

2021

Gadsden County, Florida

Financial Statements and
Independent Auditor's Report

September 30, 2021

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

2021

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**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORTS**

GADSDEN COUNTY, FLORIDA

SEPTEMBER 30, 2021

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AND
INDEPENDENT AUDITOR'S REPORTS**

GADSDEN COUNTY, FLORIDA

SEPTEMBER 30, 2021

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INTRODUCTORY SECTION

GADSDEN COUNTY, FLORIDA

LIST OF ELECTED AND APPOINTED OFFICIALS

SERVING AS OF SEPTEMBER 30, 2021

ELECTED OFFICIALS

Commissioner – District 4, Chairperson	Brenda Holt
Commissioner – District 2, Vice-Chairperson	Anthony Viegbesie
Commissioner – District 1	Eric Hinson
Commissioner – District 3	Kimblin NeSmith
Commissioner – District 5	Ronterious Green
Clerk of the Circuit Court/Comptroller	Nicholas Thomas
Tax Collector	W. Dale Summerford
Sheriff	Morris A. Young
Property Appraiser	Reginald A. Cunningham
Supervisor of Elections	Shirley Green Knight

APPOINTED OFFICIALS

County Administrator	Edward Dixon
County Attorney	Clayton Knowles

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of County Commissioners
and Constitutional Officers
Gadsden County, Florida

We have audited the accompanying financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Gadsden County, Florida, (the County) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the County's preparation and fair presentation of the financial statements 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 County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Lakeland | Tampa

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Members of American and Florida Institutes of Certified Public Accountants

An Independent Member of the BDO Alliance USA

The Honorable Board of County Commissioners
and Constitutional Officers
Gadsden County, Florida

INDEPENDENT AUDITOR'S REPORT

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of September 30, 2021, the respective changes in financial position, thereof, and the respective budgetary comparison of the general fund and each major special revenue fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 2 to the financial statements, the County adopted Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities* (the Statement). The principal objective of the Statement is to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. The Statement also is intended to improve the usefulness of fiduciary activity information primarily for assessing the accountability of governments in their roles as fiduciaries. Our opinion is not modified with respect to this matter.

Other Matters

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, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The introductory section and the combining non-major fund statements are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance, 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*, and Chapter 10.550, *Rules of the Auditor General* of the State of Florida, is also not a required part of the basic financial statements.

The Honorable Board of County Commissioners
and Constitutional Officers
Gadsden County, Florida

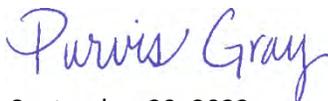
INDEPENDENT AUDITOR'S REPORT

The combining non-major fund statements and the schedule of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. This 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the combining individual non-major fund statements and the schedule of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated September 29, 2022, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



September 29, 2022
Tallahassee, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Gadsden County, Florida (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2021. We encourage readers to consider the information presented here in conjunction with the County's basic financial statements.

FINANCIAL HIGHLIGHTS

Government-Wide Statements

The government-wide assets (and deferred outflows of resources) of the County exceeded liabilities (and deferred inflows of resources) at the close of the 2020-2021 fiscal year by \$59,749,431 (*net position*). Of this amount, (\$10,901,187) is considered unrestricted, \$13,884,944 is restricted for specific purposes (*restricted net position*), and \$56,765,674 is *net investment in capital assets*.

Fund Statements

At September 30, 2021, the County's governmental funds reported combined ending fund balances of \$23,530,721 an increase of \$2,202,929 in comparison with the \$21,327,792 ending fund balances on September 30, 2020. This increase is partly due to the County not spending as much money on projects that are taking longer to complete.

The general fund's unassigned fund balance at September 30, 2021, was \$3,947,616, or 18.74% of total general fund expenditures excluding transfers. This indicates a 1.4% increase from the prior fiscal year, where unassigned fund balance was 17.33% of the total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements include three components:

- (1) Government-wide financial statements
- (2) Fund financial statements
- (3) Notes to the basic financial statements

A brief description of the different financial statements follows.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-Wide Financial Statements

The government-wide financial statements (statement of net position and statement of activities found on pages 14-15) concentrate on the County as a whole and do not emphasize fund types. The governmental activities comprise the primary government. Fiduciary funds are not included in the government-wide financial statements. The County does not have any business-type activities.

General governmental and intergovernmental revenues support the governmental activities, along with user fees and charges for services. The purpose of the government-wide financial statements is to allow the user to be able to analyze the County's total financial position. Over time, increases or decreases in net position are indicators of whether the County's financial health is improving or deteriorating.

The statement of activities reflects the expenses of a given function or program, which are offset by program revenues. In order to better understand the County's operations, governmental activities expenses include, among others, general government services, public safety, culture and recreation, transportation, and economic environment. Program revenues are defined as charges for services, operating grants and contributions, and capital grants and contributions directly associated with a given function. Taxes, state shared revenues, and investment earnings are reported under general revenue. The effect of the interfund activity has been removed from the government-wide financial statements.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific purposes or objectives. Individual funds have been established by the County to account for revenues that are restricted to certain uses, to comply with legal requirements, or to account for the use of Federal and State grants. The three major categories of funds found in the County's fund financial statements include: governmental funds, proprietary funds, and fiduciary funds. The County's major funds are presented in separate columns on the fund financial statements. The definition of a major fund is one that meets the certain criteria set forth in GASB Statement No. 34. The funds that do not meet the criteria of a major fund are considered non-major funds and are combined into a single column on the fund financial statements.

Fund financial statements for all governmental funds include a **balance sheet** and a **statement of revenues, expenditures, and changes in fund balance**. The County's general fund and major special revenue funds include a **statement of revenues, expenditures, and changes in fund balance-budget and actual**. A **statement of fiduciary net position** is presented for the County's agency fund.

Governmental Fund Financial Statements

Governmental fund financial statements are prepared on the modified accrual basis using the current financial resources measurement focus. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The fund financial statements provide a presentation of the County's major funds, along with a column for all non-major funds. In the case of governmental activities, outlays for long lived assets are reported as expenditures, and long-term liabilities - such as general obligation bonds - are not included in the fund financial statements. To facilitate a comparison between the fund financial statements and the government-wide financial statements, a reconciliation of the balance sheet to the statement of net position and a reconciliation of the statement of revenues, expenditures, and changes in fund balances to the statement of activities are presented on pages 17 and 20, respectively.

Fiduciary Fund Financial Statements

The fiduciary fund financial statement is not included in the government-wide financial statements because the resources of these funds are not available to support the County's programs. Agency funds, the only type of fiduciary funds the County maintains, are used to account for assets held by the County as an agent for individuals and other governments.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data presented in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-56 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following schedule provides a summary of assets, liabilities, and net position of the County for fiscal years ending September 30, 2021 and 2020.

The largest portion of the County's net position, 95%, reflects its investment in capital assets (land, buildings, improvements, equipment, furniture, vehicles, construction in progress, and infrastructure) less any related debt to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Gadsden County Florida
Summary of Net Position**

	Governmental	
	Activities	
	2021	2020
Current and Other Assets	\$ 34,026,045	\$ 32,132,249
Capital Assets	72,798,251	70,240,389
Total Assets	106,824,296	102,372,638
Deferred Outflows of Resources:		
Pension Related	5,395,317	8,691,143
OPEB Related	150,400	-
Total Deferred Outflows of Resources	5,545,717	8,691,143
Current Liabilities	11,293,117	11,614,177
Non-Current Liabilities	24,610,963	43,782,997
Total Liabilities	35,904,080	55,397,174
Deferred Inflows of Resources:		
Pension Related	16,557,202	2,072,815
OPEB Related	159,300	-
Total Deferred Inflows of Resources	16,716,502	2,072,815
Net Position		
Net Investment in Capital Assets	56,765,674	55,174,563
Restricted	13,884,944	11,947,351
Unrestricted	(10,901,187)	(13,528,122)
Total Net Position	\$ 59,749,431	\$ 53,593,792

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following schedule provides a summary of the changes in Net Position.

Gadsden County Florida Summary of Changes in Net Position

	Governmental Activities	
	2021	2020
Revenues		
Program Revenues:		
Charges for Services	\$ 6,185,908	\$ 5,446,276
Operating Grants and Contributions	10,089,016	8,715,993
Capital Grants and Contributions	4,154,517	7,796,644
Total Program Revenues	20,429,441	21,958,913
General Revenues		
Property Taxes	12,746,830	12,346,064
Sales Tax and State Shared Revenue	7,621,033	6,797,476
Local Option Taxes	7,089,377	6,403,705
Motor Fuel Tax	2,390,709	2,270,608
Other	1,758,198	1,111,855
Total General Revenues	31,606,147	28,929,708
Total Revenues	52,035,588	50,888,621
Expenses		
Program Expenses:		
General Government	9,745,288	9,699,530
Public Safety	15,279,339	16,948,060
Physical Environment	468,848	622,562
Transportation	7,169,597	7,731,496
Economic Environment	1,954,548	1,878,406
Human Services	8,144,437	3,722,482
Court Related	1,594,603	1,853,223
Culture/Recreation	1,090,927	1,340,472
Interest on Long-Term Debt	432,362	404,612
Total Expenses	45,879,949	44,200,843
Increase (Decrease) in Net Position	6,155,639	6,687,778
Net Position, Beginning of Year	53,593,792	46,906,014
Net Position, End of Year	\$ 59,749,431	\$ 53,593,792

MANAGEMENT'S DISCUSSION AND ANALYSIS

FUND FINANCIAL ANALYSIS

Governmental Funds

The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. Unassigned fund balance may serve as a useful measure of the County's net resources available for spending at the close of a fiscal year.

As of the end of fiscal year 2021, the County's governmental funds reported combined ending fund balances of \$23,530,721, an increase of \$2,202,929 in comparison with the prior year. Of the approximately \$23.5 million total fund balance, unassigned fund balance is \$3.9 million and is available for spending at the County's discretion.

The General Fund is the chief operating fund of the County and had an increase in fund balance of \$316,220. The total general fund balance was \$5,782,909 of which \$3,947,616 is unassigned. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total general fund expenditures. Unassigned fund balance represents 18.74% of total general fund expenditures, excluding transfers.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund's budget increased during fiscal year 2020-2021 in the amount of \$975,939 from the original budget. A major portion of the increase of \$836,840 were for transfers that were not made.

CAPITAL ASSETS AND DEBT MANAGEMENT

Capital Assets

The County's investment in capital assets for its governmental activities as of September 30, 2021, amounts to \$72.8 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, and infrastructure, net of depreciation.

Capital asset events during the current fiscal year included the following:

The Public Works Department leased or purchased the following equipment totaling \$2.7 million:

- Caterpillar 930M Wheel Loader
- Caterpillar 950GC Wheel Loader
- Caterpillar D4 Track Tractor
- Caterpillar 326FL Excavator
- Caterpillar M314 Excavator
- Caterpillar 430 Backhoe Loader
- (2) Caterpillar 120 Motor Grader w/ Sloper
- (4) Caterpillar 120 Motor Grader
- Freightliner Pot Hole Patcher

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS AND DEBT MANAGEMENT

Capital Assets

The EMS Department bought two 2020 Dodge/Frasier Ambulances, nine Respiratory Ventilators, six Lucas 3 Chest Compression systems, two cardiac defibrillators, and one Power XI stretcher, for a total of \$652,784.

Additional information regarding the County's capital assets is contained in Note 6 of the Financial Statements.

Capital assets at September 30, 2021 and September 30, 2020, are as follows:

Gadsden County Florida Capital Assets (Net of Depreciation)

	Governmental Activities	
	2021	2020
Land	\$ 2,054,225	\$ 2,054,225
Buildings	25,224,946	23,213,892
Improvements Other than Buildings	4,051,869	4,161,695
Machinery and Equipment	9,366,071	7,379,190
Construction in Progress	5,110,365	9,410,326
Infrastructure	26,990,775	24,021,061
Total	\$ 72,798,251	\$ 70,240,389

Debt Management

During fiscal year 2021, the County incurred one new debt obligation and refinanced three loans. The two Motorola loans were combined, increased by a small amount, and refinanced to a lower percentage rate. The Agriculture Center was completed and qualified to be financed by USDA.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Public Works Department lease-purchased twelve high-value pieces of equipment in the amount of \$2,570,007, which were financed through Ring Investments LLC.

Additional information regarding the County's Long-Term Debt is contained in Note 7 to the Financial Statements.

Gadsden County Florida Outstanding Debt

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>
Revenue Bonds	\$ 15,541,860	\$ 14,362,567	\$ 1,179,293
Notes and Loans Payable	987,278	1,542,090	(554,812)
Compensated Absences	1,332,054	1,298,636	33,418
Other Post Employment Benefits	800,500	810,800	(10,300)
Net Pension Liability	8,902,602	29,027,989	(20,125,387)
Total	<u>\$ 27,564,294</u>	<u>\$ 47,042,082</u>	<u>\$ (19,477,788)</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Gadsden County is Florida's 43rd most populous County and is home to 2% of Florida's population. The unemployment rate at September 30, 2021, was 4.9% as compared to the state's percentage of 3.9% (Information provided by the Florida Legislature Office of Economic and Demographic Research). Gadsden County is once again designated as a fiscally constrained County in the State of Florida and is included in the governor's designated Northwest Florida Rural Area of Economic Concern.

Gadsden County millage rate for the 2022 budget was adopted at 9.0000 mills, which is 7.47% more than the rolled-back rate of 8.3742 mills. The total adopted budget for 2022 of \$54,068,836 was an increase over 2021's budget in the amount of \$2,499,459.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives and manages. If you have questions about this report or need additional financial information, contact the Gadsden County Finance Office, 10 E. Jefferson Street, Quincy, FL 32351.

BASIC FINANCIAL STATEMENTS

**GADSDEN COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

	Governmental Activities
Assets	
Current Assets:	
Cash and Cash Equivalents	\$ 28,281,255
Accounts Receivables, Net	974,278
Due from Agency Funds	135,748
Due from Other Governments	4,261,911
Prepaid Items	239,212
Inventories	133,641
Total Current Assets	34,026,045
Non-Current Assets:	
Capital Assets:	
Non-Depreciable	7,164,590
Depreciable, Net	65,633,661
Total Non-Current Assets	72,798,251
Total Assets	106,824,296
Deferred Outflows of Resources	
Pension Related	5,395,317
OPEB Related	150,400
Total Deferred Outflows of Resources	5,545,717
Liabilities	
Current Liabilities:	
Accounts Payable and Accrued Expenses	2,580,293
Due to Agency Funds	3,073
Due to Other Governments	37,592
Accrued Wages Payable	346,100
Unearned Revenue	5,372,728
Bonds and Notes Payable	2,322,209
Accrued Compensated Absences	606,830
Net Pension Liability - Current	24,292
Total Current Liabilities	11,293,117
Non-Current Liabilities:	
Accrued Compensated Absences	725,224
Other Postemployment Benefits Obligation	800,500
Bonds and Notes Payable	14,206,929
Net Pension Liability	8,878,310
Total Non-Current Liabilities	24,610,963
Total Liabilities	35,904,080
Deferred Inflows of Resources	
Pension Related	16,557,202
OPEB Related	159,300
Total Deferred Inflows of Resources	16,716,502
Net Position	
Net Investment in Capital Assets	56,765,674
Restricted	13,884,944
Unrestricted	(10,901,187)
Total Net Position	\$ 59,749,431

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

**GADSDEN COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General Government	\$ 9,745,288	\$ 1,140,902	\$ 60,853	\$ 18,000	\$ (8,525,533)
Public Safety	15,279,339	3,769,333	1,905,782	52,392	(9,551,832)
Physical Environment	468,848	-	805,495	-	336,647
Transportation	7,169,597	82,440	170,243	2,386,827	(4,530,087)
Economic Environment	1,954,548	-	190,863	1,477,222	(286,463)
Human Services	8,144,437	10,541	6,185,145	-	(1,948,751)
Court-Related	1,594,603	1,144,504	504,125	-	54,026
Culture and Recreation	1,090,927	38,188	266,510	220,076	(566,153)
Interest on Long-Term Debt	432,362	-	-	-	(432,362)
Total Primary Government	<u>\$ 45,879,949</u>	<u>\$ 6,185,908</u>	<u>\$ 10,089,016</u>	<u>\$ 4,154,517</u>	<u>(25,450,508)</u>
		General Revenues			
		Taxes:			
					12,746,830
					165,414
					5,523,732
					1,400,231
					2,390,709
					284,629
					7,621,033
					37,520
					1,436,049
					<u>31,606,147</u>
					6,155,639
					<u>53,593,792</u>
					<u>\$ 59,749,431</u>

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

GADSDEN COUNTY, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	<u>General Fund</u>	<u>County Transportation</u>	<u>SHIP HHRP</u>	<u>American Rescue Plan</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets						
Cash and Cash Equivalents	\$ 5,444,212	\$ 3,167,761	\$ 2,196,221	\$ 2,267,712	\$ 15,205,349	\$ 28,281,255
Accounts Receivables (Net of Allowance for Uncollectibles)	95,622	180	-	-	878,476	974,278
Due from Other Funds	841,806	-	-	-	531,828	1,373,634
Due from Other Governments	902,317	647,207	-	-	2,712,387	4,261,911
Prepaid Expenses	239,212	-	-	-	-	239,212
Inventories, at Cost	90,964	42,677	-	-	-	133,641
Total Assets	<u>7,614,133</u>	<u>3,857,825</u>	<u>2,196,221</u>	<u>2,267,712</u>	<u>19,328,040</u>	<u>35,263,931</u>
Liabilities						
Accounts Payable and Accrued Expenses	918,214	53,986	236,182	158,646	1,213,265	2,580,293
Due to Other Funds	241,099	-	-	-	999,860	1,240,959
Due to Other Governments	11,761	-	-	-	25,831	37,592
Accrued Wages Payable	149,855	63,568	1,157	-	131,520	346,100
Unearned Revenues	142,494	-	1,958,882	2,109,066	1,162,286	5,372,728
Total Liabilities	<u>1,463,423</u>	<u>117,554</u>	<u>2,196,221</u>	<u>2,267,712</u>	<u>3,532,762</u>	<u>9,577,672</u>
Deferred Inflows of Resources	<u>367,801</u>	<u>317,660</u>			<u>1,470,077</u>	<u>2,155,538</u>
Fund Balances						
Non-Spendable	330,176	42,677	-	-	-	372,853
Restricted	193,212	3,379,934	-	-	10,808,359	14,381,505
Committed	-	-	-	-	23,338	23,338
Assigned	1,311,905	-	-	-	3,493,504	4,805,409
Unassigned	3,947,616	-	-	-	-	3,947,616
Total Fund Balances	<u>5,782,909</u>	<u>3,422,611</u>	<u>-</u>	<u>-</u>	<u>14,325,201</u>	<u>23,530,721</u>
Total Liabilities and Fund Balances	<u>\$ 7,614,133</u>	<u>\$ 3,857,825</u>	<u>\$ 2,196,221</u>	<u>\$ 2,267,712</u>	<u>\$ 19,328,040</u>	<u>\$ 35,263,931</u>

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

GADSDEN COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

Total Fund Balances of Governmental Funds		\$ 23,530,721
 Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:		
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.		72,798,251
Receivables that do not provide current financial resources are reported as deferred inflows of resources in the governmental funds.		2,155,538
Certain pension related amounts are being deferred and amortized over a period of years or are being deferred as contributions to the plan made after the measurement date:		
Deferred Outflows Related to Pensions	\$ 5,395,317	
Deferred Inflows Related to Pensions	(16,557,202)	
Deferred Outflows Related to OPEB	150,400	
Deferred Inflows Related to OPEB	<u>(159,300)</u>	(11,170,785)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:		
Bonds and Installment Notes Payable	(16,529,138)	
Accrued Compensated Absences	(1,332,054)	
Accrued Other Postemployment Benefits Obligation	(800,500)	
Net Pension Liability	<u>(8,902,602)</u>	<u>(27,564,294)</u>
 Total Net Position of Governmental Activities		 <u>\$ 59,749,431</u>

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

GADSDEN COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>General Fund</u>	<u>County Transportation</u>	<u>SHIP HHRP</u>
Revenues			
Taxes	\$ 12,875,301	\$ 3,776,412	\$ -
Licenses and Permits	165,414	-	-
Intergovernmental Revenues	6,215,588	677	1,477,222
Charges for Services	1,251,607	82,440	-
Fines and Forfeitures	-	-	-
Miscellaneous Revenues	515,829	395,082	-
Total Revenues	<u>21,023,739</u>	<u>4,254,611</u>	<u>1,477,222</u>
Expenditures			
Current:			
General Government	9,239,834	-	-
Public Safety	8,440,824	-	-
Physical Environment	262,105	-	-
Transportation	-	3,510,799	-
Economic Environment	254,802	-	1,357,777
Human Services	1,602,202	-	-
Court-Related	213,260	-	-
Culture and Recreation	150,278	-	-
Debt Service:			
Principal	231,540	64,102	-
Interest	31,729	9,218	-
Capital Outlay:			
General Government	259,434	-	-
Public Safety	359,528	-	-
Transportation	-	2,806,266	-
Physical Environment	-	-	-
Human Services	-	-	-
Culture and Recreation	22,151	-	-
(Total Expenditures)	<u>(21,067,687)</u>	<u>(6,390,385)</u>	<u>(1,357,777)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(43,948)</u>	<u>(2,135,774)</u>	<u>119,445</u>
Other Financing Sources (Uses)			
Transfers in	9,834,660	698,414	-
Transfers (out)	(9,474,492)	(525,732)	(119,445)
Debt Proceeds	-	2,570,007	-
Debt Refunding	-	-	-
Total Other Financing Sources (Uses)	<u>360,168</u>	<u>2,742,689</u>	<u>(119,445)</u>
Net Change in Fund Balances	316,220	606,915	-
Fund Balances at Beginning of Year	<u>5,466,689</u>	<u>2,815,696</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 5,782,909</u>	<u>\$ 3,422,611</u>	<u>\$ -</u>

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

American Rescue Plan	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 4,000,102	\$ 20,651,815
-	490,965	656,379
2,325,394	14,042,098	24,060,979
-	3,948,547	5,282,594
-	204,079	204,079
-	562,658	1,473,569
<u>2,325,394</u>	<u>23,248,449</u>	<u>52,329,415</u>
-	242,915	9,482,749
-	7,257,176	15,698,000
-	141,428	403,533
-	297,750	3,808,549
-	340,651	1,953,230
1,767,263	4,237,553	7,607,018
-	1,454,484	1,667,744
-	872,624	1,022,902
-	2,633,680	2,929,322
-	391,415	432,362
-	26,995	286,429
-	804,427	1,163,955
-	49,514	2,855,780
-	3,401,573	3,401,573
-	643,748	643,748
-	301,244	323,395
<u>(1,767,263)</u>	<u>(23,097,177)</u>	<u>(53,680,289)</u>
<u>558,131</u>	<u>151,272</u>	<u>(1,350,874)</u>
-	11,158,258	21,691,332
(558,131)	(11,013,532)	(21,691,332)
-	2,430,603	5,000,610
-	(1,446,807)	(1,446,807)
<u>(558,131)</u>	<u>1,128,522</u>	<u>3,553,803</u>
-	1,279,794	2,202,929
-	13,045,407	21,327,792
<u>\$ -</u>	<u>\$ 14,325,201</u>	<u>\$ 23,530,721</u>

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

GADSDEN COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Net Change in Fund Balances - Total Governmental Funds \$ 2,202,929

**Amounts Reported for Governmental Activities in the Statement of
Activities are Different Because:**

Capital outlays are reported in governmental funds as expenditures.
However, in the statement of activities, the cost of those activities
is allocated over their estimated useful lives as depreciation expense:

Expenditures for Capital Outlays	\$ 8,830,051	
(Loss)/Gain on Disposal	(713,209)	
(Current Year Depreciation)	<u>(5,558,980)</u>	2,557,862

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		4,376,129
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The issuance of long-term debt provides current financial resources to governmental funds, while it has no effect on the statement of activities.		(5,000,610)
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Certain pension related amounts are being deferred and amortized over
a period of years or are being deferred as contributions to the pension and
OPEB plans made after the measurement date:

Deferred Inflows Related to Pensions	(3,295,826)	
Deferred Outflows Related to Pensions	(14,484,387)	
Deferred Inflows Related to OPEB	(159,300)	
Deferred Outflows Related to OPEB	<u>150,400</u>	(17,789,113)

Some expenses in the statement of activities do not require the use
of current financial resources and, therefore, are not reported as
expenditures in the governmental funds:

Compensated Absences	(33,418)	
Other Postemployment Benefits	10,300	
Net Pension Liability	<u>20,125,387</u>	20,102,269

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		<u>(293,827)</u>
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Change in Net Position - Governmental Activities \$ 6,155,639

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

GADSDEN COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Taxes	\$ 12,750,972	\$ 12,750,972	\$ 12,875,301	\$ 124,329
Licenses and Permits	120,000	120,000	165,414	45,414
Intergovernmental Revenues	5,704,103	5,793,460	6,215,588	422,128
Charges for Services	1,527,631	1,579,235	1,251,607	(327,628)
Fines and Forfeitures	3,000	3,000	-	(3,000)
Miscellaneous Revenues	758,527	756,665	515,829	(240,836)
Total Revenues	<u>20,864,233</u>	<u>21,003,332</u>	<u>21,023,739</u>	<u>20,407</u>
Expenditures				
Current:				
General Government	9,393,183	9,549,047	9,239,834	309,213
Public Safety	7,610,197	8,295,477	8,440,824	(145,347)
Physical Environment	396,551	376,551	262,105	114,446
Economic Environment	271,159	271,159	254,802	16,357
Human Services	1,711,838	1,711,838	1,602,202	109,636
Court-Related	232,319	233,771	213,260	20,511
Culture and Recreation	319,263	277,713	150,278	127,435
Debt Service:				
Principal	5,265	232,305	231,540	765
Interest	1,032	31,992	31,729	263
Capital Outlay:				
General Government	686,259	750,950	259,434	491,516
Public Safety	653,811	551,811	359,528	192,283
Physical Environment	6,747	26,747	-	26,747
Human Services	500	500	-	500
Court Related	1,452	-	-	-
Culture and Recreation	317,895	251,729	22,151	229,578
Contingency	160,146	160,146	-	160,146
(Total Expenditures)	<u>(21,767,617)</u>	<u>(22,721,736)</u>	<u>(21,067,687)</u>	<u>1,654,049</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(903,384)</u>	<u>(1,718,404)</u>	<u>(43,948)</u>	<u>1,674,456</u>
Other Financing Sources (Uses)				
Transfers in	10,325,195	11,162,035	9,834,660	(1,327,375)
Transfers (out)	(9,471,811)	(9,493,631)	(9,474,492)	19,139
Total Other Financing Sources (Uses)	<u>853,384</u>	<u>1,668,404</u>	<u>360,168</u>	<u>(1,308,236)</u>
Net Change in Fund Balance	(50,000)	(50,000)	316,220	366,220
Fund Balance, Beginning of Year	50,000	50,000	5,466,689	5,416,689
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,782,909</u>	<u>\$ 5,782,909</u>

The accompanying notes are an integral part of the financial statements.

GADSDEN COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY TRANSPORTATION
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 1,991,119	\$ 1,991,119	\$ 3,776,412	\$ 1,785,293
Intergovernmental Revenues	2,000	2,000	677	(1,323)
Charges for Services	261,000	261,000	82,440	(178,560)
Miscellaneous Revenues	57,115	431,115	395,082	(36,033)
Total Revenues	<u>2,311,234</u>	<u>2,685,234</u>	<u>4,254,611</u>	<u>1,569,377</u>
Expenditures				
Current:				
Transportation	4,518,109	4,503,377	3,510,799	992,578
Debt Service:				
Principal	57,269	57,269	64,102	(6,833)
Interest	11,237	11,237	9,218	2,019
Capital Outlay:				
Transportation	225,000	2,778,007	2,806,266	(28,259)
(Total Expenditures)	<u>(4,811,615)</u>	<u>(7,349,890)</u>	<u>(6,390,385)</u>	<u>959,505</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,500,381)</u>	<u>(4,664,656)</u>	<u>(2,135,774)</u>	<u>2,528,882</u>
Other Financing Sources (Uses)				
Transfers in	1,993,980	1,993,980	698,414	(1,295,566)
Transfers (out)	-	(525,732)	(525,732)	-
Debt Proceeds	-	2,570,007	2,570,007	-
Total Other Financing Sources (Uses)	<u>1,993,980</u>	<u>4,038,255</u>	<u>2,742,689</u>	<u>(1,295,566)</u>
Net Change in Fund Balance	(506,401)	(626,401)	606,915	1,233,316
Fund Balance, Beginning of Year	<u>506,401</u>	<u>626,401</u>	<u>2,815,696</u>	<u>2,189,295</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,422,611</u>	<u>\$ 3,422,611</u>

The accompanying notes are an integral part of the financial statements.

GADSDEN COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SHIP HHRP
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental Revenues	\$ -	\$ 3,435,816	\$ 1,477,222	\$ (1,958,594)
Total Revenues	<u>-</u>	<u>3,435,816</u>	<u>1,477,222</u>	<u>(1,958,594)</u>
Expenditures				
Current:				
Economic Environment	-	3,316,371	1,357,777	1,958,594
(Total Expenditures)	<u>-</u>	<u>(3,316,371)</u>	<u>(1,357,777)</u>	<u>1,958,594</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>119,445</u>	<u>119,445</u>	<u>-</u>
Other Financing (Uses)				
Transfers (out)		(119,445)	(119,445)	-
Total Other Financing (Uses)	<u>-</u>	<u>(119,445)</u>	<u>(119,445)</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of the financial statements.

