

GLADES COUNTY, FLORIDA
BASIC FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021



WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

CLAconnect.com

**GLADES COUNTY, FLORIDA
TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 2021**

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)	4
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	14
STATEMENT OF ACTIVITIES	15
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	16
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION	18
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS	19
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES	21
STATEMENT OF NET POSITION – PROPRIETARY FUNDS	22
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS	23
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS	24
STATEMENT OF FIDUCIARY NET POSITION – CUSTODIAL FUNDS	26
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – CUSTODIAL FUNDS	27
NOTES TO FINANCIAL STATEMENTS	28
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)	
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND (NON-GAAP BUDGETARY BASIS)	68
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – TRANSPORTATION TRUST FUND	70
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – STATE HOUSING INITIATIVES PROGRAM (SHIP) FUND	71

**GLADES COUNTY, FLORIDA
TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 2021**

NOTE TO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL	72
SCHEDULE OF CHANGES IN THE COUNTY’S TOTAL OPEB LIABILITY AND RELATED RATIOS	73
SCHEDULE OF COUNTY’S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – FLORIDA RETIREMENT SYSTEM PENSION PLAN	74
SCHEDULE OF COUNTY CONTRIBUTIONS – FLORIDA RETIREMENT SYSTEM PENSION PLAN	75
SCHEDULE OF COUNTY’S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – HEALTH INSURANCE SUBSIDY PENSION PLAN	76
SCHEDULE OF COUNTY CONTRIBUTIONS – HEALTH INSURANCE SUBSIDY PENSION PLAN	77
<i>GOVERNMENT AUDITING STANDARDS AND FEDERAL AND STATE SINGLE AUDIT</i>	
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE	78
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE	80
INDEPENDENT AUDITORS’ REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	81
INDEPENDENT AUDITORS’ REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA	83
SCHEDULE OF FINDINGS AND QUESTIONED COSTS –FEDERAL PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS	85
MANAGEMENT LETTER	89
INDEPENDENT ACCOUNTANTS’ REPORT	93
CORRECTIVE ACTION PLAN	94
SUMMARY STATUS OF PRIOR YEAR FINDINGS	95



INDEPENDENT AUDITORS' REPORT

Honorable Board of County Commissioners
Glades County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Glades 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.

Auditors' 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 auditors' 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Glades County, Florida as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2021 the County adopted GASB Statement No. 84, *Fiduciary Activities*. As a result of the implementation of this standard, the County reported a restatement of beginning fiduciary net position for the change in accounting principle (see Note 16). 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, budgetary comparison information, the schedule of changes in the County's total OPEB liability and related ratios and the schedules of County's proportionate share of net pension liability and the schedules of County contributions on pages 4 - 13, pages 68 – 72, page 73, and pages 74 – 77 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, 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

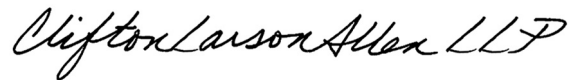
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Chapter 10.550, *Local Governmental Entity Audits*, Rules of the Auditor General of the state of Florida, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Honorable Board of County Commissioners
Glades County, Florida

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2022, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County'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 County's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Fort Myers, Florida
June 24, 2022

GLADES COUNTY, FLORIDA

Management's Discussion and Analysis (Unaudited)

This section of the report presents our discussion and analysis of the County's performance during the fiscal year that ended September 30, 2021. Please read it in conjunction with the County's financial statements, which follow this section.

Financial Highlights

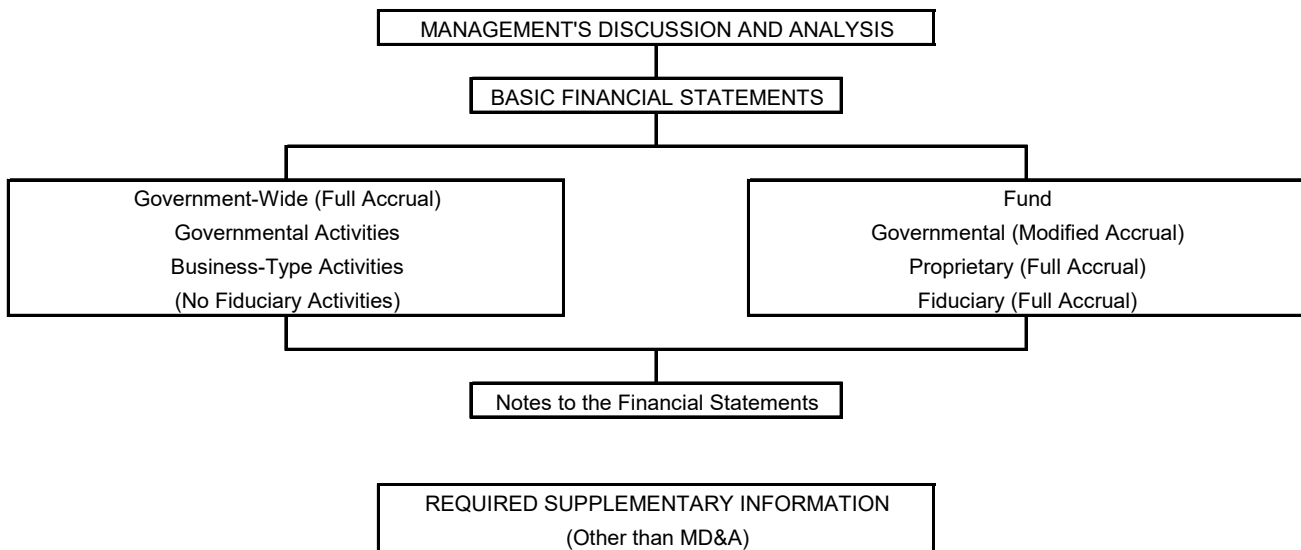
The County's total net position increased by approximately \$2.4 million over the course of this year's operations. The net position of our business-type activities increased by approximately \$351,000 and net position of our governmental activities increased by approximately \$2.0 million.

At the end of the current fiscal year, unassigned fund balance for the general fund was approximately \$7.8 million, or 36.5% of total general fund expenditures.

Overview of the Financial Statements

The financial section of this annual report consists of four parts-management's discussion and analysis (this section), the basic financial statements, notes to the financial statements, and required supplementary information.

Financial Section



GLADES COUNTY, FLORIDA

Management’s Discussion and Analysis (Unaudited)

Major Features of the Basic Financial Statements

	Government-Wide	Fund Financial Statements		
	Financial Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire County government (except fiduciary activities)	Activities of the County that are not proprietary or fiduciary	Activities of the County that are operated similar to private business	Instances in which the County is the trustee or agent for someone else’s resources
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets and long-term liabilities included	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term

Basic Financial Statements

Government-wide financial statements – The focus of the *government-wide financial statements* is on the overall financial position and activities of the County. Reporting is similar to that of a private-sector business. The government-wide financial statements report information about the County as a whole and about its activities in a way that helps answer questions about the financial health of the County and whether the activities of the year contributed positively or negatively to that health.

The County’s government-wide financial statements include the statement of net position and statement of activities. As described below, these statements do not include the County’s fiduciary activities because resources of these funds cannot be used to finance the County’s activities. However, the statement of fiduciary net position is included in the County’s fund financial statements, because the County is financially accountable for those resources, even though they belong to other parties.

- The *Statement of Net Position* presents information on the assets held and liabilities owed by the County, both long term and short term. Assets are reported when acquired by the County and liabilities are reported when they are incurred, regardless of the timing of the related cash flows to acquire these assets or liquidate such liabilities. For example, the County reports buildings and infrastructure as assets, even though they are not available to pay the obligations incurred by the County. On the other hand, the County reports liabilities, such as notes payable or litigation claims, even though these liabilities might not be paid until several years into the future.

GLADES COUNTY, FLORIDA

Management's Discussion and Analysis (Unaudited)

The difference between the County's total assets and total liabilities is *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. Although the purpose of the County is not to accumulate net position in general, as this amount increases it indicates that the financial position of the County is improving over time.

- The *Statement of Activities* presents the revenues and expenses of the County. The items presented on the statement of activities are measured in a manner similar to the approach used in the private sector in that revenues are recognized when earned and expenses are reported when incurred. Accordingly, revenues are reported even when they may not be collected for several months after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period.

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenue (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, physical environment, transportation, culture and recreation, human services, economic environment, and court-related costs. The business-type activities include solid waste.

Fund Financial Statements – Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the County rather than the County as a whole. Except for the general fund, separate funds are established to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Fund – Financial statements consist of a balance sheet and a statement of revenues, expenditures, and changes in fund balances. These statements are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted to cash. For example, amounts reported on the balance sheet include items such as cash and receivables but do not include capital assets such as land and buildings. The fund balance is the difference between a fund's total assets and total liabilities, and generally indicates the amount that can be used to finance the next fiscal year's activities. The operating statement for governmental funds reports only those revenues that were collected during the current period or very shortly after the end of the year. Expenditures generally are recorded when incurred.

GLADES COUNTY, FLORIDA

Management's Discussion and Analysis (Unaudited)

For the most part, the balances and activities accounted for in governmental funds are also reported in the governmental activities columns of the government-wide financial statements. However, because different accounting bases are used to prepare governmental fund financial statements and government-wide financial statements, there are often significant differences between the totals presented. For this reason, there is an analysis after the governmental fund balance sheet that reconciles the total fund balances for all governmental funds to the amount of net position presented in the governmental activities column on the statement of net position. Also, there is an analysis after the statement of revenues, expenditures, and changes in fund balances that reconciles the total change in fund balances for all governmental funds to the change in net position as reported in the governmental activities column in the statement of activities.

Proprietary Fund – Financial statements consist of a statement of net position, statement of revenues, expenses, and changes in fund net position and statement of cash flows. These statements are prepared on an accounting basis that is similar to the basis used to prepare the government-wide financial statements. For financial reporting purposes, proprietary funds are grouped into Enterprise Funds.

The County uses Enterprise Funds to account for business-type activities that charge fees to customers for the use of specific goods or services. These funds are used to report the same functions presented as business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The County presents a separate column for its major enterprise fund, Solid Waste. A statement of cash flows is presented at the fund financial statement level for proprietary funds, but no equivalent statement is presented in the government-wide financial statements for either governmental activities or business-type activities.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. Fiduciary financial statements consist of a statement of fiduciary net position and a statement of changes in fiduciary net position.

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

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning various issues such as a comparison between the County's adopted and final budget and actual financial results for its general fund and major special revenue funds. The County adopts an annual appropriated budget for its governmental funds. A budgetary comparison schedule has been provided for the general fund and major special revenue funds to demonstrate compliance with this budget.

GLADES COUNTY, FLORIDA

Management's Discussion and Analysis (Unaudited)

Government-Wide Financial Analysis

The table below presents a summary of net position as of September 30, 2021 and 2020, derived from the government-wide statement of net position:

	Net Position (in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and Other Assets	\$ 24,983	\$ 23,602	\$ 1,725	\$ 1,538	\$ 26,708	\$ 25,140
Capital Assets	51,457	51,140	348	356	51,805	51,496
Total Assets	<u>76,440</u>	<u>74,742</u>	<u>2,073</u>	<u>1,894</u>	<u>78,513</u>	<u>76,636</u>
Deferred Outflows of Resources	5,004	8,524	8	11	5,012	8,535
Other Liabilities	3,641	2,327	41	36	3,682	2,363
Noncurrent Liabilities Outstanding	10,236	27,968	281	480	10,517	28,448
Total Liabilities	<u>13,877</u>	<u>30,295</u>	<u>322</u>	<u>516</u>	<u>14,199</u>	<u>30,811</u>
Deferred Inflows of Resources	<u>14,112</u>	<u>1,523</u>	<u>22</u>	<u>3</u>	<u>14,134</u>	<u>1,526</u>
Net Position:						
Net Investment in Capital Assets	50,843	50,562	348	356	51,191	50,918
Restricted	12,143	10,772	-	-	12,143	10,772
Unrestricted	<u>(9,531)</u>	<u>(9,886)</u>	<u>1,389</u>	<u>1,030</u>	<u>(8,142)</u>	<u>(8,856)</u>
Total Net Position	<u>\$ 53,455</u>	<u>\$ 51,448</u>	<u>\$ 1,737</u>	<u>\$ 1,386</u>	<u>\$ 55,192</u>	<u>\$ 52,834</u>

Current and other assets for the governmental activities increased \$1.4 million due to a \$2.7 million increase in cash and investments, both restricted and unrestricted. The increases were offset by a \$1.3 million decrease in due from other governments and \$75,000 decrease in accounts receivables. Capital assets increased \$317,000 due to additions to capital assets primarily related to waste water and road projects in progress. Deferred outflows of resources decreased \$3.5 million due to changes in the actuarial valuation and the County's share of pension related deferred outflows of resources. Overall, total liabilities decreased \$16.4 million, which was due to a decrease in the net pension liability of \$18.4 million, offset by an increase in unearned revenue of \$571,000, OPEB liability of \$727,000, due to other governments of \$508,000 and accounts payable and other accrued liabilities of \$237,000. Deferred inflows of resources increased \$12.6 million due to changes in the actuarial valuation and the County's share of pension related deferred inflows of resources.

Current and other assets of the business-type activities increased by approximately \$187,000 due to an increase in cash and investments of \$148,000. Accounts Receivable increased approximately \$23,000 due to the timing of revenue received at year-end.

As noted earlier, net position may serve over time as a useful indication of a government's financial position. At the close of the most recent fiscal year, the County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$55.2 million. The largest portion of the County's net position is net investment in capital assets and is 92.8% of total net position. This category reflects its net investment in capital assets net of any outstanding related debt used to acquire these assets. The County uses these capital assets to provide services to the citizens of the County; consequently this net position is not available for future spending. Although the capital assets are shown net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources.

GLADES COUNTY, FLORIDA

Management’s Discussion and Analysis (Unaudited)

Restricted net position represents 22.0% of total net position. Restricted net position represents resources that are subject to external restrictions on how they can be used. Unrestricted net position represents -14.8% of the total net position. Unrestricted net position represents resources that are available for spending.

The net position increased by approximately \$2.4 million during the fiscal year compared to the decrease of \$24,000 in the prior fiscal year.

The table below presents a summary of changes in net position for the years ended September 30, 2021 and 2020, as derived from the government-wide statement of activities:

	Changes in Net Position (in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charges for Services	\$ 7,595	\$ 8,881	\$ 665	\$ 652	\$ 8,260	\$ 9,533
Operating Grants	2,836	3,610	84	85	2,920	3,695
Capital Grants	1,253	1,818	-	-	1,253	1,818
General Revenues:						
Property Taxes	9,101	8,468	-	-	9,101	8,468
Other Taxes	5,373	5,062	-	-	5,373	5,062
Other Revenues	132	318	6	11	138	329
Total Revenues	<u>26,290</u>	<u>28,157</u>	<u>755</u>	<u>748</u>	<u>27,045</u>	<u>28,905</u>
Expenses:						
General Government	5,616	5,858	-	-	5,616	5,858
Public Safety	14,159	18,248	-	-	14,159	18,248
Physical Environment	530	428	-	-	530	428
Transportation	1,945	2,106	-	-	1,945	2,106
Culture and Recreation	842	394	-	-	842	394
Human Services	348	351	-	-	348	351
Economic Environment	762	796	-	-	762	796
Court-Related Costs	35	147	-	-	35	147
Interest on Long-Term Debt	46	4	-	-	46	4
Solid Waste	-	-	404	597	404	597
Total Expenses	<u>24,283</u>	<u>28,332</u>	<u>404</u>	<u>597</u>	<u>24,687</u>	<u>28,929</u>
Change in Net Position	2,007	(175)	351	151	2,358	(24)
Net Position - Beginning	51,448	51,623	1,386	1,235	52,834	52,858
Net Position - Ending	<u>\$ 53,455</u>	<u>\$ 51,448</u>	<u>\$ 1,737</u>	<u>\$ 1,386</u>	<u>\$ 55,192</u>	<u>\$ 52,834</u>

Over time, increases and decreases in net position measure whether the County’s financial position is improving or deteriorating. During this fiscal year, the net position of the governmental activities increased by approximately \$2.0 million or 3.9% due to current year activities, and the net position of the business-type activities increased by approximately \$351,000 or 25.3%.

GLADES COUNTY, FLORIDA

Management's Discussion and Analysis (Unaudited)

Governmental Activities – Governmental activities increased the County's net position by approximately \$2.0 million, accounting for 85.1% of the total current year increase in net position. Overall revenues decreased \$1.9 million, and expenses decreased \$4.0 million. Key elements of these changes are as follows:

- Charges for services decreased approximately \$1.3 million due to a decrease in charges related to jail operations.
- Operating grants decreased \$774,000 due primarily to federal funds received by the County to assist the County, businesses and residents during the pandemic.
- Capital Grants decreased \$565,000 due to a decrease in the number of active capital grants compared to the previous year.
- Property tax revenues increased approximately \$633,000 due to increases in assessed value.
- Other tax revenue increased approximately \$311,000 due to increases in Amendment One Offset.
- General government expenses decreased approximately \$200,000 as the County returned to more normal operations as the pandemic became more stable.
- Public Safety expenses decreased approximately \$4.1 million due to a decrease in operating expenses as the County returned to more normal operations after combatting the pandemic and a decrease in jail operations.
- Culture and recreation expenses increased approximately \$448,000 due to funding provided to the Glades Youth Livestock to roof the arena.

