is a summarized statement of changes in net position for the year ended September 30, 2024 and 2023:

	Governmental Activities		Difference
	2024	2023	
Revenues:			
Program Revenues:			
Membership assessments	\$ 124,122	\$ 124,122	\$ -
Class action settlement	-	4,725,817	(4,725,817)
Operating grants/contributions	7,651,792	3,135,485	4,516,307
General Revenues:			
Interest income (loss)	34,114	-	34,114
Total revenues	<u>7,810,028</u>	<u>7,985,424</u>	<u>(175,396)</u>
Expenses:			
Grant-funded expenses	7,651,791	3,135,485	4,516,306
Non-grant funded expenses	67,594	59,625	7,969
Total expenses	<u>7,719,385</u>	<u>3,195,110</u>	<u>4,524,275</u>
Increase (decrease) in net position	90,643	4,790,314	(4,699,671)
Beginning fund balance	<u>4,836,996</u>	<u>46,682</u>	<u>4,790,314</u>
Ending fund balance	<u>\$ 4,927,639</u>	<u>\$ 4,836,996</u>	<u>\$ 90,643</u>

The overall increase in the Consortium's net position was \$90,643 for fiscal year 2024. The increase in net position was primarily attributable to investment income on cash balances and membership assessments in excess of non-grant funded expenses.

ECONOMIC FACTORS AND CURRENT YEAR FINANCIAL ISSUES AND CONCERNS

The fiscal year 2025 budget adopted by the Board of Directors is \$44,701,491, which represents a decrease of less than 1% from the adopted budget for fiscal year 2024. The 2025 budget includes appropriations of \$108,008 for membership expenditures, \$93,476 for adaptive planning grant expenditures, and \$89,000,000 for SEP grant expenditures.

CONTACTING THE CONSORTIUM'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Consortium's financial activities for the fiscal year ended September 30, 2024. Questions concerning any of the information provided in the report or requests for additional information should be addressed to The Balmoral Group, LLC, 165 Lincoln Avenue, Winter Park, Florida 32789.

BASIC FINANCIAL STATEMENTS

These basic financial statements contain Government-wide Financial Statements, Fund Financial Statements and Notes to the Financial Statements.

**GULF CONSORTIUM
STATEMENT OF NET POSITION
SEPTEMBER 30, 2024**

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 4,928,634
Due from other governments	1,293,647
Prepays	14,609
Total assets	\$ 6,236,890
LIABILITIES	
Accounts payable and accrued liabilities	\$ 13,379
Due to other governments	1,295,872
Total liabilities	\$ 1,309,251
NET POSITION	
Restricted for restoration and recovery	\$ 4,759,488
Unrestricted	168,151
Total net position	\$ 4,927,639

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

**GULF CONSORTIUM
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental activities:				
General government	\$ 7,719,385	\$ -	\$ 7,775,914	\$ 56,529
Total governmental activities	<u>\$ 7,719,385</u>	<u>\$ -</u>	<u>\$ 7,775,914</u>	<u>56,529</u>
	General revenues:			
	Interest income (loss)			34,114
	Total general revenues			<u>34,114</u>
	Change in net position			90,643
	Net position - beginning of year			4,836,996
	Net position - ending of year			<u>\$ 4,927,639</u>

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

**GULF CONSORTIUM
BALANCE SHEET
GOVERNMENTAL FUND
SEPTEMBER 30, 2024**

	General Fund
ASSETS	
Cash and cash equivalents	\$ 4,928,634
Receivables, net	1,293,647
Prepaid items	14,609
Total assets	\$ 6,236,890
LIABILITIES	
Accounts payable and accrued liabilities	\$ 27,804
Due to other governments	1,281,447
Total liabilities	1,309,251
FUND BALANCES	
Nonspendable:	
Prepaid items	14,609
Restricted for restoration and recovery	4,759,488
Unassigned	153,542
Total fund balances	4,927,639
Total liabilities and fund balances	\$ 6,236,890