GADSDEN COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
AMERICAN RESCUE PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental Revenues	\$ -	\$ 4,434,460	\$ 2,325,394	\$ (2,109,066)
Total Revenues	<u>-</u>	<u>4,434,460</u>	<u>2,325,394</u>	<u>(2,109,066)</u>
Expenditures				
Current:				
Human Services	-	3,539,060	1,767,263	1,771,797
Capital Outlay:				
Human Services	-	75,000	-	75,000
(Total Expenditures)	<u>-</u>	<u>(3,614,060)</u>	<u>(1,767,263)</u>	<u>1,846,797</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>820,400</u>	<u>558,131</u>	<u>(262,269)</u>
Other Financing Sources (Uses)				
Transfers (out)	-	(820,400)	(558,131)	262,269
Total Other Financing Sources (Uses)	<u>-</u>	<u>(820,400)</u>	<u>(558,131)</u>	<u>262,269</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

GADSDEN COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2021

	Private Purpose Trust Fund	Custodial Funds	Total
Assets			
Cash and Cash Equivalents	\$ 2,697,673	\$ 1,342,213	\$ 4,039,886
Investments	9,972,987	-	9,972,987
Accounts Receivable	-	19,684	19,684
Due from Other Governments	-	1,321	1,321
Due from Other Funds	-	3,073	3,073
Total Assets	12,670,660	1,366,291	14,036,951
Liabilities			
Accounts Payable	-	25,255	25,255
Due to Other Funds	-	135,748	135,748
Due to Individuals	-	3,377	3,377
Due to Other Governments	-	162,620	162,620
Assets Held for Others	-	33,774	33,774
Installment Tax Deposits	-	202,745	202,745
Total Liabilities	-	563,519	563,519
Net Position, Held in a Custodial Capacity to be Disbursed	\$ 12,670,660	\$ 802,772	\$ 13,473,432

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

GADSDEN COUNTY, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
SEPTEMBER 30, 2021

	Private Purpose Trust Fund	Custodial Funds
	<u> </u>	<u> </u>
Additions		
Investment Earnings:		
Net Appreciation in Fair Value of Investments	\$ 1,211,869	\$ -
Interest and Dividends	211,356	
Fines, Forfeitures and Fees Collected	-	5,443,379
Tax Deeds and Fees Collected	-	693,624
Support and Fees Collected	-	402,088
Registry of the Court and Fees Collected	-	1,277,592
Recording Fees Collected	-	2,864,352
Bail Bonds and Fees Collected	-	49,698
Inmate Funds Collected	-	503,520
Licenses and Tag Fees Collected	-	5,783,719
Property Taxes and Fees Collected	-	27,131,853
Hunting and Fishing Licenses Collected	-	15,972
Total Additions	<u>1,423,225</u>	<u>44,165,797</u>
Deductions		
Administrative Fees	38,004	-
Fines, Forfeitures and Fees Distributed	-	5,520,714
Tax Deeds and Fees Distributed	-	491,595
Support and Fees Distributed	-	402,088
Registry of the Court and Fees Distributed	-	1,348,590
Recording Fees Distributed	-	2,785,470
Bail Bonds and Fees Distributed	-	50,902
Inmate Funds Disbursed	-	496,317
Licenses and Tag Fees Disbursed	-	5,783,719
Property Taxes and Fees Disbursed	-	27,130,822
Hunting and Fishing Licenses Disbursed	-	15,972
Total Deductions	<u>(38,004)</u>	<u>(44,026,189)</u>
Net Increase	1,385,221	139,608
Net Position Held in Trust, Beginning of Year	11,285,439	-
Restatement - See Note 2	-	663,164
Net Position, Beginning, As Restated	<u>11,285,439</u>	<u>663,164</u>
Net Position Held in Trust, End of Year	<u>\$ 12,670,660</u>	<u>\$ 802,772</u>

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

GADSDEN COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 1 - Reporting Entity

Gadsden County, Florida, (the County) is a political subdivision of the State of Florida and provides services to its residents in many areas including general government, public safety, physical environment, transportation, economic environment, human services, and culture and recreation. It is governed by a five-member elected Board of County Commissioners (the Board), which derives its authority by Florida Statutes and regulations. In addition to the members of the Board, there are five Constitutional Officers: the Clerk of the Circuit Court (Clerk), Tax Collector, Sheriff, Property Appraiser, and Supervisor of Elections. The Constitutional Officers, with the exception of the Supervisor of Elections and the Property Appraiser, maintain separate accounting records and budgets.

The accompanying financial statements include the operations of the Board and the Constitutional Officers. In addition, each Constitutional Officer has separately issued financial statements.

The Board funds a portion, or in certain instances, all of the operating budgets of the County's Constitutional Officers. Florida Statutes require the applicable budget excess of the Constitutional Officers to be remitted back to the Board at the close of the fiscal year.

The accompanying financial statements present the primary government, and its component units, for which the primary government is considered to be financially accountable. Also included are other entities whose exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Each potential component unit is individually evaluated using specific criteria to determine whether the entity is: (a) part of the primary government; (b) a component unit which should be included in the reporting entity (blended or discretely presented); or (c) an organization which should be excluded from the reporting entity entirely. The principal criteria for classifying a potential component unit include the legal separateness of the organization, the financial accountability of the primary government for the potential component unit resulting from either the primary government's ability to impose its will on the potential component unit, or the potential component unit's fiscal dependency on the primary government. Based upon the application of these criteria, the following is a brief review of each potential component unit addressed in defining the reporting entity:

- **Gadsden County Hospital (the Hospital)**—The Hospital was created pursuant to Chapter 24534, *Laws of Florida 1947*. In evaluating this potential component unit, it was determined that the Hospital is not a separate legal entity as it generally cannot transact business in its own name and, therefore, should be included as part of the primary government for reporting purposes. The Hospital does not function as an operating hospital but provides the facilities and the maintenance and repair of such facilities for a provider who contracts with the County to operate the Hospital. The assets, liabilities, and results of operations of the Hospital are presented in the financial statements of the County as a non-major special revenue fund.
- **Gadsden County Industrial Development Authority (the Development Authority)**—The Development Authority was created by resolution of the Board pursuant to Chapter 159, Part III, Florida Statutes. The Development Authority members are appointed by the Board; however, the Board's accountability for the Development Authority does not extend beyond making the appointments. Accordingly, the Development Authority is considered to be a related organization only and is not included in the financial reporting entity.

GADSDEN COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

- **Quincy-Gadsden Airport Authority (the Airport Authority)**—The Airport Authority was created by Chapter 88-439, *Laws of Florida*. The Authority is composed of five members. Two members are appointed by the City of Quincy, Florida, two members are appointed by the Board, and one member is appointed by these four members. The Airport Authority is a local unit of special purpose government and is not considered a component unit of the County and is not included in the financial reporting entity.
- **Gadsden County Enterprise Zone Development Agency (the Agency)**—The Agency was created by ordinance of the Board pursuant to Chapter 290, Florida Statutes, to carry out economic development and redevelopment activities. The Agency Board members are appointed by the Board and the Board retains various powers including approving expenditures, borrowing funds, investing funds, and approving assistance to businesses within the enterprise zone. Accordingly, the activities of the Agency are included as a blended component unit in the County’s financial statements. The Agency did not have any activity in fiscal year 2021.
- **Gadsden Hospital, Inc.**—The Gadsden Hospital, Inc. is a not-for-profit corporation established to assist with the operation of the Hospital and other health care facilities in Gadsden County. The Gadsden Hospital, Inc. members are appointed by the Board and the Board approves its funding and operations. Accordingly, the activities of Gadsden Hospital, Inc. have been included as a blended component unit in the County’s financial statements and has been included as a special revenue fund in the accompanying financial statements. The Gadsden Hospital, Inc. did not have financial activity in fiscal year 2021.

Note 2 - Summary of Significant Accounting Policies

The accounting policies of the County conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

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Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

- **General Fund**—The General Fund is the County’s primary operating fund. It accounts for all resources traditionally associated with governments except those required to be accounted for in another fund.
- **County Transportation**—The County Transportation fund accounts for the operation of the Public Works Department of the County. Funding is provided principally from gas taxes and other charges for services.
- **American Rescue Plan** – The American Rescue Plan is funded by the U.S. Department of Treasury. The program funds are not subject to any spending plan agreement or other controls through any State Agency. The County has broad flexibility to help disproportionately impacted by the COVID-19 pandemic. The County must demonstrate the funds supported public health response or that recipients of the Recovery Funds experienced economic harm from the pandemic.
- **SHIP HHRP**—The SHIP (State Housing Initiative Program) HHRP (Hurricane Housing Recovery Program) is funded by the state through the Florida Housing Finance office. This program provides recovery activities for individuals that suffered damages due to Hurricane Michael.

The County also reports two types of fiduciary funds: agency funds, which are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals, and a private purpose trust fund to account for the Gadsden County Hospital Trust.

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*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements are reported using *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within thirty days of the end of the current fiscal period and ninety days for grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and other postemployment benefits are recorded only when payment is due.

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Budgets and Budgetary Accounting

The County follows the procedures provided by Florida Statutes in establishing final budget balances reported on the financial statements.

- Budgets are generally prepared for the governmental funds on a basis consistent with generally accepted accounting principles.
- Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental funds in accordance with procedures and time intervals prescribed by law.
- Appropriations lapse at year-end to the extent that they have not been expended. Budget appropriations may not be legally exceeded on a fund basis.

The County-wide General Fund is comprised of the following six sub-funds: Board of County Commissioners, Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector. In order to comply with the generally accepted accounting principles, the actual intra-fund activity has been consolidated in order to eliminate inflated amounts in the aggregate financial statements of the County-wide General Fund.

Cash and Cash Equivalents

Cash and Cash Equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquisition. This includes funds invested with the State Board of Administration in the Florida PRIME investment pool. Funds held in Florida PRIME are measured at amortized cost.

Investments

Investments are generally measured at fair value, except for certificates of deposit which are measured at cost.

Receivables

Receivables are shown at their net realizable value and reduced by an allowance for uncollectible accounts.

Due from (to) Other Funds

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds".

Prepaid Items

Certain payments to vendors are made in advance of the accounting period to which the cost related. These payments are reported under the allocation method, i.e., an asset is established at the date of the payment and subsequently amortized over the account periods that are expected to benefit from the initial payment. The prepaid balances reported on the governmental funds balance sheet are offset by a non-spendable fund balance classification, which indicates these balances do not constitute "available spendable resources".

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Inventories

Inventories shown in the General Fund consist of fuel and office supplies valued at cost. General Fund inventory is recorded under the consumption method. Inventories shown in the County transportation fund consists predominately of repair parts and are valued at cost. On the governmental fund balance sheet, the inventory balances are offset by a non-spendable fund balance classification which indicates these balances do not constitute “available spendable resources” even though it is a component of net current assets. The costs of governmental fund type inventories are recorded as expenditure when consumed; therefore, the inventory is not available for appropriation.

Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (e.g., roads, right-of-ways, stormwater systems, sidewalks, and similar items) are reported in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Land and buildings acquired prior to October 1, 1980, were recorded at the values stated on the 1979 Gadsden County Property Appraiser’s assessment roll. Acquisitions of land and buildings since October 1, 1980, have been recorded at cost. Roads, bridges, and other infrastructure assets constructed prior to October 1, 2002, are reported at estimated historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are expensed as incurred.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	50
Improvements Other than Buildings	50
Machinery and Equipment	5-20
Infrastructure	15-25

Major outlays for capital assets and improvements are capitalized as projects are constructed. For assets constructed with governmental fund resources, interest during construction is not capitalized.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position.

Deferred Inflows/Outflows of Resources

Deferred inflows of resources reported on applicable governmental fund types represent revenues which are measurable but not available in accordance with the modified accrual basis of accounting. The deferred inflows will be recognized as revenue in the fiscal year they are earned or become available. Deferred outflows of resources represent consumption of net position that is applicable to a future reporting period. Deferred outflows have a positive effect on net position, similar to assets.

Pension Related—Pension Related Deferred Inflows and Outflows represent the difference between expected and actual experience with regard to economic or demographic factors and changes to assumptions in the measurement of total pension liability, and the differences between expected and actual earnings on pension plan investments, and changes in the County’s proportionate share of

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pension contributions. These amounts are reported as deferred inflows or outflows of resources, to be recognized in expense over time. Also included in deferred outflows are amounts contributed to the pension plans subsequent to the measurement date. See Note 9 for more information on Pension Related Deferred Inflows and Outflows.

Unavailable Revenues—Unavailable revenues are revenues which are measurable, but not available because they have not been received within the County’s period of availability. These revenues are deferred and recorded as deferred inflows of resources in governmental fund financial statements.

Compensated Absences

Upon retirement or resignation, employees may be paid a cash benefit equal to the number of vacation hours accrued up to a maximum amount, based upon the employee’s current wage rate. Upon retirement or resignation in good standing, employees are paid a portion of accumulated sick leave. The portion is payable at various percentages depending on years of service and the governmental office in which the employee worked.

Postemployment Benefits Other than Pension Benefits (OPEB)

The County participates and administers a single-employer plan under which qualified retired employees are permitted to participate in the health, dental, vision, and life insurance benefits program. Additional information on the County’s OPEB liability can be found in Note 13.

Property Taxes

Under Florida law, the assessment of all properties and the collection of all County municipal and school board property taxes are consolidated in the offices of the Property Appraiser and Tax Collector. The laws of the state regulating tax assessment are also designed to assure a consistent property valuation method state-wide. Florida Statutes permit counties to levy property taxes at a rate of up to 10 mills for general operations.

The tax levy of the County is established by the Board prior to October 1, of each year and the Property Appraiser incorporates the County millages into the total tax levy, which includes the various municipalities, the County School Board, and other taxing authorities.

All property is assessed according to its fair market value January 1, of each year. Each assessment roll is submitted to the Executive Director of the Florida Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of Florida Statutes.

All taxes become payable on November 1 of each year, or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, and 1% in the month of February. Taxes paid in March are without discount.

On or prior to June 1, following the tax year, tax certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest of 18% per year or at any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold tax certificates are held by the County.

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Fund Balance

Fund balance is reported in five components – non-spendable, restricted, committed, assigned, and unassigned:

- **Non-Spendable**—This component of fund balance consists of amounts that cannot be spent because: (a) they are not expected to be converted to cash; or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund.
- **Restricted**—This component of fund balance consists of amounts that are constrained either: (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments); or (b) by law through constitutional provisions or enabling legislation.
- **Committed**—This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., ordinance) of the organization’s governing authority (the Board). These committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (e.g., ordinance) employed to constrain those amounts.
- **Assigned**—This component of fund balance consists of amounts that are constrained by a less-than-formal action of the organization’s governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. In addition, residual balances in capital projects and debt service funds are considered assigned for the general purpose of the respective fund.
- **Unassigned**—This classification is used for: (a) negative unrestricted fund balances in any governmental fund; or (b) fund balances within the General Fund that are not restricted, committed, or assigned.
- **Flow Assumption**—When both restricted and unrestricted resources are available for use, it is the Board’s policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use in any governmental fund, it is the Board’s policy to use committed resources first, then assigned, and then unassigned as needed.

Adoption of New Accounting Pronouncement

During the year ended September 30, 2021, the County adopted new accounting guidance by implementing the provisions of GASB Statement No. 84, *Fiduciary Activities*, which established criteria for identifying and reporting fiduciary activities. In accordance with GASB Statement No. 84, liabilities in custodial funds are recognized when an event that has occurred that compels the government to disburse the resources held in a fiduciary capacity. If further action, authorization, or condition is required to compel the County to disburse the funds at year-end, the amounts are reported as net position. GASB Statement No. 84 requires that changes adopted to conform to the provisions of the statement be applied retroactively. The County has restated the beginning net position in the statement of fiduciary net position as a result of the change in recognition of liabilities as follows:

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Net Position, October 1, 2020, As Previously Reported	\$	-
Change in Accounting Principle - GASB 84		<u>663,164</u>
Net Position, October 1, 2020, As Previously Reported		<u>\$ 663,164</u>

Recent GASB Standards

The County is currently evaluating the effects that the following GASB Statements, which will be implemented in future financial statements, will have on its financial statements for subsequent fiscal years:

- **Statement No. 87, *Leases*.** This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. This statement is currently under review and the County will consider the impact, if any, upon financial reporting. The provisions of this statement are effective for the County’s fiscal year ending September 30, 2022.

- **Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*.** This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. This statement is currently under review and the County will consider the impact, if any, upon financial reporting. The provisions of this statement are effective for the County’s fiscal year ending September 30, 2022.

Note 3 - Cash and Investments

The County maintains cash and investments in two separate areas: those which support the County’s public purpose and programs of the County, and the Hospital Endowment Trust Fund, for which funds are held in trust for the benefit of the Hospital.

Public Purpose

As of September 30, 2021, the County’s public purpose programs had the following in cash, cash equivalents and investments:

		<u>Carrying Amount</u>
Cash on Hand	\$	4,500
Deposits in Qualified Public Depositories (Including Repurchase Agreement)		21,422,289
Money Market		2,119,783
SBA Florida PRIME		<u>6,076,896</u>
Total Cash, Cash Equivalents and Investments	\$	<u>29,623,468</u>

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In accordance with Florida Statutes, Section 218.415(1-16), the County adopted a written investment policy for public purpose programs on October 1, 1995. The policy includes the objectives of safety, liquidity, and investment income, in order of priority. Authorized investments included in the policy are:

1. The Florida PRIME (formerly the Local Government Surplus Trust Funds Investment Pool) administered by the State Board of Administration.
2. Negotiable direct obligations of, or obligations of the principal and interest of which are unconditionally guaranteed by the United States Government, which include, but are not limited to: treasury bills, treasury notes, treasury bonds, and treasury strips.
3. Bonds, debentures, notes or other evidence of indebtedness, issued or guaranteed by United States agencies provided such obligations are backed by the full faith and credit of the United States Government, which include, but are not limited to: Farmers Home Administration, Federal Financing Bank, Federal Housing Administration Debentures, and Government National Mortgage Association.
4. Bonds, debentures, notes or other evidence of indebtedness, issued or guaranteed by United States government agencies (federal instrumentalities), which are not full-faith and credit agencies limited to the following: Federal Farm Credit Bank, Federal Home Land Bank or its district banks, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, and Student Loan Marketing Association.
5. Non-Negotiable interest-bearing time certificates of deposit, money market accounts, or savings accounts in banks/savings and loan associations organized under the laws of the United States.
6. Repurchase agreements (for purchase and subsequent sale) for any of the investments authorized above in items 3 and 4.

Florida PRIME is administered by the Florida State Board of Administration (SBA). Florida PRIME is an external investment pool that is not a registrant with the Securities and Exchange Commission (SEC). Florida PRIME is governed by Chapter 19-7 of the Florida Administrative Code, which identifies the Rules of the SBA. These rules provide guidance and establish the general operating procedures for the administration of Florida PRIME.

Additionally, the State of Florida, Office of the Auditor General performs the operational audit of the activities and investments of the SBA. The County's fair value of their position in Florida PRIME approximates their value of the pool shares. Investments in Florida PRIME are not evidenced by securities that exist in physical or book entry form.

The SBA's interpretation of GASB Statement No. 79 is that the Florida PRIME investment pool currently meets all necessary criteria to measure its investments at amortized cost. Therefore, as a participant in the SBA's Florida PRIME investment pool, the County's investments in Florida PRIME were also measured at amortized cost for fiscal year 2020-21. There were no limitations or restrictions on participant withdrawals including items such as redemption notices, maximum transaction amounts, and the pool's authority to impose liquidity fees or redemption gates, however, the fund may on the occurrence of an event that has a material impact on liquidity or operations, impose restrictions on withdrawals for up to 48 hours.

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The following disclosures describe the County’s public purpose investment exposure to various risks:

Credit Risk—Public Purpose Funds

The current rating for the Florida PRIME is AAAm by Standards & Poor’s.

The securities utilized by the financial institution to pledge against the County’s overnight repurchase agreement at September 30, 2021, consist primarily of treasury notes and agency securities from the Federal National Mortgage Association and Government National Mortgage Association. The treasury notes are triple A-rated by a nationally recognized statistical rating organization. The agency securities are not fully rated.

Custodial Credit Risk—Public Purpose Funds

Custodial credit risk is the risk that, in the event of a bank failure, or the failure of the counterparty, the government’s deposits may not be returned to it, or the government may not be able to recover the value of its investments that are in the possession of an outside party.

Qualified public depositories of public funds are required to provide collateral each month pursuant to Section 280.04, Florida Statutes. The collateral is held by the Florida Division of Treasury or other custodian with full legal rights maintained by the Florida Division of Treasury to transfer ownership. Any loss not covered by the pledged securities and deposit insurance would be assessed by the Florida Division of Treasury and paid by the other public depositories. The County’s cash deposits in these qualified depositories are considered fully insured or collateralized.

Interest Rate Risk—Public Purpose Funds

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County limits interest rate risk for the repurchase agreement by utilizing an overnight sweep agreement to invest excess cash balances. The weighted-average investment maturity for Florida PRIME is 48 days.

Hospital Endowment Trust Fund

As of September 30, 2021, the Hospital Endowment Trust Fund had the following balances in cash and investments:

	Fair Value
Cash in Bank	\$ 360,817
Repurchase Agreement	1,096,652
SBA Florida PRIME	1,240,204
Mutual Funds - (Fixed Income)	3,973,819
Equities	5,999,168
Total Cash and Investments	\$ 12,670,660

As of September 30, 2021, the Hospital Endowment Trust Fund had cash deposits of \$360,817 in a qualified public depository.

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The following disclosures describe the Hospital Endowment Trust Fund’s investment exposure to various risks:

Credit Risk—Hospital Endowment Trust Fund

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. Investing activities for the Hospital Endowment Trust Fund are performed strictly by the members of the Trust committee.

The U.S. Treasury Bonds and Notes, and the U.S. Government Agency holdings of the Hospital Endowment Trust Fund are triple A-rated by a nationally recognized statistical rating organization.

Custodial Credit Risk—Hospital Endowment Trust Fund

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the government may not be able to recover the value of its investments that are in the possession of the outside party. Custody of the Hospital Endowment Trust Fund’s investments is maintained in the County’s name by Capital City Trust Company, the fiduciary of the account.

Concentration of Credit Risk—Hospital Endowment Trust Fund

Concentration of credit risk is the risk of loss attributed to the investments of the Hospital Endowment Trust Fund in any one issuer that represents 5% or more of the total investment. There were no individual investments that represented more than 5% of the investment balance.

Interest Rate Risk—Hospital Endowment Trust Fund

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Hospital Endowment Trust Fund includes the following investments on a time-segmented basis:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than One Year</u>	<u>1-5 Years</u>
Mutual Funds - Fixed	\$ 3,973,819	\$ 3,204,573	\$ 769,246
Equities	5,999,168	5,999,168	-
Total	<u>\$ 9,972,987</u>	<u>\$ 9,203,741</u>	<u>\$ 769,246</u>

Fair Value Measurements – Hospital Endowment Trust Fund

Fair value measurements assume a transaction takes place in a government’s principal market, or a government’s most advantageous market in the absence of a principal market. The fair value also should be measured assuming that general market participants would act in their economic best interest.

The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels:

- **Level 1 Inputs**—are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- **Level 2 Inputs**—are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

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- Level 3 Inputs**—are unobservable inputs for an asset or liability. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs.

Fair value measurements for the Hospital Endowment Trust are as follows at September 30, 2021:

Investments by Fair Value Level	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equities	\$ 5,999,168	\$ 5,999,168	\$ -	\$ -
Total Investments Measured at Fair Value	\$ 5,999,168	\$ 5,999,168	\$ -	\$ -

Investments Measured at the Net Asset Value (NAV)	Amount	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Mutual Funds - Fixed	\$ 3,973,819	\$ -	Daily	None
Total Investments	\$ 9,972,987			

Note 4 - Receivables

Receivables at September 30, 2021, consist of the following:

	Gross Accounts Receivable	Allowance for Uncollectibles	Net Receivables
General	\$ 95,622	\$ -	\$ 95,622
County Transportation	180	-	180
Other Governmental Funds:			
Emergency Medical Services	2,521,043	(1,642,567)	878,476
Fiduciary Funds:			
Agency Funds - Tax	19,684	-	19,684
Total Receivables	\$ 2,636,529	\$ (1,642,567)	\$ 993,962

Note 5 - Interfund Receivables, Payables, and Transfers

Interfund balances at September 30, 2021, consisted of the following:

	Due From	Due To
General Fund	\$ 841,806	\$ 241,099
Other Governmental Funds	531,828	999,860
Fiduciary Funds:		
Agency Funds	3,073	135,748
Total	\$ 1,376,707	\$ 1,376,707

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The purpose for each of these interfund receivables and payables is to provide temporary loans for cash flow needs, primarily associated with the time lag between the dates that: (a) interfund goods and services are provided or reimbursable expenditures occur; (b) transactions are recorded in the accounting system; and (c) payments between funds are made.

Interfund transfers for the year ended September 30, 2021 consisted of the following:

	Interfund	
	Transfers In	Transfers (Out)
General Fund	\$ 9,834,660	\$ 9,474,492
County Transportation	698,414	525,732
SHIP HHRP	-	119,445
American Rescue Plan	-	558,131
Other Governmental Funds	11,158,258	11,013,532
Total Interfund Transfers	\$ 21,691,332	\$ 21,691,332

The purposes of these interfund transfers were to: (a) fund budgetary requirements of other funds or Constitutional Officers; (b) meet grant match requirements; or (c) meet state or other budgetary requirements to expend revenues that were collected in another fund.

Note 6 - Capital Assets

Capital asset activity for the year ended September 30, 2021, was as follows:

	Beginning Balance	Increases	(Decreases)	Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 2,054,225	\$ -	\$ -	\$ 2,054,225
Construction Work in Progress	9,410,326	1,515,530	(5,815,491)	5,110,365
Total Capital Assets Not Being Depreciated	11,464,551	1,515,530	(5,815,491)	7,164,590
Capital Assets Being Depreciated:				
Buildings	38,537,538	2,814,447	-	41,351,985
Improvements Other Than Buildings	5,728,677	14,283	-	5,742,960
Machinery and Equipment:				
Board and Clerk	18,197,693	3,646,370	(2,527,284)	19,316,779
Sheriff	3,404,772	572,527	(25,411)	3,951,888
Total Machinery and Equipment	21,602,465	4,218,897	(2,552,695)	23,268,667
Infrastructure	76,371,498	6,082,385	-	82,453,883
Total Capital Assets Being Depreciated	142,240,178	13,130,012	(2,552,695)	152,817,495
Less Accumulated Depreciation:				
Buildings	(15,323,646)	(803,393)	-	(16,127,039)
Improvements Other Than Buildings	(1,566,982)	(124,109)	-	(1,691,091)
Machinery and Equipment	(14,223,275)	(1,518,807)	1,839,486	(13,902,596)
Infrastructure	(52,350,437)	(3,112,671)	-	(55,463,108)
Total Accumulated Depreciation	(83,464,340)	(5,558,980)	1,839,486	(87,183,834)
Total Capital Assets Being Depreciated, Net	58,775,838	7,571,032	(713,209)	65,633,661
Total Governmental Activities Capital Assets, Net	\$ 70,240,389	\$ 9,086,562	\$ (6,528,700)	\$ 72,798,251

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Depreciation expense was charged to governmental activities functions/programs of the primary government as follows:

General Government	\$ 283,926
Public Safety	903,459
Physical Environment	81,911
Transportation	3,525,373
Economic Environment	14,305
Human Services	547,334
Court-Related	76,838
Culture and Recreation	125,834
Total Depreciation Expense	5,558,980
Governmental Activities	\$ 5,558,980

Note 7 - Long-Term Debt

Summary of Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended September 30, 2021:

	Balance 10/1/20	Additions	Deductions	Balance 9/30/21	Due Within One Year
Employee Compensated Absences Payable	\$ 1,298,636	\$ 1,267,494	\$ (1,234,076)	\$ 1,332,054	\$ 606,830
Other Postemployment Benefits	810,800	-	(10,300)	800,500	-
Net Pension Liability	29,027,989	-	(20,125,387)	8,902,602	24,292
Loan with BB&T for 2016 Sales Tax Revenue Refunding Bond, Monthly Principal and Interest Payment of \$53,819 Commencing August 2016 through March 2030, Interest at 2.00%, Funds Used for Refunding of 2013 Hospital Bond	5,583,575	-	(539,088)	5,044,487	549,969
Gas Tax Revenue and Refunding Bond, Series 2015, Monthly Principal and Interest Payments of \$60,588, Commencing June 2015, Interest at 2.43%, Funds Used for Refunding the 2013 Gas Tax Revenue Refunding Bond and for Construction and Improvement of Certain Roads in Gadsden County	6,210,241	-	(582,610)	5,627,631	596,926
Loan with BB&T for 2016 Local Gov't Half-Cent Revenue Bonds, Semiannual Interest and Principal Payments of \$105,728 in April and October, Interest Rate of 1.53% Funds Used for Refinancing Costs of 2006 Library Bond	414,944	-	(205,891)	209,053	209,053
Motorola Loan -Cell Tower & Radio Communications Annual principal and interest payments of \$152,589 commencing November 2018 through November 15, 2027. Interest rate of 3.10% Funds used for building new cell tower and updating radio communications.	1,066,626	-	(1,066,626)	-	-
Motorola Loan for Dispatch Center Furnishing Annual principal and Annual principal and interest payments of \$47,441 commencing of November 15, 2018 through November 15, 2028. Interest rate of 4.29%. Funds used to furnish and update the Dispatch Center	380,181	-	(380,181)	-	-
Purchase of Vehicles for Board of County Commissioners Annual principal and interest payments of \$102,558 commencing on March 1, 2019 through March 1, 2023. Interest rate of 4.58%.	281,504	-	(89,665)	191,839	93,772
Line of Credit - BB&T for Agriculture Center One payment required for Line of Credit. Principal and interest payment due August 21, 2020 Interest rate 2.30%	707,000	-	(707,000)	-	-

**GADSDEN COUNTY, FLORIDA
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	Balance 10/1/20	Additions	Deductions	Balance 9/30/21	Due Within One Year
Lease-Purchase with Santander Bank N.A for 4 Frazer Diesel Ambulances. Annual principal and interest payments of \$ 166,885.44 including interest of 3.94%	\$ 606,634	\$ -	\$ (253,943)	\$ 352,691	\$ 117,210
Motorola Loan -Cell Tower & Radio Communications Annual principal and interest payments of \$274,026 commencing November 2021 through November 15, 2027. Interest rate of 2.62% Funds used for building new cell tower and updating radio communications.	-	1,756,015	-	1,756,015	252,684
Lease-Purchase with Ring Investments Public Works equipment. Principal and interest payment of \$339,921 commencing January 2021 thru January 2026 interest of 3.25%	-	2,570,007	(339,921)	2,230,086	267,443
USDA Loan for Agriculture Center Annual principal and interest payment of \$31,166 April 2022- April 2051, Interest rate of 2.25%	-	674,588	-	674,588	15,988
Purchase of Vehicles for the Sheriff Payable in 48 Monthly Installments of \$2,356 Including Interest of 5.2%	53,908	-	(36,619)	17,289	17,289
Purchase of Vehicles for the Sheriff Payable in 48 Monthly Installments of various amount. Interest of 5.2%	112,947	-	(47,245)	65,702	49,761
Purchase of Vehicles for the Sheriff Payable in monthly payments from 29-48 months at varying interest rates	487,097	-	(127,340)	359,757	152,114
Total	<u>\$ 47,042,082</u>	<u>\$ 6,268,104</u>	<u>\$ (25,745,892)</u>	<u>\$ 27,564,294</u>	<u>\$ 2,953,331</u>

Interest expense and other debt-related charges during 2021 on long-term debt totaled \$432,362, none of which was capitalized.

Maturities of Long-Term Debt

Maturities of long-term debt for years ending September 30 are as follows:

Year Ending September 30	Principal	Interest
2022	\$ 2,322,211	\$ 371,656
2023	2,067,877	339,741
2024	1,930,669	282,516
2025	1,784,531	233,476
2026	2,035,864	70,125
2027-2030	6,387,986	520,032
Other Years (Including Compensated Absences, Other Postemployment Benefits, Net Pension Liability)	11,035,156	-
Total	<u>\$ 27,564,294</u>	<u>\$ 1,817,546</u>

**GADSDEN COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

Note 8 - Pledged Revenues

The County has pledged certain revenues to repay bonds outstanding as of September 30, 2021. The following table reports the revenues pledged for each debt issue, the amounts of such revenues received in the current year principal and interest paid on the debt, the approximated percentage of each revenue which is pledged to meet the debt obligation, the date through which the revenue is pledged under the debt agreement, and the total pledged future revenues for each debt, which is the amount of the remaining principal and interest on the bonds and notes at September 30, 2021.

<u>Pledged Revenue</u>	<u>Description of Bonds</u>	<u>Revenue Received</u>	<u>Principal and Interest Paid</u>	<u>Estimated Percentage Pledged</u>	<u>Outstanding Principal and Interest</u>	<u>Pledged Through</u>
County Fuel Tax	Revenue Bond for Infrastructure Revenue Bond, Series 2015	\$ <u>1,536,318</u>	\$ <u>727,059</u>	47.32%	\$ <u>6,240,587</u>	2030
Local Half-Cent Tax	Revenue Bond for Library Revenue Bond, Series 2016	\$ <u>1,758,300</u>	\$ <u>211,455</u>	12.03%	\$ <u>211,455</u>	2022
Indigent Surtax Revenues	Sales Tax and Revenue Refund Bond, Series 2016	\$ <u>2,281,456</u>	\$ <u>645,836</u>	28.31%	\$ <u>5,489,602</u>	2030

Note 9 - Employee Retirement Plan

General Information about the Florida Retirement System (FRS)

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any state-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the County are eligible to enroll as members of the State-administered FRS. Provisions relating to FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112 Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer defined-benefit plans and other non-integrated programs. An annual comprehensive financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' web site (www.dms.myflorida.com).