Business-Type Activities – Business-type activities increased the County's net position by approximately \$351,000. Overall revenues increased \$7,000 and expenses decreased by \$193,000.

Financial Analysis of Glades County, Florida's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

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. In particular, *unassigned fund* balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the County. At end of the current fiscal year, unassigned fund balance of the general fund was \$7.8 million while the total fund balance reached \$11.4 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents 36.5% of total general fund expenditures and 69.0% of the general fund balance.

GLADES COUNTY, FLORIDA

Management's Discussion and Analysis (Unaudited)

The remainder of fund balance is restricted to indicate that it is not available for new spending because it has already been restricted, committed, or assigned for other projects such as cemetery perpetual care and funding capital projects.

The fund balance of the County's general fund increased by approximately \$628,000 during the current fiscal year, reflecting operations during a pandemic subsidized with federal and state funding.

Other major funds showed changes in fund balance as follows:

- Transportation Trust Fund had an increase of approximately \$676,000 due to a decrease in capital related expenditures.
- SHIP Fund had a decrease of approximately \$23,000 resulting primarily from grant funding being expended during the fiscal year.
- Capital Outlay Fund had a decrease of approximately \$48,000 resulting primarily from early payoff of debt on the fire truck.
- MSTU Law Enforcement Fund had an increase of approximately \$45,000 due to an increase in transfer out to other funds.

Proprietary Funds

The Solid Waste Fund showed an approximate \$351,000 increase in net position from the prior year. The increase is due primarily to revenues increased \$7,000 and expenses decreased by \$193,000.

General Fund Budgetary Highlights

Actual revenues were under over by \$1.8 million. Expenditures were under budget by \$4.6 million. Some significant changes were as follows:

- Intergovernmental revenues were over budget by \$1.2 million due to timing of grant related revenues.
- Sales and Miscellaneous Taxes were over budget by \$219,000 due to an increase in revenues from Local Government Half Cent Sales Tax.
- General Government expenditures were under budget by \$4.4 million due to how the County budgets reserves, contingencies and special projects.
- Economic Development expenditures were under budget by \$287,000 due to how the County budgeted for the return of Pandemic Housing dollars, the Tourism Development expenditures being under budget, and a decrease in expenditures related to the Industrial Park and Training Center.
- Public Safety expenditures were under budget by \$315,000 primarily due to staff vacancies.

The comparison between final amended budget and actual was a positive change of approximately \$6.3 million.

GLADES COUNTY, FLORIDA

Management's Discussion and Analysis (Unaudited)

Capital Assets and Debt Administration

Capital Assets

As of September 30, 2021 and 2020, the County had \$51.8 million and \$51.5 million, respectively, invested in a variety of capital assets, as reflected in the following schedule:

	Capital Assets (in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land and Construction in Progress	\$ 5,775	\$ 4,352	\$ 25	\$ 25	\$ 5,800	\$ 4,377
Land Improvements	-	-	574	574	574	574
Infrastructure	59,606	59,552	-	-	59,606	59,552
Building	34,888	33,979	45	45	34,933	34,024
Equipment, Furniture, and Vehicles	12,563	12,944	308	330	12,871	13,274
Software	195	-	-	-	195	-
K-9 Unit	11	11	-	-	11	11
Less: Accumulated Depreciation	(61,581)	(59,698)	(604)	(618)	(62,185)	(60,316)
Total	<u>\$ 51,457</u>	<u>\$ 51,140</u>	<u>\$ 348</u>	<u>\$ 356</u>	<u>\$ 51,805</u>	<u>\$ 51,496</u>

Major capital asset events during the year included:

- Building additions include the remodel of the Health Department, cost approximately \$563,000 and the completion of the Sam Griffin Scenic Overlook, cost approximately \$342,000.
- Equipment and Vehicle additions include the purchase of a new fire truck, live pack monitors, a vehicle for Emergency Management.
- Software additions included the CAMA system, completed during the year and removed from Construction in Progress.
- Construction in Progress of various projects including Firetower Road and Bullhead Road projects (grant funded), Wastewater Treatment project (grant funded), Washington Park infrastructure project (grant funded) and the Veterans Memorial Park.

Additional information on capital assets can be found in the notes to the financial statements.

Debt Administration

As of year-end, the County had outstanding long-term liabilities of \$10.2 million in governmental activities, which is a decrease from the prior year balance and \$281,000 in business-type activities, which is less than the balance in the prior year.

Under Florida statutes, no debt limit margin is placed on local governments.

GLADES COUNTY, FLORIDA

Management's Discussion and Analysis (Unaudited)

The long-term liabilities of the County is summarized below and is more fully explained in the notes to the financial statements:

	Long-Term Liabilities (in thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Note Payable	\$ -	\$ 96	\$ -	\$ -	\$ -	\$ 96
Leases Payable	365	267	-	-	365	267
Net Pension Liability	6,292	24,651	15	35	6,307	24,686
Total OPEB Liability	2,753	2,026	-	-	2,753	2,026
Landfill Closure Obligation	-	-	266	445	266	445
Estimated Liability for Compensated Absences	826	928	-	-	826	928
Total	<u>\$ 10,236</u>	<u>\$ 27,968</u>	<u>\$ 281</u>	<u>\$ 480</u>	<u>\$ 10,517</u>	<u>\$ 28,448</u>

- Notes Payable decreased as the County satisfied its debt obligations related to the purchase of a fire truck.
- Leases Payable increased as a result of a contractual obligation the County entered into for radio equipment for the Sheriff's Office.
- Net Pension Liability decreased based on actuary valuations as of fiscal year-end
- OPEB liabilities increased based on actuary valuations as of fiscal year-end.
- Landfill Closure Obligation decreased based on the updated estimated closure and post-closure care costs of the County landfill.
- Compensated Absences decreased due to the utilization of leave time by employees during the year, partially due to the pandemic.

Economic Factors and Next Year's Budgets and Rates

The Board of County Commissioners has established goals and priorities, which included: a financially sound County government, quality municipal services, and a strong partnership with our stakeholders. These goals were used as a guide to prioritize funding for the fiscal year 2021-2022 budget. The County expenditures have been strategically linked to the goals, objectives, core businesses, and existing obligations of the County. The impact on the budgetary process has been an increase in general operations, infrastructure improvements, and development service related costs.

General economic conditions both globally and in our state will require the County to closely monitor revenue and expenditure trends during current and future years. Interest rates have dropped low, keeping investment earnings down, which have been used to help fund existing programs in past years.

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. If you have questions about this report or need additional information, contact the Chief Deputy Clerk, 500 Avenue J, Moore Haven, Florida 33471, or by calling 893-946-6013.

BASIC FINANCIAL STATEMENTS

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

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and Cash Equivalents	\$ 17,494,832	\$ 1,412,253	\$ 18,907,085	\$ 49,557
Investments	2,930,852	-	2,930,852	-
Restricted Assets:				
Cash and Cash Equivalents	2,076,152	-	2,076,152	-
Investments	284,304	199,657	483,961	-
Accounts Receivable, Net	515,399	89,399	604,798	-
Interest Receivable	1,679	-	1,679	-
Internal Balances	6,500	(6,500)	-	-
Due from Other Governments	1,488,035	29,762	1,517,797	-
Inventories	78,910	-	78,910	-
Prepaid Items	105,550	249	105,799	-
Capital Assets:				
Nondepreciable Capital Assets	5,774,527	25,000	5,799,527	-
Depreciable Capital Assets, Net	45,682,814	322,932	46,005,746	-
Total Assets	<u>76,439,554</u>	<u>2,072,752</u>	<u>78,512,306</u>	<u>49,557</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Amounts Related to Pensions	4,264,513	7,584	4,272,097	-
Deferred Amounts Related to OPEB	739,753	-	739,753	-
Total Deferred Outflows of Resources	<u>5,004,266</u>	<u>7,584</u>	<u>5,011,850</u>	<u>-</u>
LIABILITIES				
Accounts Payable and Accrued Liabilities	1,364,731	40,411	1,405,142	-
Due to Other Governmental Units	670,543	-	670,543	-
Unearned Revenue	1,605,922	-	1,605,922	-
Noncurrent Liabilities:				
Long-Term Liabilities Due Within One Year	678,871	324	679,195	-
Long-Term Liabilities Due in More Than One Year	511,233	266,333	777,566	-
Net Pension Liability	6,292,407	14,735	6,307,142	-
Total OPEB Liability	<u>2,753,015</u>	<u>-</u>	<u>2,753,015</u>	<u>-</u>
Total Liabilities	<u>13,876,722</u>	<u>321,803</u>	<u>14,198,525</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Amounts Related to Pensions	13,803,149	21,987	13,825,136	-
Deferred Amounts Related to OPEB	308,981	-	308,981	-
Total Deferred Inflows of Resources	<u>14,112,130</u>	<u>21,987</u>	<u>14,134,117</u>	<u>-</u>
NET POSITION				
Net Investment in Capital Assets	50,842,751	347,932	51,190,683	-
Restricted for:				
Capital Projects	10,290,568	-	10,290,568	-
Other Uses	1,852,188	-	1,852,188	-
Unrestricted	<u>(9,530,539)</u>	<u>1,388,614</u>	<u>(8,141,925)</u>	<u>49,557</u>
Total Net Position	<u>\$ 53,454,968</u>	<u>\$ 1,736,546</u>	<u>\$ 55,191,514</u>	<u>\$ 49,557</u>

See accompanying Notes to Financial Statements.

**GLADES COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2021**

Functions/Programs	Program Revenues				Net Revenue (Expense) and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Primary Government:								
Governmental Activities:								
General Government	\$ 5,616,453	\$ 906,370	\$ 737,624	\$ -	\$ (3,972,459)	\$ -	\$ (3,972,459)	
Public Safety	7,585,756	330,678	1,624,262	15,300	(5,615,516)	-	(5,615,516)	
Physical Environment	530,036	486,716	77,115	835,491	869,286	-	869,286	
Transportation	1,944,983	3,100	-	402,170	(1,539,713)	-	(1,539,713)	
Culture/Recreation	842,410	13,995	371,610	-	(456,805)	-	(456,805)	
Human Services	348,250	240	25,000	-	(323,010)	-	(323,010)	
Economic Environment	761,731	-	-	-	(761,731)	-	(761,731)	
Court-Related Costs	34,637	158,424	-	-	123,787	-	123,787	
Jail Operations	6,572,959	5,695,353	-	-	(877,606)	-	(877,606)	
Interest on Long-Term Debt	46,405	-	-	-	(46,405)	-	(46,405)	
Total Governmental Activities	24,283,620	7,594,876	2,835,611	1,252,961	(12,600,172)	-	(12,600,172)	
Business-Type Activities:								
Solid Waste	404,469	665,173	84,367	-	-	345,071	345,071	
Total Business-Type Activities	404,469	665,173	84,367	-	-	345,071	345,071	
Total Primary Government	\$ 24,688,089	\$ 8,260,049	\$ 2,919,978	\$ 1,252,961	(12,600,172)	345,071	(12,255,101)	
Component Unit								
Glades Soil and Water Conservation District	\$ 3,516	\$ -	\$ 4,200	\$ -				\$ 684
Total Component Unit	\$ 3,516	\$ -	\$ 4,200	\$ -				684
General Revenues:								
Taxes:								
Property Taxes, Levied for General Purposes					6,949,868	-	6,949,868	-
Property Taxes, Levied for Other Purposes					2,150,647	-	2,150,647	-
Public Service, Sales, and Miscellaneous Taxes					5,373,327	-	5,373,327	-
Investment Earnings					78,844	5,751	84,595	67
Miscellaneous					54,294	-	54,294	-
Total General Revenues					14,606,980	5,751	14,612,731	67
Change in Net Position					2,006,808	350,822	2,357,630	751
Net Position - Beginning					51,448,160	1,385,724	52,833,884	48,806
Net Position - Ending					\$ 53,454,968	\$ 1,736,546	\$ 55,191,514	\$ 49,557

See accompanying Notes to Financial Statements.

**GLADES COUNTY, FLORIDA
BALANCE SHEET – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

ASSETS	General Fund	Transportation Trust	SHIP	Capital Outlay
Cash and Cash Equivalents	\$ 10,370,371	\$ 2,879,490	\$ 879,124	\$ 2,837,551
Restricted Cash and Cash Equivalents	2,072,413	-	-	3,739
Investments	1,160,888	1,642,353	-	127,611
Restricted Investments	284,304	-	-	-
Accounts Receivable, Net	507,692	7,707	-	-
Interest Receivable	1,557	120	-	2
Due from Other Funds	94,879	2,034	-	440,339
Due from Other Governments	445,961	243,847	-	679,511
Inventories	-	78,910	-	-
Prepaid Items	83,895	3,709	-	-
Total Assets	<u>\$ 15,021,960</u>	<u>\$ 4,858,170</u>	<u>\$ 879,124</u>	<u>\$ 4,088,753</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 468,003	\$ 15,730	\$ 3	\$ 337,235
Due to Other Funds	391,495	82,048	891	52,072
Due to Other Governments	670,543	-	-	-
Unearned Revenue	1,542,105	1,845	-	3,619
Other Accrued Expenditures	543,074	-	-	-
Total Liabilities	<u>3,615,220</u>	<u>99,623</u>	<u>894</u>	<u>392,926</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	<u>28,059</u>	<u>10,482</u>	<u>-</u>	<u>359,313</u>
FUND BALANCES				
Nonspendable:				
Prepaid Items	83,895	3,709	-	-
Inventories	-	78,910	-	-
Restricted:				
Capital Projects	561,901	4,665,446	-	3,336,514
Cemetery Perpetual Care	143,673	-	-	-
Law Enforcement	1,356,912	-	-	-
Public Safety	5,647	-	-	-
Economic Development	-	-	878,230	-
Intergovernmental Radio	101,066	-	-	-
Driver's Education	4,263	-	-	-
Tourism Development	113,063	-	-	-
Court Related Functions	-	-	-	-
Enhanced 911	-	-	-	-
Assigned:				
Law Enforcement	462,992	-	-	-
Subsequent Year's Budget	699,193	-	-	-
Unassigned	7,846,076	-	-	-
Total Fund Balances	<u>11,378,681</u>	<u>4,748,065</u>	<u>878,230</u>	<u>3,336,514</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 15,021,960</u>	<u>\$ 4,858,170</u>	<u>\$ 879,124</u>	<u>\$ 4,088,753</u>

See accompanying Notes to Financial Statements.

GLADES COUNTY, FLORIDA
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)
SEPTEMBER 30, 2021

	MSTU Law Enforcement	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 32,834	\$ 495,462	\$ 17,494,832
Restricted Cash and Cash Equivalents	-	-	2,076,152
Investments	-	-	2,930,852
Restricted Investments	-	-	284,304
Accounts Receivable, Net	-	-	515,399
Interest Receivable	-	-	1,679
Due from Other Funds	-	3,334	540,586
Due from Other Governments	-	118,716	1,488,035
Inventories	-	-	78,910
Prepaid Items	-	17,946	105,550
Total Assets	\$ 32,834	\$ 635,458	\$ 25,516,299
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ -	\$ 686	\$ 821,657
Due to Other Funds	-	7,580	534,086
Due to Other Governments	-	-	670,543
Unearned Revenue	55,353	3,000	1,605,922
Other Accrued Expenditures	-	-	543,074
Total Liabilities	55,353	11,266	4,175,282
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	-	96,967	494,821
FUND BALANCES			
Nonspendable:			
Prepaid Items	-	17,946	105,550
Inventories	-	-	78,910
Restricted:			
Capital Projects	-	-	8,563,861
Cemetery Perpetual Care	-	-	143,673
Law Enforcement	-	-	1,356,912
Public Safety	-	217,152	222,799
Economic Development	-	-	878,230
Intergovernmental Radio	-	-	101,066
Driver's Education	-	-	4,263
Tourism Development	-	-	113,063
Court Related Functions	-	196,599	196,599
Enhanced 911	-	95,528	95,528
Assigned:			
Law Enforcement	-	-	462,992
Subsequent Year's Budget	-	-	699,193
Unassigned	(22,519)	-	7,823,557
Total Fund Balances	(22,519)	527,225	20,846,196
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 32,834	\$ 635,458	\$ 25,516,299

See accompanying Notes to Financial Statements.

**GLADES COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

Total Fund Balance - Governmental Funds \$ 20,846,196

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund.

Nondepreciable	\$ 5,774,527	
Depreciable, Net	<u>45,682,814</u>	51,457,341

Deferred outflows of resources are reported as a result of changes in deferred amounts related to pensions in the statement of net position. 4,264,513

Deferred outflows of resources are reported as a result of changes in deferred amounts related to OPEB in the statement of net position. 739,753

Certain revenues will be collected after year-end but are not available to pay for the current period's expenditures and, therefore, are reported as deferred inflows in the funds. 494,821

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund.

Capital Leases Payable	(364,575)	
Compensated Absences	(825,529)	
Net Pension Liability	(6,292,407)	
Total OPEB Liability	<u>(2,753,015)</u>	(10,235,526)

Deferred inflows of resources are reported as a result of changes in deferred amounts related to pensions in the statement of net position. (13,803,149)

Deferred inflows of resources are reported as a result of changes in deferred amounts related to OPEB in the statement of net position. (308,981)

Net Position of Governmental Activities \$ 53,454,968

See accompanying Notes to Financial Statements.