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

GULF CONSORTIUM
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	General Fund
Revenues	
Membership assessments	\$ 124,122
Planning grants	47,756
State expenditure plan (SEP) grants	7,604,036
Interest income (loss)	34,114
Total revenues	7,810,028
Expenditures	
Current:	
Membership expenditures:	
Management fees	58,033
Legal and other professional fees	3,763
Meetings and other operating expenditures	5,798
Total membership expenditures	67,594
Grant expenditures:	
Planning grants	47,756
SEP grants	7,604,035
Total grant expenditures	7,651,791
Total expenditures	7,719,385
Net change in fund balances	90,643
Fund balances, beginning of year	4,836,996
Fund balances, end of year	\$ 4,927,639

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

GULF CONSORTIUM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

(1) Summary of Significant Accounting Policies:

The financial statements of the Gulf Consortium (the Consortium), have been prepared in conformance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for promulgating governmental accounting and financial reporting principles. The following is a summary of the Consortium's significant accounting policies:

(a) **Reporting entity**—The Consortium was created in response to the United States Resources and Ecosystems Sustainability, Tourist Opportunities and Revived Economies of the Gulf Coast States Act of 2012 (the RESTORE Act). The RESTORE Act was established as a mechanism for providing funding to the affected Gulf Coast states to restore ecosystems and rebuild local economies damaged by the *Deepwater Horizon* oil spill, which occurred on April 20, 2010. The RESTORE Act established the Gulf Coast Ecosystem Restoration Council (the Restoration Council), an independent entity, which is composed of certain federal officials and the state governors of Alabama, Florida, Mississippi, Louisiana and Texas. The RESTORE Act charges the Restoration Council with developing a comprehensive plan for ecosystem restoration in the Gulf Coast region (the Comprehensive Plan) that identifies projects and programs aimed at restoring and protecting the natural resources and ecosystems of the Gulf Coast region. The projects and programs are funded from a portion of the Gulf Coast Restoration Trust Fund, which is derived from administrative and civil penalties from responsible parties in connection with the explosion on, and sinking of, the mobile offshore drilling unit, *Deepwater Horizon*. In Florida, the RESTORE Act, pursuant to 33 U.S.C. Chapter 1321(t)(3), requires a consortia of local political subdivisions to develop a State Expenditure Plan (SEP), for the expenditure of the Oil Spill Restoration Impact Allocation Component of the Gulf Coast Restoration Trust Fund (the Trust Fund), as established in the RESTORE Act.

The Consortium was established as a separate legal entity pursuant to the provisions of Chapter 163, Florida Statutes (the Interlocal Act), in 2012 through an interlocal agreement between the 23 Florida counties with frontage along the Gulf of Mexico (the member counties). The Consortium's primary purpose is to 1) develop Florida's SEP; 2) prepare and process proposals for funding under the competitive program to be processed and administered by the Restoration Council; and 3) act as a resource and advocate for the member counties.

In 2015, the Restoration Council published its final rule on the RESTORE Act, Spill Impact Component allocation formula. The Spill Impact Component is comprised of 30% of funds in the Trust Fund. Amounts held in the Trust Fund represent 80% of the civil and administrative penalties paid out by the responsible parties as authorized by the Clean Water Act. The Spill Impact Component funding is expected to total \$1.6 billion. Florida's allocation of the Spill Impact Component is 18.36% of the total Spill Impact Component funding, or approximately \$293 million.

In 2015, the Consortium's planning grant application to prepare the SEP was submitted to the Restoration Council and was subsequently approved. The Consortium's SEP was approved by the Restoration Council in September 2018, and the Board of Directors (the Board) received approval to commence implementation activities in February 2019. The Board approved the first group of grant applications in March 2019, and the first project was awarded in September 2019. As of September 30, 2024, 37 projects have been awarded pursuant to the SEP.