GADSDEN COUNTY, FLORIDA
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FRS Pension Plan

Plan Description. The FRS Pension Plan (Plan) is a cost-sharing multiple-employer qualified defined benefit pension plan, with a DROP available for eligible employees. The general classes of membership applicable to the County are as follows:

- *Regular Class*—Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officer Class*—Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)*—Members in senior management level positions.
- *Special Risk Class*—Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All vested members enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Members of the Plan may include up to four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned.

**GADSDEN COUNTY, FLORIDA
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Class, Initial Enrollment, and Retirement Age/Years of Service	Percent Value
<i>Regular Class Members Initially Enrolled Before July 1, 2011:</i>	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
<i>Regular Class Members Initially Enrolled on or After July 1, 2011:</i>	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
<i>Elected County Officers</i>	3.00
<i>County Court Judges</i>	3.33
<i>Senior Management Service Class</i>	2.00
<i>Special Risk Regular</i>	
Service from December 1, 1970 through September 30, 1974	2.00
Service on and after October 1, 1974	3.00

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the County's 2020-21 fiscal year were as follows:

Class	Year Ended June 30, 2021		Year Ended June 30, 2022	
	Percent of Gross Salary		Percent of Gross Salary	
	Employee	Employer (2)	Employee	Employer (2)
FRS, Regular	3.00	8.28	3.00	9.10
FRS, Elected County Officers	3.00	47.46	3.00	49.70
FRS, Senior Management Service	3.00	25.57	3.00	27.29
FRS, Special Risk Regular	3.00	22.73	3.00	24.17
DROP – Applicable to Members				
from All of the Above Classes	0.00	15.32	0.00	16.62
FRS, Reemployment Retiree	(1)	(1)	(1)	(1)

Notes: (1) Contribution rates are dependent upon retirement class in which reemployed.
(2) These rates include the normal cost and unfunded actuarial liability contributions but do not include the contribution for Retiree Health Insurance Subsidy of 1.66% and the fee of 0.06% for administration of the FRS Investment Plan and provision of education tools for both plans.

**GADSDEN COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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The County's contributions (employer) to the FRS Plan totaled \$2,130,641 for the fiscal year ended September 30, 2021. This excludes the HIS defined benefit pension plan contributions.

Pension Liabilities and Pension Expense. At September 30, 2021, the County reported a liability of \$4,076,446 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The County's proportionate share of the net pension liability was based on the County's 2020-21 fiscal year contributions of all participating members. At June 30, 2021, the County's proportion was .053965064%, which was a decrease of .00222355445% from its proportion measured as of June 30, 2020.

For the year ended September 30, 2021, the County recognized pension expense of \$(298,131) related to the Plan.

Actuarial Assumptions. The total pension liability in the June 30, 2021 actuarial valuation, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary Increases	3.25% Average, Including Inflation
Discount Rate	6.80%
Long-Term Expected Rate of Rate of Return, Net of Investment Expense	6.80%

Mortality rates were based on PUB2010. The base table varies by member category and sex, projected generationally with scale MP-2018.

The actuarial assumptions used in the June 30, 2021 valuation, were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Annual Target Allocation⁽¹⁾</u>	<u>Annual Arithmetic Return</u>	<u>Geometric Return</u>	<u>Standard Deviation</u>
Cash	1.0%	2.1%	2.1%	1.1%
Fixed Income	20.0%	3.8%	3.7%	3.3%
Global Equity	54.2%	8.2%	6.7%	17.8%
Real Estate	10.3%	7.1%	6.2%	13.8%
Private Equity	10.8%	11.7%	8.5%	26.4%
Strategic Investments	3.7%	5.7%	5.4%	8.4%
Total	<u>100%</u>			
Assumed Inflation – Mean			2.4%	1.2%

Note: (1) As outlined in the Plan's Investment Policy.

GADSDEN COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Discount Rate. The discount rate used to measure the total pension liability was 6.80%. The Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate was 6.80% in the July 1, 2020 valuation.

Sensitivity of the County’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate. The following presents the County’s proportionate share of the net pension liability calculated using the discount rate of 6.80%, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

FRS – County:

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
County’s Proportionate Share of the Net Pension Liability	\$ 18,230,145	\$ 4,076,446	\$ (7,754,457)

Pension Plan Fiduciary Net Position. Detailed information about the Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Annual Comprehensive Financial Report.

HIS Pension Plan

Plan Description. The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The Florida Legislature established and amends the contribution requirements and benefit terms of the HIS program. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs.

Benefits Provided. For the Plan fiscal year ended June 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment equal to the years of service credited at retirement multiplied by \$5. The minimum HIS payment is \$30 and a maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under the State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the Plan fiscal years ended June 30, 2021 and 2020, the contribution rate was 1.66% of payroll, pursuant to Section 112.363, Florida Statutes. The County contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

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The County's contributions to the HIS Plan totaled \$234,328 for the fiscal year ended September 30, 2021.

Pension Liabilities and Pension Expense. At September 30, 2021, the County reported a net pension liability of \$4,826,156 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The County's proportionate share of the net pension liability was based on the County's contributions relative to the total contributions of all participating members. At June 30, 2021, the County's proportionate share was .0382889108%, which was an increase of .00105527219% from its proportionate share measured as of June 30, 2020.

For the fiscal year ended September 30, 2021, the County recognized pension expense of \$317,925 related to the HIS Plan.

Actuarial Assumptions. The total pension liability for the HIS Pension Plan was determined by an actuarial valuation as of July 1, 2021, and recalculated as of June 30, 2021, using a standard actuarial roll-forward technique. The following actuarial assumptions, applied to all periods included in the measurement, were used to determine the total pension liability:

Inflation	2.40%
Salary Increases	3.25% Average, Including Inflation
Discount Rate	2.16%
Long-Term Expected Rate of Rate of Return, Net of Investment Expense	N/A
Municipal Bond Index	2.16%

Mortality rates were based on the Generational RP-2000 with Projected Scale BB.

The actuarial assumptions used to determine the total pension liability as of June 30, 2021, were based on certain results of an actuarial experience study of the FRS for the period July 1, 2013, through June 30, 2018.

Discount Rate. The discount rate used to measure the total pension liability was 2.16%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate was 2.21% in the July 2020 valuation.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 2.16%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16%) or 1-percentage-point higher (3.16%) than the current rate:

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	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
County's Proportionate Share of the Net Pension Liability	\$ 5,579,503	\$ 4,826,156	\$ 4,208,956

Pension Plan Fiduciary Net Position. Detailed information about the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Annual Comprehensive Financial Report.

Additional Disclosures – Defined Benefit Plans

Net Pension Liability

	FRS	HIS	Total
Net Pension Liability	\$ 4,076,446	\$ 4,826,156	\$ 8,902,602

Deferred Outflows of Resources

	FRS	HIS	Total
Employer Contributions After Measurement Date	\$ 572,510	\$ 59,875	\$ 632,385
Difference Between Expected and Actual Experience	698,710	161,495	860,205
Changes in Assumptions	2,789,307	379,228	3,168,535
Changes in Proportion	493,811	5,031	498,842
Net Difference Between Projected and Actual Earnings on Investments	-	235,350	235,350
Total Deferred Outflows of Resources	\$ 4,554,338	\$ 840,979	\$ 5,395,317

Deferred Inflows of Resources

	FRS	HIS	Total
Difference Between Expected and Actual Experience	\$ -	\$ 2,021	\$ 2,021
Changes in Assumptions	-	198,850	198,850
Changes in Proportion	1,797,450	-	1,797,450
Net Difference Between Projected and Actual Earnings on Investments	14,221,700	337,181	14,558,881
Total Deferred Inflows of Resources	\$ 16,019,150	\$ 538,052	\$ 16,557,202

Deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date totaling \$632,385 will be recognized as a reduction of the net pension liability in the year ending September 30, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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<u>Fiscal Year</u> <u>Ending</u>	<u>FRS</u>	<u>HIS</u>	<u>Total</u>
2022	\$ (2,225,990)	\$ 66,948	\$ (2,159,042)
2023	(2,554,721)	(3,164)	(2,557,885)
2024	(3,211,752)	32,420	(3,179,332)
2025	(3,982,691)	86,254	(3,896,437)
2026	(62,168)	40,942	(21,226)
Thereafter	-	<u>19,652</u>	<u>19,652</u>
Total	<u>\$ (12,037,322)</u>	<u>\$ 243,052</u>	<u>\$ (11,794,270)</u>

Pension Expense

For the year ended September 30, 2021, the County recognized pension expense from the defined benefit pension plans as follows:

	<u>FRS</u>	<u>HIS</u>	<u>Total</u>
Board of County Commissioners, Supervisor of Elections, Property Appraiser	\$ (29,107)	\$ 183,273	\$ 154,166
Clerk of the Circuit Court/Comptroller	(80,855)	25,271	(55,584)
Tax Collector	(56,650)	10,862	(45,788)
Sheriff	<u>(131,519)</u>	<u>98,519</u>	<u>(33,000)</u>
Total Pension Expense	<u>\$ (298,131)</u>	<u>\$ 317,925</u>	<u>\$ 19,794</u>

There were certain changes in assumptions from the previous valuation related to the two plans described above. The assumption changes include the following:

- **FRS**—In the July 1, 2021 actuarial valuation, the discount rate used to determine total pension liability remained at 6.80%.
- **HIS**—In the July 1, 2021 actuarial valuation, the municipal rate used to determine total pension liability decreased from 2.21% to 2.16%.

FRS – Defined Contribution Pension Plan

The County contributes to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the SBA and is reported in the SBA’s annual financial statements and in the State of Florida Annual Comprehensive Financial Report. Service retirement benefits are based upon the value of the member’s account upon retirement.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. County employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member’s accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and

**GADSDEN COUNTY, FLORIDA
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membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the investment member's accounts during the 2020-2021 fiscal year were as follows:

<u>Class</u>	Year Ended June 30, 2021		Year Ended June 30, 2022	
	Percent of Gross Compensation		Percent of Gross Compensation	
	Employee	Employer	Employee	Employer
FRS, Regular Class	3.00	3.30	3.00	3.30
FRS, Special Risk Class	3.00	11.00	3.00	11.00
FRS, Senior Management Service Class	3.00	4.67	3.00	4.67
FRS, Elected County Officers, Judges	3.00	10.23	3.00	10.23
FRS, Elected County Officers	3.00	8.34	3.00	8.34

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended September 30, 2021, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the County.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan or remain in the Investment Plan and rely upon that account balance for retirement income.

The County's Investment Plan pension expense totaled \$239,664 for the fiscal year ended September 30, 2021.

Note 10 - Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees and the public, or damage to property of others. The County obtained commercial insurance against losses for the following types of risk:

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- Real and Personal Property Damage
- Public Employees' Bond
- Workers' Compensation
- Automobile Liability

The County participates in the Florida Association of Counties Trust (FACT), a public entity risk pool for risks related to comprehensive general liability. The agreement provides that the financial liability of each participating county is limited to premiums and surplus contributions paid or obligations made to FACT. Aggregate coverage provided is limited to \$1,000,000 for each claim.

Note 11 - Hospital Endowment Trust Fund

On July 7, 1952, a trust was established with Quincy State Bank (now Capital City Bank) as trustee to accept gifts and bequests for the benefit of the Hospital. The corpus of the trust is unavailable for use except in an emergency, and then only upon the approval of the parties to the trust agreement and the Circuit Court of the County. The trust is accounted for as a private purpose trust fund in the fiduciary fund financial statements.

Note 12 - Commitments and Contingencies

Litigation

The County is contingently liable with respect to various lawsuits and other claims incidental to the ordinary course of its operations. In the opinion of the County's management, the ultimate disposition of these lawsuits and claims will not have a material adverse effect on the financial position of the County.

Hospital Lease

Pursuant to the County's amended agreement entered into on February 24, 2020 to lease the Hospital to a third-party operator, the County has agreed to pay the operator \$200,000 a year from March – February each year from the proceeds of the one-half cent sales surtax for health care not otherwise committed to repayment of the County's Sales Tax Revenue Refunding Bonds, Series 2013. This amended lease shall have an initial term of fifteen years beginning on the commencement date and ending on the last day of the month, fifteen years after the commencement date. The term of this amended lease shall automatically be renewed for up to two additional consecutive terms of five years; unless, either party delivers written notice to the other party that it will not renew at least 12 months prior to the end of the term then in effect.

During each lease year of the Amended Lease terms, the operator shall pay rent to the County at the rate of \$200,000 per annum, payable in equal monthly installments of \$16,666.67 each on the first day of each calendar month during the balance of the Lease Term along with the sales or privilege tax required under applicable law. The base rent shall be increased by 5% over the then-current rate every three years beginning on the first day of the first month following the 3rd anniversary of the effective date of the amended lease.

**GADSDEN COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

Construction Commitments

The following is a summary of major commitments of the County and contracts in progress as of September 30, 2021:

<u>Project</u>	<u>Fund</u>	<u>Contract Amount</u>	<u>Expended as of September 30, 2021</u>
Attapulgus Highway	Capital Projects – SCOP	\$ 304,968	\$ 282,521
Pt. Milligan Rd	Capital Projects – SCOP	3,029,801	252,500
Fairbanks Rd	Capital Projects – SCOP	1,698,997	169,000
Adam’s St Sidewalk	Capital Projects – LAPA	544,967	-
Ralph Strong Rd	Capital Projects – LAPA	783,161	-
CR 159A Potter Woodberry	Capital Projects – CIGP	814,695	80,135
Cochran Rd	Capital Projects – SCRAP	1,030,436	466,833
Iron Bridge RD	Capital Projects - LAPA	366,336	-
Dover/Scotland Guardrails	Capital Projects - LAPA	503,749	-
Total		<u>\$ 9,077,110</u>	<u>\$ 1,250,989</u>

Note 13 - Postemployment Benefits Other than Pension Benefits (OPEB)

Plan Description

The OPEB Plan is a single-employer defined benefit plan administered by the County. Retirees are charged whatever the insurance company charges for the type of coverage elected. However, the premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees.

Retirees and their dependents (except for life insurance) are permitted to remain covered under the County’s respective medical and insurance plans as long as they pay a full premium applicable to coverage elected. This conforms to the minimum required of Florida governmental employers per Chapter 112.08, Florida Statutes. The OPEB Plan does not issue a stand-alone report.

Participant data as of the most recent actuarial valuation date of October 1, 2020 is shown below:

Retiree and Beneficiaries Currently Receiving Benefits	6
Active Employees	<u>300</u>
Total	<u><u>306</u></u>

Funding Policy

For the OPEB Plan, contribution requirements of the County are established and may be amended through action from either the Board of County Commissioners or Constitutional Officers. Currently the County’s OPEB Benefits are unfunded. The required contributions are based on pay-as-you-go financing requirements. There is no separate Trust Fund or equivalent arrangement into which the County would make contributions to advance-fund the obligation, as it does for its pension plan, the FRS. Therefore, ultimate subsidies which are provided over time are financed directly by general assets of the County, which are invested in very short-term income instruments.

**GADSDEN COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

Actuarial Methods and Assumptions

In any long-term actuarial valuation, certain demographic, economic, and behavioral assumptions are made concerning the population, the investment discount rates and the benefits provided. These actuarial assumptions form the basis for the actuarial model which is used to project the future population, the future benefits provided, and the contributions collected. Then the investment discount rate assumption is used to discount those projected net OPEB benefits to a present value. This and other related present values are used to calculate the annual OPEB cost.

Actuarial Assumptions:

Salary Increases	2.75%
Discount Rate	2.41%
Investment Rate of Return	0.0%
Healthcare Cost Trend Rates	7.00% for fiscal year end 2021, decreasing 0.25% per year to an ultimate rate of 5.00%
Mortality	RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2020
Actuarial Cost Method	Entry Age Actuarial Cost Method

The discount rate as of the actuarial measurement date has been updated to be based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA or higher. The discount rate will be updated annually to reflect market conditions as of the Measurement Date.

Total OPEB Liability

The County's total OPEB liability was measured as of October 1, 2020.

Changes in the Total OPEB Liability include the following:

	<u>Total OPEB Liability</u>
Balance at October 1, 2020	\$ 810,800
Changes for the Year:	
Service Cost	59,800
Interest	23,600
Differences Between Expected and Actual Experience	(150,800)
Assumption Changes	79,200
Benefit Payments	<u>(22,100)</u>
Net Changes	<u>(10,300)</u>
Balance at September 30, 2021	<u>\$ 800,500</u>

Sensitivity of the total OPEB liability to changes in the discount rate:

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.41%) or 1-percentage-point higher (3.41%) than the current discount rate:

**GADSDEN COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

	1% Decrease (1.41%)	Discount Rate (2.41%)	1% Increase (3.41%)
Total OPEB Liability	\$ 876,400	\$ 800,500	\$ 730,400

Sensitivity of the total OPEB liability to changes in healthcare cost trend rates:

The following presents the total OPEB liability for the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower) or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates 7.00%	1% Increase
Total OPEB Liability	\$ 696,800	\$ 800,500	\$ 926,300

For the year ended September 30, 2021, the employer OPEB expense is \$83,900. Deferred inflows and outflows related to the OPEB plan at the measurement date are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 9,500	\$ 146,700
Changes in Assumptions	118,800	12,600
Employer Contributions after Measurement Date	22,100	-
Total	\$ 150,400	\$ 159,300

Of the total amount reported as deferred inflows of resources related to OPEB, \$22,100 resulting from benefits paid subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the total OPEB liability in the fiscal year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending	Amount
2022	\$ (5,300)
2023	(5,300)
2024	(5,300)
2025	(5,200)
2026	(6,100)
2027	(3,800)
Total	\$ (31,000)

**GADSDEN COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

Note 14 - Other Disclosures

Fund Balance Classifications

The following is a summary of the County's fund balance classifications and the purpose of each as of September 30, 2021:

Non-Spendable Fund Balance	
Prepaid Expenses	\$ 239,212
Inventory	<u>133,641</u>
Total Non-Spendable Fund Balance	<u>\$ 372,853</u>
Restricted Fund Balance	
Transportation	\$ 4,866,889
Public Safety	2,010,965
SHIP Cares	22,279
Cares Act	2,726,898
Capital Projects – Roads	496,561
Federal and State Grants	659,558
Indigent Surtax	993,850
Court Facilities	95,732
Debt Service USDA	31,166
Debt Service Hospital	853,533
Judicial Services	463,161
Library Donation	11,210
Tourist Development	372,040
Boating Improvements	84,348
Building Inspection	320,436
Public Records Modernization	264,015
Drivers Education	<u>108,864</u>
Total Restricted Fund Balance	<u>\$ 14,381,505</u>
Committed Fund Balance	
Teen Court	<u>\$ 23,338</u>
Total Committed Fund Balance	<u>\$ 23,338</u>
Assigned Fund Balance	
Capital Projects	\$ 500,003
Subsequent Year's Budget	1,311,905
Public Safety	621,167
Landfill	98,847
Library Services	304,947
Debt Service	<u>1,968,540</u>
Total Assigned Fund Balance	<u>\$ 4,805,409</u>

(Deficit) Unrestricted Net Position

At September 30, 2021, there was a deficit in unrestricted net position of (\$10,901,187). This deficit primarily resulted from the recording of the unfunded pension liabilities related to the Florida Retirement System in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*.

GADSDEN COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Note 15 - Tax Abatements

In March of 2012, the County established a tax abatement program by adopting Ordinance 2012-003, which was later amended by Ordinance 2015-005. These ordinances allow the Board to grant ad valorem tax exemptions for new and expanding businesses within the unincorporated and incorporated area of the County if the businesses meet certain criteria. The ordinance provides for exemption of only those ad valorem taxes levied by the Board of County Commissioners. The authority to grant the tax exemptions under this ordinance expires ten years after it was adopted. For the fiscal year ended September 30, 2021, there were no businesses who had received tax abatements under the program.

Note 16 - Subsequent Events

Subsequent to year-end, the County was approved for \$10,000,000 in funding from the State of Florida for an Emergency Operations Center and Public Safety Complex.

On November 16, 2021, the Board approved to enter into a Lease Purchase Agreement for ten years with Stryker. The County took possession of seven Cardiac Monitors, ten AED's and two Lucas 3 chest compression devices. This agreement includes maintenance of the equipment and all technology updates. The first payment in year one is \$57,968 with nine additional annual payments of \$78,993.

REQUIRED SUPPLEMENTARY INFORMATION

GADSDEN COUNTY, FLORIDA
FRS PENSION PLAN
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY

	2021	2020	2019	2018	2017	2016	2015
County's Proportion of the Net Pension Liability	0.053965064%	0.056188618%	0.059231450%	0.059283048%	0.062579916%	0.062937069%	0.060673599%
County's Proportionate Share of the Net Pension Liability	\$ 4,076,447	\$ 24,352,975	\$ 20,398,487	\$ 17,856,359	\$ 18,510,719	\$ 15,891,659	\$ 7,836,809
County's Covered-Employee Payroll (FYE 06/30)	\$ 13,931,627	\$ 13,291,566	\$ 13,547,892	\$ 12,893,614	\$ 13,157,048	\$ 12,902,289	\$ 12,782,607
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	29.26%	183.22%	150.57%	138.49%	140.69%	123.17%	61.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.85%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

Notes to Schedule:

The amounts presented above were determined using a measurement date of June 30.

This schedule will build to 10 years as information becomes available.

**GADSDEN COUNTY, FLORIDA
FRS PENSION PLAN
SCHEDULE OF THE COUNTY'S CONTRIBUTIONS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contributions	\$ 2,130,641	\$ 1,892,770	\$ 1,825,024	\$ 1,728,563	\$ 1,630,549	\$ 1,606,989	\$ 1,493,376
Contributions in Relation to the Contractually Required Contribution	<u>(2,130,641)</u>	<u>(1,892,770)</u>	<u>(1,825,024)</u>	<u>(1,728,563)</u>	<u>(1,630,549)</u>	<u>(1,606,989)</u>	<u>(1,493,376)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>						
County's Covered-Employee Payroll (09/30)	\$ 14,116,145	\$ 13,366,807	\$ 13,443,554	\$ 12,961,265	\$ 13,075,873	\$ 13,324,993	\$ 12,782,607
Contributions as a Percentage of Covered-Employee Payroll	15.09%	14.16%	13.58%	13.34%	12.47%	12.06%	11.68%

Note to Schedule:

The amounts presented above were determined using the County's fiscal year (09/30).

This schedule will build to 10 years as information becomes available.

**GADSDEN COUNTY, FLORIDA
HIS PENSION PLAN
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY**

	2021	2020	2019	2018	2017	2016	2015
County's Proportion of the Net Pension Liability	0.0393442%	0.0382889%	0.0405003%	0.0394677%	0.0412691%	0.0417857%	0.0415987%
County's Proportionate Share of the Net Pension Liability	\$ 4,826,156	\$ 4,675,014	\$ 4,531,579	\$ 4,177,302	\$ 4,412,678	\$ 4,869,952	\$ 4,242,418
County's Covered-Employee Payroll (FYE 06/30)	\$ 13,931,627	\$ 13,291,566	\$ 13,547,892	\$ 12,893,614	\$ 13,157,048	\$ 12,902,289	\$ 12,782,607
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	34.64%	35.17%	33.45%	32.40%	33.54%	37.74%	33.19%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	3.56%	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

Notes to Schedule:

The amounts presented above were determined using a measurement date of June 30.

This schedule will build to 10 years as information becomes available.

**GADSDEN COUNTY, FLORIDA
HIS PENSION PLAN
SCHEDULE OF THE COUNTY'S CONTRIBUTIONS**

	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contributions	\$ 234,328	\$ 221,391	\$ 223,163	\$ 215,157	\$ 217,059	\$ 221,017	\$ 172,438
Contributions in Relation to the Contractually Required Contribution	(234,328)	(221,391)	(223,163)	(215,157)	(217,059)	(221,017)	(172,438)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's Covered-Employee Payroll (09/30)	\$ 14,116,145	\$ 13,435,380	\$ 13,563,263	\$ 12,961,265	\$ 13,075,843	\$ 13,324,993	\$ 12,782,607
Contributions as a Percentage of Covered-Employee Payroll	1.66%	1.65%	1.65%	1.66%	1.66%	1.66%	1.35%

Note to Schedule:

The amounts presented above were determined using the County's fiscal year (09/30).

This schedule will build to 10 years as information becomes available.

GADSDEN COUNTY, FLORIDA
OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB)
SCHEDULE OF CHANGES IN TOTAL OTHER POSTEMPLOYMENT BENEFITS
AND RELATED RATIOS

Actuarial Valuation Date	9/30/2020	9/30/2018	9/30/2018	9/30/2016
Measurement Date	9/30/2020	9/30/2019	9/30/2018	9/30/2017
Reporting Date	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total OPEB Liability				
Service Cost	\$ 59,800	\$ 49,800	\$ 41,600	\$ 40,500
Interest on the Total OPEB Liability	23,600	28,500	24,200	22,300
Changes of Benefit Terms				
Difference Between Expected and Actual Experience of the Total OPEB Liability	(150,800)	(28,000)	17,300	-
Changes in Assumptions and Other Inputs	79,200	74,000	(22,800)	-
Benefit Payments	(22,100)	(15,800)	(15,800)	(4,400)
Net Change in Total OPEB Liability	(10,300)	108,500	44,500	58,400
Total OPEB Liability - Beginning of Year	<u>810,800</u>	<u>702,300</u>	<u>657,800</u>	<u>599,400</u>
Total OPEB Liability - End of Year	<u><u>800,500</u></u>	<u><u>810,800</u></u>	<u><u>702,300</u></u>	<u><u>657,800</u></u>
Plan Fiduciary Net Position				
Contributions - Employer	22,100	15,800	15,800	4,400
Benefit Payments	(22,100)	(15,800)	(15,800)	(4,400)
Net Change in Plan Fiduciary Net Position	-	-	-	-
Plan Fiduciary Net Position - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan Fiduciary Net Position - End of Year	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Net OPEB Liability	<u><u>\$ 800,500</u></u>	<u><u>\$ 810,800</u></u>	<u><u>\$ 702,300</u></u>	<u><u>\$ 657,800</u></u>
Estimated Covered-Employee Payroll	\$ 13,190,500	\$ 11,236,000	\$ 11,236,000	\$ 10,505,400
Total OPEB Liability as a percentage of Covered-Employee Payroll	6.07%	7.22%	6.25%	6.26%

Note to Schedule:

10 years of data will be displayed as information becomes available.

**GADSDEN COUNTY, FLORIDA
OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB)
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

	<u>September 30, 2021</u>	<u>September 30, 2020</u>	<u>September 30, 2019</u>	<u>September 30, 2018</u>
Actuarially Determined Contribution	\$ 22,100	\$ 15,800	\$ 15,800	\$ 4,400
Contributions in Relation to the Actuarially Determined Contribution	<u>(22,100)</u>	<u>(15,800)</u>	<u>(15,800)</u>	<u>(4,400)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expected Covered-Employee Payroll	\$ 13,190,500	\$ 11,236,000	\$ 11,236,000	\$ 10,505,400
Contributions as a Percentage of Covered-Employee Payroll	0.17%	0.14%	0.14%	0.04%

Notes to Schedule:

The County has elected to make an annual contribution equal to the benefit payments. The County's share of net benefits is the difference between the expected benefit payments and the retiree contributions. It is sometimes referred to as "pay-as-you-go".

The expected benefit payments are actuarially determined to reflect the age difference between the overall covered group and the retiree group.

Actuarially determined contributions, which are based on the expected "pay-as-you-go" cost, and actual contributions are from the measurement periods ending September 30 of the year prior to the year-end of the reporting periods shown. This is the first valuation under GASB 75 for the reported plan.

10 years of data will be displayed as information becomes available.