GLADES COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	General Fund	Transportation Trust	SHIP	Capital Outlay
REVENUES				
Ad Valorem Taxes	\$ 6,949,868	\$ 69,408	\$ -	\$ -
Sales and Miscellaneous Taxes	2,094,304	2,363,497	-	846,606
Fees and Fines	73,510	-	-	-
Licenses and Permits	60	3,100	-	-
Intergovernmental	3,291,560	-	350,000	1,400,814
Charges for Services	7,114,558	-	-	15,000
Investment Earnings	46,347	13,215	3,527	10,778
Miscellaneous	53,640	10,302	-	-
Contributions	118,751	-	-	-
Total Revenues	<u>19,742,598</u>	<u>2,459,522</u>	<u>353,527</u>	<u>2,273,198</u>
EXPENDITURES				
Current:				
General Government	4,957,071	-	-	-
Public Safety	6,802,081	-	-	-
Jail Operations	7,150,447	-	-	-
Physical Environment	123,958	-	-	-
Transportation	-	1,520,351	-	-
Human Services	271,282	-	-	-
Culture/Recreation	150,103	166,356	-	450,000
Economic Development	184,835	-	376,503	23,250
Court-Related Costs	43,414	-	-	-
Capital Outlay	1,552,382	41,715	-	1,854,650
Debt Service:				
Principal	192,244	-	-	-
Interest	46,931	-	-	-
Total Expenditures	<u>21,474,748</u>	<u>1,728,422</u>	<u>376,503</u>	<u>2,327,900</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,732,150)	731,100	(22,976)	(54,702)
OTHER FINANCING SOURCES (USES)				
Proceeds from the Disposal of Capital Assets	10,200	-	-	-
Capital Lease Transaction	193,777	-	-	-
Transfers In	2,156,275	-	-	54,355
Transfers Out	-	(54,355)	-	(47,956)
Total Other Financing Sources (Uses)	<u>2,360,252</u>	<u>(54,355)</u>	<u>-</u>	<u>6,399</u>
CHANGE IN FUND BALANCES	628,102	676,745	(22,976)	(48,303)
Fund Balance - Beginning	<u>10,750,579</u>	<u>4,071,320</u>	<u>901,206</u>	<u>3,384,817</u>
FUND BALANCES - ENDING	<u>\$ 11,378,681</u>	<u>\$ 4,748,065</u>	<u>\$ 878,230</u>	<u>\$ 3,336,514</u>

See accompanying Notes to Financial Statements.

GLADES COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2021

	MSTU Law Enforcement	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Ad Valorem Taxes	\$ 2,081,239	\$ -	\$ 9,100,515
Sales and Miscellaneous Taxes	68,921	-	5,373,328
Fees and Fines	-	-	73,510
Licenses and Permits	-	360,745	363,905
Intergovernmental	-	138,601	5,180,975
Charges for Services	-	27,900	7,157,458
Investment Earnings	3,649	1,328	78,844
Miscellaneous	-	176	64,118
Contributions	-	-	118,751
Total Revenues	<u>2,153,809</u>	<u>528,750</u>	<u>27,511,404</u>
EXPENDITURES			
Current:			
General Government	-	33,058	4,990,129
Public Safety	-	145,622	6,947,703
Jail Operations	-	-	7,150,447
Physical Environment	-	309,715	433,673
Transportation	-	-	1,520,351
Human Services	-	-	271,282
Culture/Recreation	-	-	766,459
Economic Development	-	-	584,588
Court-Related Costs	-	-	43,414
Capital Outlay	-	-	3,448,747
Debt Service:			
Principal	-	-	192,244
Interest	-	-	46,931
Total Expenditures	<u>-</u>	<u>488,395</u>	<u>26,395,968</u>
Excess (Deficiency) of Revenues Over Expenditures	2,153,809	40,355	1,115,436
OTHER FINANCING SOURCES (USES)			
Proceeds from the Disposal of Capital Assets	-	-	10,200
Capital Lease Transaction	-	-	193,777
Transfers In	-	-	2,210,630
Transfers Out	(2,108,319)	-	(2,210,630)
Distribution of Excess Fees - Other Governments	-	-	-
Total Other Financing Sources (Uses)	<u>(2,108,319)</u>	<u>-</u>	<u>203,977</u>
CHANGE IN FUND BALANCES	45,490	40,355	1,319,413
Fund Balance - Beginning	<u>(68,009)</u>	<u>486,870</u>	<u>19,526,783</u>
FUND BALANCES - ENDING	<u>\$ (22,519)</u>	<u>\$ 527,225</u>	<u>\$ 20,846,196</u>

See accompanying Notes to Financial Statements.

GLADES COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2021

Net Change in Fund Balance - Governmental Funds		\$ 1,319,413
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital Outlay	\$ 3,448,747	
Depreciation	<u>(3,122,991)</u>	325,756
<p>Net effect of various miscellaneous transaction involving capital assets (i.e., disposals, transfers, donations).</p>		
		(8,610)
<p>Issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.</p>		
Principal Debt Payments	192,244	
Capital Lease Transaction	<u>(193,777)</u>	(1,533)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the fund financial statements.</p>		
		(1,253,336)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds.</p>		
Current Change in Accrued Interest Payable	526	
Current Change in Compensated Absences	<u>102,383</u>	102,909
<p>Net change in the total OPEB liability and the deferred outflows and inflows of resources are reported in the government-wide statements, but not in the governmental fund statements.</p>		
		(313,018)
<p>Net change in the net pension liability and the deferred outflows and inflows of resources are reported in the government-wide statements, but not in the governmental fund statements.</p>		
		<u>1,835,227</u>
Change in Net Position of Governmental Activities		<u><u>\$ 2,006,808</u></u>

See accompanying Notes to Financial Statements.

**GLADES COUNTY, FLORIDA
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
SEPTEMBER 30, 2021**

	<u>Enterprise Fund</u>
	<u>Solid Waste</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
CURRENT ASSETS	
Cash and Cash Equivalents	\$ 1,412,253
Accounts Receivable, Net	89,399
Due from Other Funds	144
Due from Other Governments	29,762
Prepaid Expenses	249
Total Current Assets	1,531,807
NONCURRENT ASSETS	
Restricted Assets:	
Investments	199,657
Capital Assets (Net of Accumulated Depreciation):	
Land	25,000
Land Improvements	574,421
Buildings	45,433
Equipment and Furniture	306,865
Total Capital Assets	951,719
Less: Accumulated Depreciation	(603,787)
Net Capital Assets	347,932
Total Noncurrent Assets	547,589
Total Assets	2,079,396
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Amounts Related to Pensions	7,584
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	
CURRENT LIABILITIES	
Accounts Payable and Accrued Liabilities	40,411
Due to Other Funds	6,644
Compensated Absences	324
Total Current Liabilities	47,379
NONCURRENT LIABILITIES	
Net Pension Liability	14,735
Liability for Landfill Closure	266,333
Total Noncurrent Liabilities	281,068
Total Liabilities	328,447
DEFERRED INFLOWS OF RESOURCES	
Deferred Amounts Related to Pensions	21,987
NET POSITION	
Investment in Capital Assets	347,932
Unrestricted	1,388,614
Total Net Position	\$ 1,736,546

See accompanying Notes to Financial Statements.

**GLADES COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
NET POSITION – PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2021**

	Enterprise Fund
	Solid Waste
OPERATING REVENUES	
Charges for Services	\$ 665,173
Operating Grants and Contributions	84,367
Total Operating Revenues	749,540
OPERATING EXPENSES	
Personal Services	48,521
Contractual Services	301,534
Utilities	7,640
Materials and Supplies	9,039
Repairs and Maintenance	3,897
Miscellaneous	13,467
Depreciation	20,371
Total Operating Expenses	404,469
OPERATING INCOME	345,071
NONOPERATING REVENUES (EXPENSES)	
Interest Income	5,751
Total Nonoperating Revenues (Expenses)	5,751
CHANGE IN NET POSITION	350,822
Total Net Position - Beginning	1,385,724
TOTAL NET POSITION - ENDING	\$ 1,736,546

See accompanying Notes to Financial Statements.

**GLADES COUNTY, FLORIDA
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2021**

	<u>Enterprise Fund</u>
	<u>Solid Waste</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers and Users	\$ 637,712
Cash Received from Grants	68,988
Cash Paid to Other Funds	3,419
Cash Paid to Suppliers	(510,584)
Cash Paid to Employees	(44,778)
Net Cash Provided by Operating Activities	154,757
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of Capital Assets	(12,300)
Net Cash Used by Capital and Related Financing Activities	(12,300)
 CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and Other Income Received	5,751
Purchase of Investments	(310)
Net Cash Provided by Investing Activities	5,441
 NET INCREASE IN CASH AND CASH EQUIVALENTS	147,898
Cash and Cash Equivalents - Beginning of Year	1,264,355
 CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,412,253

See accompanying Notes to Financial Statements.

**GLADES COUNTY, FLORIDA
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2021**

	<u>Enterprise Fund</u>
	<u>Solid Waste</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	\$ 345,071
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	20,371
Changes in Assets and Liabilities:	
(Increase) Decrease in:	
Accounts Receivable	(22,551)
Due from Other Funds	3,419
Due from Other Governments	(15,379)
Prepaid Expenses	51
Deferred Outflows - Pension	3,491
Increase (Decrease) in:	
Accounts Payable and Accrued Liabilities	4,115
Due to Other Funds	(4,910)
Liability for Landfill Closure	(179,173)
Compensated Absences	299
Net Pension Liability	(20,074)
Deferred Inflows - Pension	20,027
Net Cash Provided by Operating Activities	\$ 154,757

See accompanying Notes to Financial Statements.

**GLADES COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION – CUSTODIAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021**

	Custodial Funds
ASSETS	
Cash and Cash Equivalents	\$ 208,047
Other Receivables	3,899
Total Assets	\$ 211,946
LIABILITIES AND FIDUCIARY NET POSITION	
LIABILITIES	
Due to Individuals, Organizations, and Other Governments	\$ 203,351
Total Liabilities	203,351
FIDUCIARY NET POSITION	
Restricted for Individuals, Organizations, and Other Governments	8,595
Total Fiduciary Net Position	\$ 8,595

See accompanying Notes to Financial Statements.

GLADES COUNTY, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – CUSTODIAL FUNDS
SEPTEMBER 30, 2021

	Custodial Funds
ADDITIONS	
Tax Collections for Other Governments	\$ 8,374,078
License and Fee Collections for Other Governments	959,907
Total Additions	9,333,985
DEDUCTIONS	
Payments of Tax to Other Governments	8,373,088
Payments of Licenses and Fees to Other Governments	959,907
Total Deductions	9,332,995
CHANGE IN FIDUCIARY NET POSITION	\$ 990
Total Fiduciary Net Position - Beginning, as Restated	7,605
TOTAL FIDUCIARY NET POSITION - ENDING	<u><u>\$ 8,595</u></u>

See accompanying Notes to Financial Statements.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Glades County, Florida (the County) is a political subdivision of the state of Florida. The County operates as a noncharter government pursuant to Article VIII, Section (1)(f), of the Constitution of the state of Florida and is governed by an elected Board of County Commissioners (the board), a five-member board elected by the County citizenry at large. The County operates under a Commission-Manager form of government with separation of legislative and executive functions. In addition to the members of the Board, there are five elected Constitutional Officers: the Sheriff, Clerk of the Circuit Court, Tax Collector, Property Appraiser, and Supervisor of Elections. The Constitutional Officers maintain separate accounting records and budgets. The board fully funds the operating budget of all the Constitutional Officers with the exception of the Property Appraiser, whose budget is funded on a pro rata basis by all of the governments levying Ad Valorem Taxes in the County.

Accounting principles generally accepted in the United States of America (GAAP) require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in the Governmental Accounting Standards Board Codification, Section 2100, has been considered and there are no agencies or entities other than disclosed in the following paragraph which are required to be included in the County's financial statements.

Discretely Presented Component Unit - The Glades Soil and Water Conservation District (the District) requested and received permission from the state of Florida to be considered a dependent district of Glades County. The District's governing board is elected by the voters of the County. However, the County is financially accountable for the District because the board approves the District's budget and funds its operations.

The Glades Soil and Water Conservation District does not issue separate financial statements.

Basis of Presentation

The financial statements for the County have been prepared in conformity with GAAP as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting principles are described below.

Government-Wide Statements

The government-wide financial statements (i.e., statement of net position and statement of activities) report information on all the nonfiduciary activities of the primary government (the County) and its component units. For the most part, the effect of interfund activity has been removed from these statements.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide Statements (Continued)

Governmental activities, which normally are 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

Fund Financial Statements

Separate financial statements are provided for the County's funds, including governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The emphasis of the fund financial statements is on major governmental and enterprise funds, each of which are displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

General Fund: This is the County's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds:

Transportation Trust Fund: This is used to account for funds received from ad valorem, fuel and gas taxes for the construction and maintenance of roads, bridges, and traffic re-engineering.

State Housing Initiative Program (SHIP) Fund: This fund is used to account for funds related to the State Housing Initiative Program which provides housing assistance to certain citizens of the County. This fund is presented as major for public interest reasons.

MSTU Law Enforcement Fund: This is used to account for funds received from assessed taxes for Glades County Sheriff's office operations.

Capital Projects Fund:

Capital Outlay Fund: This is used to account for capital outlay projects not routine in nature and not considered normal operating expenditures.

The County reports the following major enterprise fund:

Solid Waste Fund: This is used to account for the operation of the County landfill and other solid waste activities.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (Continued)

The County also reports the following fund types:

Custodial Funds: These funds account for taxes and licenses collected on behalf of other tax entities; funds received and disbursed by the Tax Collector and Clerk's offices in a fiduciary capacity; and various other funds and fees received and disbursed in a fiduciary capacity.

Measurement Focus, Basis of Accounting

Government-Wide and Proprietary Fund Financial Statements – The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Those revenues susceptible to accrual are property taxes when levied, franchise taxes, licenses, interest revenue, charges for services, and intergovernmental revenue when eligibility requirements are met. Gross receipts and sales tax are considered "measurable when in the hands of intermediary collecting governments and are recognized as revenue at that time." Fines and permits are not susceptible to accrual because generally they are not recognized until received in cash. 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, claims and judgments, pensions and other postemployment benefits, are recorded only when payment is due.

Proprietary Fund Financial Statements – Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services and grants for general operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary Fund Financial Statements – Custodial funds are used to account for assets held by the County in a fiduciary capacity or as an agent for individuals, private organizations, and other governments. Custodial funds are accounted for using the accrual basis of accounting.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting (Continued)

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Cash Equivalents

The County considers all cash on hand, money market, and all other short-term investments including restricted cash, that are highly liquid as cash equivalents. Highly liquid short-term investments are those readily convertible to a known amount of cash and, at the day of purchase, have a maturity date no longer than three months. The County reports the amortized cost of its deposits with the Florida State Board of Administration Local Government Surplus Funds Trust Fund (Florida Prime) and interest bearing certificates of deposit as investment balances at September 30, 2021.

Encumbrances

Encumbrance accounting, under which purchase orders and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed.

Inventories

Inventories are valued at cost using the first-in/first-out (FIFO) method. The cost of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased.

Restricted Assets

Certain cash balances are classified as restricted assets because their use is completely restricted by grants or other agreements.

Prepaid Items

Prepaid items consist of certain costs which have been paid prior to the end of the fiscal year, but represents items which are applicable to future accounting periods. Reported amounts in governmental funds are classified as nonspendable fund balance, in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Capital Assets

Capital assets, which include land, infrastructure, vehicles, equipment, and buildings acquired or constructed for general governmental purposes, are reported in the applicable governmental activities or business-type activities columns in the government-wide financial statements and in the proprietary fund financial statements. Capital assets are reported at cost or estimated historical cost. Donated assets are capitalized at their estimated acquisition value at the time received. Capital assets are defined by the County as assets with an estimated useful life in excess of one year and an initial individual cost of more than \$5,000.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

Infrastructure assets include roads, underground pipe (other than related to utilities), traffic signals, etc. The County has elected to implement the retrospective reporting of infrastructure assets provision of GASB Statement No. 34. The historical cost on the infrastructure assets is based on replacement cost. All infrastructure assets are recorded, including those acquired before June 30, 1980.

Depreciation is provided on the straight-line basis over the following estimated useful lives:

	<u>Years</u>
Roads and Bridges	20 to 30
Buildings	40 to 50
Improvements Other Than Buildings	5 to 50
Equipment, Furniture, and Vehicles	5 to 10
Software	20

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

In the governmental fund financial statements, capital assets (i.e., capital outlay) are recorded as expenditures and no depreciation expense is reported.

Compensated Absences

It is the County's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick leave, which will be paid upon separation of service. Vacation is accrued as a liability when benefits are earned by the employees, that is, the employees have rendered services that give rise to the vacation liability and it is probable that the County will compensate the employees in some manner, e.g., in cash or in paid time-off, now or upon termination or retirement. The County uses the vesting method in accruing sick leave liability. The vesting method accrues sick leave liability for employees who are currently eligible to receive termination payments upon separation as well as those expected to become eligible in the future. A liability is recognized at the government-wide level and in the enterprise fund financial statements when the benefits are earned by employees.