GULF CONSORTIUM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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

(b) **Government-wide and fund financial statements**—The government-wide financial statements consist of a statement of net position and a statement of activities. These statements report information on all of the nonfiduciary activities of the primary government as a whole. As part of the consolidation process, all interfund activities are eliminated from these statements.

Net position, the difference between assets, deferred outflows, liabilities and deferred inflows, as presented in the statement of net position, are subdivided into three categories: net investment in capital assets, unrestricted net position and restricted net position. Net position is reported as restricted when constraints are imposed on the use of the amounts either externally by creditors, grantors, contributors, or laws and regulations of other governments, or by law through constitutional provisions or enabling legislation. Net investment in capital assets consist of capital assets, including leased assets, net of accumulated depreciation and amortization, reduced by outstanding balances of any debt and lease liabilities that is attributable to those assets.

The statement of activities presents a comparison between the direct and indirect expenses of a given function or segment and its program revenues, and displays the extent to which each function or segment contributes to the change in net position for the fiscal year. Direct expenses are those that are clearly identifiable to a specific function or segment. Program revenues consist of charges for services, operating grants and contributions, and capital grants and contributions. Charges for services refer to amounts received from those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.

Grants and contributions consist of revenues that are restricted to meeting the operational or capital requirements of a particular function or segment.

The focus of governmental fund financial statements is on major funds. Therefore, major funds are reported as separate columns in the fund financial statements.

(c) **Measurement focus, basis of accounting, and financial statement presentation**—The government-wide financial statements are reported 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 related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported 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 soon enough thereafter to pay liabilities of the current period. For this purpose, the Consortium considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

GULF CONSORTIUM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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

The Consortium reports the following major governmental fund:

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

(d) **Budget**—An annual budget is adopted for the by the Consortium by the September meeting preceding the fiscal year, using the accrual basis of accounting. All annual appropriations lapse at the fiscal year end. No amendments are made to the adopted budget. The budget is prepared and controlled at the grant activity level.

(e) **Cash and cash equivalents**—The Consortium defines cash and cash equivalents as cash on hand, demand deposits and short-term investments that are readily convertible to known amounts of cash. Investments with original maturities of three months or less are considered to be cash equivalents.

(f) **Receivables**—After reviewing the individual account balances, the Consortium’s management has determined that 100% of receivables are fully collectible as all amounts receivable consist of grants and other governmental revenues. Therefore, no allowance for doubtful accounts has been provided.

(g) **Membership assessments**—The Consortium levies an annual assessment on member counties to fund general administrative and management activities of the Consortium. The amount of the annual assessment is different for large counties than small counties. For the fiscal year ended September 30, 2024, the annual assessment for the 15 large counties was \$7,334, and the annual assessment for the 8 small counties was \$1,764.

(h) **Intergovernmental revenues**—The Consortium’s intergovernmental revenues consist of federal program grant funding allocated for eligible projects. Once an eligible project is approved for funding by the Restoration Council, the revenue is recognized by the Consortium when eligible grant expenditures are incurred. Revenues and expenditures for pre-award management and administrative costs are recognized when invoices by the contracted service provider up to the limits specified in each grant agreement.

(i) **Grant Activities**—When grants are awarded, the entire amount of the award is recorded as a grant receivable with an offsetting accrued grant liability. This is done to track the total amount remaining on each grant award. Although this is the Consortium’s policy, it is not in accordance with U.S. GAAP. Management records journal entries at year-end to adjust these amounts to be reported in according with U.S. GAAP.

GULF CONSORTIUM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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

(j) **Fund balance**—In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the Consortium is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Those classifications are as follows:

Nonspendable – Amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact. “Not in spendable form” includes items that are not expected to be converted to cash (inventories, prepaid expenditures) and items such as long-term amount of loans, property acquired for resale, as well as unrealized gains.