COMBINING NON-MAJOR FUND STATEMENTS

**GADSDEN COUNTY, FLORIDA
COMBINING BALANCE SHEET
ALL NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	<u>Special Revenue</u>		
	<u>Landfill</u>	<u>Cares Act</u>	<u>Emergency Medical Services</u>
Assets			
Cash and Cash Equivalents	\$ 91,319	\$ 3,037,117	\$ 45,743
Accounts Receivables (Net of Allowance for Uncollectible)	-	-	878,476
Due from Other Funds	-	-	-
Due from Other Governments	9,239	-	-
Total Assets	<u>100,558</u>	<u>3,037,117</u>	<u>924,219</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable and Accrued Expenses	81	51,710	15,107
Due to Other Funds	-	-	100,000
Due to Other Governments	-	-	-
Accrued Wages	1,630	-	71,721
Unearned Revenue	-	258,509	-
Total Liabilities	<u>1,711</u>	<u>310,219</u>	<u>186,828</u>
Deferred Inflows of Resources	-	-	663,493
Fund Balances			
Restricted	-	2,726,898	-
Committed	-	-	-
Assigned	98,847	-	73,898
Total Fund Balances	<u>98,847</u>	<u>2,726,898</u>	<u>73,898</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 100,558</u>	<u>\$ 3,037,117</u>	<u>\$ 924,219</u>

Special Revenue

Library Services	Judicial Services Fund	Fire Assessment	Court Facilities	Tourist Development	General Grants
\$ 342,293	\$ 525,990	\$ 1,195,920	\$ 99,626	\$ 365,648	\$ 572,951
-	-	-	-	-	-
-	-	-	-	-	-
-	-	308,521	-	27,258	306,397
<u>342,293</u>	<u>525,990</u>	<u>1,504,441</u>	<u>99,626</u>	<u>392,906</u>	<u>879,348</u>
11,162	62,829	214,829	3,894	8,450	198,823
-	-	-	-	-	90,978
-	-	25,831	-	-	-
14,974	-	2,368	-	-	-
-	-	-	-	-	-
<u>26,136</u>	<u>62,829</u>	<u>243,028</u>	<u>3,894</u>	<u>8,450</u>	<u>289,801</u>
-	-	211,924	-	12,416	-
11,210	463,161	1,049,489	95,732	372,040	589,547
-	-	-	-	-	-
304,947	-	-	-	-	-
<u>316,157</u>	<u>463,161</u>	<u>1,049,489</u>	<u>95,732</u>	<u>372,040</u>	<u>589,547</u>
<u>\$ 342,293</u>	<u>\$ 525,990</u>	<u>\$ 1,504,441</u>	<u>\$ 99,626</u>	<u>\$ 392,906</u>	<u>\$ 879,348</u>

**GADSDEN COUNTY, FLORIDA
COMBINING BALANCE SHEET
ALL NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	Special Revenue		
	E-911	Building Inspection Fund	Fines & Forfeitures
Assets			
Cash and Cash Equivalents	\$ 248,476	\$ 301,246	\$ 615,619
Accounts Receivables (Net of Allowance for Uncollectible)	-	-	-
Due from Other Funds	-	-	98,022
Due from Other Governments	17,246	30,403	17,421
Total Assets	265,722	331,649	731,062
Liabilities and Fund Balances			
Liabilities			
Accounts Payable and Accrued Expenses	112	1,954	-
Due to Other Funds	128,068	-	-
Due to Other Governments	-	-	-
Accrued Wages	-	9,259	-
Unearned Revenue	67,531	-	-
Total Liabilities	195,711	11,213	-
Deferred Inflows of Resources	-	-	-
Fund Balances			
Restricted	70,011	320,436	183,793
Committed	-	-	-
Assigned	-	-	547,269
Total Fund Balances	70,011	320,436	731,062
Total Liabilities and Fund Balances (Deficits)	\$ 265,722	\$ 331,649	\$ 731,062

Special Revenue			Debt Service		
Indigent Surtax	SHIP	SHIP CARES	Debt Service Hospital	Debt Service Library	Debt Service USDA Agr Center
\$ 965,366	\$ 715,901	\$ 22,279	\$ 853,533	\$ 1,357,204	\$ 31,166
-	-	-	-	-	-
-	-	-	-	-	-
452,508	-	-	-	293,158	-
<u>1,417,874</u>	<u>715,901</u>	<u>22,279</u>	<u>853,533</u>	<u>1,650,362</u>	<u>31,166</u>
113,196	827	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	521	-	-	-	-
-	714,553	-	-	-	-
<u>113,196</u>	<u>715,901</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
310,828	-	-	-	144,814	-
993,850	-	22,279	853,533	-	31,166
-	-	-	-	-	-
-	-	-	-	1,505,548	-
<u>993,850</u>	<u>-</u>	<u>22,279</u>	<u>853,533</u>	<u>1,505,548</u>	<u>31,166</u>
<u>\$ 1,417,874</u>	<u>\$ 715,901</u>	<u>\$ 22,279</u>	<u>\$ 853,533</u>	<u>\$ 1,650,362</u>	<u>\$ 31,166</u>

**GADSDEN COUNTY, FLORIDA
COMBINING BALANCE SHEET
ALL NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	<u>Debt Service</u>		<u>Capital Projects</u>
	<u>Debt Service Public Works</u>	<u>Debt Service General</u>	<u>Capital Projects Public Works</u>
Assets			
Cash and Cash Equivalents	\$ 1,356,919	\$ 462,992	\$ 496,561
Accounts Receivables (Net of Allowance for Uncollectible)	-	-	-
Due from Other Funds	-	-	-
Due from Other Governments	256,638	-	456,013
Total Assets	<u>1,613,557</u>	<u>462,992</u>	<u>952,574</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable and Accrued Expenses	-	-	456,013
Due to Other Funds	-	-	-
Due to Other Governments	-	-	-
Accrued Wages	-	-	-
Unearned Revenue	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>456,013</u>
Deferred Inflows of Resources	<u>126,602</u>	<u>-</u>	<u>-</u>
Fund Balances			
Restricted	1,486,955	-	496,561
Committed	-	-	-
Assigned	-	462,992	-
Total Fund Balances	<u>1,486,955</u>	<u>462,992</u>	<u>496,561</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 1,613,557</u>	<u>\$ 462,992</u>	<u>\$ 952,574</u>

<u>Capital Projects</u>	<u>Constitutional Officer Sheriff Special Revenues</u>	<u>Constitutional Officer Clerk of the Circuit Court</u>	<u>Total Non-Major Governmental Funds</u>
<u>Capital Projects General/Parks</u>			
\$ 500,003	\$ 566,166	\$ 435,311	\$ 15,205,349
-	-	-	878,476
-	424,372	9,434	531,828
-	504,510	33,075	2,712,387
<u>500,003</u>	<u>1,495,048</u>	<u>477,820</u>	<u>19,328,040</u>
-	4,729	69,549	1,213,265
-	671,465	9,349	999,860
-	-	-	25,831
-	-	31,047	131,520
-	17,833	103,860	1,162,286
-	694,027	213,805	3,532,762
-	-	-	1,470,077
-	777,683	264,015	10,808,359
-	23,338	-	23,338
500,003	-	-	3,493,504
<u>500,003</u>	<u>801,021</u>	<u>264,015</u>	<u>14,325,201</u>
<u>\$ 500,003</u>	<u>\$ 1,495,048</u>	<u>\$ 477,820</u>	<u>\$ 19,328,040</u>

GADSDEN COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue		
	Landfill	Cares Act	Emergency Medical Services
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental	36,960	4,123,516	52,392
Charges for Services	-	-	2,884,774
Fines and Forfeitures	-	-	-
Miscellaneous	84	-	218,826
Total Revenues	37,044	4,123,516	3,155,992
Expenditures			
Current:			
General Government	-	-	-
Public Safety	-	-	3,806,794
Physical Environment	58,602	-	-
Transportation	-	-	-
Economic Environment	-	-	-
Human Services	-	3,151,617	-
Court-Related	-	-	-
Culture and Recreation	-	-	-
Debt Service:			
Principal Payments	-	-	253,943
Interest	-	-	33,582
Capital Outlay:			
General Government	-	-	-
Public Safety	-	-	20,186
Physical Environment	-	-	-
Transportation	-	-	-
Human Services	-	643,748	-
Culture and Recreation	-	-	-
(Total Expenditures)	(58,602)	(3,795,365)	(4,114,505)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(21,558)	328,151	(958,513)
Other Financing Sources (Uses)			
Transfers in	21,271	-	499,825
Transfers (out)	-	(328,151)	(5,950)
Debt Proceeds	-	-	-
Debt Refunding	-	-	-
Total Other Financing Sources (Uses)	21,271	(328,151)	493,875
Net Change in Fund Balances	(287)	-	(464,638)
Fund Balances, Beginning of Year	99,134	2,726,898	538,536
Fund Balances, End of Year	\$ 98,847	\$ 2,726,898	\$ 73,898

Special Revenue

Library Services	Judicial Services Fund	Fire Assessment	Court Facilities	Tourist Development	General Grants
\$ -	\$ -	\$ 1,565,721	\$ -	\$ 152,925	\$ -
-	-	-	-	-	-
266,510	-	-	-	-	1,312,668
3,910	83,754	-	172,624	-	-
-	-	-	-	-	462
13,045	-	-	113	325	11
<u>283,465</u>	<u>83,754</u>	<u>1,565,721</u>	<u>172,737</u>	<u>153,250</u>	<u>1,313,141</u>
-	-	-	184,138	-	-
-	-	1,087,883	-	-	135,419
-	-	-	-	-	82,826
-	-	-	-	-	226,686
-	-	-	-	21,880	-
-	-	-	-	-	2,933
-	203,336	-	-	-	-
847,124	-	-	-	-	25,500
-	-	5,227	-	-	707,000
-	-	752	-	-	26,560
-	-	-	8,995	-	18,000
-	-	67,315	-	-	62,965
-	-	-	-	-	49,514
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	216,175
<u>(847,124)</u>	<u>(203,336)</u>	<u>(1,161,177)</u>	<u>(193,133)</u>	<u>(21,880)</u>	<u>(1,553,578)</u>
<u>(563,659)</u>	<u>(119,582)</u>	<u>404,544</u>	<u>(20,396)</u>	<u>131,370</u>	<u>(240,437)</u>
602,212	169,397	-	-	-	19,270
-	-	-	-	-	(157,149)
-	-	-	-	-	674,588
-	-	-	-	-	-
<u>602,212</u>	<u>169,397</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>536,709</u>
38,553	49,815	404,544	(20,396)	131,370	296,272
277,604	413,346	644,945	116,128	240,670	293,275
<u>\$ 316,157</u>	<u>\$ 463,161</u>	<u>\$ 1,049,489</u>	<u>\$ 95,732</u>	<u>\$ 372,040</u>	<u>\$ 589,547</u>

GADSDEN COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue		
	E-911	Building Inspection Fund	Fines & Forfeitures
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits	-	490,965	-
Intergovernmental	233,786	-	323,805
Charges for Services	-	51,762	26,190
Fines and Forfeitures	-	-	22,665
Miscellaneous	199	125	3,600
Total Revenues	<u>233,985</u>	<u>542,852</u>	<u>376,260</u>
Expenditures			
Current:			
General Government	-	-	-
Public Safety	90,693	488,882	179,899
Physical Environment	-	-	-
Transportation	-	-	-
Economic Environment	-	-	-
Human Services	-	-	-
Court-Related	-	-	-
Culture and Recreation	-	-	-
Debt Service:			
Principal Payments	-	-	-
Interest	-	-	-
Capital Outlay:			
General Government	-	-	-
Public Safety	-	-	-
Physical Environment	-	-	-
Transportation	-	-	-
Human Services	-	-	-
Culture and Recreation	-	-	-
(Total Expenditures)	<u>(90,693)</u>	<u>(488,882)</u>	<u>(179,899)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>143,292</u>	<u>53,970</u>	<u>196,361</u>
Other Financing Sources (Uses)			
Transfers in	-	-	7,639,217
Transfers (out)	(229,654)	-	(7,708,737)
Debt Proceeds	-	-	-
Debt Refunding	-	-	-
Total Other Financing Sources (Uses)	<u>(229,654)</u>	<u>-</u>	<u>(69,520)</u>
Net Change in Fund Balances	<u>(86,362)</u>	<u>53,970</u>	<u>126,841</u>
Fund Balances, Beginning of Year	<u>156,373</u>	<u>266,466</u>	<u>604,221</u>
Fund Balances, End of Year	<u>\$ 70,011</u>	<u>\$ 320,436</u>	<u>\$ 731,062</u>

Special Revenue			Debt Service		
Indigent Surtax	SHIP	SHIP CARES	Debt Service Hospital	Debt Service Library	Debt Service USDA Agr Center
\$ 2,281,456	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	190,863	211,034	-	1,758,300	-
-	-	-	-	-	-
-	-	-	-	-	-
-	8,463	-	1,094	1,979	-
<u>2,281,456</u>	<u>199,326</u>	<u>211,034</u>	<u>1,094</u>	<u>1,760,279</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	318,771	-	-	-	-
894,248	-	188,755	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	539,088	205,891	-
-	-	-	106,748	5,564	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(894,248)</u>	<u>(318,771)</u>	<u>(188,755)</u>	<u>(645,836)</u>	<u>(211,455)</u>	<u>-</u>
<u>1,387,208</u>	<u>(119,445)</u>	<u>22,279</u>	<u>(644,742)</u>	<u>1,548,824</u>	<u>-</u>
-	119,445	-	645,836	-	31,166
(645,836)	-	-	-	(1,239,641)	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(645,836)</u>	<u>119,445</u>	<u>-</u>	<u>645,836</u>	<u>(1,239,641)</u>	<u>31,166</u>
741,372	-	22,279	1,094	309,183	31,166
252,478	-	-	852,439	1,196,365	-
<u>\$ 993,850</u>	<u>\$ -</u>	<u>\$ 22,279</u>	<u>\$ 853,533</u>	<u>\$ 1,505,548</u>	<u>\$ 31,166</u>

GADSDEN COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Debt Service		Capital Projects
	Debt Service Public Works	Debt Service General & Radio Comm	Capital Projects Public Works
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental	1,536,318	-	2,386,827
Charges for Services	-	-	-
Fines and Forfeitures	-	-	-
Miscellaneous	1,711	-	1,047
Total Revenues	1,538,029	-	2,387,874
Expenditures			
Current:			
General Government	-	-	-
Public Safety	-	-	-
Physical Environment	-	-	-
Transportation	-	-	71,064
Economic Environment	-	-	-
Human Services	-	-	-
Court-Related	-	-	-
Culture and Recreation	-	-	-
Debt Service:			
Principal Payments	922,531	-	-
Interest	144,449	73,760	-
Capital Outlay:			
General Government	-	-	-
Public Safety	-	-	-
Physical Environment	-	-	-
Transportation	-	-	3,401,573
Human Services	-	-	-
Culture and Recreation	-	-	-
(Total Expenditures)	(1,066,980)	(73,760)	(3,472,637)
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	471,049	(73,760)	(1,084,763)
Other Financing Sources (Uses)			
Transfers in	339,921	470,403	185,811
Transfers (out)	(698,414)	-	-
Debt Proceeds	-	1,320,567	-
Debt Refunding	-	(1,446,807)	-
Total Other Financing Sources (Uses)	(358,493)	344,163	185,811
Net Change in Fund Balances	112,556	270,403	(898,952)
Fund Balances, Beginning of Year	1,374,399	192,589	1,395,513
Fund Balances, End of Year	\$ 1,486,955	\$ 462,992	\$ 496,561

Capital Projects	Constitutional	Constitutional	Total
Capital	Officer	Officer	Non-Major
Projects	Sheriff	Clerk of the	Governmental
General/Parks	Special	Circuit	Funds
Revenues	Court		
\$ -	\$ -	\$ -	\$ 4,000,102
-	-	-	490,965
20,077	1,084,917	504,125	14,042,098
-	82,095	643,438	3,948,547
-	-	180,952	204,079
402	311,532	102	562,658
<u>20,479</u>	<u>1,478,544</u>	<u>1,328,617</u>	<u>23,248,449</u>
27,682	-	31,095	242,915
-	1,467,606	-	7,257,176
-	-	-	141,428
-	-	-	297,750
-	-	-	340,651
-	-	-	4,237,553
-	-	1,251,148	1,454,484
-	-	-	872,624
-	-	-	2,633,680
-	-	-	391,415
-	-	-	26,995
435,448	218,513	-	804,427
-	-	-	49,514
-	-	-	3,401,573
-	-	-	643,748
85,069	-	-	301,244
<u>(548,199)</u>	<u>(1,686,119)</u>	<u>(1,282,243)</u>	<u>(23,097,177)</u>
<u>(527,720)</u>	<u>(207,575)</u>	<u>46,374</u>	<u>151,272</u>
27,681	386,803	-	11,158,258
-	-	-	(11,013,532)
435,448	-	-	2,430,603
-	-	-	(1,446,807)
<u>463,129</u>	<u>386,803</u>	<u>-</u>	<u>1,128,522</u>
(64,591)	179,228	46,374	1,279,794
564,594	621,793	217,641	13,045,407
<u>\$ 500,003</u>	<u>\$ 801,021</u>	<u>\$ 264,015</u>	<u>\$ 14,325,201</u>

GADSDEN COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2021

	Clerk of the Courts		
	Clerk Trust	Cash Bond	Child Support
Assets			
Cash	\$ 712,026	\$ 164,398	\$ 2,204
Accounts Receivable	-	-	-
Due from Other Governments	-	-	-
Due from Other Funds	-	-	-
Total Assets	<u>712,026</u>	<u>164,398</u>	<u>2,204</u>
Liabilities			
Accounts Payable	-	-	-
Due to Other Funds	32	85	963
Due to Individuals	1,845	-	222
Due to Other Governments	94,083	-	1,019
Installment Tax Deposits	-	-	-
Assets Held for Others	-	-	-
Total Liabilities	<u>95,960</u>	<u>85</u>	<u>2,204</u>
Net Position, Held in a Custodial Capacity to be Disbursed	<u>\$ 616,066</u>	<u>\$ 164,313</u>	<u>\$ -</u>

Civil Account	Sheriff		Tax Collector		Totals
	Confiscated Funds	Inmate Commissary	Tax		
\$ 12,374	\$ 305	\$ 173,350	\$ 277,556	\$ 1,342,213	
-	-	-	19,684	19,684	
-	-	-	1,321	1,321	
-	-	-	3,073	3,073	
<u>12,374</u>	<u>305</u>	<u>173,350</u>	<u>301,634</u>	<u>1,366,291</u>	
-	-	25,255	-	25,255	
-	-	129,462	5,206	135,748	
-	-	-	1,310	3,377	
-	-	-	67,518	162,620	
-	-	-	202,745	202,745	
<u>12,374</u>	<u>305</u>	<u>-</u>	<u>21,095</u>	<u>33,774</u>	
<u>12,374</u>	<u>305</u>	<u>154,717</u>	<u>297,874</u>	<u>563,519</u>	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,633</u>	<u>\$ 3,760</u>	<u>\$ 802,772</u>	

GADSDEN COUNTY, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Clerk of the Courts		
	Clerk Trust	Cash Bond	Child Support
Additions			
Fines, Forfeitures and Fees Collected	\$ 5,395,166	\$ -	\$ -
Tax Deeds and Fees Collected	693,624	-	-
Support and Fees Collected	-	-	402,088
Registry of the Court and Fees Collected	1,277,592	-	-
Recording Fees Collected	2,864,352	-	-
Bail Bonds and Fees Collected	-	49,698	-
Inmate Funds Collected	-	-	-
Licenses and Tag Fees Collected	-	-	-
Property Taxes and Fees Collected	-	-	-
Hunting and Fishing Licenses Collected	-	-	-
Total Additions	<u>10,230,734</u>	<u>49,698</u>	<u>402,088</u>
Deductions			
Fines, Forfeitures and Fees Distributed	5,472,501	-	-
Tax Deeds and Fees Distributed	491,595	-	-
Support and Fees Distributed	-	-	402,088
Registry of the Court and Fees Distributed	1,348,590	-	-
Recording Fees Distributed	2,785,470	-	-
Bail Bonds and Fees Distributed	-	50,902	-
Inmate Funds Disbursed	-	-	-
Licenses and Tag Fees Disbursed	-	-	-
Property Taxes and Fees Disbursed	-	-	-
Hunting and Fishing Licenses Disbursed	-	-	-
Total Deductions	<u>(10,098,156)</u>	<u>(50,902)</u>	<u>(402,088)</u>
Change in Net Position	132,578	(1,204)	-
Net Position, Beginning of Year	-	-	-
Restatement - See Note 2	483,488	165,517	-
Net Position, Beginning of Year, As Restated	<u>483,488</u>	<u>165,517</u>	<u>-</u>
Net Position, Ending	<u>\$ 616,066</u>	<u>\$ 164,313</u>	<u>\$ -</u>

		Sheriff		Tax Collector		
Civil	Confiscated	Inmate	Tax			
Account	Funds	Commissary	Fund			Total
\$ 35,785	\$ 12,428	\$ -	\$ -			\$ 5,443,379
-	-	-	-			693,624
-	-	-	-			402,088
-	-	-	-			1,277,592
-	-	-	-			2,864,352
-	-	-	-			49,698
-	-	503,520	-			503,520
-	-	-	5,783,719			5,783,719
-	-	-	27,131,853			27,131,853
-	-	-	15,972			15,972
<u>35,785</u>	<u>12,428</u>	<u>503,520</u>	<u>32,931,544</u>			<u>44,165,797</u>
35,785	12,428	-	-			5,520,714
-	-	-	-			491,595
-	-	-	-			402,088
-	-	-	-			1,348,590
-	-	-	-			2,785,470
-	-	-	-			50,902
-	-	496,317	-			496,317
-	-	-	5,783,719			5,783,719
-	-	-	27,130,822			27,130,822
-	-	-	15,972			15,972
<u>(35,785)</u>	<u>(12,428)</u>	<u>(496,317)</u>	<u>(32,930,513)</u>			<u>(44,026,189)</u>
-	-	7,203	1,031			139,608
-	-	-	-			-
-	-	11,430	2,729			663,164
-	-	11,430	2,729			663,164
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,633</u>	<u>\$ 3,760</u>			<u>\$ 802,772</u>

OTHER INFORMATION

**ADDITIONAL ELEMENTS OF REPORT PREPARED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*,
ISSUED BY THE COMPTROLLER GENERAL OF THE UNITED STATES;
THE *RULES OF THE AUDITOR GENERAL* OF THE STATE OF
FLORIDA; AND OTHER CONTRACT REQUIREMENTS**

**GADSDEN COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Federal Grantor/Pass-Through Grantor/ Grant Program	Assistance Listing Number	Grant ID Number	Federal Expenditures
U.S. Department of Agriculture			
Passed Through the State of Florida Department of Agriculture:			
RBDG Farmers Market	10.351	09-020-0596000616	\$ 199,999
U.S. Department of Justice			
Passed Through the State of Florida Department of Juvenile Justice:			
Gadsden County Restoring Families Grant	16.540	Grant # 10624	176,449
Gadsden County Teen Success Academy	16.540	Grant # 10643	83,140
Subtotal Expenditures-CFDA No. 16.540			<u>259,589</u>
Passed Through the State of Florida Office of the Attorney General:			
Victims of Crime Act	16.575	V00355	62,584
Total U.S. Department of Justice			<u>322,173</u>
U.S. Department of Transportation/Federal Highway Administration			
Passed Through State of Florida Department of Transportation:			
LAPA - Adams Street Sidewalk	20.205	436992-1-38-01	14,456
LAPA - Ralph Strong Road	20.205	440385-1-38-01	11,455
Subtotal Expenditures-CFDA No. 20.205			<u>25,911</u>
Passed Through State of Florida Department of Environmental Protection:			
RTP -St Hebron Park	20.219	T1710	85,069
Passed Through City of Tallahassee, Florida:			
Federal Transit	20.507	FL-2016-02-01-00	55,080
Total U.S. Department of Transportation/Federal Highway Administration			<u>166,060</u>
U.S. Department of the Treasury			
Passed Through Florida Division of Emergency Management			
COVID-19 - Coronavirus Relief Fund (CARES ACT)	21.019	Y2292	4,123,516
Passed Through Florida Housing Finance Corporation			
COVID-19 - Cares Act CRF	21.019	053-2020	188,755
Subtotal Expenditures-CFDA No. 21.019			<u>4,312,271</u>
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027		2,325,394
Total U.S. Department of the Treasury			<u>6,637,665</u>

**GADSDEN COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Federal Grantor/Pass-Through Grantor/ Grant Program	Assistance Listing Number	Grant ID Number	Federal Expenditures
U.S. Department of Environmental Protection			
Passed Through State of Florida Department of Environmental Protection:			
Brownfields Assessment and Cleanup	66.818	OOD58717	\$ 47,244
U.S. Department of Education			
Passed Through State of Florida Department of Education			
Coach Aaron Feis Guardian Program	84.425	97F-1230J-1PG01	436,851
U.S. Election Assistance Commission			
Passed Through State of Florida Department of State:			
Help America Vote Act- Election Security Grant	90.404	21.e.es.000.61	8,520
Help America Vote Act- Election Security Grant	90.404	20.e.es.000.019	47,893
Subtotal Expenditures-CFDA No. 90.404			56,413
Total U.S. Election Assistance Commission			56,413
U.S. Department of Health and Human Services			
Passed Through State of Florida Department of Revenue:			
Child Support Reimbursement Payments	93.563	COC20	191,370
U.S. Department of Homeland Security			
Passed Through State of Florida Division of Emergency Management:			
Disaster Grant - Public Assistance	97.036	4399 Hurricane Michael	168,998
Passed Through State of Florida Executive Office of the Governor:			
Emergency Management Preparedness Grant	97.042	G0183	41,553
Total U.S. Department of Homeland Security			210,551
Total Federal Expenditures			\$ 8,268,326

GADSDEN COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR YEAR ENDING SEPTEMBER 30, 2021

State Grantor/Pass-Through Grantor/ Program Title	CSFA Number	Pass-Through/ Grantor Number	State Expenditures
Florida Office of the Governor			
Emergency Management Preparedness Grant	31.063	A0139	\$ 76,499
Emergency Management Preparedness Grant	31.063	A0198	25,777
Subtotal Expenditures - CFDA No. 31.063			<u>102,276</u>
Passed Through Florida Division of Emergency Management			
Hurricane Michael Recovery - Hutchinson Ferry Bridge	31.070	F0062	689,130
Total Florida Office of the Governor			<u>791,406</u>
Florida Department of Environmental Protection			
Small County Solid Waste	37.012	SC108	85,096
Florida Department of Economic Opportunity			
DEO -Rural Infrastructure Fund	40.042	DL0149	18,000
Florida Housing Finance Corporation			
State Housing Initiatives Partnership	40.901	Unknown	318,771
HHRP Hurricane Recovery Program	40.901	Unknown	1,477,222
Subtotal Expenditures - CFDA No. 40.901			<u>1,795,993</u>
Total Florida Housing Finance Corporation			<u>1,795,993</u>
Florida Department of Agriculture and Consumer Services			
Arthropod Control/Mosquito Control	42.003	27524	36,960
Florida Department of State			
Division of Library and Information Systems:			
State Aid to Libraries	45.030	21-ST-11	266,510
Florida Department of Education			
Coach Aaron Feis Guardian Program	48.140		8,696
Florida Department of Transportation			
CIGP -Potter Woodberry Road	55.008	442402-1-54-01	73,405
SCOP - 65B, Old Federal Road	55.009	436844-1-54-01	370,096
SCOP - Attapulcus Hwy	55.009	440622-1-34-01	210,071
SCOP - Point Milligan Road	55.009	438356-1-54-01	194,788
SCOP - Fairbanks Road	55.009	446637-1-54-01	21,750
SCOP - Cooks Landing Road	55.009	440638-1-54-01	1,073,088
SCOP - Point Milligan Bridge	55.009	447903-1-54-01	10,800
Subtotal Expenditures - CFDA No. 55.009			<u>1,880,593</u>
Havana Express	55.012	Havana Express	115,163
SCRAP - Cochran Road	55.016	446706-1-54-01	406,918
Total Florida Department of Transportation			<u>2,476,079</u>

**GADSDEN COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR YEAR ENDING SEPTEMBER 30, 2021**

State Grantor/Pass-Through Grantor/ Program Title	CSFA Number	Pass-Through/ Grantor Number	State Expenditures
Florida Department of Children and Families			
Criminal Justice Mental Health & Substance Abuse Reinvestment	60.115		\$ 317,197
Florida Department of Health			
EMS Matching Grant	64.003	M9003	23,800
EMS County Grant	64.005	C9020	6,085
Total Florida Department of Health			<u>29,885</u>
Florida Department of Management Services			
E911 System and Map Maintenance	72.001	21-10-05	33,263
Total State Financial Assistance			<u>5,859,085</u>
Total Expenditures of Federal Awards and State Financial Assistance			<u>\$ 14,127,411</u>

**GADSDEN COUNTY, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal and state award activity of Gadsden County, Florida, and is presented on the modified accrual basis of accounting.

Note 2 - De Minimis Indirect Cost Rate Election

The County 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.

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND
CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

The Honorable Board of County Commissioners and
Constitutional Officers
Gadsden County, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited the Gadsden County, Florida, (the County), compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and in the Florida Department of Financial Services’, *State Projects Compliance Supplement*, that could have a direct and material effect on each of the County’s major federal programs and state projects for the year ended September 30, 2021. The County’s major federal programs and state projects are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its awards applicable to its federal programs and state projects.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the County’s major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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; 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) and Chapter 10.550, *Rules of the Auditor General*. Those standards, the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the County’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the County’s compliance.

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The Honorable Board of County Commissioners and
Constitutional Officers
Gadsden County, Florida

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND
CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

Opinion on Each Major Federal Program and State Project

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2021.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County’s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County’s 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, non-compliance with a type of compliance requirement of a federal program and state project 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 non-compliance with a type of compliance requirement of a federal program or state project 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 or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

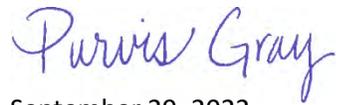
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The Honorable Board of County Commissioners and
Constitutional Officers
Gadsden County, Florida

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND STATE PROJECT AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND
CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

Purpose

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 and Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.



September 29, 2022
Tallahassee, Florida

**GADSDEN COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Section I - Summary of Independent Auditor's Results

Financial Statements

Type of Auditor's Report Issued	Unmodified
Internal Control over Financial Reporting:	
Material Weakness(es) Identified?	No
Significant Deficiency(ies)	No
Non-Compliance Material to Financial Statements Noted?	No

Federal Awards and State Financial Assistance

Internal Control over Major Projects:	
Material Weakness(es) Identified?	No
Significant Deficiency(ies) Identified?	No
Type of Auditor's Report Issued on Compliance for Major Projects	Unmodified
Any Audit Findings Disclosed that are Required to be Reported in Accordance with the Uniform Guidance and Chapter 10.550, <i>Rules of the Auditor General</i> ?	No

The programs tested as major federal programs and state projects were as follows:

<u>Federal Program</u>	<u>Assistance Listing No.</u>
Coronavirus Relief Fund (CARES)	21.019
Coronavirus State and Local Fiscal Recovery Funds	21.027

<u>State Projects</u>	<u>CSFA No.</u>
Criminal Justice Mental Health and Substance Abuse Program	60.115
Small County Outreach Program (SCOP)	55.009
Hurricane Michael Recovery Grant Program	31.070
Small County Road Assistance Program (SCRAP)	55.016

Dollar Threshold Used to Distinguish Between Type A and Type B Projects (Federal and State)	\$ 750,000
--	------------

The County did not qualify as a low-risk auditee for federal grant programs.

Section II - Financial Statement Findings

Financial statement findings, if any, are reported in the individual reports of the Constitutional Officers.

**GADSDEN COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Section III - Findings and Questioned Costs – Federal Awards and State Projects

The audit disclosed no findings for any major federal programs and state projects to be reported under the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*.

Section IV - Status of Prior Audit Findings

Prior Year Finding Number 2020-01 was considered to be resolved.

Prior Year Finding Number 2020-02 was considered to be resolved.

**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**

Honorable Board of County Commissioners and
Constitutional Officers
Gadsden County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Gadsden County, Florida, (the County) as of and for the year ended September 30, 2021, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 29, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on

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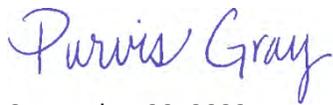
**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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 instance of non-compliance 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 County'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.

This report is intended solely for the information and use of the County's management, the Florida Auditor General, and applicable federal and state agencies providing assistance and is not intended to be and should not be used by anyone other than these specified parties.



September 29, 2022
Tallahassee, Florida

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES – INVESTMENT OF PUBLIC FUNDS

Honorable Board of County Commissioners
and Constitutional Officers
Gadsden County, Florida

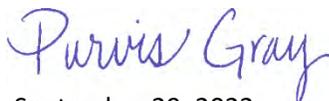
We have examined Gadsden County, Florida's, (the County) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, as of and for the year ended September 30, 2021, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the County complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the County complied with the specified requirements. The nature, timing, and extent of procedures selected depend on our judgement, including an assessment of the risk of material non-compliance, 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.

Our examination does not provide legal determination of the County's compliance with specified requirements.

In our opinion, the County complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2021.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Board of County Commissioners of Gadsden County, Florida, and its management and is not intended to be and should not be used by anyone other than these specified parties.



September 29, 2022
Tallahassee, Florida

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 365.172(10) AND SECTION 365.173(2)(d), FLORIDA STATUTES

Honorable Board of County Commissioners and
Constitutional Officers
Gadsden County, Florida

We have examined Gadsden County, Florida's, (the County) compliance with the requirements of Section 365.172(10) Florida Statutes, *Authorized Expenditures of E911 Fee*, and Section 365.173(2)(d) Florida Statutes, *Distribution and Use of E911 Funds*, during the year ended September 30, 2021. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the County complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the County complied with the specified requirements. The nature, timing, and extent of procedures selected depend on our judgement, including an assessment of the risk of material non-compliance, 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.

Our examination does not provide legal determination of the County's compliance with specified requirements.

In our opinion, the County complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2021.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Board of County Commissioners of Gadsden County, Florida, and its management, and is not intended to be and should not be used by anyone other than these specified parties.



September 29, 2022
Tallahassee, Florida

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MANAGEMENT LETTER

Honorable Board of County Commissioners and
Constitutional Officers
Gadsden County, Florida

Report on the Financial Statements

We have audited the financial statements of Gadsden County, Florida (the County), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated September 29, 2022.

Auditor's 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; 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); and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Reports 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 and schedule, which are dated September 29, 2022, should be considered in conjunction with this management letter. This management letter applies to the County as a whole. Other management letter comments are described in the audit reports of the constitutional officers.

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. The findings noted in the previous year's audit report were considered to be resolved.

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 entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The County was established by the Constitution of the State of Florida, Article VIII, Section 1(d). The County includes component units as described in Note 1 of the financial statements.

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MANAGEMENT LETTER

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

2021-01 OPEB Census Data

The County's financial statements were not prepared and submitted to the State of Florida in a timely manner in accordance with Section 218.39, Florida Statutes. This resulted from a delay in the County providing the necessary census data to the County's actuary in order for them to prepare an actuarial valuation of the County's other postemployment benefits liability for the fiscal year ended September 30, 2021 in accordance with Government Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This valuation is generally performed every other year, as permitted by GASB 75. We recommend the County take appropriate action to ensure that all census data is gathered for all County and Constitutional Officer employees on a biennial basis and submitted to the actuary shortly after fiscal year-end.

In addition, during our review of census data provided to the actuary, we noted certain discrepancies and omission of information when compared to employee personnel files. We recommend the County review the census data for accuracy before submitting it to the actuary. Without accurate census data, the actuary may miscalculate the County's OPEB liability.