For governmental funds, reporting a fund liability and expenditures for compensated absences is recognized as payments come due each period upon the occurrence of relevant events, such as employee resignations or retirements.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions

In the government-wide and proprietary funds statements of net position, liabilities are recognized for the County's proportionate share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS) defined benefit plan and the Health Insurance Subsidy (HIS) and additions to/deductions from FRS's and HIS's fiduciary net position have been determined on the same basis as they are reported by the FRS and HIS plans. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds of employee contributions are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources

In addition to assets, the government-wide and proprietary funds statements of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The deferred outflows of resources reported in the County's statement of net position represent the difference between expected and actual economic experience, changes in actuarial assumptions, the net difference between projected and actual earnings on investments, changes in the proportion and differences between the County's contributions and proportionate share of contributions, and the County's contributions subsequent to the measurement date, relating to the County's net pension liability and total OPEB liability. These amounts will be recognized as increases in expense in future years.

In addition to liabilities, the government-wide and proprietary funds statements of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The deferred inflows of resources reported in the County's statement of net position represent the difference between expected and actual economic experience, changes in actuarial assumptions, the net difference between projected and actual earnings on investments, and changes in the proportion and differences between the County's contributions and proportionate share of contributions relating to the County's net pension liability and total OPEB liability. These amounts will be recognized as reductions in expense in future years.

Deferred inflows of resources also include amounts recognized as receivables but not revenues in governmental funds because the revenue recognition criterion (availability) has not been met.

Unearned Revenue

Resources that do not meet revenue recognition requirements (not earned) are recorded as unearned revenue in the financial statements.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balance is reported in five components: nonspendable, restricted, committed, assigned, and unassigned.

Nonspendable – Amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact.

Restricted – Amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, laws or regulations, or imposed by laws through constitutional provisions or enabling legislation.

Committed – Amounts that are constrained for specific purposes imposed by the County's formal action of highest level of decision making authority, the Board of County Commissioners by a formal action (resolution).

Assigned – Includes spendable fund balances intended to be used for specific purposes as determined by the County Manager, but which are neither restricted nor committed.

Unassigned – Represents the residual positive fund balance within the general fund, which has not been assigned to other funds and has not been restricted, committed, or assigned. In funds other than the general fund, unassigned fund balances are limited to negative residual balances.

The County uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available. Additionally, the County would first use committed fund balance, followed by assigned fund balance and then unassigned fund balance, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Net Position

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted. Net investment in capital assets represents capital assets, less accumulated depreciation and outstanding balances of debt that are attributable to the acquisition, construction, or improvements of these assets. Restricted net position is assets which have third-party limitations on its use. The limitations can be externally imposed by creditors, grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Transactions

During the course of normal operations, it is necessary for the County to enter into transactions among its various funds. These transactions consist of the following:

- Reimbursements to a fund, for expenditures or expenses initially made from it that are properly applicable to another fund.
- Transfers in and out, as appropriate, for all other interfund transactions, which are reported as other financing sources (uses).

Postemployment Benefits Other than Pensions (OPEB)

Pursuant to Section 112.0801, Florida Statutes, the County is mandated to permit participation in the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. Retirees pay the blended (active and retiree combined) equivalent premium rates. The blended rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees.

The County currently provides these benefits in accordance with the vesting and retirement requirements for all employees. The County is financing the postemployee benefits on a pay-as-you go basis. As determined by an actuarial valuation, the County records the total OPEB liability in its government-wide financial statements related to the implicit subsidy. Please refer to Note 9 for further information.

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 County Property Appraiser and County Tax Collector, respectively. All property is reassessed according to its fair value on January 1 of each year and each assessment roll is submitted to the State Department of Revenue for review to determine if the assessment rolls meet all of the appropriate requirements of state law. Property taxes are levied in October and are payable November 1, with discounts of 1% to 4% if paid prior to March 1 of the following calendar year. All unpaid taxes on real and personal property become delinquent on April 1 of the following year. Pursuant to Florida law, the Tax Collector advertises and sells tax certificates on all real property for which there are unpaid taxes. Accordingly, there is no property taxes receivable as of September 30, 2021.

The board is permitted by Article 7, Section 9, of the Florida Constitution to levy taxes up to \$10 per \$1,000 of assessed valuation for general governmental services (other than the payment of principal and interest on general obligation long-term debt). In addition, amounts may be levied for the payment of principal and interest on general obligation long-term debt subject to a limitation on the amount of debt outstanding. The tax rate to finance general government services (other than the payment of principal and interest on general obligation long-term debt) for the year ended September 30, 2021 was \$10 per \$1,000.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Standard

During the year ended September 30, 2021, the County implemented GASB Statement No. 84, *Fiduciary Activities*. The goal of the statement is to improve financial reporting by establishing specific criteria for identifying activities that should be reported as fiduciary activities. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of GASB 84 are effective for reporting periods beginning after December 15, 2019. A statement of fiduciary net position and a statement of changes in fiduciary net position are required to be presented for these activities. This Statement describes four fiduciary funds that should be reported: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds (formerly agency funds). The implementation of the pronouncement required the restatement of the September 30, 2020 net position of the custodial funds. For additional information, please see Note 16.

NOTE 2 CASH AND INVESTMENTS

As of September 30, 2021, the County's cash and investments were as follows:

Deposits with Financial Institutions	\$ 21,190,884
Certificates of Deposit	3,202,152
State of Florida Board of Administration Surplus Funds Trust Fund	212,661
Cash on Hand	400
Total	<u><u>\$ 24,606,097</u></u>

The breakdown for financial statement purposes are as follows:

Cash and Cash Equivalents	\$ 18,907,085
Restricted Cash and Cash Equivalents	2,076,152
Investments	2,930,852
Restricted Investments	483,961
Fiduciary Funds Cash and Cash Equivalents	208,047
Total	<u><u>\$ 24,606,097</u></u>

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

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Deposits

The County's policy is to follow Florida Statutes, which authorize the deposit of funds in demand deposits or time deposits of financial institutions approved by the State Treasurer. These are defined as public deposits. Nonnegotiable certificates of deposits totaling \$3,202,152, reported as investments, are deemed deposits under Florida Statutes, Chapter 280. All of the County's deposits are held in qualified public depositories pursuant to Florida Statutes, Chapter 280, *Florida Security of Public Deposits Act*. Under the Act, every qualified public depository shall deposit with the Treasurer eligible collateral equal to or in excess of the required collateral of the depository to be held subject to his or her order. The Treasurer, by rule, shall establish minimum required collateral pledging levels. The pledging level may range from 50% to 125% of the average monthly balance of public deposits, depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral, and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof, and therefore, the District is not exposed to custodial credit risk.

Authorized Investments

The County's policy for investments is to follow Florida Statutes, Section 218.415. The Florida State Board of Administration Local Government Surplus Funds Trust Fund (Florida Prime) is not a registrant with the Securities and Exchange Commission (SEC); however, it meets all of the necessary criteria to elect to measure all of the investments at amortized cost. In accordance with these requirements, the method used to determine the participants' shares sold and redeemed is the amortized cost method. Amortized cost includes accrued income and is a method of calculating an investment's value by adjusting its acquisition cost for the amortization of discount or premium over the period from purchase to maturity. Florida Prime is governed by Chapter 19-7 of the Florida Administrative Code. These rules provide guidance and establish the general operating procedures for the administration of Florida Prime. Additionally, the Office of the Auditor General of the state of Florida performs the operational audit of the activities and investment of Florida Prime.

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

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Information about the sensitivity of the fair values of the County's investments to market interest rate fluctuations of its investments using the segmented time distribution model is as follows:

<u>Investment Type</u>	<u>Amortized Cost</u>	<u>Investment Maturities Less Than One Year</u>
Florida Prime	\$ 212,661	\$ 212,661

Credit Risk

Generally, credit risk is the risk that an insurer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. State law limits investments in commercial paper to the top two ratings used by nationally recognized statistical rating organizations (NRSROs). The County's policy is to limit its investments in commercial paper to the top rating issued by NRSROs. The County's investment in the SBA Florida Prime investment pool was rated AAAM by Standard and Poor's as of September 30, 2021.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County does not have a formal investment policy that limits investments with any one issuer.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The County does not have a formal investment policy that limits investment with any one counterparty.

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

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk (Continued)

In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, Florida PRIME currently meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost. Therefore, the County's participant account balance should also be considered the fair value of its investment and exempt from the GASB Statement No. 72, *Fair Value Measurement and Application*.

With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes, states that "The principal, and any part thereof, of each account constituting the trust fund is subject to payment at any time from the moneys in the trust fund. However, the Executive Director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity for the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time limit set, but in no case may the time limit set by the Trustees exceed 15 days."

With regard to liquidity fees, Florida Statute 218.409(4) provides authority for the SBA to impose penalties for early withdrawal, subject to disclosure in the enrollment materials of the amount and purpose of such fees. At present, no such disclosure has been made.

As of September 30, 2021, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100% of their account value.

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

NOTE 3 CAPITAL ASSETS

The following is a summary of changes in capital assets during the fiscal year ended September 30, 2021:

	Beginning Balance	Increases/ Transfers	Decreases/ Transfers	Ending Balance
<u>Governmental Activities:</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 2,498,059	\$ 32,300	\$ 30	\$ 2,530,329
Construction in Progress	1,854,043	1,584,787	194,632	3,244,198
Total Capital Assets Not Being Depreciated	<u>4,352,102</u>	<u>1,617,087</u>	<u>194,662</u>	<u>5,774,527</u>
Capital Assets Being Depreciated:				
Infrastructure	59,552,570	54,735	-	59,607,305
Buildings	33,979,047	1,001,399	91,965	34,888,481
Equipment, Furniture, and Vehicles	12,943,614	817,976	1,198,712	12,562,878
Software	-	194,632	-	194,632
Livestock	10,500	-	-	10,500
Total Capital Assets Being Depreciated	<u>106,485,731</u>	<u>2,068,742</u>	<u>1,290,677</u>	<u>107,263,796</u>
Less Accumulated Depreciation for:				
Infrastructure	39,796,962	1,493,766	-	41,290,728
Buildings	9,996,077	867,927	91,965	10,772,039
Equipment, Furniture, and Vehicles	9,894,099	753,999	1,147,682	9,500,416
Software	-	7,299	-	7,299
Livestock	10,500	-	-	10,500
Total Accumulated Depreciation	<u>59,697,638</u>	<u>3,122,991</u>	<u>1,239,647</u>	<u>61,580,982</u>
Capital Assets Being Depreciated, Net	<u>46,788,093</u>	<u>(1,054,249)</u>	<u>51,030</u>	<u>45,682,814</u>
Governmental Activities Capital Assets, Net	<u>\$ 51,140,195</u>	<u>\$ 562,838</u>	<u>\$ 245,692</u>	<u>\$ 51,457,341</u>
<u>Business-Type Activities:</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 25,000	\$ -	\$ -	\$ 25,000
Total Capital Assets Not Being Depreciated	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
Capital Assets Being Depreciated:				
Land Improvements	574,421	-	-	574,421
Buildings	45,433	-	-	45,433
Equipment, Furniture, and Vehicles	329,037	12,300	34,472	306,865
Total Capital Assets Being Depreciated	<u>948,891</u>	<u>12,300</u>	<u>34,472</u>	<u>926,719</u>
Less Accumulated Depreciation for:				
Land Improvements	265,982	11,639	-	277,621
Buildings	42,922	556	-	43,478
Equipment, Furniture, and Vehicles	308,984	8,176	34,472	282,688
Total Accumulated Depreciation	<u>617,888</u>	<u>20,371</u>	<u>34,472</u>	<u>603,787</u>
Capital Assets Being Depreciated, Net	<u>331,003</u>	<u>(8,071)</u>	<u>-</u>	<u>322,932</u>
Business-Type Activities Capital Assets, Net	<u>\$ 356,003</u>	<u>\$ (8,071)</u>	<u>\$ -</u>	<u>\$ 347,932</u>

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

NOTE 3 CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to the various governmental and business-type activity functions as follows:

Governmental Activities:

General Government	\$ 850,108
Public Safety	1,326,091
Transportation	472,217
Physical Environment	96,105
Economic Development	178,535
Culture and Recreation	88,274
Human Services	78,744
Court Related Costs	32,917
Total Depreciation Expense, Governmental Activities	\$ 3,122,991

Business-Type Activities:

Solid Waste	\$ 20,371
Total Depreciation Expense, Business-Type Activities	\$ 20,371

NOTE 4 INTERFUND BALANCES AND INTERFUND TRANSFERS

At September 30, 2021, interfund receivables and payables were as follows:

	Interfund Receivable	Interfund Payable
<u>Governmental Funds:</u>		
General	\$ 94,879	\$ 391,495
Transportation Trust	2,034	82,048
SHIP	-	891
Capital Outlay	440,339	52,072
Building Department	-	6,856
Enhanced 911	-	724
Clerk Special Revenue Funds	3,334	-
Total Governmental Funds	540,586	534,086
<u>Enterprise Fund:</u>		
Solid Waste	144	6,644
Total Enterprise Fund	\$ 540,730	\$ 540,730

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

NOTE 4 INTERFUND BALANCES AND INTERFUND TRANSFERS (CONTINUED)

For the year ended September 30, 2021, interfund transfers were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental Activities:</u>		
General	\$ 2,156,275	\$ -
Transportation Trust	-	54,355
Capital Outlay	54,355	47,956
MSTU Law Enforcement	-	2,108,319
Total Governmental Activities	<u>\$ 2,210,630</u>	<u>\$ 2,210,630</u>

The outstanding balances between funds result mainly from the time lag between the dates transactions are recorded in the accounting system and when payments between funds are made.

Transfers are used to move revenues from various funds to finance various programs that the government must account for in other funds in accordance with budgetary or governing authorizations.

NOTE 5 LONG-TERM LIABILITIES

During the year ended September 30, 2021, the following changes occurred in long-term liabilities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<u>Governmental Activities:</u>					
Compensated Absences	\$ 927,912	\$ 977,649	\$ 1,080,032	\$ 825,529	\$ 599,929
Capital Leases	267,482	193,777	96,684	364,575	78,942
Note Payable - Direct Borrowing	95,560	-	95,560	-	-
Total	<u>\$ 1,290,954</u>	<u>\$ 1,171,426</u>	<u>\$ 1,272,276</u>	<u>\$ 1,190,104</u>	<u>\$ 678,871</u>
<u>Business-Type Activities:</u>					
Compensated Absences	\$ 25	\$ 1,510	\$ 1,211	\$ 324	\$ 324
Landfill	445,506	-	179,173	266,333	-
Total	<u>\$ 445,531</u>	<u>\$ 1,510</u>	<u>\$ 180,384</u>	<u>\$ 266,657</u>	<u>\$ 324</u>

The liability for compensated absences is liquidated by the general fund and other governmental funds.

On July 24, 2017, the County entered into an unsecured financing agreement in the amount of \$238,900 with a bank. Interest is being charged at an annual rate of 2.875% and annual payments are due in the amount of \$47,780 plus interest for four years with a final payment of \$49,154 plus interest. The note payable was paid of early during the fiscal year. The total outstanding balance of the note payable at September 30, 2021 is \$-0-.

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

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

The Sheriff entered into a lease agreement for financing the purchase of radio equipment and the Supervisor entered into a lease agreement for voting machines. The lease agreements qualify as capital leases and have been recorded at the present value of the future minimum lease payments as of the inception dates. The future minimum lease obligations and the net present value of the minimum lease payments as of September 30, 2021 are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2022	\$ 122,129
2023	112,129
2024	122,128
2025	54,823
2026	54,823
Thereafter	<u>54,823</u>
Total Minimum Lease Payments	520,855
Less Amount Representing Interest	<u>(156,280)</u>
Total Minimum Lease Payments	<u><u>\$ 364,575</u></u>

The cost and accumulated depreciation of capital assets acquired under the leases are \$533,090 and \$24,308, respectively, as of September 30, 2021.

The principal balance outstanding under these capital lease obligations is recorded as a liability in the basic financial statements of the County (statement of net position). The change in the capital lease obligation is as follows:

Balance, October 1, 2020	\$ 267,482
Proceeds	193,777
Principal Retirements	(96,684)
Balance, September 30, 2021	<u><u>\$ 364,575</u></u>
 Amounts Due Within One Year	 <u><u>\$ 78,942</u></u>

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

NOTE 6 RESTRICTED ASSETS AND RESTRICTED NET POSITION

Restricted cash and investments at September 30, 2021 consisted of the following:

<u>Purpose</u>	General Fund	Capital Outlay	Nonmajor Governmental Funds	Total Governmental Funds	Total Proprietary Funds
Cemetery Perpetual Care	\$ 143,673	\$ -	\$ -	\$ 143,673	\$ -
Buckhead Ridge Utility	319,074	-	-	319,074	-
Law Enforcement Trust	1,281,305	-	-	1,281,305	-
Law Enforcement Other	75,608	-	-	75,608	-
Intergovernmental Radio	101,066	-	-	101,066	-
Driver's Education	4,263	-	-	4,263	-
Tourism Development	113,063	-	-	113,063	-
Cares Act	66,182	-	-	66,182	-
Capital Outlay	4,009	3,739	-	7,748	-
Courtroom Facilities	242,827	-	-	242,827	-
EMS Grant Funds	5,647	-	-	5,647	-
Landfill Closure	-	-	-	-	199,657
Total	<u>\$ 2,356,717</u>	<u>\$ 3,739</u>	<u>\$ -</u>	<u>\$ 2,360,456</u>	<u>\$ 199,657</u>

Restricted net position at September 30, 2021 consisted of the following:

<u>Governmental Activities:</u>	<u>Balance</u>
Transportation Fund	\$ 4,675,928
Capital Projects Fund	3,695,827
Buckhead Ridge Utility	319,074
Law Enforcement Activities	1,356,912
Courtroom Facilities	242,827
Total Capital Projects	<u>10,290,568</u>
<u>Other:</u>	
Public Safety	222,799
Intergovernmental Radio	101,066
Cemetery Perpetual Care	143,673
Driver's Education	4,263
Tourism Development	113,063
SHIP	878,230
Enhanced 911	192,495
Public Record Modernization	112,967
Child Support Services	83,632
Total Other	<u>1,852,188</u>
Total Restricted Net Position	<u>\$ 12,142,756</u>

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

NOTE 7 DEFINED BENEFIT PENSION PLANS

Background

The Florida Retirement System (FRS) was created by 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 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 the 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 the two cost sharing, multiple employer defined benefit plans and other nonintegrated programs. A 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).