Restricted – Amounts that have externally enforceable limitations on use of resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts that can be used only for the specific purposes determined by a formal action (resolution) of the Consortium Board of Directors, the Consortium’s highest level of decision making authority. Commitments may only be removed or changed by the Consortium Board of Directors taking the same formal action (resolution) that imposed the constraint originally.

Assigned – Amounts that are constrained by the Consortium’s intent to be used for specific purposes that are neither considered restricted or committed. The authority to assign fund balance lies with the Board.

Unassigned – The residual classification for the General Fund resources. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The Consortium would typically use restricted fund balances first, followed by assigned, and unassigned.

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

**GULF CONSORTIUM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(2) **Reconciliation of Government-Wide and Fund Financial Statement:**

(a) **Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**—Following the governmental fund balance sheet is a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. A detailed explanation of these differences is provided in this reconciliation.

(b) **Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**—Following the governmental fund statement of revenues, expenditures, and changes in fund balances, there is a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. A detailed explanation of these differences is provided in this reconciliation.

(3) **Cash and Investments:**

At September 30, 2024, the Consortium’s cash on deposit in its bank accounts was placed on deposit with financial institutions in the form of demand deposit accounts, time deposit accounts, and certificates of deposit, and is defined as public deposits. The Consortium’s public deposits are held in qualified public depositories pursuant to Florida Statutes, Chapter 280, “Florida Security of Public Deposits Act”, and are covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the Act. Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits, times the depository’s collateral pledging level.

The pledging level may range from 50% to 125% depending upon the depository’s financial condition and establishment period. The Public Deposit Security Trust Fund has a procedure to allocate and recover losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. Any losses to the public depositories are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the deposit in default.

(4) **Risk Management:**

The Consortium is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Consortium purchases commercial insurance. There have been no significant reductions in insurance coverage during fiscal year 2024. There have been no settlements in excess of insurance coverage in the last three years.

(5) **Commitments and Contingencies:**

Management Contract

In 2017, the Consortium engaged The Balmoral Group, LLC (Balmoral) to serve as its full-time general manager. Contract services provided include administration of the Consortium’s operations, as well as other administrative duties, including financial management, accounting services and annual budget preparation. The compensation for these services that are not eligible for reimbursement under federal grant awards is at a rate of \$175 per hour, not to exceed \$100,000 per fiscal year. Non-grant related expenditures under this contract for the year ended September 30, 2024, totaled \$58,033. The contract also recognizes certain management services may be eligible for grant reimbursement which can also be billed at a rate of \$175 per hour, not to exceed \$350,000 per fiscal year.

GULF CONSORTIUM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

(5) **Commitments and Contingencies:** (Continued)

Management expenditures relating to activities eligible for grant reimbursement for the year ended September 30, 2024, totaled \$241,635. In January 2021, the management contract with Balmoral was extended through April 30, 2023, with an additional one year automatic renewal period through April 30, 2024.

Procurement Services

The Consortium has an interlocal agreement with Leon County, Florida, to provide competitive procurement services, as needed. The level of effort related to these services was not significant during the year ended September 30, 2024, and as such, no expenditures or related revenue have been recorded.

Fiscal Management Services

The Consortium has an interlocal agreement with the Leon County Clerk of Circuit Court and Comptroller (Clerk) to provide distribution and paying agent services for payment of costs and expenditures associated with developing and implementing the SEP. Effective in March 2019, the Clerk performs these responsibilities for three basis points on each transaction processed. For the year ending September 30, 2024, the Clerk charged the Consortium \$858 for processing services under this agreement.

Grants

The Consortium participates in various federal and state assisted grant programs that are subject to review and audit by the grantor agencies. Entitlement to these resources is generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal and state regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from federal or state audit may become a liability of the Consortium.

The Consortium is required to comply with various federal and state regulations issued by the U.S. Office of Management and Budget if the Consortium is a recipient of federal and state grants, contract, or their sponsored agreements. Failure to comply may result in questions concerning the allocability of related direct and indirect charges pursuant to such agreements. It is believed that the ultimate disallowance pertaining to these regulations, if any, will be immaterial to the overall financial condition of the Consortium.