2021-02 Budget Transfers

During our review of the County's budget for the fiscal year ending September 30, 2021, we noted that interfund transfers within the budget document did not balance between the County's various funds. This resulted in a balancing entry that needed to be posted into the County's accounting system in the General Fund, which effectively represented the use of prior fund balance (reserves). We recommend the County review its budgeting practices to ensure that all budgeted transfers are within balance prior to adopting the annual budget.

Honorable Board of County Commissioners and
Constitutional Officers
Gadsden County, Florida

MANAGEMENT LETTER

Special District Component Units

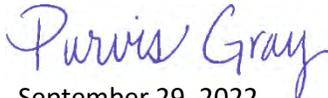
- Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit 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.

Additional Matters

- Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance with provisions of contract 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 which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



September 29, 2022
Tallahassee, Florida



September 26, 2022

Mr. Ryan Tucker, C.P.A., Partner
Purvis, Gray and Company, LLP
443 East College Avenue
Tallahassee, FL 32301

Dear Mr. Tucker:

Thank you for the audit report on the financial statements of Gadsden County for the fiscal year ended September 30, 2021. We are once again pleased to see that for the Gadsden County BOCC that there were **no material weaknesses in our internal controls reported** in the audit and that the prior year's recommendations were acknowledged as being resolved.

Regarding FYE 2021 that recommended be addressed, the Gadsden County BOCC, staff provides the following:

2021-01 OPEB Census Date:

Preparation of the County's financial statements for the fiscal year ended September 30, 2021 was delayed and therefore, not timely submitted to the State of Florida in accordance with Section 218.39, Florida Statute. This delay was a direct result of County staff not providing the necessary employee census data to the County's actuary in a timely manner. The Board of County Commissioners and Management are committed to meeting statutory obligations and deadlines. Therefore, oversight of the biennial OPEB census report has been reassigned to ensure census data is accurately collected, reviewed and timely submitted to the County's actuary for all County and Constitutional Officer employees.

2021-02 Budget Transfers:

During review of the County's budget for fiscal year ending September 30, 2021, it was noted that interfund transfers within the budget document did not balance in various funds. The County Administrator has hired additional qualified staff within the Office of Management and Budget to address this issue. These staff are trained to review and ensure all budgeted interfund transfers are accurate and balanced.

Again, thank you for the audit report and the Board looks forward to a continued excellent professional and cooperative working relationship.

Sincerely,

A handwritten signature in black ink, appearing to read "Edward J. Dixon".

Edward J. Dixon
County Administrator

cc: Board of County Commissioners
Morris Young, Sheriff
Nicholas Thomas, Clerk of the Court
Trudei Porter, Finance Director

2021

Gadsden County Clerk of the Circuit Court

Financial Statements and
Independent Auditor's Report

September 30, 2021

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

**GADSDEN COUNTY CLERK OF THE CIRCUIT COURT
GADSDEN COUNTY, FLORIDA**

SEPTEMBER 30, 2021

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INDEPENDENT AUDITOR'S REPORT

The Honorable Nicholas Thomas
Gadsden County Clerk of the Circuit Court
Gadsden County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Clerk of the Circuit Court of Gadsden County, Florida, (the Clerk) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Clerk's financial statements, as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Clerk's preparation and fair presentation of the financial statements 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 Clerk's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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The Honorable Nicholas Thomas
Gadsden County Clerk of the Circuit Court
Gadsden County, Florida

INDEPENDENT AUDITOR'S REPORT

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Clerk as of September 30, 2021, and the respective changes in financial position and budgetary comparison for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida (the Rules). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and budgetary comparisons of each major fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information of Gadsden County, Florida that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of Gadsden County, Florida as of September 30, 2021, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Change in Accounting Principle

As described in Note 7 to the financial statements, the Clerk of Courts adopted Governmental Accounting Standards Board No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk's financial statements. The supplementary information as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 20, 2022, on our consideration of the Clerk'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

The Honorable Nicholas Thomas
Gadsden County Clerk of the Circuit Court
Gadsden County, Florida

INDEPENDENT AUDITOR'S REPORT

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 *Government Auditing Standards* in considering the Clerk's internal control over financial reporting and compliance.



June 20, 2022
Tallahassee, Florida

FINANCIAL STATEMENTS

**BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT**

	Major				Total Governmental Funds
	General Fund	Court Fund	Jury Fund	Public Records Trust Fund	
Assets					
Cash	\$ 29,276	\$ 171,026	\$ -	\$ 264,285	\$ 464,587
Due from Other Funds	995	9,434	-	-	10,429
Due from Other Governments	27,322	23,726	9,349	-	60,397
Total Assets	<u>57,593</u>	<u>204,186</u>	<u>9,349</u>	<u>264,285</u>	<u>535,413</u>
Liabilities and Fund Balance					
Liabilities					
Accounts Payable	30,168	69,549	-	-	99,717
Due to Other Funds	-	-	9,349	-	9,349
Accrued Wages and Benefits	25,025	30,777	-	270	56,072
Unearned Revenue	2,400	103,860	-	-	106,260
Total Liabilities	<u>57,593</u>	<u>204,186</u>	<u>9,349</u>	<u>270</u>	<u>271,398</u>
Fund Balances					
Restricted for Records Modernization	-	-	-	264,015	264,015
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>264,015</u>	<u>264,015</u>
Total Liabilities and Fund Equity	<u>\$ 57,593</u>	<u>\$ 204,186</u>	<u>\$ 9,349</u>	<u>\$ 264,285</u>	<u>\$ 535,413</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT**

	Major				Total Governmental Funds
	General Fund	Court Fund	Jury Fund	Public Records Trust Fund	
Revenues					
Intergovernmental Revenues	\$ 191,370	\$ 480,929	\$ 23,196	\$ -	\$ 695,495
Charges for Services	203,330	566,071	-	77,367	846,768
Fines and Forfeitures	-	180,952	-	-	180,952
Interest	456	-	-	102	558
Miscellaneous	15,742	-	-	-	15,742
Total Revenues	<u>410,898</u>	<u>1,227,952</u>	<u>23,196</u>	<u>77,469</u>	<u>1,739,515</u>
Expenditures					
General Government:					
Personnel Services	1,061,059	-	-	4,727	1,065,786
Operating Expenditures	301,313	-	-	26,368	327,681
Capital Outlay	9,615	-	-	-	9,615
Court-Related:					
Personnel Services	-	1,188,233	14,025	-	1,202,258
Operating Expenditures	-	39,719	9,171	-	48,890
(Total Expenditures)	<u>1,371,987</u>	<u>1,227,952</u>	<u>23,196</u>	<u>31,095</u>	<u>2,654,230</u>
(Deficiency) Excess of Expenditures (Under) Over Revenues	<u>(961,089)</u>	<u>-</u>	<u>-</u>	<u>46,374</u>	<u>(914,715)</u>
Other Financing Sources					
Transfers from Board of County Commissioners	961,089	-	-	-	961,089
Total Other Financing Sources (Uses)	<u>961,089</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>961,089</u>
Net Change in Fund Balances	-	-	-	46,374	46,374
Fund Balances, Beginning of Year	-	-	-	217,641	217,641
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 264,015</u>	<u>\$ 264,015</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT**

	General Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental Revenues	\$ 179,548	\$ 191,370	\$ 191,370	\$ -
Charges for Services	145,571	197,175	203,330	6,155
Interest	7,000	456	456	-
Miscellaneous	17,215	21,897	15,742	(6,155)
Total Revenues	<u>349,334</u>	<u>410,898</u>	<u>410,898</u>	<u>-</u>
Expenditures				
General Government:				
Personnel Services	1,018,636	1,061,059	1,061,059	-
Operating Expenditures	247,866	289,152	301,313	(12,161)
Capital Outlay	-	21,776	9,615	12,161
(Total Expenditures)	<u>(1,266,502)</u>	<u>(1,371,987)</u>	<u>(1,371,987)</u>	<u>-</u>
(Deficiency) Excess of Expenditures (Under) Over Revenues	<u>(917,168)</u>	<u>(961,089)</u>	<u>(961,089)</u>	<u>-</u>
Other Financing Sources				
Transfers from Board of County Commissioners	917,168	961,089	961,089	-
Total Other Financing Sources	<u>917,168</u>	<u>961,089</u>	<u>961,089</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	-
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT**

	Court Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental Revenues	\$ 519,907	\$ 480,929	\$ 480,929	\$ -
Charges for Services	566,488	566,071	566,071	-
Fines and Forfeitures	142,104	180,952	180,952	-
Interest	1,952	-	-	-
Total Revenues	<u>1,230,451</u>	<u>1,227,952</u>	<u>1,227,952</u>	<u>-</u>
Expenditures				
Court-Related:				
Personnel Services	1,167,507	1,188,233	1,188,233	-
Operating Expenditures	62,944	39,719	39,719	-
(Total Expenditures)	<u>(1,230,451)</u>	<u>(1,227,952)</u>	<u>(1,227,952)</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT**

	Jury Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental Revenues	\$ 51,146	\$ 23,196	\$ 23,196	\$ -
Total Revenues	<u>51,146</u>	<u>23,196</u>	<u>23,196</u>	<u>-</u>
Expenditures				
Court-Related:				
Personnel Services	32,067	14,025	14,025	-
Operating Expenditures	19,079	9,171	9,171	-
(Total Expenditures)	<u>(51,146)</u>	<u>(23,196)</u>	<u>(23,196)</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	-
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT**

	Public Records Trust Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Charges for Services	\$ -	\$ 77,367	\$ 77,367	\$ -
Interest	-	102	102	-
Total Revenues	<u>-</u>	<u>77,469</u>	<u>77,469</u>	<u>-</u>
Expenditures				
General Government:				
Personnel Services	-	4,727	4,727	-
Operating Expenditures	-	26,368	26,368	-
(Total Expenditures)	<u>-</u>	<u>(31,095)</u>	<u>(31,095)</u>	<u>-</u>
Net Change in Fund Balances	-	46,374	46,374	-
Fund Balances, Beginning of Year	<u>112,365</u>	<u>217,641</u>	<u>217,641</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 112,365</u>	<u>\$ 264,015</u>	<u>\$ 264,015</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2021
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT**

Assets	
Cash	\$ 878,628
Total Assets	<u>878,628</u>
Liabilities	
Due to Other Funds	1,080
Due to Other Governments	95,102
Due to Individuals	2,067
Total Liabilities	<u>98,249</u>
Net Position, Held in a Custodial Capacity to be Disbursed	<u>\$ 780,379</u>

See accompanying notes to financial statements.

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT**

Additions

Fines, Forfeitures and Fees Collected	\$ 5,395,166
Tax Deeds and Fees Collected	693,624
Support and Fees Collected	402,088
Registry of the Court and Fees Collected	1,277,592
Recording Fees Collected	2,864,352
Bail Bonds and Fees Collected	<u>49,698</u>

Total Additions 10,682,520

Deductions

Fines, Forfeitures and Fees Distributed	5,472,501
Tax Deeds and Fees Distributed	491,595
Support and Fees Distributed	402,088
Registry of the Court and Fees Distributed	1,348,590
Recording Fees Distributed	2,785,470
Bail Bonds and Fees Distributed	<u>50,902</u>

Total Deductions 10,551,146

Change in Net Position 131,374

Net Position, Beginning as Restated 649,005

Net Position, Ending \$ 780,379

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

Gadsden County, Florida, (the County), is a political subdivision of the State of Florida located in the panhandle of the state. The County was established under Article VIII, Section 1(d), Constitution of the State of Florida.

The Clerk of the Circuit Court (the Clerk) is an elected Constitutional Officer of the County pursuant to Article VIII, Section (1) of the Constitution of the State of Florida. For financial statement and reporting purposes, the Clerk is a separate Constitutional Officer as provided by Chapter 218, Florida Statutes. However, the Clerk does not meet the definition of a legally separate organization and is not considered to be a component unit. Accordingly, the Clerk is considered to be a part of the primary government of the County, and the financial activities of the Clerk are included as such in the County's annual financial report, along with the other Constitutional Officers and the Gadsden County Board of County Commissioners (the Board). The financial statements contained herein represent the financial transactions of the Clerk only. There are no component units for the Clerk to consider for inclusion in these financial statements.

The Clerk funds his non-court operations as a Budget Officer and a Fee Officer pursuant to Florida Statutes, Chapters 28, 129, and 218, respectively. As a Budget Officer, the operations of the Clerk are funded by the County General Fund. The receipts from the County General Fund are recorded as other financing sources on the Clerk's general fund financial statements. Any excess of revenues and other financing sources received over expenditures of the general fund are remitted to the County General Fund at year-end. The court-related operations of the Clerk are funded from fees and charges authorized under Chapter 2013-44, Laws of Florida and are reported in the Court Fund. At year-end, any excess of revenues over court-related expenditures of the Court Fund are remitted to the State of Florida pursuant to Florida Statute 28.37.

Basis of Presentation

The accompanying financial statements include all the funds and accounts of the Clerk's office, but are not a complete presentation of the County as a whole. Except for this matter, they are otherwise in conformity with accounting principles generally accepted in the United States of America (GAAP). The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557, *Rules of the Auditor General—Local Governmental Audits*.

Fund Accounting

The financial activities of the Clerk are recorded in separate funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT**

The purposes of the Clerk's various funds are categorized and described as follows:

■ **Governmental Fund Types**

● **Major Funds**

▶ **General Fund**

The General Fund is used to account for all revenues and expenditures applicable to the general operations of the Clerk that are not required either legally or by accounting principles generally accepted in the United States of America to be accounted for in another fund.

▶ **Jury Fund**

The Jury Fund is used to account for costs associated with all operational aspects of jury management. Revenue is received in advance from the Justice Administrative Commission (JAC) and quarterly reports of expenses are submitted to the Florida Clerks of Court Operations Corporation, (CCOC). Unused funds are deferred at year end to be used in the following year.

▶ **Court Fund**

The Court Fund was established to account for court-related revenues and expenditures and are required to be reported separately from the Clerk's General Fund activities.

▶ **Public Records Trust Fund**

The Public Records Trust Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for the public records system of the Clerk's office and additional court-related operational needs and program enhancements.

■ **Fiduciary Fund Type**

● **Agency Funds**

The Agency Funds are used to account for assets held by the Clerk in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. These are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Basis of Accounting

Basis of accounting refers to the method by which revenues and expenditures are recognized in the accounts and reported in the fund financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The modified accrual basis of accounting is followed by the governmental funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period. The Clerk considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures are recorded when the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid. Charges for services and investment revenue are recorded as earned.

NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT

The Custodial Funds are accounted for using an economic resource measurement focus and accrual basis of accounting requiring a resource flow statement. Liabilities are recognized when an event occurs that compels the Clerk to disburse fiduciary resources, which is when a demand for resources has been made or when no further action, approval or condition is required to be taken or not by the beneficiary to release the assets.

Measurement Focus

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. Generally, this means that only current assets and current liabilities are included in the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of “available spendable resources” during a period.

Budgets and Budgetary Accounting

Governmental fund revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget was adopted for the General Fund and the Public Records Trust Fund. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year. A budget was adopted for the Court Fund and approved by the Florida Clerk of Courts Operations Corporation. Budgets are prepared on the modified accrual basis of accounting.

The Clerk’s annual budgets are monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year-end.

Capital Assets

Capital assets purchased in the Governmental Fund type are recorded as expenditures (capital outlay) at the time of purchase. The tangible personal property used by the Clerk is recorded by the Board as capital assets, at cost, in the statement of net position in the government-wide financial statements of the County. The Clerk maintains custodial responsibility for the capital assets used by the Clerk.

Compensated Absences

Employees accrue vacation leave based on their length of employment. They may accrue from 13 to 20 days of vacation leave per year. A minimum of five consecutive days of vacation leave must be taken by each employee every year. Vacation leave in excess of 240 hours is transferred to sick leave on December 31 following the end of the fiscal year. Employees are not paid for vacation leave in lieu of taking vacation. An employee is paid for earned vacation leave only upon separation or by authorization of the Clerk. Upon retirement or resignation, employees may be paid a cash benefit equal to the number of vacation hours accumulated, based upon the employee’s current wage rate.

Employees earn four hours of sick leave for each two weeks of employment. Upon separation, employees of the Clerk, with three years or more of consecutive service, are paid twenty-five percent of their sick leave balance.

NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 16, *Accounting for Compensated Absences*, the Clerk uses the vesting method to calculate the liability for compensated absences. The Clerk does not, nor is he legally required to, accumulate expendable available financial resources to liquidate these obligations. Accordingly, the liability for compensated absences is not reported in the General Fund but is included in the statement of net position in the government-wide financial statements of the County.

Unearned Revenue

In accordance with requirements of the Clerk of Court Operations Corporation (CCOC), the Clerk reports unearned revenue for court related fines and fees collected in September of 2020, which are to be used as advance funding for the Clerk's Court operations in the following fiscal year. Additionally, the Jury Fund reports unearned revenue for proceeds received from the Justice Administrative Commission, (JAC) that were not spent in the current year and can carry forward to the following year.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make use of estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Transfers In and Out

The Clerk is a fee officer whose operating budget is funded from fees, fines, and service charges relating to various statutory court and non-court services provided by the office. The Clerk also receives appropriations from the Board to fund the Clerk's functions as auditor and custodian of County funds. The payments by the Board to fund these services are recorded as transfers out on the financial statements of the Board and as transfers in on the financial statements of the Clerk.

In accordance with Section 218.36, Florida Statutes, all General Fund non-court-related revenues in excess of non-court-related expenditures during the fiscal year are distributed to the Board within 31 days following the end of the fiscal year. In accordance with Section 28.37, Florida Statutes, the excess of court-related fees, service charges, court costs, and fines retained by the Clerk in excess of approved court-related expenditures, are distributed to the Florida Department of Revenue by January 1 following the Clerk's fiscal year-end.

Fund Balance Reporting

The Clerk has implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), as required. The purpose of GASB 54 is to improve the consistency and usefulness of fund balance information to the financial statement user. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the organization is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components: non-spendable, restricted, committed, assigned, and unassigned.

- **Non-Spendable**—This component of fund balance consists of amounts that cannot be spent because: (a) they are not expected to be converted to cash, or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Clerk does not have any non-spendable funds.

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT**

- **Restricted**—This component of fund balance consists of amounts that are constrained either: (a) externally by third parties (creditors, grantors, contributors, laws or regulations of other governments), or (b) by law through constitutional provisions or enabling legislation.
- **Committed**—This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., ordinance or resolution) of the County’s governing body. These committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (e.g., ordinance or resolution) it employed previously to constrain those amounts.
- **Assigned**—This component of fund balance consists of amounts that are constrained by a less-than-formal action of the organization’s governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. The Clerk has not delegated the responsibility to assign fund balances to any individual or body.
- **Unassigned**—This classification is used for: (a) negative unrestricted fund balances in any governmental fund, or (b) fund balances within the General Fund that are not restricted, committed, or assigned.

When both restricted and unrestricted resources are available for use, it is the Clerk’s policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use, it is the Clerk’s policy to use committed resources first, then assigned, and then unassigned as needed.

Note 2 - Cash

As of September 30, 2021, the Clerk had the following in cash:

	Carrying Amount
Cash on Hand	\$ 1,900
Deposits in Qualified Public Depositories	1,341,315
Total Cash	\$ 1,343,215

Credit Risk

The Clerk’s investment practices are governed by Section 218.415(17), Florida Statutes, which provides for the following authorized investments:

- The Florida PRIME (formerly the Local Government Surplus Trust Funds Investment Pool) or any authorized intergovernmental investment pool.
- Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating from a nationally-recognized rating agency.
- Interest-bearing time deposits or savings accounts in qualified public depositories.
- Direct obligations of the U.S. Treasury.

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT**

The Clerk has no investment policy that would further limit its investment choices.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the government’s deposits may not be returned to it.

Qualified public depositories of public funds are required to provide collateral each month pursuant to Section 280.04, Florida Statutes. The collateral is held by the Florida Division of Treasury or other custodian with full legal rights maintained by the Florida Division of Treasury to transfer ownership. Any loss not covered by the pledged securities and deposit insurance would be assessed by the Florida Division of Treasury and paid by the other public depositories. The Clerk’s deposits are therefore considered fully insured or collateralized. Bank deposit balances at September 30, 2021, were \$1,420,361.

Note 3 - Pension and Postemployment Benefits Other Than Pension Benefits

Florida Retirement System (FRS) Pension Benefits

The Clerk participates in FRS to provide benefits to his employees. A detailed plan description and any liability for employees of the Clerk are included in the financial statements of the County.

Postemployment Benefits Other than Pensions

The Clerk participates in the plan established by the Board to provide other postemployment benefits to retirees of the Board and Constitutional Officers. A detailed plan description and any liability for employees of the Clerk are included in the financial statements of the County.

Note 4 - Long-Term Liabilities

A summary of the changes in long-term liabilities is as follows:

	<u>Balance</u> <u>October 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>September 30, 2021</u>
Liability for Compensated Absences	\$ 134,085	\$ 181,218	\$ (159,741)	\$ 155,562
Total	<u>\$ 134,085</u>	<u>\$ 181,218</u>	<u>\$ (159,741)</u>	<u>\$ 155,562</u>

Of the \$155,562 liability for accrued compensated absences, management estimates that \$85,817 will be due and payable within one year. The long-term liabilities are not reported in the financial statements of the Clerk since it is not payable from available resources at September 30, 2021. As discussed in Note 1, they are reported in the statement of net position in the government-wide financial statements of the County.

Note 5 - Operating Leases

The Clerk has non-cancellable operating leases for copiers which expire in February of 2025 and a postage meter which expire in September 2023. For the year ended September 30, 2021, the equipment lease expense was \$22,656.

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT**

Future rental payments for the leases are as follows:

<u>Year</u>	<u>Amount</u>
2022	\$ 22,656
2023	22,656
2024	19,800
2025	<u>8,250</u>
Total	<u>\$ 73,362</u>

Note 6 - Risk Management

The Clerk is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees and the public; or damage to property of others. The Clerk participates in the risk management program through the Board, which uses commercial insurance and a public entity risk pool to cover certain risks from loss.

The Board participates in the Florida Association of Counties Trust (FACT), a public entity risk pool for risks related to comprehensive general liability. The agreement provides that the financial liability of each participating county is limited to premiums and surplus contributions paid or obligations made to FACT. Aggregate coverage provided is limited to \$1,000,000 for each claim.

Note 7 - Change in Accounting Principle

During the year ended September 30, 2021, the Clerk adopted new accounting guidance by implementing the provisions of GASB Statement No. 84, Fiduciary Activities, which established criteria for identifying and reporting fiduciary activities. In accordance with GASB Statement No. 84, liabilities in custodial funds are recognized when an event that has occurred that compels the government to disburse the resources held in a fiduciary capacity. If further action, authorization, or condition is required to compel the Clerk to disburse the funds at year-end, the amounts are reported as net position. GASB Statement No. 84 requires that changes adopted to conform to the provisions of the statement be applied retroactively. The Clerk has restated the beginning net position in the statement of fiduciary net position as a result of the change in recognition of liabilities as follows:

Net Position, October 1, 2020, As Previously Reported	\$ -
Change in Accounting Principle - GASB 84	<u>649,005</u>
Net Position, October 1, 2020, As Restated	<u>\$ 649,005</u>

OTHER FINANCIAL INFORMATION

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
ALL CUSTODIAL FUNDS
SEPTEMBER 30, 2021
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT**

	<u>Clerk Trust</u>	<u>Cash Bonds</u>	<u>Child Support</u>	<u>Total of All Agency Funds</u>
Assets				
Cash	\$ 712,026	\$ 164,398	\$ 2,204	\$ 878,628
Total Assets	<u>712,026</u>	<u>164,398</u>	<u>2,204</u>	<u>878,628</u>
Liabilities				
Due to Other Funds	32	85	963	1,080
Due to Other Governments	94,083	-	1,019	95,102
Due to Individuals	1,845	-	222	2,067
Total Liabilities	<u>95,960</u>	<u>85</u>	<u>2,204</u>	<u>98,249</u>
Net Position, Held in a Custodial Capacity to be Disbursed	<u>\$ 616,066</u>	<u>\$ 164,313</u>	<u>\$ -</u>	<u>\$ 780,379</u>

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
ALL CUSTODIAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT**

	<u>Clerk Trust</u>	<u>Cash Bonds</u>	<u>Child Support</u>	<u>Total</u>
Additions				
Fines, Forfeitures and Fees Collected	\$ 5,395,166	\$ -	\$ -	\$ 5,395,166
Tax Deeds and Fees Collected	693,624	-	-	693,624
Support and Fees Collected	-	-	402,088	402,088
Registry of the Court and Fees Collected	1,277,592	-	-	1,277,592
Recording Fees Collected	2,864,352	-	-	2,864,352
Bail Bonds and Fees Collected	-	49,698	-	49,698
Total Additions	<u>10,230,734</u>	<u>49,698</u>	<u>402,088</u>	<u>10,682,520</u>
Deductions				
Fines, Forfeitures and Fees Distributed	5,472,501	-	-	5,472,501
Tax Deeds and Fees Distributed	491,595	-	-	491,595
Support and Fees Distributed	-	-	402,088	402,088
Registry of the Court and Fees Distributed	1,348,590	-	-	1,348,590
Recording Fees Distributed	2,785,470	-	-	2,785,470
Bail Bonds and Fees Distributed	-	50,902	-	50,902
Total Deductions	<u>10,098,156</u>	<u>50,902</u>	<u>402,088</u>	<u>10,551,146</u>
Change in Net Position	132,578	(1,204)	-	131,374
Net Position, Beginning of Year, as Restated	<u>483,488</u>	<u>165,517</u>	<u>-</u>	<u>649,005</u>
Net Position, End of Year	<u>\$ 616,066</u>	<u>\$ 164,313</u>	<u>\$ -</u>	<u>\$ 780,379</u>

OTHER REPORTS

**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**

The Honorable Nicholas Thomas
Gadsden County Clerk of the Circuit Court
Gadsden County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Clerk of the Circuit Court of Gadsden County, Florida, (the Clerk) as of and for the year ended September 30, 2021, and have issued our report thereon dated June 20, 2022, which was modified to state that the financial statements are not intended to be a complete presentation of Gadsden County, Florida, as a whole.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Clerk's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Clerk's internal control. Accordingly, we do not express an opinion on the effectiveness of the Clerk'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Clerk'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 would not necessarily identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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The Honorable Nicholas Thomas
Gadsden County Clerk of the Circuit Court
Gadsden County, Florida

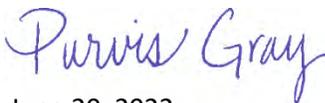
**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clerk's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance 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 non-compliance 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 Clerk'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 Clerk's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



June 20, 2022
Tallahassee, Florida

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415 – INVESTMENT OF PUBLIC FUNDS

The Honorable Nicholas Thomas
Gadsden County Clerk of the Circuit Court
Gadsden County, Florida

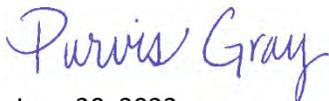
We have examined Gadsden County, Florida, Clerk of the Circuit Court's (the Clerk) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, as of and for the year ended September 30, 2021, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Clerk complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Clerk complied with the specified requirements. The nature, timing, and extent of procedures selected depend on our judgement, including an assessment of the risk of material non-compliance, 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.

Our examination does not provide a legal determination on the Clerk's compliance with specified requirements.

In our opinion, the Clerk complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2021.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Clerk, its management, and the Board of County Commissioners of Gadsden County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.



June 20, 2022
Tallahassee, Florida

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTIONS 28.35 AND 28.36, FLORIDA STATUTES

The Honorable Nicholas Thomas
Gadsden County Clerk of the Circuit Court
Gadsden County, Florida

We have examined Gadsden County, Florida, Clerk of the Circuit Court's (the Clerk) compliance with the requirements of Sections 28.35, Florida Statutes, *Florida Clerks of Court Operations Corporation*, and Section 28.36, Florida Statutes, *Budget Procedure*, during the year ended September 30, 2021, as required by Section 10.556(10)(b), *Rules of the Auditor General*. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Clerk complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Clerk complied with the specified requirements. The nature, timing, and extent of procedures selected depend on our judgement, including an assessment of the risk of material non-compliance, 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.

Our examination does not provide a legal determination on the Clerk's compliance with specified requirements.

In our opinion, the Clerk complied, in all material respects, with the requirements of Section 28.35, Florida Statutes, *Florida Clerks of Court Operations Corporation*, and Section 28.36, Florida Statutes, *Budget Procedure*, for the year ended September 30, 2021.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Clerk, its management, and the Board of County Commissioners of Gadsden County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.



June 20, 2022
Tallahassee, Florida

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 61.181, FLORIDA STATUTES

The Honorable Nicholas Thomas
Gadsden County Clerk of the Circuit Court
Gadsden County, Florida

We have examined Gadsden County, Florida, Clerk of the Circuit Court's (the Clerk) compliance with the requirements of Section 61.181, Florida Statutes, *Depository for Alimony Transactions, Support, Maintenance, and Support Payments; Fees*, during the year ended September 30, 2021, as required by Section 10.556(10)(d), *Rules of the Auditor General*. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Clerk complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Clerk complied with the specified requirements. The nature, timing, and extent of procedures selected depend on our judgement, including an assessment of the risk of material non-compliance, 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.

Our examination does not provide a legal determination on the Clerk's compliance with specified requirements.

In our opinion, the Clerk complied, in all material respects, with the requirements of Section 61.181, Florida Statutes, *Depository for Alimony Transactions, Support, Maintenance, and Support Payments; Fees*, for the year ended September 30, 2021.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Clerk, its management, and the Board of County Commissioners of Gadsden County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.



June 20, 2022
Tallahassee, Florida

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MANAGEMENT LETTER

The Honorable Nicholas Thomas
Gadsden County Clerk of the Circuit Court
Gadsden County, Florida

Report on the Financial Statements

We have audited the financial statements of each major fund and the aggregate remaining fund information of the Gadsden County, Florida, Clerk of the Circuit Court (the Clerk) as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated June 20, 2022, which was modified to indicate that the financial statements are not intended to be a complete presentation of Gadsden County, Florida.

Auditor's 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 Florida Auditor General*.

Other Reporting Requirements

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 the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Reports on examinations 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 20, 2022, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that we address in the management letter whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial report. Corrective actions have been taken to address the finding in the preceding annual financial 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 entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Clerk was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Clerk.

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The Honorable Nicholas Thomas
Gadsden County Clerk of the Circuit Court
Gadsden County, Florida

MANAGEMENT LETTER

Financial Management

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.

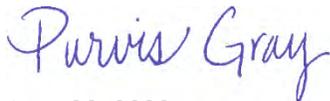
Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance with provisions of contracts or grants 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 which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal and other granting agencies, the Clerk and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



June 20, 2022
Tallahassee, Florida

2021

Gadsden County Sheriff

Financial Statements and
Independent Auditor's Report

September 30, 2021

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**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

**GADSDEN COUNTY SHERIFF
GADSDEN COUNTY, FLORIDA**

SEPTEMBER 30, 2021

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INDEPENDENT AUDITOR'S REPORT

The Honorable Morris A. Young
Gadsden County Sheriff
Gadsden County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Gadsden County, Florida, Sheriff (the Sheriff) as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Sheriff's preparation and fair presentation of the financial statements 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 Sheriff's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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The Honorable Morris A. Young
Gadsden County Sheriff
Gadsden County, Florida

INDEPENDENT AUDITOR'S REPORT

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Sheriff as of September 30, 2021, and the respective changes in financial position thereof, and the respective budgetary comparison for the major funds for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Incomplete Presentation

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* (the Rules) of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position, changes in financial position, and budgetary comparisons of each major fund, and the aggregate remaining fund information, only for that portion of the major funds and the aggregate remaining fund information of Gadsden County, Florida that is attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of Gadsden County, Florida as of September 30, 2020, and the changes in its financial position and budgetary comparisons for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Change in Accounting Principle

As described in Note 11 to the financial statements, the Sheriff adopted Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, as of October 1, 2020 as required. Our opinion is not modified with respect to this matter.