The County's pension income totaled \$493,059 for both the FRS Pension Plan and HIS Plan for the year ended September 30, 2021.

Florida Retirement System Pension Plan

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers 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 special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

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

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Plan Description (Continued)

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at eight years of creditable 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 FRS 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. Employees enrolled in the FRS Plan may include up to four years of credit for military service toward creditable service. The FRS 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 FRS 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 FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating 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 FRS 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.

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

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided (Continued)

The following chart shows the percentage value for each year of service credit earned:

<u>Class, Initial Enrollment, and Retirement Age/Years of Service:</u>	Percent Value
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60 %
Retirement up to age 63 or up to 31 years of service	1.63
Retirement up to age 64 or up to 32 years of service	1.65
Retirement up to age 65 or up to 33 years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement up to age 66 or up to 34 years of service	1.63
Retirement up to age 67 or up to 35 years of service	1.65
Retirement up to age 68 or up to 36 years of service	1.68
Elected County Officers	3.00
Senior Management Service Class	2.00
Special Risk Regular	
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%. FRS 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. Effective July 1, 2011, all FRS Plan members (except those in DROP) are required to make 3% employee contributions on a pretax basis. The contribution rates attributable to the County, effective July 1, 2020, were applied to employee salaries as follows: regular employees 8.28%, : regular special risk 22.73%, County elected officials 47.46%, senior management 25.57%, DROP participants 15.32% and retirees initially reemployed on or after July 1, 2010, who are not eligible for retirement coverage 3.56%. The County's contributions to the FRS Plan were \$1,181,656 for the year ended September 30, 2021.

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

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Pension Costs

At September 30, 2021, the County reported a liability of \$2,969,116 for its proportionate share of the FRS 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 proportion of the net pension liability was based on the County's contributions received by FRS during the measurement period for employer payroll paid dates from July 1, 2020, through June 30, 2021, relative to the total employer contributions received from all of FRS's participating employers. At June 30, 2021, the County's proportion was 0.03931%, which was a decrease of 0.00937% from its proportion measured as of June 30, 2020.

For the year ended September 30, 2021, the County recognized pension income of \$702,296 for its proportionate share of FRS's pension expense. In addition, the County reported its proportionate share of FRS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 508,911	\$ -
Changes in Actuarial Assumptions	2,031,617	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	10,358,501
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	689,765	2,984,162
County Contributions Subsequent to the Measurement Date	368,988	-
Total	<u>\$ 3,599,281</u>	<u>\$ 13,342,663</u>

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

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Pension Costs (Continued)

\$368,988 reported as deferred outflows of resources related to pensions resulting from County contributions to the FRS Plan subsequent to the measurement date 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 inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2022	\$ (1,755,511)
2023	(2,029,447)
2024	(2,666,672)
2025	(3,318,011)
2026	(342,729)

Actuarial Assumptions

The total pension liability in the July 1, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40% per Year
Salary Increases	3.25%, Average, Including Inflation
Investment Rate of Return	6.80%

Mortality rates were based on the PUB-2010 base table which varies by member category and sex, projected generationally with Scale MP-2018. The actuarial assumptions used in the July 1, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

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

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Actuarial Assumptions (Continued)

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, as outlined in the FRS Plan's investment policy, and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target	Annual	Compound	Standard
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 (Property)	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
Totals	<u>100.0 %</u>			
Assumed Inflation - Mean			2.4 %	1.2 %

Discount Rate

The discount rate used to measure the total pension liability was 6.80%, which is the same rate as for fiscal year 2020, for the FRS Plan. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension 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 long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Liability Sensitivity

The following presents the County's proportionate share of the net pension liability for the FRS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	1% Decrease	Current Discount Rate	1% Increase in Discount Rate
FRS Plan Discount Rate	5.80%	6.80%	7.80%
Authority's Proportionate Share of the FRS Plan Net Pension Liability	\$ 13,278,087	\$ 2,969,116	\$ (5,648,027)

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

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the FRS Plan's fiduciary's net position is available in a separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report. That report may be obtained through the Florida Department of Management Services website at <http://www.dms.myflorida.com>.

Retiree Health Insurance Subsidy Program

Plan Description

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided

For the fiscal year ended June 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a 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 fiscal year ended June 30, 2021, 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. The County's contributions to the HIS Plan were \$157,067 for the year ended September 30, 2021.

Pension Costs

At September 30, 2021, the County reported a liability of \$3,338,025 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, 2020. Liabilities originally calculated as of the actuarial valuation date are recalculated as of June 30, 2021 using a standard actuarial roll-forward technique. The County's proportion of the net pension liability was based on the County's contributions received during the measurement period for employer payroll paid dates from July 1, 2020, through June 30, 2021, relative to the total employer contributions received from all participating employers

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

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Pension Costs (Continued)

At June 30, 2021, the County's proportion was 0.02721%, which was a decrease of 0.00218% from its proportion measured as of June 30, 2020.

For the year ended September 30, 2021, the County recognized pension expense of \$209,237 for its proportionate share of HIS's pension expense. In addition, the County reported its proportionate share of HIS's deferred outflows of resources and deferred inflows of resources from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$ 111,699	\$ 1,398
Changes in Actuarial Assumptions	262,294	137,535
Net Difference Between Projected and Actual Earnings on HIS Program Investments	3,480	-
Changes in Proportion and Differences Between County Contributions and Proportionate Share of Contributions	258,057	343,540
County Contributions Subsequent to the Measurement Date	37,286	-
Total	<u>\$ 672,816</u>	<u>\$ 482,473</u>

\$37,286 reported as deferred outflows of resources related to pensions resulting from County contributions to the HIS Plan subsequent to the measurement date 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 inflows of resources related to pensions will be recognized as an increase (decrease) in pension expense as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2022	\$ 66,520
2023	39,681
2024	43,470
2025	18,944
2026	(6,499)
Thereafter	(9,059)

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

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Actuarial Assumptions

The total pension liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40% per Year
Salary Increases	3.25%, Average, Including Inflation
Municipal Bond Rate	2.16%

Mortality rates were based on the PUB-2010 base table which varies by member category and sex, projected generationally with Scale MP-2018. The actuarial assumptions used in the July 1, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

Discount Rate

The discount rate used to measure the total pension liability changed from 2.21% to 2.16% for the HIS Plan. 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.

Pension Liability Sensitivity

The following presents the County's proportionate share of the net pension liability for the HIS Plan, calculated using the discount rate disclosed in the preceding paragraph, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	1% Decrease	Current Discount Rate	1% Increase in Discount Rate
HIS Plan Discount Rate	1.16%	2.16%	3.16%
Authority's Proportionate Share of the HIS Plan Net Pension Liability	\$ 3,859,082	\$ 3,338,026	\$ 2,911,138

Pension Plan Fiduciary Net Position

Detailed information about the HIS Plan's fiduciary's net position is available in a separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report. That report may be obtained through the Florida Department of Management Services website at <http://www.dms.myflorida.com>.

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

NOTE 7 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Summary

	<u>FRS Plan</u>	<u>HIS Plan</u>	<u>Total</u>
Net Pension Liability	\$ 2,969,116	\$ 3,338,026	\$ 6,307,142
Deferred Outflows of Resources Related to Pensions	3,599,281	672,816	4,272,097
Deferred Inflows of Resources Related to Pensions	13,342,663	482,473	13,825,136
Pension Expense (Income)	(702,296)	209,237	(493,059)

NOTE 8 DEFINED CONTRIBUTION PLAN

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report.

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 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. Costs of administering the plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

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. Nonvested 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. For the fiscal year ended June 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.

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

NOTE 8 DEFINED CONTRIBUTION PLAN (CONTINUED)

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 \$539,097 for the year ended September 30, 2021.

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description Funding Policy

The County provides postretirement health care benefits in a single employer defined benefit plan in accordance with Section 112.0801, Florida Statutes, to all eligible employees who retire from the County. The employee's contribution is the full amount of the annual premium. Expenditures for postemployment health care benefits are recognized as premiums are paid.

The plan is currently being funded on a pay as you go basis. A trust fund has not been established for the plan, and there are no assets accumulated in a trust for payment of benefits.

The plan does not issue stand-alone financial statements.

Healthcare Plan

The County participates in the Public Risk Management of Florida Group Health Trust (Health Trust), a quasi-governmental agency created by interlocal agreement, as authorized by Florida Statute 163. The County and other participating members pool their resources so as to provide employee health insurance coverage. Retirees participating in the group insurance plan offered by the County are required to contribute 100% of the active premiums. In future years, contributions are assumed to increase at the same rate as premiums.

The Sheriff participates in the Florida Sheriff's Employee Benefits Trust (FSEBT). The Sheriff and other participating members pool their resources so as to provide employee health insurance coverage. Retirees participating in the group insurance plans offered by the Sheriff are required to contribute 100% of the active premiums. In future years, contributions are assumed to increase at the same rate as premiums. The plan does not issue separate stand-alone financial statements.

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

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Dental and Life Insurance Plan

The Sheriff purchases commercial insurance for dental, and life insurance for Sheriff employees. Eligible employees can participate in these plans at the group rate. The Sheriff provides eligible sworn personnel with \$20,000 of group term life insurance and accidental death and dismemberment insurance (AD&D); civil personnel have \$10,000 Life/AD&D. Retirees continue to receive the group term life insurance with a benefit of \$5,000 without AD&D.

Participant Data

As of September 30, 2021, the following employees were covered by the benefit terms:

	Valuation Date 09/30/2019
Inactive Plan Members, or Beneficiaries Currently Receiving Benefits	3
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	-
Active Plan Members	224
Total Employees	227

Total OPEB Liability

The County's total OPEB liability of \$2,753,015 was measured as of September 30, 2020 and was determined by an actuarial valuation as of September 30, 2019 updated to September 30, 2020. The following table shows the changes in the County's total OPEB liability for the year ended September 30, 2021.

	Total OPEB Liability
Balance, as of October 1, 2020	\$ 2,026,133
Changes:	
Service cost	248,868
Interest	80,375
Changes of assumptions	457,963
Benefit payments	(60,324)
Net Change	726,882
Balance, as of September 30, 2021	\$ 2,753,015

OPEB Liability Discount Rate Sensitivity

The following presents the County's total OPEB liability, as well as what the County's total OPEB liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	1% Decrease	Current	1% Increase in
Discount Rate	1.14%	2.14%	3.14%
Total OPEB Liability	\$ 3,137,016	\$ 2,753,015	\$ 2,424,292

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

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

OPEB Liability Healthcare Rate Sensitivity

The following presents the County's total OPEB liability, as well as what the County's total OPEB liability would be if it were calculated using a healthcare trend rate one percentage point lower or one percentage point higher than the current healthcare trend rate:

<u>Description</u>	<u>1% Decrease</u>	<u>Current Trend</u>	<u>1% Increase in</u>
Healthcare Trend Rate	3.00% - 6.50%	4.00% - 7.50%	5.00% - 8.50%
Total OPEB Liability	\$ 2,321,797	\$ 2,753,015	\$ 3,287,589

Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended September 30, 2021, the County's OPEB expense was \$381,866. In addition, the County reported deferred outflows and inflows of resources from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net Difference Between Projected and Actual Experience	\$ -	\$ 185,146
Change in Assumptions	670,905	123,835
Benefit Payments Subsequent to the Measurement Date	68,848	-
Total	<u>\$ 739,753</u>	<u>\$ 308,981</u>

\$68,848 reported as deferred outflows of resources related to OPEB resulting from County implicit contributions to the OPEB Plan subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized as an increase (decrease) in OPEB expense as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2022	\$ 43,873
2023	43,873
2024	43,873
2025	43,873
2026	57,762
Thereafter	128,670

Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Methods and Assumptions (Continued)

Calculations for financial reporting purposes are based on the benefits provided under terms of the plan as understood by the employer and the plan members in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The actuarial method is:

Actuarial cost method	Entry Age Cost Method (Level Percentage of Pay)
-----------------------	---

The actuarial assumptions are:

Discount rate	2.14%. Based on the September 30, 2020 S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices.
---------------	--

Healthcare cost trend rate	Initial rate of 7.50% in fiscal 2020, then 7.00% in fiscal 2021, grading down to the ultimate trend rate of 4.00% in fiscal 2075.
----------------------------	---

Healthcare participation rate	20% participation assumed pre-65, with 50% electing spouse coverage. 0% participation assumed post-65.
-------------------------------	--

Expected return on plan assets	N/A
--------------------------------	-----

Inflation rate	2.50%
----------------	-------

Salary rate increases	3.00%
-----------------------	-------

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

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Methods and Assumptions (Continued)

Retirement Rates

Tier 1

Regular class

100% are assumed to retire at age 62 and 6 years of service or upon completion of 30 years of service, regardless of age. Service-incurred disabled employees retire immediately, while non-duty related disabled employees retire upon completion of at least 8 years of service.

Special risk class

100% are assumed to retire at age 55 and 6 years of service or upon completion of 25 years of special risk service, regardless of age. Service-incurred disabled employees retire immediately, while nonduty related disabled employees retire upon completion of at least 8 years of service.

Tier 2

Regular class

100% are assumed to retire at age 65 and 8 years of service or upon completion of 33 years of service, regardless of age. Service-incurred disabled employees retire immediately, while non-duty related disabled employees retire upon completion of at least 8 years of service.

Special risk class

100% are assumed to retire at age 60 and 8 years of service or upon completion of 30 years of special risk service, regardless of age. Service-incurred disabled employees retire immediately, while nonduty related disabled employees retire upon completion of at least 8 years of service.

Early Retirement Rates

Tier 1

Regular class

Members may retire early at age 43 and 6 years of service. Members are assumed to retire early at the rates shown below:

Age	Rate
43-54	5%
55	10%
56	10%
57	15%
58	15%
59	15%
60	20%
61	20%
62	100%

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

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Methods and Assumptions (Continued)

Special risk class

Members may retire early at age 36 and 6 years of service. Members are assumed to retire early at the rates shown below:

Age	Rate
36-49	5%
50	10%
51	10%
52	15%
53	15%
54	20%
55	100%

Tier 2

Regular class

Members may retire early at age 43 and 8 years of service. Members are assumed to retire early at the rates shown below:

Age	Rate
43-54	5%
55	10%
56	10%
57	15%
58	15%
59	15%
60-64	20%
65	100%

Special risk class

Members may retire early at age 36 and 8 years of service. Members are assumed to retire early at the rates shown below:

Age	Rate
36-49	5%
50	10%
51	10%
52	15%
53	15%
54-59	20%
60	100%

Disability

None applied.

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

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Methods and Assumptions (Continued)

Mortality rate

Regular class

Healthy Active Lives:

Female: RP2000 Generational, 100% Combined
Healthy White Collar, Scale BB

Male: RP2000 Generational, 50% Combined
Healthy White Collar / 50% Combined Healthy
Blue Collar, Scale BB

Healthy Inactive Lives:

Female: RP2000 Generational, 100% Annuitant
White Collar, Scale BB

Male: RP2000 Generational, 50% Annuitant
White Collar / 50% Annuitant Blue Collar, Scale
BB

Disabled Lives:

Female: 100% RP2000 Disabled Female set
forward two years

Male: 100% RP2000 Disabled Male setback four
years

Special risk class

Healthy Active Lives:

Female: RP2000 Generational, 100% Combined
Healthy White Collar, Scale BB

Male: RP2000 Generational, 10% Combined
Healthy White Collar / 90% Combined Healthy
Blue Collar, Scale BB

Healthy Inactive Lives:

Female: RP2000 Generational, 100% Annuitant
White Collar, Scale BB

Male: RP2000 Generational, 10% Annuitant
White Collar / 90% Annuitant Blue Collar, Scale
BB

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

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Methods and Assumptions (Continued)

Special risk class (continued)

Disabled Lives:

Female: 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale

Male: 60% RP2000 Disabled Male setback four years / 40% Annuitant White Collar with no setback, no projection scale

Mortality rates were based on the RP-2000 mortality tables. All mortality rates are those outlined in Milliman's July 1, 2018 Florida Retirement System (FRS) valuation report.

The following change was recognized during the fiscal year:

The discount rate was changed from 3.58% to 2.14% based on the September 30, 2020 S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices.

NOTE 10 LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

State and federal laws and regulations require the County to place a final cover on its Ortona landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as operating expense in each period based on landfill capacity used at each financial statement date.

During fiscal year 2009 the County permanently capped the Fill Area 1 of the landfill. At September 30, 2021, the County estimates that the post-closure care cost of maintaining Fill Area 1 of the landfill in accordance with existing regulations will be \$266,333. The County has accrued this amount as a long-term liability based on amortizing the total estimated cost over the operational life of Fill Area 1. Instead of continuing to use the remaining cells of the landfill, the County established a transfer station and an agreement with a waste hauling company to remove the waste.