Amounts received or receivable from the Restoration Council are subject to audit and adjustment. If expenditures are disallowed as a result of these audits, the claim for reimbursement to the Restoration Council would become a liability of the Consortium. In the opinion of management, any such adjustments would not be significant, and therefore, do not have a material adverse effect on the Consortium's financial position.

As of September 30, 2024, the Consortium had outstanding federal grant awards of approximately \$62.6 million for approved projects by the Restoration Council. The federal grant funding is not available to the Consortium until expenditures are incurred and, therefore, are not recorded as receivables. The grant expenditures are subject to audit to ensure compliance with conditions precedent to the awarding of grant funds. Any liability for reimbursement that may arise as the result of these audits is not believed to be material by management.

The schedule that follows shows the amounts expended and the funding remaining for open grant awards as of September 30, 2024:

**GULF CONSORTIUM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024**

(5) **Commitments and Contingencies:** (Continued)

<u>Grantee(s)</u>	<u>Federal Award Identification Number</u>	<u>Award Amt</u>	<u>Funds Expended to Date</u>	<u>Award Funds Remaining</u>
Gulf	GNSSP20FL0010	3,065,101	180,672	2,884,429
Hillsborough	GNSSP20FL0012	5,132,239	3,342,089	1,790,150
Levy	GNSSP20FL0013	2,080,054	43,925	2,036,129
Collier	GNSSP20FL0097	820,516	-	820,516
Hernando	GNSSP20FL0110	778,622	636,529	142,093
Adaptive Planning	GNSSP21FL0020	604,602	209,499	395,103
Manatee	GNSSP21FL0022	689,687	27,827	661,860
Pinellas	GNSSP21FL0023	2,085,262	1,945,290	139,972
Escambia	GNSSP21FL0025	1,121,773	365,677	756,096
Manatee	GNSSP21FL0028	344,885	90,073	254,812
Franklin	GNSSP21FL0029	6,107,397	6,028,276	79,121
Citrus	GNSSP22FL0034	5,997,571	4,665,664	1,331,907
Santa Rosa	GNSSP22FL0036	3,460,834	705,124	2,755,710
Taylor	GNSSP22FL0037	1,075,161	15,604	1,059,557
Wakulla	GNSSP22FL0039	7,721,441	20,201	7,701,240
Okaloosa	GNSSP22FL0040	1,431,554	14,618	1,416,936
Pasco	GNSSP22FL0041	5,090,277	14,376	5,075,901
Manatee	GNSSP22FL0044	2,039,612	13,160	2,026,452
Taylor	GNSSP23FL0046	383,665	13,182	370,483
Citrus	GNSSP23FL0047	1,246,249	12,641	1,233,608
Pinellas	GNSSP23FL0048	3,374,518	10,569	3,363,949
Taylor	GNSSP23FL0049	621,686	39,113	582,573
Gulf	GNSSP23FL0050	889,017	45,252	843,765
Okaloosa	GNSSP23FL0052	1,620,624	26,613	1,594,011
Bay	GNSSP23FL0054	6,563,518	17,465	6,546,053
Hillsborough	GNSSP24FL0055	7,485,976	12,574	7,473,402
Hillsborough	GNTSP20FL0012	5,027,488	-	5,027,488
Okaloosa	GNTSP20FL0090	1,066,139	469,583	596,556
Pinellas	GNTSP20FL0091	1,237,121	1,158,927	78,194
Sarasota	GNTSP20FL0092	1,107,192	340,479	766,713
Collier	GNTSP20FL0097	820,516	332,585	487,931
Bay	GNTSP20FL0098	545,139	426,004	119,135
Walkton	GNTSP20FL0105	679,029	22,906	656,123
Citrus	GNTSP20FL0107	695,024	456,052	238,972
Hernando	GNTSP20FL0110	778,622	403,226	375,396
Taylor	GNTSP22FL0037	1,075,161	-	1,075,161
Hernando	GNSSP24FL0057	2,449,510	10,374	2,439,136
		87,312,782	22,116,149	65,196,633