Other Matters

Other Financial Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's financial statements. The other financial information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

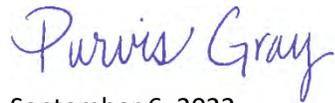
The other financial information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other financial information is fairly stated in all material respects in relation to the financial statements as a whole.

The Honorable Morris A. Young
Gadsden County Sheriff
Gadsden County, Florida

INDEPENDENT AUDITOR'S REPORT

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated September 6, 2022 on our consideration of the Sheriff'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 included under the heading Independent Auditor's 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*. 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 Sheriff's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.



September 6, 2022
Tallahassee, Florida

FINANCIAL STATEMENTS

**BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021
GADSDEN COUNTY SHERIFF**

	<u>Major Funds</u>				<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Inmate Welfare</u>	<u>Guardian Training Grant</u>	<u>Other Governmental Funds</u>	
Assets					
Cash	\$ 119,085	\$ 481,660	\$ -	\$ 84,506	\$ 685,251
Prepaid Expenses	59,810	-	-	-	59,810
Due from Other Funds	671,466	129,462	-	141,065	941,993
Due from Board of County Commissioners	-	-	-	153,845	153,845
Due from Other Governments	8,689	-	436,851	67,659	513,199
Total Assets	<u>859,050</u>	<u>611,122</u>	<u>436,851</u>	<u>447,075</u>	<u>2,354,098</u>
Liabilities and Fund Balance					
Liabilities					
Accounts Payable and Accrued Expenses	484,132	3,009	-	1,720	488,861
Due to Board of County Commissioners	104,758	-	-	-	104,758
Due to Other Funds	141,066	13,110	436,851	221,504	812,531
Unearned Revenues	129,094	-	-	17,833	146,927
Total Liabilities	<u>859,050</u>	<u>16,119</u>	<u>436,851</u>	<u>241,057</u>	<u>1,553,077</u>
Fund Balances					
Restricted:					
Radio Communications	-	-	-	182,680	182,680
Inmate Welfare	-	595,003	-	-	595,003
Committed:					
Teen Court	-	-	-	23,338	23,338
Deficit	-	-	-	-	-
Total Fund Balances	<u>-</u>	<u>595,003</u>	<u>-</u>	<u>206,018</u>	<u>801,021</u>
Total Liabilities and Fund Balances	<u>\$ 859,050</u>	<u>\$ 611,122</u>	<u>\$ 436,851</u>	<u>\$ 447,075</u>	<u>\$ 2,354,098</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
GADSDEN COUNTY SHERIFF**

	Major Funds				Total Governmental Funds
	General Fund	Inmate Welfare	Guardian Training Grant	Other Governmental Funds	
Revenues					
Intergovernmental Revenue	\$ 4,440	\$ -	\$ 445,547	\$ 639,370	\$ 1,089,357
Charges for Services	-	-	-	82,095	82,095
Miscellaneous Revenue	63,089	311,532	-	-	374,621
Total Revenues	<u>67,529</u>	<u>311,532</u>	<u>445,547</u>	<u>721,465</u>	<u>1,546,073</u>
Expenditures					
Public Safety:					
Personnel Services	6,182,648	126,490	113,883	386,461	6,809,482
Operating	1,944,217	15,427	164,944	660,401	2,784,989
Capital Outlay	354,014	41,696	166,720	10,097	572,527
Debt Service:					
Principal	211,204	-	-	-	211,204
Interest	28,804	-	-	-	28,804
(Total Expenditures)	<u>(8,720,887)</u>	<u>(183,613)</u>	<u>(445,547)</u>	<u>(1,056,959)</u>	<u>(10,407,006)</u>
Excess (Deficiency) of Expenditures Over (Under) Revenues	<u>(8,653,358)</u>	<u>127,919</u>	<u>-</u>	<u>(335,494)</u>	<u>(8,860,933)</u>
Other Financing Sources					
Transfers from Board of County Commissioners	8,536,888	-	-	386,803	8,923,691
Transfers to Board of County Commissioners	(6,736)	-	-	-	(6,736)
Total Other Financing Sources	<u>8,530,152</u>	<u>-</u>	<u>-</u>	<u>386,803</u>	<u>8,916,955</u>
Net Change in Fund Balances	(123,206)	127,919	-	51,309	56,022
Fund Balances, Beginning of Year	<u>123,206</u>	<u>467,084</u>	<u>-</u>	<u>154,709</u>	<u>744,999</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ 595,003</u>	<u>\$ -</u>	<u>\$ 206,018</u>	<u>\$ 801,021</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021
GADSDEN COUNTY SHERIFF**

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Intergovernmental Revenue	\$ -	\$ 4,440	\$ 4,440	\$ -
Miscellaneous Revenue	-	-	63,089	63,089
Total Revenues	<u>-</u>	<u>4,440</u>	<u>67,529</u>	<u>63,089</u>
Expenditures				
Public Safety:				
Personnel Services	5,341,006	6,169,156	6,182,648	(13,492)
Operating	2,013,531	1,768,661	1,944,217	(175,556)
Capital Outlay	354,200	354,200	354,014	186
Debt Service:				
Principal	-	227,040	211,204	15,836
Interest	-	30,960	28,804	2,156
(Total Expenditures)	<u>(7,708,737)</u>	<u>(8,550,017)</u>	<u>(8,720,887)</u>	<u>(170,870)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,708,737)</u>	<u>(8,545,577)</u>	<u>(8,653,358)</u>	<u>(107,781)</u>
Other Financing Sources				
Transfers from Board of County Commissioners	7,708,737	8,545,577	8,536,888	(8,689)
Transfers to Board of County Commissioners	-	-	(6,736)	(6,736)
Total Other Financing Sources	<u>7,708,737</u>	<u>8,545,577</u>	<u>8,530,152</u>	<u>(15,425)</u>
Net Change in Fund Balances	-	-	(123,206)	(123,206)
Fund Balances, Beginning of Year	-	-	123,206	\$ 123,206
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - INMATE WELFARE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021
GADSDEN COUNTY SHERIFF**

	<u>Inmate Welfare Fund</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	
	<u>Original</u>	<u>Final</u>		
Revenues				
Miscellaneous Revenue	\$ 185,000	\$ 185,000	\$ 311,532	\$ 126,532
Total Revenues	<u>185,000</u>	<u>185,000</u>	<u>311,532</u>	<u>126,532</u>
Expenditures				
Public Safety:				
Personnel Services	127,500	127,500	126,490	1,010
Operating	15,500	15,500	15,427	73
Capital Outlay	42,000	42,000	41,696	304
(Total Expenditures)	<u>(185,000)</u>	<u>(185,000)</u>	<u>(183,613)</u>	<u>1,387</u>
Net Change in Fund Balances	-	-	127,919	127,919
Fund Balances, Beginning of Year	<u>467,084</u>	<u>467,084</u>	<u>467,084</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 467,084</u>	<u>\$ 467,084</u>	<u>\$ 595,003</u>	<u>\$ 127,919</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - GUARDIAN TRAINING GRANT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021
GADSDEN COUNTY SHERIFF**

	<u>Guardian Training Grant Fund</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental Revenue	\$ 445,600	\$ 445,600	\$ 445,547	\$ (53)
Total Revenues	<u>445,600</u>	<u>445,600</u>	<u>445,547</u>	<u>(53)</u>
Expenditures				
Public Safety:				
Personnel Services	114,500	114,500	113,883	617
Operating	164,100	164,100	164,944	(844)
Capital Outlay	167,000	167,000	166,720	280
(Total Expenditures)	<u>(445,600)</u>	<u>(445,600)</u>	<u>(445,547)</u>	<u>53</u>
Net Change in Fund Balances	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**GADSDEN COUNTY SHERIFF
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2021**

	Custodial Funds
Assets	
Cash	\$ 186,029
Total Assets	<u>186,029</u>
Liabilities	
Accounts Payable	25,255
Unremitted Collections	12,679
Due to Other Funds	129,462
Total Liabilities	<u>167,396</u>
Net Position	<u>\$ 18,633</u>

See accompanying notes to financial statements.

**GADSDEN COUNTY SHERIFF
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR YEAR ENDED SEPTEMBER 30, 2021**

	Custodial Funds
Additions	
Inmate Funds Collected	\$ 503,520
Fines, Forfeitures, and Fees Collected	48,213
Total Additions	551,733
 Deductions	
Inmate Funds Disbursed	496,317
Fines, Forfeitures, and Fees Disbursed	48,213
Total Deductions	544,530
 Change in Net Position	7,203
 Net Position, Beginning of Year	
Prior Period Adjustment	11,430
Net Position, Beginning of Year, Restated	11,430
 Net Position, End of Year	\$ 18,633

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY SHERIFF**

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

Gadsden County, Florida (the County) is a political subdivision of the State of Florida located in the northern portion of the state. The County was established under Article VIII, Section 1(d), *Constitution of the State of Florida*.

The Gadsden County, Florida, Sheriff (the Sheriff) is an elected Constitutional Officer of the County. For financial statement and reporting purposes, the Sheriff is a separate Constitutional Officer as provided by Chapter 218, Florida Statutes. However, the Sheriff does not meet the definition of a legally separate organization and is not considered to be a component unit. Accordingly, the Sheriff is considered to be a part of the primary government of the County, and the financial activities of the Sheriff are included as such in the annual comprehensive financial report, along with the other Constitutional Officers and the Gadsden County Board of County Commissioners (the Board). The financial statements contained herein represent the financial transactions of the Sheriff only. There are no component units for the Sheriff to consider for inclusion in its financial statements.

The accounting policies of the Sheriff conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant policies:

Basis of Presentation

The accompanying financial statements include all the funds and accounts of the Sheriff's office but are not a complete presentation of the County as a whole. Except for this matter, they are otherwise in conformity with accounting principles generally accepted in the United States of America (GAAP). The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557, *Rules of the Auditor General Local Governmental Entity Audits*.

The financial transactions of the Sheriff are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. These funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. GAAP sets forth minimum criteria (percentage of assets, liabilities, revenues, and expenditures of each fund category) for the determination of major funds. Major funds are reported separately in the basic financial statements of the Sheriff.

Fund Accounting

The financial activities of the Sheriff are recorded in separate funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY SHERIFF**

The Sheriff reports the following major and non-major governmental funds:

■ **Major Governmental Funds**

- **General Fund**—The General Fund is used to account for all revenues and expenditures applicable to the general operations of the Sheriff that are not required either legally or by GAAP to be accounted for in another fund.
- **Guardian Training**—A Special Revenue Fund, which accounts for the activities related to providing training and certification of individuals seeking to become or maintain active status as “Guardians” within the Coach Aaron Feis Guardian Program, in accordance with the *Marjory Stoneman Douglas High School Public Safety Act*.
- **Inmate Welfare**—A Special Revenue Fund, which accounts for commissions received from pay telephones and commissary profits restricted for the benefit of inmates.

■ **Non-Major Governmental Funds**

- **Special Revenue Funds**—Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The Sheriff reports the following special revenue funds in the financial statements under the title “Other Governmental Funds”:
 - ▶ **VOCA**—Accounts for the activities related to funds received from the Florida Attorney General for use related to the *Victims Crime Act*.
 - ▶ **Emergency Management**—Accounts for the activities related to establishing and maintaining disaster assistance services.
 - ▶ **E-911**—Accounts for the activities related to funds received from the Florida Department of Management Services for the prorated share of E-911 cell phone tax.
 - ▶ **Teen Court**—Accounts for the activities related to establishing and maintaining a teen court pursuant to the County ordinance Section 26-1.
 - ▶ **Victims Special**—Accounts for the activities related to funds received from the State of Florida for the Victim Advocates’ Assistance Emergency Fund.
 - ▶ **Radio Communications**—A Special Revenue Fund, which accounts for activities related to moving violation fines restricted for use for the radio communications program and local law enforcement automation.
 - ▶ **DEM Federal**—Accounts for the activities related to the emergency management preparedness grant funded by the U.S. Department of Homeland Security passed through the Board.
 - ▶ **Towing and Impound**—Accounts for the activities related to funds received from program generated income for narcotic-related activities from the Justice Assistance Grant.

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY SHERIFF**

- ▶ **DJJ Teen Success Academy**—Accounts for the activities related to the youth-centered program grant funded by the Florida Department of Juvenile Justice.
 - ▶ **DJJ Restoring Families**—Accounts for the activities related to the family unit continuity assistance grant funded by the Florida Department of Juvenile Justice.
 - ▶ **DCF Mental Health**—Accounts for the activities related to the Criminal Justice, Mental Health, and Substance Abuse (CJMHS) Reinvestment Grant funded by the Florida Department of Children and Families.
- **Fiduciary Funds**
- **Custodial Funds**—The Custodial Funds account for the assets held by the Sheriff in a trustee capacity as an agent for individuals, private organizations, and/or governmental units.

Measurement Focus/Basis of Accounting

All governmental funds are accounted for on a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of “available spendable resources.” Their operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets and, accordingly, are said to present a summary of sources and uses of “available spendable resources” during a period. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Revenues are considered to be available when they are collectable within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considered revenues to be available if they are collected within 31 days of the end of the current fiscal period, except for grant revenues, which are considered to be available if collected within 60 days. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, principal and interest on long-term debt are recognized when due.

The custodial funds are accounted for using an economic resource measurement focus and accrual basis of accounting requiring a resource flow statement. Liabilities are recognized when an event occurs that compels the Sheriff to disburse fiduciary resources, which is when a demand for resources has been made or when no further action, approval, or condition is required to be taken by the beneficiary to release the assets.

Budgets and Budgetary Accounting

Expenditures are controlled by appropriations in accordance with the budget requirements set forth in the Florida Statutes. Budgets are adopted for the General Fund and for the Non-Major Governmental Funds. The Radio Communications Fund and the Inmate Welfare Fund expenditures are restricted by statute; therefore, these budgets are not approved by the Board.

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY SHERIFF**

The Sheriff follows these procedures in establishing the budgetary data reflected in the fund financial statements:

Sections 129.03 and 30.49 of the Florida Statutes require the Sheriff to establish an annual budget reflecting resources available and functions for which funds are to be expended.

- The proposed budget is filed with the Board by May 1 preceding the fiscal year of the budget. Prior to October 1, the budget is legally enacted by approval of the Board subject to the notice and hearing requirements of Section 200.065 of the Florida Statutes.
- The Sheriff's budget can be amended by the Board as necessary during the year. Line item expenditures in excess of appropriations are authorized to the extent that total expenditures by category do not exceed total appropriations by category.
- Formal budgetary integration is employed as a management control device during the year for the Sheriff's General Fund. Appropriations lapse at the close of the fiscal year to the extent they have not been expended.
- The budget for the Sheriff's General Fund is adopted on a basis consistent with accounting principles generally accepted in the United States of America.

The budgeted revenues and expenditures in the accompanying statement of revenues, expenditures, and changes in fund balances - budget and actual reflect the Sheriff's original adopted budget and the final budget with all amendments approved by the Sheriff and the Board.

Capital Assets

The Sheriff is accountable for, and thus maintains, capital asset records pertaining to the equipment used in his operations. Real property used by the Sheriff is accounted for by the Board, as the Board holds legal title and is accountable for such assets under Florida law.

Capital assets purchased in the Governmental Funds costing \$1,000 or more and having a useful life in excess of one year are recorded as expenditures (capital outlay) at the time of purchase.

Capital assets acquired under capital leases are recorded at the net present value of future minimum lease payments as capital outlay expenditures and other financing sources at inception of the capital lease. The tangible personal property used by the Sheriff is reported as capital assets, at cost, in the statement of net position as part of the government-wide financial statements of the County. Donated and confiscated fixed assets are recorded in the County's statement of net position at fair value at the time received. Capital assets are depreciated using the straight-line method over three to seven years. The depreciation expense is recorded in the statement of activities as part of the government-wide financial statements of the County.

Liability for Compensated Absences

Employees accrue vacation leave based on their employment date and length of employment. They may accrue from 12 to 18 days of vacation per year. Annual leave in excess of 30 days is forfeited on December 31. Employees are generally not paid for vacation leave in lieu of taking a vacation except that an employee may be paid for earned vacation leave upon separation, and annual additional benefit

NOTES TO FINANCIAL STATEMENTS GADSDEN COUNTY SHERIFF

payments of accumulated annual leave in excess of 240 hours (at a designated, across-the-board percentage of hourly pay) can be paid prior to the end of each fiscal year as declared by General Order in the event of funds availability.

Employees earn one day of sick leave for each month of employment. Sick leave can be carried forward from year-to-year. An employee with five years of service or more may be paid for 25% of accrued sick leave upon separation. An employee with twenty years of service or more who is retiring under the Florida Retirement System may be paid for 50% of accrued sick leave.

The Sheriff uses the vesting method to calculate the liability for compensated absences. The Sheriff does not, nor is he legally required to, accumulate expendable available financial resources to liquidate these obligations. Accordingly, the liability for compensated absences is not reported in the General Fund but is included in the statement of net position in the government-wide financial statements of the County.

Transfers In and Out

The Board funds primarily all of the operating budget of the Sheriff's General Fund. The payments by the Board to fund the operations of the Sheriff are recorded as transfers out on the financial statements of the Board and as transfers in on the financial statements of the Sheriff. Section 218.36, Florida Statutes, requires the Sheriff to distribute all General Fund revenues in excess of expenditures to the Board within 31 days following the end of the fiscal year. Accordingly, such amounts are recorded as a liability and as transfers out on the financial statements of the Sheriff and as an asset and as transfers in on the financial statements of the Board.

Related Organizations - Service Fees and Common Expenses

Certain expenses, which are common to the Board and all Constitutional Officers, are reported as expenses of the Board and, therefore, are not budgeted by or allocated to the Sheriff. These expenses paid by the Board relating to the Sheriff's operations are:

- Occupancy Costs
- Property and Workers' Compensation Insurance
- Employees' Health and Life Insurance

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make use of estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Fund Balance Reporting

Fund balance is reported in five components – non-spendable, restricted, committed, assigned, and unassigned.

- **Non-Spendable**—This component of fund balance consists of amounts that cannot be spent because: (a) they are not expected to be converted to cash, or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund.

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY SHERIFF**

- **Restricted**—This component of fund balance consists of amounts that are constrained either: (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments), or (b) by law through constitutional provisions or enabling legislation.
- **Committed**—This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., ordinance or resolution) of the County’s Governing Board. These committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (e.g., ordinance or resolution) it employed previously to constrain those amounts.
- **Assigned**—This component of fund balance consists of amounts that are constrained by a less-than-formal action of the Sheriff, or by an individual or body to whom the Sheriff has delegated this responsibility. By definition, fund balances are also assigned to the extent that they are needed to finance a subsequent year’s budget deficit.
- **Unassigned**—This classification is used for: (a) negative unrestricted fund balances in any governmental fund, or (b) fund balances within the General Fund that are not restricted, committed, or assigned.

When both restricted and unrestricted resources are available for use, it is the Sheriff’s policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use, it is the Sheriff’s policy to use committed resources first, then assigned, and then unassigned as needed.

Note 2 - Cash

As of September 30, 2021, the Sheriff had the following in cash:

	Carrying Amount
Cash and Cash Equivalents	\$ 871,280
Total Cash	\$ 871,280

Credit Risk

The Sheriff’s investment practices are governed by Section 218.415 (17), Florida Statutes, and include the following investments:

- The Florida PRIME (formerly the Local Government Surplus Trust Fund) administered by the State Board of Administration.
- Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating from a nationally-recognized rating agency.
- Interest-bearing time deposits or savings accounts in qualified public depositories.
- Direct obligations of the U.S. Treasury.

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY SHERIFF**

The Sheriff has no investment policy that would further limit its investment choices.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it.

Qualified public depositories of public funds are required to provide collateral each month pursuant to Section 280.04, Florida Statutes. The collateral is held by the Florida Division of Treasury or other custodian with full legal rights maintained by the Florida Division of Treasury to transfer ownership. Any loss not covered by the pledged securities and deposit insurance would be assessed by the Florida Division of Treasury and paid by the other public depositories. The Sheriff's deposits are all held in a qualified public depository and are, therefore, considered fully insured or collateralized. Bank balances at September 30, 2021, were \$1,032,464.

Note 3 - Capital Assets

A summary of the changes in capital assets for the year ended September 30, 2021, follows:

	<u>Balance</u> <u>October 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>September 30, 2021</u>
Vehicles, Furniture, and Equipment	\$ 3,404,771	\$ 572,527	\$ (25,411)	\$ 3,951,887
(Accumulated Depreciation)	(2,562,659)	(466,752)	25,411	(3,004,000)
Capital Assets, Net	<u>\$ 842,112</u>	<u>\$ 105,775</u>	<u>\$ -</u>	<u>\$ 947,887</u>

Depreciation expense for the Sheriff's assets was recorded in the County's government-wide financial statements in the amount of \$466,752.

Note 4 - Long-Term Liabilities

A summary of the changes in the long-term liabilities of the Sheriff is as follows:

	<u>Balance</u> <u>October 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>September 30, 2021</u>
Capital Leases	\$ 653,952	\$ -	\$ (211,204)	\$ 442,748
Liability for Compensated Absences	500,555	398,968	(381,161)	518,362
Total	<u>\$ 1,154,507</u>	<u>\$ 398,968</u>	<u>\$ (592,365)</u>	<u>\$ 961,110</u>

Of the \$518,362 liability for accrued compensated absences, management estimates that \$218,358 will be due and payable within one year. Of the \$442,748 capital lease liability, the estimated principal amount due and payable within one year totaled \$219,165. The long-term liabilities presented above are not reported in the financial statements of the Sheriff since they are not payable from expendable available resources at September 30, 2021.

The long-term liabilities shown above are reported in the statement of net position in the government-wide financial statements of the County.

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY SHERIFF**

Note 5 - Lease Obligations

Capital Leases

The Sheriff has commitments under various capital lease agreements as described below. Annual payments under the leases are reported as debt service principal and interest expenditures.

The Sheriff has entered into a Master Equity Lease Agreement with Enterprise Fleet Management for purchase of vehicles. The lease agreement calls for monthly payments ranging from 36 to 48 months of varying amounts, including interest, with varying terms beginning in July of 2018 and ending in June 2024. The net present value of the capital lease payments were computed utilizing interest rates ranging from 4.00% to 5.35%.

At September 30, 2021, aggregate future minimum lease payments are as follows:

September 30,	Amount
2022	\$ 237,009
2023	162,216
2024	70,341
Total Future Minimum Lease Payments	469,566
(Less Amount Representing Interest)	(26,818)
Present Value of Net Minimum Lease Payments	\$ 442,748

Operating Lease

The Sheriff also has vehicle leases with Enterprise Fleet Management that, due to their shorter term, do not qualify as capital leases. There are four leases, each with a 31 month term, which require monthly payments ranging from \$641 to \$648 each. Operating lease payments under these leases totaled \$33,513 for the year ended September 30, 2021. The future minimum lease payments under these operating leases consist of payments in fiscal year 2022 totaling \$12,890.

Note 6 - Interfund Receivables and Payables

Interfund receivables and payables at September 30, 2021, are as follows:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 671,466	\$ 141,066
Special Revenue Funds		
Inmate Welfare	129,462	13,110
Guardian Training	-	436,851
Radio Communications	141,065	-
Emergency Management	-	25,777
VOCA	-	25,290
E-911	-	128,068
DJJ Restoring Families	-	28,744
DJJ Teen Success Academy Grant	-	13,625
Fiduciary Funds		
Inmate Commissary	-	129,462
Total	\$ 941,993	\$ 941,993

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY SHERIFF**

Interfund receivables and payables result from temporary loans for cash flow needs associated with the time lag between when goods and services are provided and when they are ultimately reimbursed from granting agencies or the Board.

Note 7 - Pension and Postemployment Benefits Other Than Pension Benefits

Florida Retirement System (FRS) Pension Benefits

The Sheriff participates in the FRS to provide benefits to his employees. A detailed plan description and any liability for employees of the Sheriff are included in the financial statements of the County.

Postemployment Benefits Other than Pensions

The Sheriff participates in the plan established by the Board to provide other postemployment benefits to retirees of the Board and Constitutional Officers. A detailed plan description and any liability for employees of the Sheriff are included in the financial statements of the County.

Note 8 - Risk Management

Professional Liability

The Sheriff is currently a member of the Florida Sheriff's Association and participates in the Florida Sheriffs' Self-Insurance Fund. The Self-Insurance Fund administers insurance activities related to professional liability and covers compensatory damages (except back pay), employment benefits, punitive damages, attorney fees or costs awarded to a prevailing plaintiff, and all legal fees involved in defense of the Sheriff. The contribution required for the year ended September 30, 2021, was \$127,611.

The limits of the Self-Insurance Fund for the above-mentioned damages, fees, and defense costs are \$3,200,000 per claim and \$3,500,000 in aggregate for the policy year. Settled claims did not exceed this coverage in the current year.

Automobile Coverage

The Sheriff participates in the Florida Municipal Insurance Trust, which is sponsored by the Florida League of Cities for automobile coverage. The contribution required for the year ended September 30, 2021, was \$43,940.

Workers' Compensation

The Sheriff participates in the Florida Municipal Insurance Trust for workers' compensation coverage, which provides for coverage of risks of loss related to workers' compensation claims. The Sheriff makes payments to the fund based upon payroll exposure in the amounts needed to pay prior and current year claims. The net amount paid or accrued for the year ended September 30, 2021 was \$238,095.

Note 9 - Contingencies

Various claims and legal actions arising in the normal course of the Sheriff's operations were pending against the Sheriff at September 30, 2021. These claims are covered through the Sheriff's participation in the Florida Sheriff's Self-Insurance Fund. In the opinion of the Sheriff's legal counsel, the liabilities, which may arise from such actions, would be adequately covered by the Self-Insurance Fund. Accordingly, no provision has been made in the financial statements for such contingencies.

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY SHERIFF**

Note 10 - Other Disclosures

For the year ended September 30, 2021, the Sheriff's actual expenditures exceeded budgeted appropriations in the General Fund in the amount of \$170,870. Of this excess, \$123,206 was carry forward funding from the previous year related to the *Coronavirus Aid, Relief, and Economic Security Act*, and \$52,000 was funded from a contract with Big Bend Community Based Care to assist in the provision of a mobile crisis team for youth in crisis in the community.

Note 11 - Change in Accounting Principle

During the year ended September 30, 2021, the Sheriff adopted new accounting guidance by implementing the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, which established criteria for identifying and reporting fiduciary activities. In accordance with GASB Statement No. 84, liabilities in custodial funds are recognized when an event has occurred that compels the government to disburse the resources held in a fiduciary capacity. If further action, authorization, or condition is required to compel the Sheriff to disburse the funds at year-end, the amounts are reported as net position. GASB Statement No. 84 requires that changes adopted to conform to the provisions of the statement be applied retroactively. The Sheriff has restated the beginning net position in the statement of fiduciary net position as a result of the change in recognition of liabilities as follows:

Net Position, October 1, 2020, as Previously Reported	\$ -
Change in Accounting Principles	<u>11,430</u>
Net Position Balance, October 1, 2020, as Restated	<u>\$ 11,430</u>

OTHER FINANCIAL INFORMATION

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2021
GADSDEN COUNTY SHERIFF**

	<u>VOCA</u>	<u>Emergency Management</u>	<u>E-911</u>	<u>Teen Court</u>	<u>Victims Special</u>
Assets					
Cash	\$ -	\$ -	\$ -	\$ 23,338	\$ 17,697
Due from Other Funds	-	-	-	-	-
Due from Board of County Commissioners	-	25,777	128,068	-	-
Due from Other Governments	25,290	-	-	-	-
Total Assets	<u>25,290</u>	<u>25,777</u>	<u>128,068</u>	<u>23,338</u>	<u>17,697</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable and Accrued Expenses	-	-	-	-	-
Due to Other Funds	25,290	25,777	128,068	-	-
Unearned Revenues	-	-	-	-	17,697
Total Liabilities	<u>25,290</u>	<u>25,777</u>	<u>128,068</u>	<u>-</u>	<u>17,697</u>
Fund Balances					
Committed:					
Teen Court	-	-	-	23,338	-
Restricted:					
Radio Communications	-	-	-	-	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,338</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 25,290</u>	<u>\$ 25,777</u>	<u>\$ 128,068</u>	<u>\$ 23,338</u>	<u>\$ 17,697</u>

<u>Radio Communications</u>	<u>DEM Federal</u>	<u>Towing and Impound</u>	<u>DJJ Teen Success Academy</u>	<u>DJJ Restoring Families</u>	<u>DCF Mental Health</u>	<u>Total Other Governmental Funds</u>
\$ 43,335	\$ -	\$ 136	\$ -	\$ -	\$ -	\$ 84,506
141,065	-	-	-	-	-	141,065
-	-	-	-	-	-	153,845
-	-	-	13,625	28,744	-	67,659
<u>184,400</u>	<u>-</u>	<u>136</u>	<u>13,625</u>	<u>28,744</u>	<u>-</u>	<u>447,075</u>
1,720	-	-	-	-	-	1,720
-	-	-	13,625	28,744	-	221,504
-	-	136	-	-	-	17,833
<u>1,720</u>	<u>-</u>	<u>136</u>	<u>13,625</u>	<u>28,744</u>	<u>-</u>	<u>241,057</u>
-	-	-	-	-	-	23,338
<u>182,680</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>182,680</u>
<u>182,680</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>206,018</u>
<u>\$ 184,400</u>	<u>\$ -</u>	<u>\$ 136</u>	<u>\$ 13,625</u>	<u>\$ 28,744</u>	<u>\$ -</u>	<u>\$ 447,075</u>

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
GADSDEN COUNTY SHERIFF**

	<u>VOCA</u>	<u>Emergency Management</u>	<u>E-911</u>	<u>Teen Court</u>	<u>Victims Special</u>
Revenues					
Intergovernmental Revenue	\$ 62,584	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	16,472	-
Total Revenues	<u>62,584</u>	<u>-</u>	<u>-</u>	<u>16,472</u>	<u>-</u>
Expenditures					
Public Safety:					
Personnel Services	60,182	100,856	225,423	-	-
Operating	2,402	10,240	4,231	-	-
Capital Outlay	-	4,500	-	-	-
(Total Expenditures)	<u>(62,584)</u>	<u>(115,596)</u>	<u>(229,654)</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(115,596)</u>	<u>(229,654)</u>	<u>16,472</u>	<u>-</u>
Other Financing Sources					
Transfers from Board of County Commissioners	-	115,596	229,654	-	-
Total Other Financing Sources	<u>-</u>	<u>115,596</u>	<u>229,654</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	16,472	-
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,866</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,338</u>	<u>\$ -</u>

<u>Radio Communications</u>	<u>DEM Federal</u>	<u>Towing and Impound</u>	<u>DJJ Teen Success Academy</u>	<u>DJJ Restoring Families</u>	<u>DCF Mental Health</u>	<u>Total Other Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 83,140	\$ 176,449	\$ 317,197	\$ 639,370
65,623	-	-	-	-	-	82,095
<u>65,623</u>	<u>-</u>	<u>-</u>	<u>83,140</u>	<u>176,449</u>	<u>317,197</u>	<u>721,465</u>
-	-	-	-	-	-	386,461
30,786	35,956	-	83,140	176,449	317,197	660,401
-	5,597	-	-	-	-	10,097
<u>(30,786)</u>	<u>(41,553)</u>	<u>-</u>	<u>(83,140)</u>	<u>(176,449)</u>	<u>(317,197)</u>	<u>(1,056,959)</u>
<u>34,837</u>	<u>(41,553)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(335,494)</u>
-	41,553	-	-	-	-	386,803
-	41,553	-	-	-	-	386,803
34,837	-	-	-	-	-	51,309
<u>147,843</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>154,709</u>
<u>\$ 182,680</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 206,018</u>

**COMBINING STATEMENT OF FIDUCIARY
NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2021
GADSDEN COUNTY SHERIFF**

	<u>Confiscated Funds</u>	<u>Civil Account</u>	<u>Inmate Commissary</u>	<u>Totals</u>
Assets				
Cash	\$ 305	\$ 12,374	\$ 173,350	\$ 186,029
Total Assets	<u>305</u>	<u>12,374</u>	<u>173,350</u>	<u>186,029</u>
Liabilities				
Accounts Payable	-	-	25,255	25,255
Unremitted Collections	305	12,374	-	12,679
Due to Other Funds	-	-	129,462	129,462
Total Liabilities	<u>305</u>	<u>12,374</u>	<u>154,717</u>	<u>167,396</u>
Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,633</u>	<u>\$ 18,633</u>

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR YEAR ENDED SEPTEMBER 30, 2021
GADSDEN COUNTY SHERIFF**

	Confiscated Funds	Civil Account	Inmate Commissary	Total
Additions				
Inmate Funds Collected	\$ -	\$ -	\$ 503,520	\$ 503,520
Fines, Forfeitures and Fees Collected	12,428	35,785	-	48,213
Total Additions	<u>12,428</u>	<u>35,785</u>	<u>503,520</u>	<u>551,733</u>
Deductions				
Inmate Funds Disbursed	-	-	496,317	496,317
Fines, Forfeitures, and Fees Disbursed	12,428	35,785	-	48,213
Total Deductions	<u>12,428</u>	<u>35,785</u>	<u>496,317</u>	<u>544,530</u>
Change in Net Position	<u>-</u>	<u>-</u>	<u>7,203</u>	<u>7,203</u>
Net Position, Beginning of Year				
Prior Period Adjustment	-	-	11,430	11,430
Net Position, Beginning of Year, Restated	<u>-</u>	<u>-</u>	<u>11,430</u>	<u>11,430</u>
Net Position, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,633</u>	<u>\$ 18,633</u>

OTHER REPORTS

**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**

The Honorable Morris A. Young
Gadsden County Sheriff
Gadsden County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Gadsden County, Florida, Sheriff (the Sheriff) as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements, and have issued our report thereon dated September 6, 2022, which was modified to state that the financial statements are not intended to be a complete presentation of Gadsden County, Florida as a whole.