The County is required by state and federal laws and regulations to make annual contributions to a landfill management escrow account to finance the closure and post-closure care costs described above. At September 30, 2021, investments of \$199,657 are held for these purposes.

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

NOTE 11 RISK MANAGEMENT

The County is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; and natural disasters.

Employee Benefits Group

The County participates in the Public Risk Management of Florida Group Health Trust (Health Trust), a quasi-governmental agency created by interlocal agreement, as authorized by Florida Statute 163. The County and other participating members pool their resources so as to provide employee health insurance coverage. A loss fund is established to pay a self-insured retention amount of \$100,000 per person. Any claims in excess of this limit are paid by aggregate excess or stop loss insurance. Any liability related to such claims is reported in the government-wide financial statements. The governmental fund financial statements report only those expenditures as payments are due.

Property and Casualty Group

The County participates in Public Risk Management of Florida (PRM), a quasi-governmental agency created by an interlocal agreement, as authorized by Florida Statute 163. The County and other participating members pool their resources so as to provide a comprehensive risk management program. A loss fund is established to pay the self-insured retention amounts. Self-insured per occurrence limits are \$200,000 for property and liabilities claims, \$650,000 for workers' compensation, and \$25,000 for crime-related claims. Any claims in excess of these established limits are paid by aggregate excess or stop loss insurance. The County is also covered by Florida Statutes under the Doctrine of Sovereign Immunity, which effectively limits the amount of liability of governmental agencies to individual claims of \$100,000/\$200,000 for all claims relating to the same incident. Any liability related to such claims is reported in the government-wide financial statements. The governmental fund financial statements report only those expenditures as payments are due.

PRM assesses each member its pro rata share of the estimated amount required to meet current year losses and operating expenses. If total member assessments (premiums) do not produce sufficient funds to meet its obligations, PRM can make additional limited assessments. Losses, if any, in excess of PRM's ability to assess its members would revert back to the member that incurred the loss. PRM requires a one-year advance notice for nonrenewal.

The County currently reports all of its risk management activities in the general fund. Claims expenditures and liabilities are reported in the government-wide financial statements when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claims expenditures are reported in the governmental fund financial statements as payments are due. The amount of settlements has not exceeded insurance coverage in the past three years.

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

NOTE 11 RISK MANAGEMENT (CONTINUED)

Property and Casualty Group (Continued)

The Sheriff's coverage for general liability, workers' compensation, and comprehensive crime loss is covered through a comprehensive property and liability risk management program, the Florida Sheriff's Self-Insurance Fund. The program is a self-insurance program whereby the Sheriff makes annual contributions along with other members of the program. The Sheriff is subject to a special assessment in the event of a deficiency, except to the extent that the deficiency results from a specific claim against a member in excess of the reinsurance available, such deficiency is solely the responsibility of that member. The Sheriff is covered by Florida Statutes under the Doctrine of Sovereign Immunity, which generally limits the amount of the liability of the Sheriff to individual claims of \$100,000 or \$200,000 for all claims relating to the same incident.

Litigation

The County is currently the defendant in a number of litigation issues and claims that arise in the normal course of operations. County management has indicated that they intend to vigorously defend such matters, the ultimate outcome of which, in the opinion of management and legal counsel, will not have a material adverse effect on the financial condition of the County.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, might constitute a liability of the applicable funds. It is management's opinion that there are no significant contingent liabilities relating to these grants.

Glades Correctional Development Corporation

The Sheriff entered into an agreement with Glades Correctional Development Corporation (GCDC) to manage, operate, and maintain the GCDC prison facility. The facility is a 440-bed prison located in Moore Haven, Florida. The agreement is effective through September 30, 2030. For the year ended September 30, 2021, the Sheriff received \$5,195,353 from GCDC, which was used to fund payroll expenditures related to the operation of the GCDC facility and a negotiated management fee in the amount of \$500,000. The management fee is based on an annual budget submitted and mutually agreed upon by GCDC and the Sheriff and was paid in 12 equal payments during the fiscal year.

In 2006, the County transferred a parcel of land valued at \$550,000 to GCDC on which the prison facility was constructed. GCDC issued First Mortgage Revenue Bonds, Series 2006 in the amount of \$33,000,000 on March 14, 2006 to fund the construction of the prison facility. When all the Bonds are discharged, GCDC will transfer fee simple title of the facility and land to the County. GCDC has executed a deed of the facility and land to the County which is being held by a trustee in escrow and will be delivered to the County after all the Bonds are paid. The County has the right and option to defease or redeem the bonds prior to their maturity date and take title to the project at such time. The bonds are payable solely from rents and other revenues generated from the operations of the prison facility, and neither the County nor the Sheriff is liable for this debt.

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

NOTE 12 DEFICIT FUND BALANCE

The following had a net fund balance deficit as of September 30, 2021:

MSTU Law Enforcement	\$(22,519)
----------------------	------------

The County intends to resolve the deficit balance through collection of ad valorem taxes in the subsequent year.

NOTE 13 JOINTLY GOVERNED ORGANIZATIONS

The County, through an interlocal agreement with the City of Moore Haven, Florida, created the City-County Public Works Authority (the Authority). The Authority provides water, sewer, and reclaimed water facilities within its boundaries. The Authority's governing board is comprised of the Glades County Board of County Commissioners and the City Council of Moore Haven. The Authority is an independent entity organized under the laws of the state of Florida and neither the County nor the City has a participating ownership interest in the Authority. The County constructed a wastewater treatment facility, which is being operated by the Authority. The construction was funded with grant revenue. Financial statements for the Authority can be obtained at the City of Moore Haven, Florida, City Hall, 99 Riverside Drive, Moore Haven, Florida 33471.

NOTE 14 COMMITMENTS AND CONTINGENCIES

Operating Leases

The Board, Clerk, and Sheriff leases office equipment under operating leases. These leases expire on various dates through 2025.

Total rental expenditures for all operating leases for the year ended September 30, 2021 were \$38,481.

In August 2018 the Clerk entered into a contract for a local disk based appliance for the purposes of backup at the Clerk's location. The agreement is for 60 months with six months renewals until either a renewal contract is agreed upon or notification of termination of service is received. The contract calls for monthly payments of \$0.30 per gigabyte calculated by the maximum amount of usable capacity consumed. The minimum monthly billable capacity is 1,000 gigabytes. Total costs recorded to contractual services was \$3,600 for the fiscal year ended September 30, 2021.

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

NOTE 14 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Operating Leases (Continued)

The future minimum lease obligations as of September 30, 2021 are as follows:

<u>Fiscal Year Ending September 30,</u>	<u>Amount</u>
2022	\$ 38,310
2023	23,068
2024	18,936
2025	15,873
Total Minimum Lease Payments	<u>\$ 96,187</u>

Construction Contracts

The County entered into the following contracts for the completion of project costs:

<u>Project</u>	<u>Total Project Authorization</u>	<u>Expended at September 30, 2021</u>	<u>Balance to Complete</u>
Washington Park - Grant Administration	\$ 52,500	\$ 42,750	\$ 9,750
Washington Park - Engineering Services	112,145	97,214	14,931
Washington Park - Construction	596,355	457,090	139,265
Phase 5A Sanitary Sewer (LPQ0014) - Engineering Services	150,488	85,374	65,114
Phase 5A Sanitary Sewer (LPQ0014) - Construction	934,259	82,200	852,059
Phase 5C Sanitary Sewer (LPQ0014) - Engineering Services	391,775	169,926	221,849
Firetower Road - Design Services	565,678	538,110	27,568
Bullhead Road - Design Services	545,393	354,585	190,808
Total	<u>\$ 3,348,593</u>	<u>\$ 1,827,249</u>	<u>\$ 1,521,344</u>

NOTE 15 TAX ABATEMENT

The County enters into property tax abatement agreements with local businesses under Section 3, Article VII of the Florida Constitution and Section 196.1995, Florida Statutes, authorize the Board of County Commissioners to grant economic development ad valorem tax exemptions to certain new and expanding businesses.

For the fiscal year ended September 30, 2021, the County had one agreement for 100% property tax abatement with a company for development and use of a piece of property. Taxes abated totaling \$20,980 under this agreement.

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

NOTE 16 CHANGE IN ACCOUNTING PRINCIPLE

For the fiscal year ended September 30, 2021, the County implemented GASB Statement No. 84, *Fiduciary Activities*. With the implementation, the County is required to record the beginning net position of custodial funds.

The beginning net position of the fiduciary funds has been restated to reflect the new guidance as follows:

	Custodial Funds
Fiduciary Net Position - Beginning	\$ -
Change in Application of Accounting Principle	<u>7,605</u>
Fiduciary Net Position - Beginning, as Restated	<u><u>\$ 7,605</u></u>

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

GLADES COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND (NON-GAAP BUDGETARY BASIS)
YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Ad Valorem Taxes	\$ 6,773,509	\$ 6,773,509	\$ 6,949,868	\$ 176,359
Sales and Miscellaneous Taxes	1,875,152	1,875,152	2,094,304	219,152
Fees and Fines	42,038	74,715	73,510	(1,205)
Licenses and Permits	-	-	60	60
Intergovernmental	991,330	2,016,174	3,225,971	1,209,797
Charges for Services	1,205,580	6,902,005	7,073,566	171,561
Investment Earnings	60,000	60,122	46,347	(13,775)
Miscellaneous	5,000	15,172	53,558	38,386
Franchise Fees	103,000	136,180	118,751	(17,429)
Total Revenues	<u>11,055,609</u>	<u>17,853,029</u>	<u>19,635,935</u>	<u>1,782,906</u>
EXPENDITURES				
Current:				
General Government	8,434,943	8,139,464	4,887,182	3,252,282
Public Safety	6,665,610	7,042,603	6,728,031	314,572
Jail Operations	1,696,491	7,150,400	7,150,447	(47)
Physical Environment	164,813	167,986	123,958	44,028
Human Services	335,661	335,661	271,282	64,379
Culture/Recreation	160,660	172,046	150,103	21,943
Economic Development	275,111	472,254	184,835	287,419
Court-Related Costs	31,226	57,558	43,414	14,144
Capital Outlay	442,842	1,932,561	1,440,699	491,862
Debt Service:				
Principal	47,780	144,524	192,244	(47,720)
Interest	2,784	46,981	46,931	50
Total Expenditures	<u>18,257,921</u>	<u>25,662,038</u>	<u>21,219,126</u>	<u>4,442,912</u>
Excess (Deficiency) of Revenues Over Expenditures	(7,202,312)	(7,809,009)	(1,583,191)	6,225,818
OTHER FINANCING SOURCES (USES)				
Proceeds from the Disposal of Capital Assets	-	7,288	7,288	-
Capital Lease Transaction	-	193,777	193,777	-
Transfer In	2,141,800	2,141,800	2,156,275	14,475
Transfers Out	(27,186)	(167,643)	-	167,643
Total Other Financing Sources (Uses)	<u>2,114,614</u>	<u>2,175,222</u>	<u>2,357,340</u>	<u>182,118</u>
Appropriated Fund Balance	5,087,698	5,633,787	-	(5,633,787)
CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	774,149	<u>\$ 774,149</u>
Fund Balance - Beginning			<u>10,750,579</u>	
FUND BALANCE - ENDING			<u>\$ 11,524,728</u>	

See accompanying Note to Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual.

GLADES COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND (NON-GAAP BUDGETARY BASIS)
YEAR ENDED SEPTEMBER 30, 2021

	<u>General Fund</u>
Actual Amounts (Budgetary Basis) “Revenues” from the Budgetary Comparison Schedule	\$ 19,635,935
Differences—Budget to GAAP: Certain nonadvalorem related Revenues are not a Component of the County’s Budget	106,663
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 19,742,598
Actual Amounts (Budgetary Basis) “Expenditures” from the Budgetary Comparison Schedule	\$ 21,219,126
Differences—Budget to GAAP: Certain nonadvalorem-related Expenditures are not a Component of the County’s Budget	255,622
Total Expenditures as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 21,474,748
Actual Amounts (Budgetary Basis) “Other Financing Sources (Uses)” from the Budgetary Comparison Schedule	\$ 2,357,340
Differences—Budget to GAAP: Proceeds from the Disposal of Capital Assets that are not a component of the County’s budget	2,912
Total Other Financing Sources (Uses) as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 2,360,252

See accompanying Note to Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual.

GLADES COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL – TRANSPORTATION TRUST FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Ad Valorem Taxes	\$ 67,907	\$ 67,907	\$ 69,408	\$ 1,501
Sales and Miscellaneous Taxes	2,056,050	2,056,050	2,363,497	307,447
Licenses and Permits	1,600	1,600	3,100	1,500
Investment Earnings	19,128	19,128	13,215	(5,913)
Miscellaneous	2,340	2,340	10,302	7,962
Total Revenues	<u>2,147,025</u>	<u>2,147,025</u>	<u>2,459,522</u>	<u>312,497</u>
EXPENDITURES				
Current:				
Transportation	2,140,615	2,139,695	1,520,351	619,344
Culture/Recreation	1,198,645	1,198,645	166,356	1,032,289
Capital Outlay	459,000	459,920	41,715	418,205
Total Expenditures	<u>3,798,260</u>	<u>3,798,260</u>	<u>1,728,422</u>	<u>2,069,838</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,651,235)	(1,651,235)	731,100	2,382,335
OTHER FINANCING SOURCES (USES)				
Operating Transfers Out	-	-	(54,355)	(54,355)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(54,355)</u>	<u>(54,355)</u>
Appropriated Fund Balance	<u>1,651,235</u>	<u>1,651,235</u>	<u>-</u>	<u>(1,651,235)</u>
CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>676,745</u>	<u>\$ 676,745</u>
Fund Balance - Beginning			<u>4,071,320</u>	
FUND BALANCE - ENDING			<u>\$ 4,748,065</u>	

See accompanying Note to Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual.

GLADES COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL – STATE
HOUSING INITIATIVES PROGRAM (SHIP) FUND
YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 350,000	\$ 350,000
Investment Earnings	5,000	5,000	3,527	(1,473)
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>353,527</u>	<u>348,527</u>
EXPENDITURES				
Current:				
Economic Development	<u>852,225</u>	<u>852,225</u>	<u>376,503</u>	<u>475,722</u>
Total Expenditures	<u>852,225</u>	<u>852,225</u>	<u>376,503</u>	<u>475,722</u>
Excess (Deficiency) of Revenues Over Expenditures	(847,225)	(847,225)	(22,976)	824,249
Appropriated Fund Balance	<u>847,225</u>	<u>847,225</u>	<u>-</u>	<u>847,225</u>
CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>(22,976)</u>	<u>\$ (22,976)</u>
Fund Balance - Beginning			<u>901,206</u>	
FUND BALANCE - ENDING			<u>\$ 878,230</u>	

See accompanying Note to Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual.

GLADES COUNTY, FLORIDA
NOTE TO SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
SEPTEMBER 30, 2021

NOTE 1 BUDGETARY ACCOUNTING

State Statutes require that all County governments establish budgetary systems and approve balanced annual budgets for such funds as may be required by law or by sound financial practices and accounting principles generally accepted in the United States of America (GAAP). The Board has established the following procedures in establishing, adopting, and maintaining the operating budget.

- On or before July 15 of each year, each constitutionally elected officer and the Executive Director of Social Services submits to the Board a tentative budget for the fiscal year commencing the following October 1. Taxpayers are informed of the proposed budget and tentative millage rates through advertising. Public hearings are held to elicit taxpayer comments. The budget is legally adopted through Board Resolution.
- The Board, at any time within a fiscal year, may amend a budget for that year as follows:
 1. Appropriations for expenditures in any fund may be decreased and other appropriations in the same fund correspondingly increased by actions recorded in the minutes, provided that the total of the appropriations of the fund are not changed.
 2. Appropriations from reserves may be made to increase appropriations by resolution of the Board, but no expenditures shall be directly charged to any reserve.
 3. A receipt from a source not anticipated in the budget and received for a particular purpose including, but not limited to, grants, donations, gifts, or reimbursements for damages, may, by resolution of the Board recorded in its minutes, be appropriated and expended for that purpose, in addition to the appropriations and expenditures provided for in the budget. Such receipts and appropriations shall be added to the budget in the proper fund.
- It is unlawful for the Board to expend or contract for expenditures in any fiscal year more than the amount budgeted in each individual fund's budget, and in no case shall the total appropriations of any budget be exceeded. Budgetary comparisons presented herein are on a basis consistent with GAAP, except for the general fund which is non-GAAP, and are only prepared for the general fund and major special revenue funds, where applicable.
- The original budget is the first complete appropriated budget. The final budget is the original budget adjusted for all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes available to the fiscal year, whenever signed into law or otherwise legally authorized.

During fiscal year 2021, one supplemental appropriation totaling \$7,404,117 in the County-wide General Fund required to fund the jail operating expenditures, bonuses and to account for other changes in revenue sources. The funding for the supplemental appropriation was generated primarily by the agreement between the Sheriff and Glades Correctional Development Corporation (GCDC).