GULF CONSORTIUM
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

(6) Recent Accounting Pronouncements:

The Governmental Accounting Standards Board (“GASB”) has issued pronouncements that have effective dates that may impact future financial statements. The Organization has considered the new pronouncements that altered accounting principles generally accepted in the United States of America, and other than as disclosed in the notes to the financial statements, does not believe that any other new or modified principles will have a material impact on the Organization’s reported financial position or operations in the near term.

(a) GASB issued Statement No. 102, *Certain Risk Disclosures*, in December 2023. GASB Statement No. 102 amends GASB Statement No. 62 regarding the disclosure of a government’s vulnerability to risks related to certain concentrations and constraints that limit its ability to acquire resources or control spending. The provisions for GASB 102 are effective for fiscal years beginning after June 15, 2024.

(b) GASB issued Statement No. 103, *Financial Reporting Model Improvements*, in April 2024. The objective of GASB 103 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.

GULF CONSORTIUM
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Membership assessments	\$ 124,122	\$ 124,122	\$ 124,122	\$ -
Planning grants	82,516	82,516	47,756	(34,760)
State expenditure plan (SEP) grants	89,000,000	89,000,000	7,604,036	(81,395,964)
Interest income (loss)	-	-	34,114	34,114
Total revenues	<u>89,206,638</u>	<u>89,206,638</u>	<u>7,810,028</u>	<u>(81,396,610)</u>
Expenditures				
Current:				
Membership expenditures:				
Management fees	95,107	95,107	58,033	37,074
Legal and other professional fees	20,000	20,000	3,763	16,237
Meetings and other operating expenc	9,015	9,015	5,798	3,217
Total membership expenditures	<u>124,122</u>	<u>124,122</u>	<u>67,594</u>	<u>56,528</u>
Grant expenditures:				
Planning grants	82,516	82,516	47,756	34,760
SEP grants	44,500,000	44,500,000	7,604,035	36,895,965
Total expenditures	<u>44,706,638</u>	<u>44,706,638</u>	<u>7,719,385</u>	<u>36,987,253</u>
Net change in fund balances	<u>44,500,000</u>	<u>44,500,000</u>	<u>90,643</u>	<u>44,409,357</u>
Fund balances, beginning of year	4,836,996	4,836,996	4,836,996	-
Fund balances, end of year	<u>\$ 49,336,996</u>	<u>\$ 49,336,996</u>	<u>\$ 4,927,639</u>	<u>\$ 44,409,357</u>

See accompanying notes to financial statements.

GULF CONSORTIUM
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Budgetary Requirement and Basis

Expenditures are controlled by appropriations in accordance with the budget requirements set forth in the Consortium Board's policy. The budgeted revenues and expenditures reflect all amendments approved by the Board. Budgetary control is required at the fund (or grant) level. The budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

GULF CONSORTIUM
SCHEDULE OF RECEIPTS AND EXPENDITURES OF FUNDS
RELATED TO THE *DEEPWATER HORIZON* OIL SPILL
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Source	Amount Received in the 2023-2024 Fiscal Year	Amount Expended in the 2023-2024 Fiscal Year
Gulf Coast Restoration Trust Fund		
Oil Spill Impact Program	\$ -	\$ -

Note: This does not include funds related to the *Deepwater Horizon* Oil Spill that are considered Federal awards or State financial assistance. The Schedule of Expenditures of Federal Awards and State Financial Assistance includes \$7,645,041 of expenditures of Federal awards (included for Assistance Listing Number (ALN) 87.052), that are related to the *Deepwater Horizon* Oil Spill.

The accompanying notes to schedule of expenditures of federal awards are an integral part of this schedule.