Internal Control Over Financial Reporting

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on

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The Honorable Morris A. Young
Gadsden County Sheriff
Gadsden County, Florida

**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***

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 the following instance of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

■ **2021-01 Expenditures in Excess of Appropriations**

Condition

In accordance with Florida Statute 129.201, the Sheriff's budget was approved by the Board of County Commissioners. As such, the Sheriff must regulate its expenditures and funds may not be expended except pursuant to the adopted budget. As of September 30, 2021, the Sheriff's expenditures in the General Fund exceeded budget by \$170,870. This over-expenditure was funded by carry forward funding from the previous year of restricted funds related to the *Coronavirus Aid, Relief, and Economic Security Act* and a contract with Big Bend Community Based Care, Inc.

Effect

The Sheriff's budget was not properly amended to adequately address the additional spending and is therefore not in compliance with Florida Statute 129.06(1), which requires that all expenditures be within the adopted budget.

Recommendation

In order to comply with Florida Statutes, we recommend the Sheriff monitor his budget throughout the fiscal year and request timely approval from the Board of County Commissioners to amend his budget in order to ensure that all expenditures are within budget.

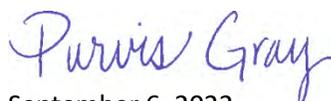
We noted a certain matter that we have reported to management of the Sheriff in a separate letter dated September 6, 2022.

Response to Finding

The Sheriff's response to the findings identified in our audit is included in the accompanying Management's Response on pages 33-36. The Sheriff's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 Sheriff'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 Sheriff's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



September 6, 2022
Tallahassee, Florida

**INDEPENDENT ACCOUNTANT’S REPORT ON COMPLIANCE
WITH SECTION 218.415, FLORIDA STATUTES – INVESTMENT OF PUBLIC FUNDS**

The Honorable Morris A. Young
Gadsden County Sheriff
Gadsden County, Florida

We have examined the Gadsden County, Florida, Sheriff’s (the Sheriff) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, as of and for the fiscal year ended September 30, 2021, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Sheriff’s compliance with those requirements. Our responsibility is to express an opinion on the Sheriff’s compliance based on our examination.

Our examination was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Sheriff has complied with the requirements of Section 218.415, Florida Statutes, in all material respects. An examination involves performing procedures to obtain evidence about management’s compliance with the stated requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of non-compliance with the requirements, 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.

Our examination does not provide a legal determination on the Sheriff’s compliance with specified requirements.

In our opinion, the Sheriff complied, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2021.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Sheriff and its management, and the Board of Commissioners of Gadsden County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.



September 6, 2022
Tallahassee, Florida

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MANAGEMENT LETTER

Honorable Morris A. Young
Gadsden County Sheriff
Gadsden County, Florida

Report on the Financial Statements

We have audited the financial statements of each major fund and the aggregate remaining fund information of the Gadsden County, Florida, Sheriff (the Sheriff) as of and for the fiscal year ended September 30, 2021 and have issued our report thereon dated September 6, 2022.

Auditor's 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 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*; and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated September 6, 2022, 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. The following finding from the previous year's audit report has not been addressed.

■ **2020-1 – Capital Assets**

Condition

Florida Statutes, Section 274, provide guidance related to the proper acquisition, recording, supervision, and disposal of tangible personal property owned by local governments. Among other requirements, this Section requires:

- 1) Requirements for recording and periodic review of property is to be established by rule by the Chief Financial Officer.
- 2) The governmental unit is primarily responsible for the supervision and control of its property.

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Honorable Morris A. Young
Gadsden County Sheriff
Gadsden County, Florida

MANAGEMENT LETTER

As such, the Sheriff's Office has established policies and procedures related to the acquisition, recording, supervision, and disposal of tangible personal property and is expected to adhere to these internally-developed policies.

For the fiscal years ended September 30, 2020 and 2021, it was noted that no comprehensive physical inventory of the Sheriff's Office's capital assets and leased vehicles occurred as required by the Sheriff's Office's internal policies, and no reconciliation of fixed assets and leased vehicles in the custody of the Sheriff's Office to the related control accounts was performed.

Effect

Annual physical inventory and reconciliation procedures are not being performed consistently as required by Sheriff's Office General Order 17.1, Section 8 – Inventory. As a result, various capital asset and capital lease acquisitions and disposals which occurred during the fiscal year ended September 30, 2020 and 2021, were not properly accounted for in the Sheriff's Office's financial records. Lack of reconciliation of assets held to the financial records for significant account balances could result in unreconciled differences between the balances, which could cause a material misstatement of the financial statements as a whole if not detected and corrected in a timely manner.

Recommendation

We recommend that management perform periodic (at least annual) physical inventories of owned and leased capital assets on hand and reconcile the results of the physical inventory to the underlying accounting records, as required by the internally-generated policies of the Sheriff's Office related to assets.

Official Title and Legal Authority

Section 10.554(1)(i)(4)., *Rules of the Auditor General*, requires 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 note of the financial statements. The Sheriff was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Sheriff.

Financial Management

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 offer the following recommendation.

■ 2021-02 Financial Statement Close

Condition

Pursuant to Florida Statutes, Section 218.36, each County officer is required to make an annual report of revenues and expenditures within thirty-one days of the close of the fiscal year. While this report was submitted to the County by October 31 as required, the report was based on preliminary estimates. The accounting records of the Sheriff's office were not officially closed and ready for audit until February of 2022.

Honorable Morris A. Young
Gadsden County Sheriff
Gadsden County, Florida

MANAGEMENT LETTER

Effect

According to Sheriff personnel, the delay in the closing of the books and the preparation of year-end reconciliations was due to the lack of sufficient staffing in the Sheriff's accounting department necessary to have all transactions entered into the accounting system and prepare all year-end account balance reconciliations in a timely manner. Without effective procedures in place to close the books and prepare timely reconciliation of accounts, there is an increased risk that errors or fraud will go undetected for long periods of time.

Recommendation

We recommend the Sheriff's office continue to evaluate the need to hire additional accounting staff to assist with the monthly and year-end closing process. We further recommend a detailed plan be established, including scheduled completion dates for each step required in the closing process. We also recommend the Sheriff's office implement procedures to ensure that all balance sheet accounts are reconciled within 20 days of month-end.

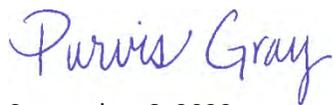
Additional Matters

Section 10.554(1)(i)3., *Rules of Auditor General*, requires us to communicate non-compliance 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 which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Sheriff and its management, and the Board of County Commissioners of Gadsden County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



September 6, 2022
Tallahassee, Florida

September 6, 2022



Ms. Sherrill F. Norman, CPA
Auditor General of the State of Florida
111 West Madison Street
Tallahassee, Florida 32399

Dear Ms. Norman:

After reviewing the management letter comments regarding the audit performed by Purvis, Gray & Company, LLP for the fiscal year end September 30, 2021, we would like to respond as follows:

Compliance and Other Matters

Condition:

- **2021-01 Expenditures in Excess of Appropriations**

In accordance with Florida Statute 129.201, the Sheriff's budget was approved by the Board of County Commissioners. As such, the Sheriff must regulate its expenditures and funds may not be expended except pursuant to the adopted budget. As of September 30, 2021, the Sheriff's expenditures in the General Fund exceeded budget by \$170,870. This over-expenditure was funded by carry forward funding from the previous year of restricted funds related to the Coronavirus Aid, Relief, and Economic Security Act and a contract with Big Bend Community Based Care, Inc.

Recommendation:

In order to comply with Florida Statutes, we recommend the Sheriff monitor his budget throughout the fiscal year and request timely approval from the Board of County Commissioners to amend his budget in order to ensure that all expenditures are within budget.

Management's Response

The Sheriff's Office did receive Board Approval for the Coronavirus Aid, Relief, and Economic Security Act Funds for Fiscal Year 2019-20 and 2020-21. The Carryover was a result of the timing of the disbursement of the Coronavirus Aid, Relief, and Economic Security Act funds by the Board. In addition, the Sheriff executed an initial contract with Big Bend Community Based Care, Inc to provide an on-call Mobile Response Team beginning in Fiscal Year 2018 for Gadsden County. The Sheriff's Office will request budgetary authority to expend these miscellaneous funds as recommended moving forward.

Prior and Current Year Findings and Recommendations

Prior and Current Year Findings

Condition

- **2021-1 Capital Assets**

During the course of our audit, we noted that the Sheriff's Office performed a physical inventory of certain capital assets. However, the physical inventory did not include all capital asset categories, and no reconciliation of inventoried assets to fixed asset records were performed. A lack of physical inventory reconciliation procedures could result in the theft or misuse of the Sheriff's assets or misstatements of the fixed asset records. We recommend the Sheriff perform a complete physical inventory at least annually in compliance with state law and that the physical inventory be reconciled to the detailed fixed assets records.

For the fiscal years ended September 30, 2020 and 2021, it was noted that no comprehensive physical inventory of the Sheriff's Office's capital assets and leased vehicles occurred as required by the Sheriff's Office's internal policies, and no reconciliation of fixed assets and leased vehicles in the custody of the Sheriff's Office to the related control accounts was performed.

Recommendation

We recommend that management perform periodic (at least annual) physical inventories of owned and leased capital assets on hand and reconcile the results of the physical inventory to the underlying accounting records, as required by the internally-generated policies of the Sheriff's Office related to assets.

Management's Response

During fiscal year 2020-21 the Gadsden County Sheriff's Office performed a physical inventory of all of its Capital Assets. However, due to an internal change in our lease agreement structure (switching CID Vehicles from Operating leases to Equity Leases) the adjustment was made after the audit process began. Additionally, a change in personnel created a delay in completing our annual inventory.

We acknowledge your recommendation and we will continue to complete annual physical inventory of all capital assets and reconcile them to the fixed assets records in accordance with agency policies.

▪ **2021-02 – Financial Statement Close**

Condition:

Pursuant to Florida Statutes, Section 218.36, each County officer is required to make an annual report of revenues and expenditures within thirty-one days of the close of the fiscal year. While this report was submitted to the County by October 31 as required, the report was based on preliminary estimates. The accounting records of the Sheriff's office were not officially closed and ready for audit until February of 2022.

Recommendation:

We recommend the Sheriff's office continue to evaluate the need to hire additional accounting staff to assist with the monthly and year-end closing process. We further recommend a detailed plan be established, including scheduled completion dates for each step required in the closing process. We also recommend the Sheriff's office implement procedures to ensure that all balance sheet accounts are reconciled within 20 days of month-end

Management's Response

We will continue to streamline our closing process to be completed on a monthly basis. Purvis Gray & Company discussed the financial statement close process with the Finance Director. The Gadsden County Sheriff's Finance Office is currently understaffed and we are seeking funds from the Board to add additional positions. We will continue to make every effort to completely closeout the year and submit yearend reports to the County by October 31 as required.

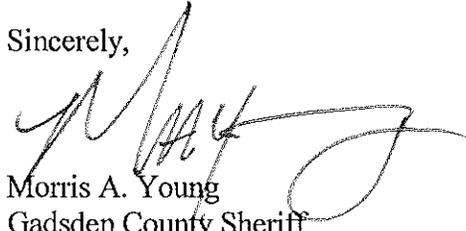
The year-end close process is generally completed by October 31st of each year in order to meet the requirement to remit excess fees to the Board. The financial statement close process is not formally documented but is summarized as follows:

- Reconcile all bank accounts by the 15th (approx.) of each month
- Review September invoices received in October for recording of additional Accounts Payable.
- Call various vendors (including BCC) that bill the GCSO monthly and get an advance copy of invoices.
- Complete grant billings and record related receivables
- Balance Due to/Due from across funds
- Prepare deposit analysis to ensure proper posting and recording of deposits.
- Ensure other fees and Civil Liabilities are paid to BCC.
- Run budget vs. actual reports and compute excess funds Due to BCC.
- Reconcile quarterly 941's to salaries expense per g/l.

The financial statements and note disclosures are prepared by the external auditing firm. These financial statements are reviewed by the Finance Director and the outside consultant for accuracy and agreement with the internal financial statements.

Purvis Gray and Company reviewed the closing procedures described above.

Sincerely,

A handwritten signature in black ink, appearing to read 'MAY', with a large, stylized flourish extending to the right.

Morris A. Young
Gadsden County Sheriff
MAY: kp

2021

Gadsden County Tax Collector

Financial Statements and
Independent Auditor's Report

September 30, 2021

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

**GADSDEN COUNTY TAX COLLECTOR
GADSDEN COUNTY, FLORIDA**

SEPTEMBER 30, 2021

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INDEPENDENT AUDITOR'S REPORT

The Honorable W. Dale Summerford
Gadsden County Tax Collector
Gadsden County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the general fund and the aggregate remaining fund information of the Gadsden County, Florida, Tax Collector (the Tax Collector) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Tax Collector's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Lakeland | Tampa

purvisgray.com

Members of American and Florida Institutes of Certified Public Accountants

An Independent Member of the BDO Alliance USA

The Honorable W. Dale Summerford
Gadsden County Tax Collector
Gadsden County, Florida

INDEPENDENT AUDITOR'S REPORT

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund and the aggregate remaining fund information of the Tax Collector as of September 30, 2021, and the respective changes in financial position thereof, and budgetary comparison for the general fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Incomplete Presentation

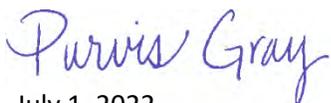
As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* (the Rules) of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position, changes in financial position, and budgetary comparisons of each major fund, and the aggregate remaining fund information, where applicable, only for that portion of the aggregate remaining fund information of Gadsden County, Florida, that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of Gadsden County, Florida, as of September 30, 2021, and the changes in its financial position, budgetary comparisons, or cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Change in Accounting Principle

As described in Note 8 to the financial statements, the Tax Collector adopted Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, as of October 1, 2020 as required. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated July 1, 2022, on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Tax Collector's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tax Collector's internal control over financial reporting and compliance.



July 1, 2022
Tallahassee, Florida

FINANCIAL STATEMENTS

**BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2021
GADSDEN COUNTY TAX COLLECTOR**

Assets

Cash	\$ 65,009
Due from Other Governments	263
Due from Other Funds	5,206
Total Assets	<u><u>70,478</u></u>

Liabilities and Fund Balance

Liabilities

Accounts Payable	2,204
Due to Other Governments	138
Due to Other Funds	3,073
Due to Board of County Commissioners	65,063
Total Liabilities	<u><u>70,478</u></u>

Fund Balance

Total Liabilities and Fund Balance

-
<u><u>\$ 70,478</u></u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - GENERAL FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2021
 GADSDEN COUNTY TAX COLLECTOR**

Revenues	
Charges for Services	\$ 899,587
Miscellaneous	4,644
Total Revenues	<u>904,231</u>
Expenditures	
Current:	
General Government:	
Personnel Services	661,113
Operating	192,265
(Total Expenditures)	<u>(853,378)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>50,853</u>
Other Financing Sources (Uses)	
Transfers in from Board of County Commissioners	14,210
Transfers (out) to Board of County Commissioners	(65,063)
Total Other Financing (Uses)	<u>(50,853)</u>
Net Change in Fund Balance	-
Fund Balance, Beginning of Year	<u>-</u>
Fund Balance, End of Year	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021
GADSDEN COUNTY TAX COLLECTOR**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$ 842,710	\$ 842,710	\$ 899,587	\$ 56,877
Miscellaneous	3,200	3,200	4,644	1,444
Total Revenues	<u>845,910</u>	<u>845,910</u>	<u>904,231</u>	<u>58,321</u>
Expenditures				
Current:				
General Government:				
Personnel Services	655,352	669,562	661,113	8,449
Operating	193,875	193,875	192,265	1,610
(Total Expenditures)	<u>(849,227)</u>	<u>(863,437)</u>	<u>(853,378)</u>	<u>10,059</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,317)</u>	<u>(17,527)</u>	<u>50,853</u>	<u>68,380</u>
Other Financing Sources (Uses)				
Transfers in from Board of County Commissioners	3,317	17,527	14,210	(3,317)
Transfers (out) to Board of County Commissioners	-	-	(65,063)	(65,063)
Total Other Financing Sources (Uses)	<u>3,317</u>	<u>17,527</u>	<u>(50,853)</u>	<u>(68,380)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUND
 SEPTEMBER 30, 2021
 GADSDEN COUNTY TAX COLLECTOR**

	Custodial Fund
Assets	
Cash	\$ 277,556
Due from Individuals	19,684
Due from Other Governments	1,321
Due from Other Funds	3,073
Total Assets	301,634
Liabilities	
Due to Others	1,310
Due to Other Funds	5,206
Due to Other Governments	67,518
Tag Renewal Deposits	21,095
Installment Tax Deposits	202,745
Total Liabilities	297,874
Net Position	
Restricted for:	
Individuals, Organizations, and Other Governments	\$ 3,760

See accompanying notes to financial statements.

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2021
 GADSDEN COUNTY TAX COLLECTOR**

	Custodial Fund
Additions	
Licenses and Tag Fees Collected	\$ 5,783,719
Property Taxes and Fees Collected	27,131,853
Hunting and Fishing Licenses Collected	15,972
Total Additions	32,931,544
 Deductions	
Licenses and Tag Fees Disbursed	5,783,719
Property Taxes and Fees Disbursed	27,130,822
Hunting and Fishing Licenses Disbursed	15,972
Total Deductions	32,930,513
 Change in Net Position	1,031
 Net Position, Beginning	-
Restatement	2,729
Net Position, Beginning, As Restated	2,729
 Net Position, Ending	\$ 3,760

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS GADSDEN COUNTY TAX COLLECTOR

Note 1 - Summary of Significant Accounting Policies

The following is a summary of significant accounting principles and policies used in the preparation of the accompanying financial statements.

Reporting Entity

Gadsden County, Florida (the County) is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the Board) and an appointed County Administrator, as provided by Section 125.73, Florida Statutes. The County Administrator is responsible for the administration of all departments of which the Board has the authority to control pursuant to the general laws of Florida.

The Gadsden County, Florida, Tax Collector (the Tax Collector) is an elected official of the County pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d). The Tax Collector is a part of the primary government of the County. The Florida Department of Revenue approves the Tax Collector's operating budget, the Tax Collector is responsible for the administration and operation of the Tax Collector's office, and the Tax Collector's financial statements do not include the financial statements of the Board or the other Constitutional Officers of the County. There were no component units related to the Tax Collector.

The Tax Collector operates as a Fee Officer. Upon approval of the operating budget, revenues are collected from fees and from commissions earned for the collection of taxes for the County taxing authorities pursuant to Section 192.091(2), Florida Statutes. Any excess revenues received over expenditures made are remitted at year-end to the taxing districts.

For financial reporting purposes, the Tax Collector is deemed to be a part of the primary government of the County and, therefore, is included as such in the County's annual financial report.

Basis of Presentation

The accompanying financial statements include all funds and accounts of the Tax Collector's office but are not intended to be a complete presentation of the County as a whole. Except for this matter, they are otherwise in conformity with accounting principles generally accepted in the United States of America (GAAP). The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(4), *Rules of the Auditor General—Local Governmental Entity Audits*.

The financial transactions of the Tax Collector are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. These funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The Tax Collector reports the following fund types:

■ **Governmental Fund Type**

● **Major Fund**

- ▶ **General Fund**—The General Fund is the general operating fund of the Tax Collector. This fund is used to account for all financial transactions not required to be accounted for in another fund.

NOTES TO FINANCIAL STATEMENTS GADSDEN COUNTY TAX COLLECTOR

■ **Fiduciary Fund Type**

- **Custodial Fund**—The Custodial Fund is used to account for assets held by the Tax Collector as an agent for individuals, private organizations, and/or other governmental units. Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. Activities in this fund include receipts for property taxes, vehicle registrations and sales tax, hunting and fishing licenses, and the related remittances of collected funds.

Fund Balance

The Tax Collector follows the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* to classify fund balances for governmental funds into specifically defined classifications. The classifications comprise a hierarchy based primarily on the extent to which the Tax Collector is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

The fund balance classifications specified in GASB Statement No. 54 are as follows:

Non-Spendable Fund Balance—Non-spendable fund balances are amounts that cannot be spent because they are either: (a) not in spendable form; or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance—Restricted fund balances are restricted when constraints placed on the use of resources are 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 Fund Balance—Committed fund balances are amounts that can only be used for specific purposes as a result of constraints imposed by formal action of the Tax Collector’s highest level of decision-making authority, which is a policy of the Tax Collector. Committed amounts cannot be used for any other purpose unless the Tax Collector removes those constraints by taking the same type of action.

Assigned Fund Balance—Assigned fund balances are amounts that are constrained by the Tax Collector’s intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by: (a) the Tax Collector; or (b) a body or official to which the Tax Collector has delegated the authority to assign amounts to be used for specific purposes.

Unassigned Fund Balance—Unassigned fund balance is the residual classification for the General Fund. The Tax Collector’s policy is to expend resources in the following order: unassigned, restricted, committed, and assigned.

Measurement Focus/Basis of Accounting

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or “financial flow” measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of “available spendable resources” during a period. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements and to the timing of the measurements made, regardless of the measurement focus applied.

NOTES TO FINANCIAL STATEMENTS GADSDEN COUNTY TAX COLLECTOR

All governmental funds are accounted for using the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available to finance expenditures of the current period. The Tax Collector considers revenues to be available if they are collected within thirty days of the end of the current fiscal year. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid. Charges for services and investment revenue are recorded as earned.

The Custodial Fund is accounted for using an economic resource measurement focus and accrual basis of accounting requiring a resource flow statement. Liabilities are recognized when an event occurs that compels the Tax Collector to disburse fiduciary resources, which is when a demand for resources has been made or when no further action, approval or condition is required to be taken or not by the beneficiary to release the assets.

Budgetary Requirement

The revenues and expenditures accounted for in the budgetary fund are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget is approved by the Florida Department of Revenue for the general fund. Budget to actual comparisons are provided in the financial statements for the general fund, where the Tax Collector has legally adopted an annual budget. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year.

Budgets are prepared on the modified accrual basis of accounting.

The Tax Collector's annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year-end.

Capital Assets

Tangible personal property is recorded as expenditures in the general fund at the time an asset is acquired. Assets acquired by the Tax Collector are capitalized at cost in the capital asset accounts of the County. The Tax Collector maintains custodial responsibility for the capital assets used by the office.

The Tax Collector also utilizes certain computer equipment and software for vehicle and boat registrations, driver's license and identification card issuance, and various other services, which belongs to the Florida Department of Highway Safety and Motor Vehicles (DMV) and software licensed to the State of Florida Fish and Wildlife Conservation Commission (FFWCC). The cost of this equipment is not recognized in the statement of net position of the County as title to the equipment is held by DMV and FFWCC.

Accrued Compensated Absences

It is the Tax Collector's policy to grant all full-time employees annual and sick leave. Annual leave can be accumulated, but it is limited to an accumulation of 240 hours at the end of each calendar year. Excess annual leave at December 31 is converted to sick leave. There is no limitation on the accumulation of sick leave. Upon termination of employment, the employee can receive a cash benefit for certain balances of their annual and sick leave based upon the employee's current wage rate. After one year of employment upon termination, annual leave up to the maximum of 240 hours will be paid. After five years of employment upon termination, sick leave up to the maximum of 240 hours will be paid.

NOTES TO FINANCIAL STATEMENTS GADSDEN COUNTY TAX COLLECTOR

The liability for compensated absences is not reported in the Tax Collector's financial statements but is included in the statement of net position in the County-wide financial statements.

Property Tax Collections

Chapter 197, Florida Statutes, governs property tax collections.

- *Current Taxes*—All property taxes become due and payable on November 1, and are delinquent on April 1 of the following year. Discounts of 4%, 3%, 2%, and 1% are allowed for early payment in November through February, respectively.
- *Unpaid Taxes - Sale of Tax Certificates*—The Tax Collector advertises, as required by Florida Statutes, then sells tax certificates on all real property for unpaid taxes. Certificates not purchased are issued to the County. Any person owning real property upon which a tax certificate has been sold may reacquire the real property by paying the Tax Collector the face amount of the tax certificate plus interest and other costs.
- *Tax Deeds*—The owner of a tax certificate may, after two years when the taxes have been delinquent (after April 1), file an application for tax deed sale. The County, as a certificate owner, may exercise similar procedures two years after taxes have been delinquent (after April 1). Tax deeds are issued to the highest bidder for the property, which is sold at public auction. The Clerk of the Circuit Court administers these sales.

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

Excess Revenues

The Tax Collector is considered a fee officer because operations are funded primarily by fees for services. No funds are received from the Board other than applicable fees. In accordance with Florida Statutes, the Tax Collector distributes all general fund revenues in excess of expenditures to the Board and other ad valorem taxing authorities on a pro-rata basis of fees collected, within 31 days following the end of the fiscal year. These excess fees are reported as a liability and as transfers out to the Board or deducted from fees earned for amounts distributed to other governments.

Related Organizations - Service Fees and Common Expenses

The Tax Collector's charges for services included approximately \$440,606 received from the Board as fees for real and tangible property tax collections.

Certain expenses, which are common to the Board and all Constitutional Officers, are reported as expenses of the Board and, therefore, are not budgeted by or allocated to the Tax Collector.

These expenses paid by the Board relating to the Tax Collector's operations are:

- Occupancy Costs
- Janitorial Service
- Utilities (Except Telephone)
- Property and Workers' Compensation Insurance
- Employees' Health and Life Insurance

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY TAX COLLECTOR**

Note 2 - Cash

As of September 30, 2021, the Tax Collector had the following cash on hand and on deposit:

	Carrying Amount
Cash on Hand	\$ 2,310
Deposits in Qualified Public Depositories	340,255
Total Cash	\$ 342,565

Credit Risk

Section 218.415(17), Florida Statutes, stipulates the State-approved investment policy for all governmental entities and includes the following investments:

- The Local Government Surplus Funds Trust Fund, administered by the State Board of Administration.
- Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating from a nationally-recognized rating agency.
- Interest-bearing time deposits or savings accounts in qualified public depositories.
- Direct obligations of the U.S. Treasury.

The Tax Collector has no investment policy that would further limit its investment choices.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the government’s deposits may not be returned to it.

Qualified public depositories of public funds are required to provide collateral each month pursuant to Section 280.04, Florida Statutes. The collateral is held by the Florida Division of Treasury or other custodian with full legal rights maintained by the Florida Division of Treasury to transfer ownership. Any loss not covered by the pledged securities and deposit insurance would be assessed by the Florida Division of Treasury and paid by the other public depositories. The Tax Collector’s deposits are therefore considered fully insured or collateralized. Bank balances at September 30, 2021, were \$437,006.

Tax Collector funds are maintained in an interest-bearing demand deposit account, which is collateralized pursuant to Section 280.04, Florida Statutes.

Note 3 - Risk Management

The Tax Collector is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees and/or the public; or damage to property of others. The Tax Collector participates in the risk management program through the Board, which uses commercial insurance and a public entity risk pool to cover certain risks from loss.

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY TAX COLLECTOR**

The Board obtained commercial insurance against losses for the following types of risk:

- Real and Personal Property Damage
- Public Employees' Bond
- Workers' Compensation
- Automobile Liability

The Board participates in the Florida Association of Counties Trust (FACT), a public entity risk pool for risks related to comprehensive general liability. The agreement provides that the financial liability for each participating county is limited to premiums and surplus contributions paid or obligations made to FACT. Aggregate coverage provided is limited to \$1,000,000 for each claim.

Note 4 - Long-Term Liability for Compensated Absences

The Tax Collector's long-term liability for compensated absences is as follows:

	Balance October 1, 2020	Additions	Retirements	Balance September 30, 2021
Liability for Compensated Absences	\$ 56,774	\$ 19,681	\$ (18,791)	\$ 57,664

Of the \$57,664 liability for accrued compensated absences, management estimates that \$13,408 will be due and payable within one year. The liability is not reported in the financial statements of the Tax Collector since it is not payable from available resources at September 30, 2021. As discussed in Note 1, the liability is reported on the statement of net position in the County-wide financial statements.

Note 5 - Pension and Postemployment Benefits Other Than Pension Benefits

Florida Retirement System (FRS) Pension Benefits

The Tax Collector participates in the FRS to provide benefits to his employees. A detailed plan description and any liability for employees of the Tax Collector are included in the financial statements of the County.

Postemployment Benefits Other than Pensions

The Tax Collector participates in the plan established by the Board to provide other postemployment benefits to retirees of the Board and Constitutional Officers. A detailed plan description and any liability for employees of the Tax Collector are included in the financial statements of the County.

Note 6 - Interfund Receivables and Payables

Interfund receivables and payables at September 30, 2021, are as follows:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 5,206	\$ 3,073
Fiduciary:		
Custodial Fund	3,073	5,206
Totals	\$ 8,279	\$ 8,279

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY TAX COLLECTOR**

Interfund balances primarily comprise fees and bank interest received due from the Custodial Fund to the General Fund and bank service charges in excess of interest earned due from the General Fund to the Custodial Fund.

Note 7 - Operating Leases

In December 2015, the Tax Collector entered into a 60-month operating lease for a Folder/Inserter machine. The lease is billed quarterly in arrears. This lease concluded during the fiscal year ended September 30, 2021. A renewal Folder/Inserter lease was entered into by the Tax Collector in December 2020 with the same company and at the same price and terms as the prior lease (60 months billed quarterly in arrears). This lease concludes during the fiscal year ending September 30, 2024.