**GLADES COUNTY, FLORIDA
OTHER POSTEMPLOYMENT BENEFITS PLAN
SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
SEPTEMBER 30, 2021**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service Cost	\$ 248,868	\$ 174,065	\$ 187,999	\$ 204,812
Interest	80,375	78,012	65,378	52,687
Differences Between Expected and Actual Experience	-	(246,862)	-	-
Changes of Assumptions	457,963	360,249	(109,227)	(111,135)
Benefit Payments	<u>(60,324)</u>	<u>(62,513)</u>	<u>(57,616)</u>	<u>(52,980)</u>
Net Change in Total OPEB Liability	<u>726,882</u>	<u>302,951</u>	<u>86,534</u>	<u>93,384</u>
Total OPEB Liability - Beginning of Year	2,026,133	1,723,182	1,636,648	1,543,264
Total OPEB Liability - End of Year	<u>\$ 2,753,015</u>	<u>\$ 2,026,133</u>	<u>\$ 1,723,182</u>	<u>\$ 1,636,648</u>
Covered Employee Payroll	\$ 10,209,211	\$ 9,911,855	\$ 9,615,903	\$ 9,335,828
OPEB Liability as a Percentage of Covered Employee Payroll	26.97%	20.44%	17.92%	17.53%

*The District implemented GASB Statements No. 75 in fiscal year 2018, and the above table will be expanded to 10 years of information as the information becomes available.

NOTE - No assets are accumulated in a trust for payment of related benefits.

NOTE - Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

FY 2021	2.14%
FY 2020	3.58%
FY 2019	4.18%
FY 2018	3.64%

GLADES COUNTY, FLORIDA
SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM PENSION PLAN ¹
SEPTEMBER 30, 2021 *

	2021	2020	2019	2018	2017	2016	2015	2014
Glades County, Florida's Proportion of the Net Pension Liability	0.039305931%	0.048674637%	0.050771759%	0.050562264%	0.045368910%	0.042354714%	0.042190745%	0.045384068%
Glades County, Florida's Proportionate Share of the Net Pension Liability	\$ 2,969,116	\$ 21,096,305	\$ 17,485,087	\$ 15,229,616	\$ 13,419,819	\$ 10,694,597	\$ 5,449,500	\$ 2,769,096
Glades County, Florida's Covered Payroll	\$ 9,635,881	\$ 10,202,982	\$ 10,111,035	\$ 9,796,948	\$ 8,625,025	\$ 7,725,843	\$ 7,992,388	\$ 7,792,275
Glades County, Florida's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	30.81%	206.77%	172.93%	155.45%	155.59%	138.43%	68.18%	35.54%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	96.40%	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

* The amounts presented for each fiscal year were determined as of 6/30.

**GLADES COUNTY, FLORIDA
SCHEDULE OF COUNTY CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM PENSION PLAN ¹
SEPTEMBER 30, 2021 ***

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 1,181,656	\$ 1,314,903	\$ 1,314,114	\$ 1,242,077	\$ 1,068,702	\$ 1,028,381	\$ 1,091,590	\$ 1,068,455
Contributions in Relation to the Contractually Required Contribution	<u>(1,181,656)</u>	<u>(1,314,903)</u>	<u>(1,314,114)</u>	<u>(1,242,077)</u>	<u>(1,068,702)</u>	<u>(1,028,381)</u>	<u>(1,091,590)</u>	<u>(1,068,455)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 9,461,892	\$ 10,084,534	\$ 10,242,383	\$ 9,839,837	\$ 8,900,169	\$ 7,862,333	\$ 7,860,408	\$ 7,619,593
Contributions as a Percentage of Covered Payroll	12.49%	13.04%	12.83%	12.62%	12.01%	13.08%	13.89%	14.02%

* The amounts presented for each fiscal year were determined as of 9/30.

¹ Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the County will present information for only those years for which information is available.

For September 30, 2015, and later, covered payroll shown includes the payroll for Investment Plan members and payroll on which only UAL rates are charged.

GLADES COUNTY, FLORIDA
SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
HEALTH INSURANCE SUBSIDIARY PENSION PLAN ¹
SEPTEMBER 30, 2021 *

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Glades County, Florida's Proportion of the Net Pension Liability	0.027212532%	0.029395400%	0.030215336%	0.029981688%	0.027033322%	0.025030618%	0.026350850%	0.028011104%
Glades County, Florida's Proportionate Share of the Net Pension Liability	\$ 3,338,026	\$ 3,589,130	\$ 3,380,793	\$ 3,173,296	\$ 2,890,528	\$ 2,917,215	\$ 2,687,372	\$ 2,619,107
Glades County, Florida's Covered Payroll	\$ 9,635,881	\$ 10,202,982	\$ 10,111,035	\$ 9,796,948	\$ 8,625,025	\$ 7,725,843	\$ 7,992,388	\$ 8,325,020
Glades County, Florida's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	34.64%	35.18%	33.44%	32.39%	33.51%	37.76%	33.62%	31.46%
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%	0.99%

* The amounts presented for each fiscal year were determined as of 6/30.

¹ Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the County will present information for only those years for which information is available.

For June 30, 2015, and later, covered payroll shown includes the payroll for Investment Plan members and payroll on which only UAL rates are charged.

**GLADES COUNTY, FLORIDA
SCHEDULE OF COUNTY CONTRIBUTIONS
HEALTH INSURANCE SUBSIDIARY PENSION PLAN ¹
YEAR ENDED SEPTEMBER 30, 2021 ***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 157,067	\$ 167,403	\$ 170,024	\$ 163,341	\$ 147,743	\$ 130,515	\$ 106,866	\$ 99,148
Contributions in Relation to the Contractually Required Contribution	<u>(157,067)</u>	<u>(167,403)</u>	<u>(170,024)</u>	<u>(163,341)</u>	<u>(147,743)</u>	<u>(130,515)</u>	<u>(106,866)</u>	<u>(99,148)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 9,461,892	\$ 10,084,534	\$ 10,242,383	\$ 9,839,837	\$ 8,900,169	\$ 7,862,333	\$ 7,860,408	\$ 8,157,955
Contributions as a Percentage of Covered Payroll	1.66%	1.66%	1.66%	1.66%	1.66%	1.66%	1.36%	1.22%

* The amounts presented for each fiscal year were determined as of 9/30.

¹ Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the County will present information for only those years for which information is available.

For September 30, 2015, and later, covered payroll shown includes the payroll for Investment Plan members and payroll on which only UAL rates are charged.

GOVERNMENT AUDITING STANDARDS AND FEDERAL AND STATE SINGLE AUDIT

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

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
<u>FEDERAL AWARDS</u>				
<u>Department of Justice</u>				
Direct Programs:				
Equitable Sharing of Federally Forfeited Property	16.922	N/A	\$ 165,175	\$ -
Passed Through Florida Department of Law Enforcement				
COVID-19 - Coronavirus Emergency Supplemental Funding (CESF) Program	16.034	2021-CESF-GLAD-1-CS-043	28,388	-
Special Data Collections and Statistical Studies	16.734	2020-NCSX-GLAD-1-D6-011	50,280	-
Edward Byrne Memorial Justice Assistance Grant	16.738	2021-JAGC-GLAD-1-3B-098	14,806	-
Total Department of Justice			258,649	-
<u>Department of Transportation</u>				
Passed through Florida Department of Management Services				
E911 Grant Program	20.615	20-04-10	12,532	-
Total Department of the Transportation			12,532	-
<u>Department of the Treasury</u>				
Passed through the Executive Office of the Governor				
COVID-19 - Coronavirus Relief Fund	21.019	Y2311	265,627	-
Passed through State of Florida Department of Housing				
COVID-19 - Coronavirus Relief Fund	21.019	055-2020	35,665	-
Total Department of the Treasury			301,292	-
<u>Department of Homeland Security</u>				
Passed Through Florida Division of Emergency Management				
COVID-19 - Emergency Management Performance Grants	97.042	G0165	5,050	-
Emergency Management Performance Grants	97.042	G0105	42,418	-
Emergency Management Performance Grants	97.042	G0269	3,224	-
Total Department of Homeland Security			50,692	-
<u>Department of Housing and Urban Development</u>				
Passed Through Florida Department of Economic Opportunity				
Community Development Block Grants/State's Program and Nonentitlement Grants in Hawaii	14.228	18DB-OM-09-32-01-N19	506,969	-
Total Department of Housing and Urban Development			506,969	-
<u>Elections Assistance Commission</u>				
Pass through program from Florida Department of State Division of Elections				
COVID-19 Help America Vote Act Elections Security Grant	90.401	20.e.ec.000.021	20,477	-
COVID-19 Help America Vote Act Elections Security Grant	90.404	21.e.cs.000.029	26,636	-
Total Elections Assistance Commission			47,113	-
<u>Department of Health and Human Services</u>				
Direct Programs:				
Child Support Enforcement	93.563	COC22	80,741	-
Total Department of Health and Human Services			80,741	-
Total Expenditures of Federal Awards			\$ 1,257,988	\$ -

See accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

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

State Agency/Pass-Through Grantor/State Project	CSFA Number	Contract/Grant Number	Expenditures	Transfers to Subrecipients
<u>STATE FINANCIAL ASSISTANCE</u>				
<u>Executive Office of the Governor</u>				
Passed Through Florida Division of Emergency Management				
Emergency Management Programs	31.063	A0184	\$ 24,834	\$ -
Emergency Management Programs	31.063	A0101	127,471	-
			<u>152,305</u>	<u>-</u>
Emergency Management Projects	31.067	T0100	978	-
Total Executive Office of the Governor			<u>153,283</u>	<u>-</u>
<u>Department of Environmental Protection</u>				
Direct Projects:				
Small County Consolidated Grants	37.012	SC110	84,367	-
Statewide Surface Water Restoration and Wastewater Projects	37.039	LPQ0014	296,223	-
Total Department of Environmental Protection			<u>380,590</u>	<u>-</u>
<u>Department of State and Secretary of State</u>				
Direct Projects:				
State Aid to Libraries	45.030	20-ST-14	20,974	-
Total Department of State and Secretary of State			20,974	-
<u>Department of Health</u>				
Direct Projects:				
County Grant Awards-EMS	64.005	C8022	3,664	-
Total Department of Health-Bureau of Emergency Medical Services (EMS)			3,664	-
<u>Department of Management Services</u>				
Passed Through Florida E911 Board				
Wireless 911 Emergency Telephone System	72.001	20-04-09	11,925	-
Wireless 911 Emergency Telephone System	72.001	20-05-36	6,688	-
Wireless 911 Emergency Telephone System	72.001	21-04-08	9,399	-
Wireless 911 Emergency Telephone System	72.001	21-04-09	33,216	-
Total Department of Management Services			<u>61,228</u>	<u>-</u>
<u>Florida Housing Finance Corporation</u>				
Direct Projects:				
State Housing Initiatives Partnership Program (SHIP)	40.901	N/A	367,708	-
Total Florida Housing Finance Corporation			<u>367,708</u>	<u>-</u>
<u>Department of Transportation</u>				
Direct Projects:				
Small County Outreach Program (SCOP)	55.009	438573-1-54-01	175,160	-
Small County Outreach Program (SCOP)	55.009	436657-1-54-01	227,010	-
Total Department of Transportation			<u>402,170</u>	<u>-</u>
Total Expenditures of State Financial Assistance			<u>\$ 1,389,617</u>	<u>\$ -</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance.

GLADES COUNTY, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
SEPTEMBER 30, 2021

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) includes the federal award and state grant activity of Glades County, Florida (the County) under programs of the federal government and the state of Florida for the year ended September 30, 2021. The information in this schedule is presented in accordance with the requirements of Chapter 10.550, Rules of the Auditor General and the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting for awards and financial assistance recorded in governmental funds and the accrual basis of accounting for awards and financial assistance recorded in the proprietary funds. Such expenditures are recognized following the cost principles contained in the *Uniform Guidance*, Section 215.97, Florida Statutes, and Rules of the Auditor General, Chapter 10.550 for all awards with the exception of Assistance Listing 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 2 INDIRECT COST RATE

The County has not elected to use the 10 percent de minimis cost rate allowed under the Uniform Guidance.



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

Honorable Board of County Commissioners
Glades 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 governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Glades 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 and have issued our report thereon dated June 24, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a material weakness.

Compliance and Other Matters

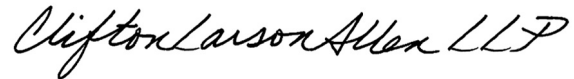
As part of obtaining reasonable assurance about whether the County’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

County’s Response to Findings

The County’s response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County’s response is 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 entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Fort Myers, Florida
June 24, 2022



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

Honorable Board of County Commissioners
Glades County, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited Glades County, Florida's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and 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 auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' 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 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance 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.

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, 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, noncompliance with a type of compliance requirement of a federal program or state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program 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 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.



CliftonLarsonAllen LLP

Fort Myers, Florida
June 24, 2022

**GLADES COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS
YEAR ENDED SEPTEMBER 30, 2021**

Part I – Summary of Auditors’ Results

Financial Statement Section

Type of Auditors’ Report Issued:	Unmodified
Internal Control Over Financial Reporting:	
Material Weakness(es) Identified?	Yes
Significant Deficiency(ies) Identified:	None Reported
Noncompliance Material to Financial Statements Noted?	No

Federal Awards Section

Internal Control Over Major Federal Programs:	
Material Weakness(es) Identified?	No
Significant Deficiency(ies) Identified:	None Reported
Type of Auditors’ Report Issued on Compliance for Major Programs:	Unmodified
Any Audit Findings Disclosed that are Required to be Reported in Accordance with 2 CFR 200.516(a)	No

Identification of Major Federal Programs:

Assistance Listing Number	Name of Federal Program or Cluster
14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii

Dollar Threshold Used to Distinguish Between Type A and Type B Programs:	\$750,000
Auditee Qualified as Low-Risk Auditee?	No

**GLADES COUNTY, FLORIDA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FEDERAL PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS (CONTINUED)
 YEAR ENDED SEPTEMBER 30, 2021**

Part I – Summary of Auditors’ Results (Continued)

State Financial Assistance Section

Internal Control Over State Projects:

Material Weakness(es) Identified? No

Were Significant Deficiency(ies) Identified that are Not Considered to be a Material Weakness(es): None Reported

Type of Auditors’ Report Issued on Compliance for State Projects: Unmodified

Any Audit Findings Disclosed that are Required to be Reported in Accordance with State Requirements? No

Identification of Major State Projects:

CSFA Number	Name of State Project
40.901	State Housing Initiatives Partnership Program (SHIP)
55.009	Small County Outreach Program (SCOP)

Dollar Threshold Used to Distinguish Between Type A State Projects: \$416,885

**GLADES COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2021**

Part II – Financial Statement Findings

2021-001 Audit Adjustments

Type of Finding:

- Material Weakness in Internal Control Over Financial Reporting

Criteria or Specific Requirement

County management is responsible for establishing and maintaining internal controls for the proper recording of all the County's receipts and disbursements, including reclassifications between funds, year-end accruals, and activity of all investing and savings accounts.

Condition

As part of the audit, we proposed audit adjustments to revise the County's financial statements at year-end. These adjustments involved moving debt payment out of the capital project fund, to correct transfer recorded as revenue and expense, and to record a deferred inflow of resources for unavailable revenue.

Context

While management reconciles account balances these items were missed.

Cause

The County's internal controls did not detect or prevent the errors.

Effect

The design of the internal controls over recording receipts and disbursements, including reclassifications, could affect the ability of the County to detect or prevent a misappropriation of assets or fraudulent activity.

Repeat Finding

Yes. Internal Control Over Financial Reporting Finding 2020-001.

Recommendation

We understand County management has made improvements over the last year. We recommend County management continue to improve procedures and processes involved in recording receipts, disbursements, and reclassifications, and develop additional internal control policies to ensure proper recording of these items as needed.

**GLADES COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS AND STATE FINANCIAL ASSISTANCE PROJECTS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2021**

Part II – Financial Statement Findings (Continued)

2021-001 Audit Adjustments (Continued)

View of Responsible Officials and Planned Corrective Actions

No disagreement with audit finding. See Corrective Action Plan.

Part III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

Part IV – Findings and Questioned Costs – Major State Projects

Our audit did not disclose any matters required to be reported in accordance with Section 10.557, Rules of the Auditor General.



MANAGEMENT LETTER

Honorable Board of County Commissioners
Glades County, Florida

Report on the Financial Statements

We have audited the financial statements of Glades County, Florida (the County) as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated June 24, 2022.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; 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 Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' 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 Auditors' Report on Compliance for Each Major Federal Program and State Project and Report on Internal Control Over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated June 24, 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 status of significant findings and recommendations made in the preceding annual financial audit report are listed in Appendix A.

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 the management letter, unless disclosed in the notes to the financial statements. The Glades County, Florida, Board of County Commissioners was established by the Constitution of the State of Florida, Article VIII, Section 1 (e). Glades Soil and Water Conservation District was established by resolution of the State of Florida according to Chapter 582, Florida Statutes of 1941.

Financial Condition and Management

Section 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 the review of financial information provided by same.

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

Special District Component Units

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

Specific Information (For a dependent special district or an independent special district, or a local government entity that includes the information of a dependent special district)

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Glades Soil and Water Conservation District reported:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as 0.
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as 0.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as 0.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as 1,700.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as 0 (provide list).
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as 0.