**GULF CONSORTIUM
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Federal Grantor / Pass-Through Grantor Program or Cluster Title, Contract No.	Assistance Listing Number	Grant or Contract Number	Expenditures
FEDERAL AGENCY			
Gulf Coast Ecosystem Restoration Council			
Direct:			
Oil spill impact program	87.052	GNSSP21FL0020	\$ 47,756
Oil spill impact program	87.052	GNSSP21FL0023	1,325,109
Oil spill impact program	87.052	GNSSP21FL0025	(350)
Oil spill impact program	87.052	GNSSP21FL0028	72,388
Oil spill impact program	87.052	GNSSP21FL0029	(1,399)
Oil spill impact program	87.052	GNSSP21FL0030	-
Oil spill impact program	87.052	GNSSP22FL0034	4,406,618
Oil spill impact program	87.052	GNSSP22FL0036	631,473
Oil spill impact program	87.052	GNSSP22FL0037	3,284
Oil spill impact program	87.052	GNSSP22FL0039	3,678
Oil spill impact program	87.052	GNSSP22FL0040	438
Oil spill impact program	87.052	GNSSP22FL0041	394
Oil spill impact program	87.052	GNSSP22FL0044	(88)
Oil spill impact program	87.052	GNSSP23FL0046	4,517
Oil spill impact program	87.052	GNSSP23FL0047	3,101
Oil spill impact program	87.052	GNSSP23FL0048	4,336
Oil spill impact program	87.052	GNSSP23FL0049	31,923
Oil spill impact program	87.052	GNSSP23FL0050	25,836
Oil spill impact program	87.052	GNSSP23FL0052	15,019
Oil spill impact program	87.052	GNSSP23FL0054	16,495
Oil spill impact program	87.052	GNSSP24FL0055	12,574
Oil spill impact program	87.052	GNSSP24FL0057	10,374
Oil spill impact program	87.052	GNTSP20FL0090	4,554
Oil spill impact program	87.052	GNTSP20FL0091	118,444
Oil spill impact program	87.052	GNTSP20FL0092	318,868
Oil spill impact program	87.052	GNTSP20FL0097	78,732
Oil spill impact program	87.052	GNTSP20FL0098	121,750
Oil spill impact program	87.052	GNTSP20FL0105	3,257
Oil spill impact program	87.052	GNTSP20FL0106	-
Oil spill impact program	87.052	GNTSP20FL0107	275,042
Oil spill impact program	87.052	GNTSP20FL0110	60,433
Oil spill impact program	87.052	GNSSP20FL0012	7,333
Oil spill impact program	87.052	GNSSP20FL0013	8,088
Oil spill impact program	87.052	GNSSP20FL0010	28,497
Total Gulf Coast Ecosystem Restoration Council			<u>7,645,041</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 7,645,041</u>

The accompanying notes to schedule of expenditures of federal awards are an integral part of this schedule.

GULF CONSORTIUM
NOTES TO THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

(1) **Basis of Presentation:**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Gulf Consortium (the Consortium), and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Consortium, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Consortium.

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

Expenditures reported on the schedule are reported on the modified-accrual basis of accounting. Such expenditures are recognized following the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Once an eligible project is approved for funding by the Restoration Council, revenue is recognized by the Consortium when eligible grant expenditures are incurred. Revenues and expenditures for pre-award management and administrative costs are recognized when invoiced by the contracted service provider up to the limits specified in each grant agreement.

Pass-through entity identifying numbers are presented where available.

(3) **De Minimis Indirect Cost Rate Election:**

The Consortium did not elect to use the 10% de minimis indirect cost rate as covered in §200.414, *Indirect (F&A) costs*, of the Uniform Guidance.