In November 2017, the Tax Collector entered into 36-month operating lease agreements for two copiers. Both of these leases are billed monthly in arrears. These lease agreements were set to expire in October 2020 but were concluded early by the lessor during the fiscal year ended September 30, 2020 as a result of a single renewal lease for two upgraded copiers being entered into in September 2020. This lease is for a term of 60 months, is billed monthly in arrears, and concludes during the fiscal year ending September 30, 2025.

In October 2019, the Tax Collector entered into a 60-month operating lease for a letter opener machine. The lease is billed quarterly in arrears. This lease concludes during the fiscal year ending September 30, 2024.

During the fiscal year ended September 30, 2021, the lease payments on all operating leases amounted to \$5,871. The future minimum lease payments are as follows:

Year Ending September 30,	Amount
2022	\$ 5,871
2023	5,871
2024	3,666
2025	2,232
Total	\$ 17,640

Note 8 - Change in Accounting Principle

During the year ended September 30, 2021, the Tax Collector adopted new accounting guidance by implementing the provisions of GASB Statement No. 84, *Fiduciary Activities*, which established criteria for identifying and reporting fiduciary activities. In accordance with GASB Statement No. 84, liabilities in custodial funds are recognized when an event has occurred that compels the government to disburse the resources held in a fiduciary capacity. If further action, authorization, or condition is required to compel the Tax Collector to disburse the funds at year-end, the amounts are reported as net position. GASB Statement No. 84 requires that changes adopted to conform to the provisions of the statement be applied retroactively. The Tax Collector has restated the beginning net position in the statement of fiduciary net position as a result of the change in recognition of liabilities as follows:

Net Position, October 1, 2020, as Previously Reported	\$ -
Change in Accounting Principles	2,729
Net Position Balance, October 1, 2020, as Restated	\$ 2,729

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY TAX COLLECTOR**

Note 9 - Commitments and Contingencies

From time-to-time, the office of the Tax Collector is involved as a defendant in certain litigation and claims arising from the ordinary course of operations. In the opinion of management, the range of potential liabilities will not materially affect the operations of the Tax Collector's office or the combined financial position of the County, which would be required to fund any claim payments.

OTHER REPORTS

**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**

The Honorable W. Dale Summerford
Gadsden County Tax Collector
Gadsden County, Florida

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 the general fund and the aggregate remaining fund information of the Gadsden County, Florida, Tax Collector (the Tax Collector) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements, and have issued our report thereon dated July 1, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Tax Collector's internal control over financial reporting (internal control) as a basis for determining audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Tax Collector's internal control. Accordingly, we do not express an opinion on the effectiveness of the Tax Collector'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Tax Collector's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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The Honorable W. Dale Summerford
Gadsden County Tax Collector
Gadsden County, Florida

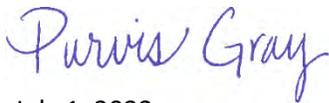
**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tax Collector's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance 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 non-compliance 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 Tax Collector'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 Tax Collector's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



July 1, 2022
Tallahassee, Florida

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Honorable W. Dale Summerford
Gadsden County Tax Collector
Gadsden County, Florida

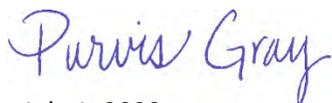
We have examined Gadsden County Tax Collector's (the Tax Collector) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, as of and for the year ended September 30, 2021, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management of the Tax Collector is responsible for the Tax Collector's compliance with the specified requirements. Our responsibility is to express an opinion on the Tax Collector's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Tax Collector complied, in all material respects, with the specified requirements above. An examination involves performing procedures to obtain evidence about whether the Tax Collector complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material non-compliance, 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.

Our examination does not provide a legal determination on the Tax Collector's compliance with specified requirements.

In our opinion, the Tax Collector complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, as of and for the year ended September 30, 2021.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Tax Collector, his management team, and the Board of County Commissioners of Gadsden County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.



July 1, 2022
Tallahassee, Florida

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MANAGEMENT LETTER

The Honorable W. Dale Summerford
Gadsden County Tax Collector
Gadsden County, Florida

Report on the Financial Statements

We have audited the financial statements of the general fund and the aggregate remaining fund information of the Gadsden County, Florida Tax Collector (the Tax Collector), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements, and have issued our report thereon dated July 1, 2022.

Auditor's 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 Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with American Institute of Certified Public Accountants 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 July 1, 2022, 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 annual 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 entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Tax Collector was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Tax Collector.

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The Honorable W. Dale Summerford
Gadsden County Tax Collector
Gadsden County, Florida

MANAGEMENT LETTER

Financial Management

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.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance 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 which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Tax Collector, his management team, and the Board of County Commissioners of Gadsden County, Florida and is not intended to be, and should not be, used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



July 1, 2022
Tallahassee, Florida

2021

Gadsden County Property Appraiser

Financial Statements and
Independent Auditor's Report

September 30, 2021

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR’S REPORT**

**GADSDEN COUNTY PROPERTY APPRAISER
GADSDEN COUNTY, FLORIDA**

SEPTEMBER 30, 2021

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INDEPENDENT AUDITOR'S REPORT

The Honorable Reginald A. Cunningham
Gadsden County Property Appraiser
Gadsden County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the general fund of the Gadsden County, Florida, Property Appraiser (the Property Appraiser) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Property Appraiser's financial statements, as listed in the table of contents.

Management's Responsibility 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. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Property Appraiser's preparation and fair presentation of the financial statements 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 Property Appraiser's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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The Honorable Reginald A. Cunningham
Gadsden County Property Appraiser
Gadsden County, Florida

INDEPENDENT AUDITOR'S REPORT

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund of the Property Appraiser as of September 30, 2021, and the respective changes in financial position and budgetary comparisons for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with *Rules of the Auditor General* of the State of Florida (the Rules). In conformity with the Rules, the accompanying financial statements are intended to present the financial position, changes in financial position, and budgetary comparisons of the general fund, only for that portion of the major funds of Gadsden County, Florida, that is attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Gadsden County, Florida, as of September 30, 2021, the changes in its financial position and budgetary comparisons for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Property Appraiser's internal control over financial reporting and compliance.



June 20, 2022
Tallahassee, Florida

FINANCIAL STATEMENTS

**BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2021
GADSDEN COUNTY PROPERTY APPRAISER**

Assets	
Cash	\$ 25,718
Total Assets	<u>25,718</u>
Liabilities and Fund Balance	
Liabilities	
Accounts Payable	3,535
Accrued Wages Payable	22,183
Total Liabilities	<u>25,718</u>
Fund Balance	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 25,718</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021
GADSDEN COUNTY PROPERTY APPRAISER**

Revenues	
Charges for Services	\$ 35
Miscellaneous	1,356
Total Revenues	<u>1,391</u>
Expenditures	
Current:	
General Government:	
Personnel Services	834,937
Operating	153,927
(Total Expenditures)	<u>(988,864)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(987,473)</u>
Other Financing Sources (Uses)	
Transfers in from Board of County Commissioners	
	1,023,848
Transfers (out) to Board of County Commissioners	
	<u>(36,375)</u>
Total Other Financing Sources (Uses)	<u>987,473</u>
Net Change in Fund Balance	-
Fund Balance, Beginning of Year	<u>-</u>
Fund Balance, End of Year	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021
GADSDEN COUNTY PROPERTY APPRAISER**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$ -	\$ -	\$ 35	\$ 35
Miscellaneous	-	-	1,356	1,356
Total Revenues	<u>-</u>	<u>-</u>	<u>1,391</u>	<u>1,391</u>
Expenditures				
Current:				
General Government:				
Personnel Services	846,951	846,951	834,937	12,014
Operating	163,397	163,397	153,927	9,470
Contingency	13,500	13,500	-	13,500
(Total Expenditures)	<u>(1,023,848)</u>	<u>(1,023,848)</u>	<u>(988,864)</u>	<u>34,984</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,023,848)</u>	<u>(1,023,848)</u>	<u>(987,473)</u>	<u>36,375</u>
Other Financing Sources (Uses)				
Transfers in from Board of County Commissioners	1,023,848	1,023,848	1,023,848	-
Transfers (out) to Board of County Commissioners	-	-	(36,375)	(36,375)
Total Other Financing Sources (Uses)	<u>1,023,848</u>	<u>1,023,848</u>	<u>987,473</u>	<u>(36,375)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY PROPERTY APPRAISER**

Note 1 - Summary of Significant Accounting Policies

The following is a summary of significant accounting principles and policies used in the preparation of the accompanying financial statements.

Reporting Entity

Gadsden County, Florida, (the County) is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the Board) and an appointed County Administrator, as provided by Section 125.73, Florida Statutes. The County Administrator is responsible for the administration of all departments of which the Board has the authority to control pursuant to the general laws of Florida.

The Gadsden County, Florida Property Appraiser (the Property Appraiser) is an elected official of the County pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d). The Property Appraiser is a part of the primary government of the County. The Florida Department of Revenue approves the Property Appraiser's total operating budget, and effective June 2011, the Clerk of Court was responsible for accounting for the Property Appraiser's transactions. The Property Appraiser is responsible for the administration and operation of the Property Appraiser's office, and the Property Appraiser's financial statements do not include the financial statements of the Board or the other Constitutional Officers of the County. There were no component units related to the Property Appraiser.

The operations of the Property Appraiser are funded by the Board and the Northwest Florida Water Management District. The receipts from the Board are recorded as other financing sources on the Property Appraiser's financial statements.

For financial reporting purposes, the Property Appraiser is deemed to be a part of the primary government of the County and, therefore, is included as such in the County's annual financial report.

Basis of Presentation

The accompanying financial statements include all funds and accounts of the Property Appraiser's office but are not a complete presentation of the County as a whole. Except for this matter, they are otherwise in conformity with accounting principles generally accepted in the United States of America (GAAP). The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(4), *Rules of the Auditor General—Local Governmental Entity Audits*.

The financial transactions of the Property Appraiser are recorded in one individual fund. This fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures.

The Property Appraiser reports the following fund type:

■ **Governmental Fund Type**

● **Major Fund**

- ▶ **General Fund**—The General Fund is the general operating fund of the Property Appraiser. It is used to account for all financial resources, except for those required to be accounted for in another fund.

NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY PROPERTY APPRAISER

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements and refers to the timing of the measurements made, regardless of the measurement focus applied.

The modified accrual basis of accounting is followed by the general fund. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period. The Property Appraiser considers revenues to be available if they are collected within thirty days of the end of the current fiscal period. Expenditures are recorded when the liability is incurred, except for accumulated sick and vacation pay, which is not recorded until paid.

Measurement Focus

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. The General Fund is accounted for on a spending or "financial flow" measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. General Fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of "available spendable resources" during a period.

Budgetary Requirement

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget is approved by the Florida Department of Revenue for the general fund. Budget to actual comparisons are provided in the financial statements for the general fund, where the Property Appraiser has legally adopted an annual budget. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year.

Budgets are prepared on the modified accrual basis of accounting.

The Property Appraiser's annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year-end.

Capital Assets

Tangible personal property is recorded as expenditures in the general fund at the time an asset is acquired. Assets acquired by the Property Appraiser are capitalized at cost in the capital asset accounts of the County. The Property Appraiser maintains custodial responsibility for the capital assets used by his office.

Compensated Absences

Permanent full-time employees of the Property Appraiser are entitled to accrue annual leave time. At the time of termination, employees will be compensated for 100% of their accrued annual leave hours.

Sick leave is accumulated at the rate of four hours for each full calendar month of continuous employment during the first year and eight hours during each subsequent year. There is no limit on the amount of sick leave that can be accumulated. At the time of termination, employees will be compensated for 50% of their accrued sick leave hours.

NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY PROPERTY APPRAISER

The liability for compensated absences is not reported in the Property Appraiser's financial statements but is included in the statement of net position in the County-wide financial statements.

Transfers In and Out

The Board funds primarily all the operating budget of the Property Appraiser. The payments by the Board to fund the operations of the Property Appraiser are recorded as transfers in on the financial statements of the Property Appraiser. In accordance with Florida Statutes, the Property Appraiser distributes all General Fund revenues in excess of expenditures to the Board within 31 days following the end of the fiscal year.

Related Organizations - Common Expenses

Certain expenses, which are common to the Board and all Constitutional Officers, are reported as expenses of the Board and, therefore, are not budgeted by or allocated to the Property Appraiser. These expenses paid by the Board relating to the Property Appraiser's operations are:

- Occupancy Costs
- Janitorial Service
- Utilities (Except Telephone)

Note 2 - Cash

As of September 30, 2021, the carrying amount of the Property Appraiser's deposits was \$25,718.

Credit Risk

Section 218.415(17), Florida Statutes, stipulates the State-approved investment policy for all governmental entities and includes the following investments:

- The Florida PRIME (formerly the Local Government Surplus Trust Fund), administered by the State Board of Administration.
- Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating from a nationally-recognized rating agency.
- Interest-bearing time deposits or savings accounts in qualified public depositories.
- Direct obligations of the U.S. Treasury.

The Property Appraiser does not have an investment policy that would further limit its investment choices.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it.

Qualified public depositories of public funds are required to provide collateral each month pursuant to Section 280.04, Florida Statutes. The collateral is held by the Florida Division of Treasury or other custodian with full legal rights maintained by the Florida Division of Treasury to transfer ownership. Any loss not covered by the pledged securities and deposit insurance would be assessed by the Florida Division of Treasury and paid by the other public depositories. The Property Appraiser's deposits are, therefore, considered fully insured or collateralized.

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY PROPERTY APPRAISER**

Note 3 - Risk Management

The Property Appraiser is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees and/or the public; or damage to property of others. The Property Appraiser participates in the risk management program through the Board, which uses commercial insurance and a public entity risk pool to cover certain risks from loss.

The Board obtained commercial insurance against losses for the following types of risk:

- Real and Personal Property Damage
- Public Employees' Bond
- Workers' Compensation
- Automobile Liability

The Board participates in the Florida Association of Counties Trust (FACT), a public entity risk pool for risks related to comprehensive general liability. The agreement provides that the financial liability for each participating county is limited to premiums and surplus contributions paid or obligations made to FACT. Aggregate coverage provided is limited to \$1,000,000 for each claim.

Note 4 - Long-Term Liability for Compensated Absences

The Property Appraiser's long-term liability for compensated absences is as follows:

	Balance October 1, 2020	Additions	Retirements	Balance September 30, 2021
Liability for Compensated Absences	\$ 43,067	\$ 28,605	\$ (40,248)	\$ 31,424

Of the \$31,424 liability for accrued compensated absences, management estimates that \$16,080 will be due and payable within one year. The liability is not reported in the financial statements of the Property Appraiser since it is not payable from available resources at September 30, 2021. As discussed in Note 1, this liability is reported on the statement of net position in the County-wide financial statements.

Note 5 - Pension and Postemployment Benefits Other Than Pension Benefits

Florida Retirement System (FRS) Pension Benefits

The Property Appraiser participates in the Florida Retirement System to provide benefits to his employees. A detailed plan description and any liability for employees of the Property Appraiser is included in the financial statements of the County.

Postemployment Benefits Other than Pensions

The Property Appraiser participates in the plan established by the Board of County Commissioners to provide other postemployment benefits to retirees of the Board and Constitutional Officers. A detailed plan description and any liability for employees of the Property Appraiser is included in the financial statements of the County.

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY PROPERTY APPRAISER**

Note 6 - Operating Leases

In May 2019, the Property Appraiser entered into lease agreements for four vehicles with monthly lease payments of \$337 each for thirty-six months. During fiscal year 2021, lease payments on all vehicles amounted to \$15,826. The remaining lease payments on these vehicles are as follows:

<u>Year Ending September 30,</u>	<u>Payments</u>
2022	\$ 9,428

OTHER REPORTS

**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**

The Honorable Reginald A. Cunningham
Gadsden County Property Appraiser
Gadsden County, Florida

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 the general fund of the Gadsden County, Florida, Property Appraiser (the Property Appraiser) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Property Appraiser's special purpose financial statements, and have issued our report thereon dated June 20, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Property Appraiser's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Property Appraiser's internal control. Accordingly, we do not express an opinion on the effectiveness of the Property Appraiser'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Property Appraiser'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 would not necessarily identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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The Honorable Reginald A. Cunningham
Gadsden County Property Appraiser
Gadsden County, Florida

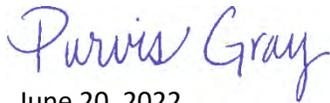
**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Property Appraiser's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance 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 non-compliance 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 Property Appraiser'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 Property Appraiser's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



June 20, 2022
Tallahassee, Florida

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

The Honorable Reginald A. Cunningham
Gadsden County Property Appraiser
Gadsden County, Florida

We have examined Gadsden County Property Appraiser's (the Property Appraiser) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2021, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Property Appraiser's compliance with those requirements. Our responsibility is to express an opinion on the Property Appraiser's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Property Appraiser complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Property Appraiser complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material non-compliance, 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.

Our examination does not provide a legal determination on the Property Appraiser's compliance with specified requirements.

In our opinion, the Property Appraiser complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2021.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Property Appraiser, its management, and the Board of County Commissioners of Gadsden County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.



June 20, 2022
Tallahassee, Florida

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MANAGEMENT LETTER

The Honorable Reginald A. Cunningham
Gadsden County Property Appraiser
Gadsden County, Florida

Report on the Financial Statements

We have audited the financial statements of the general fund of the Gadsden County Property Appraiser (the Property Appraiser) as of and for the fiscal year ended September 30, 2021 and have issued our report thereon dated June 20, 2022.

Auditor's 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 Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with AICPA *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated June 20, 2022, 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 annual 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 entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Property Appraiser was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Property Appraiser.

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The Honorable Reginald A. Cunningham
Gadsden County Property Appraiser
Gadsden County, Florida

MANAGEMENT LETTER

Financial Management

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

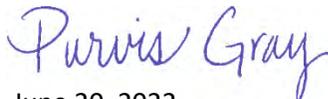
Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance 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 which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Property Appraiser, his management team, and the Board of County Commissioners of Gadsden County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



June 20, 2022
Tallahassee, Florida

2021

Gadsden County Supervisor of Elections

Financial Statements and
Independent Auditor's Report

September 30, 2021

PURVIS GRAY
CERTIFIED PUBLIC ACCOUNTANTS

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

**GADSDEN COUNTY SUPERVISOR OF ELECTIONS
GADSDEN COUNTY, FLORIDA**

SEPTEMBER 30, 2021

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INDEPENDENT AUDITOR'S REPORT

The Honorable Shirley Green Knight
Gadsden County Supervisor of Elections
Gadsden County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the general fund of the Gadsden County, Florida, Supervisor of Elections (the Supervisor of Elections) as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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The Honorable Shirley Green Knight
Gadsden County Supervisor of Elections
Gadsden County, Florida

INDEPENDENT AUDITOR'S REPORT

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund of the Supervisor of Elections as of September 30, 2021, and the respective changes in financial position and budgetary comparison for the general fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida (the Rules). In conformity with the Rules, the accompanying financial statements are intended to present the financial position, changes in financial position, and budgetary comparisons of the general fund, only for that portion of the major funds of Gadsden County, Florida, that is attributable to the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Gadsden County, Florida as of September 30, 2021, and the changes in its financial position and budgetary comparisons for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report on our consideration of the Supervisor of Elections' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Supervisor of Elections' internal control over financial reporting and compliance.



June 20, 2022
Tallahassee, Florida

FINANCIAL STATEMENTS

**BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2021
GADSDEN COUNTY SUPERVISOR OF ELECTIONS**

Assets	
Cash	\$ 13,207
Due from Other Governmental Units	8,520
Total Assets	<u>21,727</u>
Liabilities and Fund Balance	
Liabilities	
Accounts Payable	1,423
Due to Board of County Commissioners	8,520
Accrued Wages and Benefits	11,784
Total Liabilities	<u>21,727</u>
Fund Balance	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 21,727</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - GENERAL FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2021
 GADSDEN COUNTY SUPERVISOR OF ELECTIONS**

Revenues	
Intergovernmental Revenue	\$ 56,413
Total Revenues	<u>56,413</u>
Expenditures	
General Government:	
Personnel Services	503,741
Operating Expenditures	220,554
Capital Outlay	88,955
(Total Expenditures)	<u>(813,250)</u>
Excess (Deficiency) of Expenditures Over (Under) Revenues	<u>(756,837)</u>
Other Financing Sources (Uses)	
Transfers in from Board of County Commissioners	765,204
Transfers (out) to Board of County Commissioners	(8,367)
Total Other Financing Sources (Uses)	<u>756,837</u>
Net Change in Fund Balance	-
Fund Balance, Beginning of Year	<u>-</u>
Fund Balance, End of Year	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021
GADSDEN COUNTY SUPERVISOR OF ELECTIONS**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental Revenues	\$ -	\$ 73,095	\$ 56,413	\$ (16,682)
Total Revenues	<u>-</u>	<u>73,095</u>	<u>56,413</u>	<u>(16,682)</u>
Expenditures				
General Government:				
Personnel Services	441,901	469,666	503,741	(34,075)
Operating Expenditures	273,627	298,829	220,554	78,275
Capital Outlay	21,911	69,804	88,955	(19,151)
(Total Expenditures)	<u>(737,439)</u>	<u>(838,299)</u>	<u>(813,250)</u>	<u>25,049</u>
Excess (Deficiency) of Expenditures Over (Under) Revenues	<u>(737,439)</u>	<u>(765,204)</u>	<u>(756,837)</u>	<u>8,367</u>
Other Financing Sources (Uses)				
Transfers in from Board of County Commissioners	737,439	765,204	765,204	-
Transfers (out) to Board of County Commissioners	<u>-</u>	<u>-</u>	<u>(8,367)</u>	<u>(8,367)</u>
Total Other Financing Sources (Uses)	<u>737,439</u>	<u>765,204</u>	<u>756,837</u>	<u>(8,367)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY SUPERVISOR OF ELECTIONS

Note 1 - Summary of Significant Accounting Policies

The following is a summary of significant accounting principles and policies used in the preparation of the accompanying financial statements.

Reporting Entity

Gadsden County, Florida, (the County) is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the Board) and an appointed County Administrator, as provided by Section 125.73, Florida Statutes. The County Administrator is responsible for the administration of all departments of which the Board has the authority to control pursuant to the general laws of Florida.

The Gadsden County, Florida, Supervisor of Elections (the Supervisor of Elections) is an elected official of the County, pursuant to the *Constitution of the State of Florida*, Article VIII, Section 1(d) and is a part of the primary government of the County. The Board approves the Supervisor of Elections' total operating budget, and the Clerk of Court is responsible for accounting for the Supervisor of Elections' transactions. The Supervisor of Elections is responsible for the administration and operation of the Supervisor of Elections' office, and the Supervisor of Elections' financial statements do not include the financial statements of the Board or the other Constitutional Officers of the County. There were no component units related to the Supervisor of Elections.

The operations of the Supervisor of Elections are funded by the Board. The receipts from the Board are recorded as other financing sources on the Supervisor of Elections' financial statements and as other financing uses on the Board's financial statements.

For financial reporting purposes, the Supervisor of Elections is deemed to be part of the primary government of the County and, therefore, is included as such in the County's annual financial report.

Basis of Presentation

The accompanying financial statements include all funds and accounts of the Supervisor of Elections' office but are not a complete presentation of the County as a whole. Except for this matter, they are otherwise in conformity with accounting principles generally accepted in the United States of America (GAAP). The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(4), *Rules of the Auditor General—Local Governmental Entity Audits*.

The financial transactions of the Supervisor of Elections are recorded in one individual fund. This fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures.

The Supervisor of Elections reports the following fund type:

- **Governmental Fund**
 - **Major Fund**
 - ▶ **General Fund**—The General Fund is the general operating fund of the Supervisor of Elections. It is used to account for all financial resources, except for those required to be accounted for in another fund.

NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY SUPERVISOR OF ELECTIONS

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements and refers to the timing of the measurements made, regardless of the measurement focus applied.

The modified accrual basis of accounting is followed by the general fund. Under the modified accrual basis of accounting, revenues are recognized when they are received in cash or when they become both measurable and available to finance expenditures of the current period. Expenditures are recorded when the liability is incurred and/or will be paid from expendable available financial resources, except for accumulated sick and vacation pay, which are not recorded until paid.

The Supervisor of Elections considers receivables collected within 30 days after year-end to be available and susceptible to accrual as revenues of the current year. The following major revenue is considered susceptible to accrual - intergovernmental revenue.

Measurement Focus

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. The general fund is accounted for on a spending or "financial flow" measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. General fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of "available spendable resources" during a period.

Budgetary Requirement

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget is prepared by the Supervisor of Elections and adopted by the Board for the general fund.

The Supervisor of Elections' annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year-end.

Budget to actual comparisons are provided in the financial statements for the general fund. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year. Budgets are prepared on the modified accrual basis of accounting.

Capital Assets

Tangible personal property is recorded as expenditures in the general fund at the time an asset is acquired. Assets acquired by the Supervisor of Elections are capitalized at cost in the capital asset accounts of the Board. The Supervisor of Elections maintains custodial responsibility for the capital assets used by her office.

NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY SUPERVISOR OF ELECTIONS

Compensated Absences

Permanent full-time employees of the Supervisor of Elections are entitled to accrue unlimited hours of sick leave and 240 hours of vacation time. Upon termination, employees can be paid up to 240 hours of vacation time and up to one-fourth of unused sick time, with the payment of one-fourth of unused sick time being subject to three years of consecutive employment.

The Supervisor of Elections' accrued compensated absences are reported in the statement of net position in the County-wide financial statements.

Transfers In and Out

The Board funds primarily the entire operating budget of the Supervisor of Elections. The payments by the Board to fund the operations of the Supervisor of Elections are recorded as transfers in on the financial statements of the Supervisor of Elections. In accordance with Florida Statutes, the Supervisor of Elections distributes all general fund revenues in excess of expenditures to the Board within 31 days following the end of the fiscal year.

Related Organizations—Common Expenses

Certain expenses, which are common to the Board and all Constitutional Officers, are reported as expenses of the Board and, therefore, are not budgeted by or allocated to the Supervisor of Elections. These expenses paid by the Board relating to the Supervisor of Elections operations are:

- Occupancy Costs
- Janitorial Service
- Utilities (Except Telephone)
- Property Insurance

Note 2 - Cash

As of September 30, 2021, the carrying amount of the Supervisor of Elections' deposits was \$13,207.

Credit Risk

Section 218.415(17), Florida Statutes, stipulates the State-approved investment policy for all governmental entities and includes the following investments:

- The Florida PRIME (formerly the Local Government Surplus Trust Fund), administered by the State Board of Administration.
- Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating from a nationally-recognized rating agency.
- Interest-bearing time deposits or savings accounts in qualified public depositories.
- Direct obligations of the U.S. Treasury.

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY SUPERVISOR OF ELECTIONS**

The Supervisor of Elections does not have an investment policy that would further limit its investment choices.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the government’s deposits may not be returned to it.

Qualified public depositories of public funds are required to provide collateral each month pursuant to Section 280.04, Florida Statutes. The collateral is held by the Florida Division of Treasury or other custodian with full legal rights maintained by the Florida Division of Treasury to transfer ownership. Any loss not covered by the pledged securities and deposit insurance would be assessed by the Florida Division of Treasury and paid by the other public depositories. The Supervisor of Elections’ deposits are therefore considered fully insured or collateralized.

Note 3 - Risk Management

The Supervisor of Elections is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees and/or the public; or damage to property of others. The Supervisor of Elections participates in the risk management program through the Board, which uses commercial insurance and a public entity risk pool to cover certain risks from loss.

The Board obtained commercial insurance against losses for the following types of risk:

- Real and Personal Property Damage
- Public Employees’ Bond
- Workers’ Compensation
- Automobile Liability

The Board participates in the Florida Association of Counties Trust (FACT), a public entity risk pool for risks related to comprehensive general liability. The agreement provides that the financial liability for each participating county is limited to premiums and surplus contributions paid or obligations made to FACT. Aggregate coverage provided is limited to \$1,000,000 for each claim.

Note 4 - Long-Term Liability for Compensated Absences

The Supervisor of Elections’ long-term liability for compensated absences is as follows:

	Balance October 1, 2020	Additions	Retirements	Balance September 30, 2021
Liability for Compensated Absences	\$ 10,503	\$ 21,562	\$ (21,871)	\$ 10,194

Of the \$10,194 liability for accrued compensated absences, management estimates that \$6,853 will be due and payable within one year. The liability is not reported in the financial statements of the Supervisor of Elections since it is not payable from available resources at September 30, 2021. As discussed in Note 1, the liability is reported on the statement of net position in the County-wide financial statements.

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY SUPERVISOR OF ELECTIONS**

Note 5 - Pension and Postemployment Benefits Other Than Pension Benefits

Florida Retirement System (FRS) Pension Benefits

The Supervisor of Elections participates in the Florida Retirement System to provide benefits to her employees. A detailed plan description and any liability for employees of the Supervisor of Elections are included in the financial statements of the County.

Postemployment Benefits Other than Pensions

The Supervisor of Elections participates in the plan established by the Board of County Commissioners to provide other postemployment benefits to retirees of the Board and Constitutional Officers. A detailed plan description and any liability for employees of the Supervisor of Elections is included in the financial statements of the County.

OTHER REPORTS

**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**

The Honorable Shirley Green Knight
Gadsden County Supervisor of Elections
Gadsden County, Florida

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 the general fund of the Gadsden County, Florida, Supervisor of Elections (the Supervisor of Elections) as of and for the fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' basic financial statements, and have issued our report thereon dated June 20, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Supervisor of Elections' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Supervisor of Elections' internal control. Accordingly, we do not express an opinion on the effectiveness of the Supervisor of Elections' 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 Supervisor of Elections' financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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The Honorable Shirley Green Knight
Gadsden County Supervisor of Elections
Gadsden County, Florida

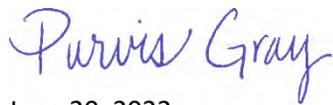
**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Supervisor of Elections' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance 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 non-compliance 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 Supervisor of Elections' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Supervisor of Elections' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



June 20, 2022
Tallahassee, Florida

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415 – INVESTMENT OF PUBLIC FUNDS

The Honorable Shirley Green Knight
Gadsden County Supervisor of Elections
Gadsden County, Florida

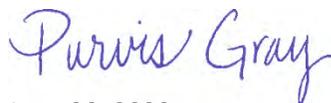
We have examined Gadsden County Supervisor of Elections' (the Supervisor of Elections) compliance with the requirements of Section 218.415, Florida Statutes, as of and for the year ended September 30, 2021, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Supervisor of Elections' compliance with those requirements. Our responsibility is to express an opinion on the Supervisor of Elections' compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Supervisor of Elections complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Supervisor of Elections complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material non-compliance, 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.

Our examination does not provide a legal determination on the Supervisor of Elections' compliance with specified requirements.

In our opinion, the Supervisor of Elections complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2021.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Supervisor of Elections, its management, and the Board of County Commissioners of Gadsden County, Florida and is not intended to be, and should not be, used by anyone other than these specified parties.



June 20, 2022
Tallahassee, Florida

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MANAGEMENT LETTER

The Honorable Shirley Green Knight
Gadsden County Supervisor of Elections
Gadsden County, Florida

Report on the Financial Statements

We have audited the financial statements of the general fund of the Gadsden County Supervisor of Elections (the Supervisor of Elections), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated June 20, 2022.

Auditor's 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 Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated June 20, 2022, 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 annual 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 entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Supervisor of Elections was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Supervisor of Elections.

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The Honorable Shirley Green Knight
Gadsden County Supervisor of Elections
Gadsden County, Florida

MANAGEMENT LETTER

Financial Management

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.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance 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 which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Supervisor of Elections, her management team, and the Board of County Commissioners of Gadsden County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



June 20, 2022
Tallahassee, Florida

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