**GULF CONSORTIUM
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2024**

A. **Summary of Auditors' Results:**

Financial Statements:

Type of audit report issued on the basic financial statements: *Unmodified.*

Internal Control over Financial Reporting:

Material weakness(es) identified? _____ yes X no
 Significant deficiency(ies) identified? _____ yes X none reported
 Noncompliance material to financial statements noted? _____ yes X no

Federal Awards:

Internal Control over Major Programs:

Material weakness(es) identified? _____ yes X no
 Significant deficiency(ies) identified? _____ yes X none reported

Type of report issued on compliance for each major federal program: *Unmodified.*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes X none reported
 Auditee qualified as a low-risk auditee? X yes _____ no

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Major program identification:

Assistance Listing Number	Program Name
87.052	Gulf Coast Ecosystem Restoration

- B. **Financial Statement Findings:** None.
- C. **Federal Award Findings and Questioned Costs:** None.
- D. **Summary Schedule of Prior Audit Findings:** Not applicable; no prior year findings reported.
- E. **Corrective Action Plan:** Not applicable as no findings have been reported.



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

To the Governing Board,
Gulf Consortium:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Gulf Consortium's (the Consortium) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget *Compliance Supplement* that could have a direct and material effect on each of the Consortium's major federal programs for the year ended September 30, 2024. The Consortium's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Consortium complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Consortium and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Consortium's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Consortium's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Consortium's compliance based on our audit. 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, *Government Auditing Standards*, Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Consortium's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Consortium's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Consortium's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Consortium's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

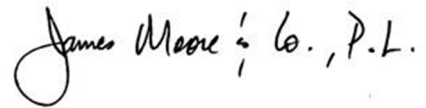
Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

Daytona Beach, Florida
June 25, 2025



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 Governing Board,
Gulf Consortium:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and general fund of the Gulf Consortium (the Consortium), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the Consortium's basic financial statements and have issued our report thereon dated June 25, 2025.

Report on Internal Control over Financial Reporting

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

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

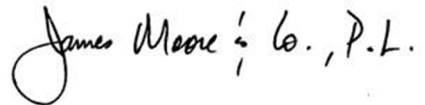
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of this Report

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

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

Daytona Beach, Florida
June 25, 2025



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

To the Governing Board,
Gulf Consortium:

Report on the Financial Statements

We have audited the financial statements of the Gulf Consortium (the Consortium), as of and for the fiscal year ended September 30, 2024, and have issued our report thereon dated June 25, 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 Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 25, 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. There were no findings or recommendations made in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting Authority be disclosed in this management letter, unless disclosed in the notes to the financial statements. The legal authority for the primary government and consideration of component units of the reporting Authority is disclosed in Note 1 of the basic financial statements. There are no component units related to the Consortium.

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 Consortium met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Consortium 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 Consortium. It is management's responsibility to monitor the Consortium's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided the same.

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

Special District Component Units

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Special District Specific Information – Gulf Consortium

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 Consortium 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-.
- b) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year: -0-.
- 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: No such projects noted.

- f) No budget variances or amendments based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported.

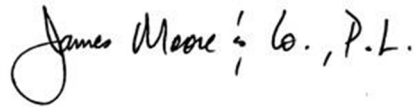
Additional Matters

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 Florida House of Representatives, the Florida Auditor General, the board of directors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Daytona Beach, Florida
June 25, 2025

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'.



INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

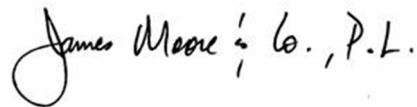
To the Officers and Members of the Board,
of the Gulf Consortium:

We have examined the Gulf Consortium's (the Consortium) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies* and Section 288.8018, Florida Statutes, *Gulf Coast Audits* (the Statutes), for the year ended September 30, 2024. Management is responsible for the Consortium's compliance with the Statutes. Our responsibility is to obtain reasonable assurance by evaluate the Consortium's compliance with the Statutes 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 and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our examination engagement.

In our opinion, the Gulf Consortium complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2024.



Daytona Beach, Florida
June 25, 2025