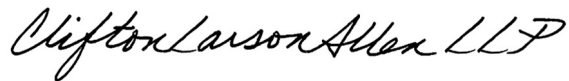
Honorable Board of County Commissioners
Glades County, Florida

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have 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 Board of County Commissioners, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Fort Myers, Florida
June 24, 2022

**GLADES COUNTY, FLORIDA
MANAGEMENT LETTER
SEPTEMBER 30, 2021**

APPENDIX A – PRIOR YEAR FINDINGS AND RECOMMENDATIONS

Prior Year Findings		Current Year Status			Current Year Finding #	2019-2020 Year Finding #	2018-2019 Year Finding #
		Cleared	Partially Cleared	Not Cleared			
2020-001 Audit Adjustments	Material Weakness			X	2021-001	2020-001	2019-001
2020-002 Inaccurate Schedules	Material Weakness	X			N/A	2020-002	2019-002
2020-003 Florida Statute 280	Compliance	X			N/A	2020-003	N/A
2020-004 SHIP Reporting	Significant Deficiency / Other Matter	X			N/A	2020-004	2019-003



INDEPENDENT ACCOUNTANTS' REPORT

Honorable Board of County Commissioners
Glades County, Florida

We have examined Glades County, Florida's (the County) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds and Section 365.172(10) and 365.172(2)(d), Florida Statutes, regarding emergency communications number E911 system fund, during the year ended September 30, 2021. Management of the County is responsible for the County's compliance the specified requirements. Our responsibility is to express an opinion on the County's compliance 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 County complied, in all material respects, with the specified 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 the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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

In our opinion, the County complied, in all material respects, with Section 218.415, Florida Statutes, regarding the investment of public funds and Section 365.172(10) and 365.173(2)(d), Florida Statutes, regarding emergency communications number E911 system fund during the year ended September 30, 2021.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Fort Myers, Florida
June 24, 2022



Glades County Board of County Commissioners

P.O. Box 1527 • 500 Avenue J • Moore Haven, Florida 33471

Phone: (863) 946-6000 • Fax: (863) 946-2860

Internet address: <http://www.MyGlades.com>

**GLADES COUNTY BOARD OF COUNTY COMMISSIONERS
CORRECTIVE ACTION PLAN
YEAR ENDED SEPTEMBER 30, 2021**

Glades County, Florida respectfully submits the following Corrective Action Plan for the year ending September 30, 2021.

Audit period: October 1, 2020 to September 30, 2021

2021--001 Audit Adjustments (Prior 2020-001)

Recommendation: We understand County management has made improvement over the last year. We recommend County management continue to improve procedures and processes involved in recording receipts, disbursements, and reclassifications, and develop additional internal control policies to ensure proper recording of these items as needed.

Management Concur with the Finding and Recommendation

Action Plan Taken in Response to Finding: Management will continue to make improvements to the procedures and processes involved in recording receipts, disbursements and reclassifications. Planned actions include: the development of a Financial Policies and Procedures manual that will help guide the daily activities of the Finance Office; continued review of daily activities in an effort to streamline processes and make them more efficient; and the implementation of an automated financial system that will aid in reducing manual keying errors and enhance controls over accounting and financial reporting.

Name(s) of contract person(s) responsible for corrective action:

Tasha Morgan, Finance Director

Planned completion date for corrective action plan: We anticipate significant improvements by September 30, 2022 with ongoing efforts continuing into 2023.

Thank you for the opportunity to respond to the findings noted during the audit. If you have any questions please don't hesitate to reach out to me directly, Tasha Morgan, Finance Director at 863-946-6013.



Glades County Board of County Commissioners

P.O. Box 1527 • 500 Avenue J • Moore Haven, Florida 33471

Phone: (863) 946-6000 • Fax: (863) 946-2860

Internet address: <http://www.MyGlades.com>

GLADES COUNTY BOARD OF COUNTY COMMISSIONERS SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS YEAR ENDED SEPTEMBER 30, 2021

Glades County, Florida respectfully submits the following summary schedule of prior audit findings for the year ended September 30, 2020.

Audit period: October 1, 2019 to September 30, 2020

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS—FINANCIAL STATEMENT AUDIT

2020--001 Audit Adjustments

Condition: As part of the audit, we proposed audit adjustments to revise the County's financial statements at year-end. These adjustments involved the recording of accruals, reclassifications of revenues, and disbursements to the proper accounts, and fund balance reclassifications.

Status: See current year finding 2021-001.

Reason for finding's recurrence: The Clerk's Finance Office is a small office with limited staffing resources and highly manual processes. The staffing changes that occurred in late FY 21 improved the accounting and financial reporting processes, but continued improvement to processes is still needed. The office is continuing to evaluate internal controls, review manual processes and implement automation where feasible.

Corrective Action: The Clerk's Office has undertaken significant staffing changes and anticipates much improvement in the proper accounting for financial transactions, reconciliation of account balances, and year-end closing processes. Under new leadership within the Clerk's Office and the Finance Department, staff are in the process of reviewing all internal processes, account transactions, and account balances. Internal processes will be implemented to ensure, at a minimum, that all transactions are reviewed for accuracy, that account balances are reviewed and reconciled on a quarterly basis, and that the year-end closing process is effective. Ongoing efforts will be taken to ensure that staff are trained and cross-trained on all functions within the office. Management is also looking to move very manual, labor-intensive processes which are prone to human error to become more automated, where feasible. We anticipate that this finding will be cleared in FY 22.

2020--002 Inaccurate Schedules

Condition: Provided schedules and reconciliations required significant adjustments. For example, there were adjustments to the original budget schedule, accounts payables schedule, accrued payables schedule, receivables schedule, due to/from schedule, and the grant schedules provided in order to accurately reflect the current balances.

Status: We are pleased to report that this finding has been cleared. We will continue to evaluate internal controls in an effort to ensure that this finding does not reoccur.

Tony Whidden → Donna Storter-Long → Jerry Sapp → John Ahern → Tim Stanley → Bob Jones → Richard W. Pringle
District 1 → District 2 → District 3 → District 4 → District 5 → County Manager → County Attorney

¶

2020--003-Florida Statute 280¶

Condition: There were four new bank accounts opened during fiscal year 2020. While there were DFS-J1-1295 public deposit identification and acknowledgement forms set up and signed by the former Clerk of the Circuitry Court & Comptroller, the form was not signed by the bank and was therefore not completed and executed.¶

¶

Status: We are pleased to report that this finding has been cleared. We will continue to evaluate internal controls in an effort to ensure that this finding does not reoccur.¶

¶

2020--004-SHIP Reporting¶

Condition: The 2015/2016 annual report was not filed until April 2020, and no reports were filed for the 2016/2017 and 2017/2018 award periods.¶

¶

Status: We are pleased to report that this finding has been cleared. We will continue to evaluate internal controls in an effort to ensure that this finding does not reoccur.¶

¶

¶

Thank you for the opportunity to respond to the findings noted during the audit. If you have any questions please don't hesitate to reach out to me directly, Tasha Morgan, Finance Director at 863-946-6013.¶

¶

¶

¶

¶

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION**

YEAR ENDED SEPTEMBER 30, 2021



WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

CLAconnect.com

**CLERK OF THE CIRCUIT COURT,
GLADES COUNTY, FLORIDA
TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 2021**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	4
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS	5
STATEMENT OF FIDUCIARY NET POSITION – CUSTODIAL FUNDS	6
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – CUSTODIAL FUNDS	7
NOTES TO FINANCIAL STATEMENTS	8
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL – GENERAL FUND (NON-GAAP BUDGETARY BASIS)	19
NOTES TO SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL – GENERAL FUND (NON-GAAP BUDGETARY BASIS)	20
SUPPLEMENTAL REPORTS	
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	22
MANAGEMENT LETTER	24
INDEPENDENT ACCOUNTANTS' REPORT	28
CLERK'S RESPONSE TO FINDINGS	29



INDEPENDENT AUDITORS' REPORT

Honorable Tami Pearce Simmons
Clerk of the Circuit Court, Glades 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, Glades 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 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.

Auditors' 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 auditors' 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.

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 for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1 of 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. 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 the aggregate remaining fund information only for that portion of each major fund, and the aggregate remaining fund information of Glades County, Florida that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of Glades County, Florida as of September 30, 2021, and the changes in its financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

During the year ended September 30, 2021, the Clerk adopted GASB Statement No. 84, *Fiduciary Activities*. As a result of the implementation of this standard, the Clerk reported a restatement of the beginning fiduciary net position for the change in accounting principal (see Note 9). Our auditors' opinion was not modified with respect to this restatement.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of revenues and expenditures – budget and actual – general fund (non-GAAP budgetary basis) on page 19 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 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.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statement is not affected by this missing information.

Honorable Tami Pearce Simmons
Clerk of the Circuit Court, Glades County, Florida

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 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 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 Clerk'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 Clerk's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Fort Myers, Florida
June 21, 2022

FINANCIAL STATEMENTS

**CLERK OF THE CIRCUIT COURT,
GLADES COUNTY, FLORIDA
BALANCE SHEET – GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	<u>General Fund</u>	<u>Public Records Modernization Fund</u>	<u>Child Support Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash	\$ 753,394	\$ 112,967	\$ 80,298	\$ 946,659
Due from Other Funds	-	-	3,334	3,334
Other Receivables	31,222	-	-	31,222
Prepaid Items	<u>3,713</u>	<u>1,623</u>	<u>858</u>	<u>6,194</u>
 Total Assets	 <u>\$ 788,329</u>	 <u>\$ 114,590</u>	 <u>\$ 84,490</u>	 <u>\$ 987,409</u>
 LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 58,673	\$ -	\$ -	\$ 58,673
Other Accrued Liabilities	35,970	-	-	35,970
Due to Other Funds	3,334	-	-	3,334
Due to Board of County Commissioners	513,896	-	-	513,896
Due to Other Governments	<u>176,456</u>	<u>-</u>	<u>-</u>	<u>176,456</u>
Total Liabilities	788,329	-	-	788,329
 FUND BALANCES				
Nonspendable:				
Prepaid Items	3,713	1,623	858	6,194
Restricted	-	112,967	-	112,967
Committed	-	-	83,632	83,632
Unassigned	<u>(3,713)</u>	<u>-</u>	<u>-</u>	<u>(3,713)</u>
Total Fund Balances	<u>-</u>	<u>114,590</u>	<u>84,490</u>	<u>199,080</u>
 Total Liabilities and Fund Balances	 <u>\$ 788,329</u>	 <u>\$ 114,590</u>	 <u>\$ 84,490</u>	 <u>\$ 987,409</u>

See accompanying Notes to Financial Statements.

**CLERK OF THE CIRCUIT COURT,
GLADES COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021**

	General Fund	Public Records Modernization Fund	Child Support Fund	Total Governmental Funds
REVENUES				
Intergovernmental	\$ 243,682	\$ -	\$ 15,295	\$ 258,977
Charges for Services	430,270	27,900	-	458,170
Investment Earnings	1,078	100	-	1,178
Total Revenues	<u>675,030</u>	<u>28,000</u>	<u>15,295</u>	<u>718,325</u>
EXPENDITURES				
Current - General Government:				
Personal Services	926,482	-	-	926,482
Operating Expenditures	104,256	20,020	13,038	137,314
Capital Outlay	38,220	-	-	38,220
Total Expenditures	<u>1,068,958</u>	<u>20,020</u>	<u>13,038</u>	<u>1,102,016</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(393,928)	7,980	2,257	(383,691)
OTHER FINANCING SOURCES (USES)				
Transfers In from the Board of County Commissioners	533,208	-	-	533,208
Transfers Out to the Board of County Commissioners	(20,830)	-	-	(20,830)
Unexpended Appropriation: State of Florida	(118,450)	-	-	(118,450)
Total Other Financing Sources	<u>393,928</u>	<u>-</u>	<u>-</u>	<u>393,928</u>
NET CHANGE IN FUND BALANCES	-	7,980	2,257	10,237
Fund Balances - Beginning of Year	<u>-</u>	<u>106,610</u>	<u>82,233</u>	<u>188,843</u>
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 114,590</u>	<u>\$ 84,490</u>	<u>\$ 199,080</u>

See accompanying Notes to Financial Statements.

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

ASSETS

Cash	\$ 96,129
Due from Others	<u>3,598</u>
Total Assets	<u>99,727</u>

LIABILITIES

Due to Individuals, Organizations, and Other Governments	<u>91,132</u>
--	---------------

FIDUCIARY NET POSITION

Restricted for:	
Individuals, Organizations, and Other Governments	<u><u>\$ 8,595</u></u>

See accompanying Notes to Financial Statements.

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

ADDITIONS

Fees/Fines Collected for Other Governments	\$ 1,537,464
Registry and Other Deposits Collected	<u>10,972</u>
Total Additions	<u>1,548,436</u>

DEDUCTIONS

Fees/Fines Disbursed to Other Governments	1,536,474
Registry and Other Deposits Disbursed	<u>10,972</u>
Total Deductions	<u>1,547,446</u>

CHANGE IN FIDUCIARY NET POSITION

990

Fiduciary Net Position - Beginning of Year - as restated

7,605

FIDUCIARY NET POSITION - END OF YEAR

\$ 8,595

See accompanying Notes to Financial Statements.

**CLERK OF THE CIRCUIT COURT,
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Clerk of the Circuit Court, Glades County, Florida (the Clerk), is a separately elected constitutional officer pursuant to the Constitution of the state of Florida. The Clerk's financial statements do not purport to reflect the financial position or the results of operations of Glades County, Florida (the County), taken as a whole.

For financial reporting purposes, the Clerk is deemed to be a part of the primary government of the County. As such, the Clerk's financial statements are included in the financial statements of the County. There are no component units included in the Clerk's financial statements.

The Clerk is charged with many duties in addition to serving as the Clerk of the Circuit Court. The Clerk serves as the clerk and accountant to the Board of County Commissioners (the Board), and serves as an agent for the Florida Department of Revenue. The duties as Clerk of the Circuit Court are generally described in Chapter 28, Florida Statutes, and the duties regarding the County Court are described in Chapter 34, Florida Statutes.

Description of Funds

The accounting records of the Clerk are organized on the basis of funds classified for reporting purposes into two basic fund types:

Governmental Funds

- *General Fund* is used to account for all financial activity of the Clerk not accounted for in other funds. The Clerk's activities are classified as court-related and noncourt-related. Noncourt-related activity is funded as a budget officer pursuant to Florida Statutes Chapters 218 and 129, respectively. As a budget officer, the operations as Clerk to the Board are approved and funded by the Board through the collection of Ad Valorem taxes by the Board. The budgeted receipts from the Board are recorded as a transfer in on the Clerk's financial statements. Any excess of revenues and other financing sources received over expenditures as Clerk to the Board are remitted to the Board at year-end. Court-related activities are funded from fees, service charges, costs, and fines collected and retained according to Section 28.36, Florida Statutes. Excess fees are remitted to the state of Florida per Sections 28.36 and 28.37, Florida Statutes. The fees, service charges, costs, and fines collected are restricted to be used exclusively for funding court-related operations. Court-related activities are tracked and recorded in a sub-fund within the Clerk's General Fund.

**CLERK OF THE CIRCUIT COURT,
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Description of Funds (Continued)

Governmental Funds (Continued)

- *Public Records Modernization Fund* is a special revenue fund and is funded by a portion of recording fees. This fund is mandated by Section 28.24 (12)(d) Florida Statutes, to be held in trust by the Clerk and used exclusively for equipment and maintenance of equipment, personnel training, and technical assistance in modernizing the public records system of the office. Since Revision 7 of Article V, Florida Constitution, went into effect on July 1, 2004, an additional amount is collected pursuant to Section 28.24(12)(e) Florida Statutes, and is used exclusively for funding court related technology needs.

- *Child Support Fund* is a special revenue fund for indirect child support and is used to account for any reimbursements received by the Clerk from the state of Florida, Department of Revenue (or any subsequent state Title IV-D agency) relative to the operation of the County's Child Support collection and enforcement exceeding the direct cost of operations at the end of the fiscal year, shall be deposited into a Special Revenue Fund and used for all court-related functions including personnel, operations, and technology.

Fiduciary Funds

- *Custodial Funds* are used to account for assets held by the Clerk in a fiduciary capacity or as an agent for individuals, private organizations and other governments. Custodial funds are accounted using the accrual basis of accounting. The Clerk's custodial funds are: Fines and Forfeitures Fund, and Registry Fund.

Basis of Presentation

The Clerk's financial statements have been prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*, which allows the Clerk to only present fund financial statements. These financial statements present only the portion of the funds of Glades County, Florida that are attributable to the Clerk. They are not intended to present fairly the financial position and results of operations of Glades County, Florida in conformity with accounting principles generally accepted in the United States of America. The financial activities of the Clerk, as a constitutional officer, are included in the Glades County, Florida Annual Financial Report.

The General Fund, Child Support Fund and Public Records Modernization Fund are presented as major governmental funds.

The County funds the operating budget of the Clerk.

**CLERK OF THE CIRCUIT COURT,
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting and Measurement Focus

The governmental fund type measurement focus is based upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income determination. These funds are maintained on the modified accrual basis of accounting. Revenues are recognized when they become susceptible to accrual; that is, when they become both measurable and available to finance expenditures of the current period. For this purpose, the Clerk considers revenues to be available if they are collected within 60 days after the end of the current fiscal period. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Exceptions to this general rule include accumulated sick and vacation pay, which are not recorded as expenditures until paid, because these amounts will not be paid from expendable available resources.

Charges for services are considered measurable and have been recognized as revenue of the current fiscal period, if available. Investment earnings are recorded as earned since they are measurable and available.

The Custodial funds do not measure results of operations, but assets and liabilities are measured on the accrual basis of accounting. These funds are used to account for assets held by the Clerk as trustee or agent for individuals and/or other governmental units.

Prepaid Items

Prepaid items consist of certain costs which have been paid prior to the end of the fiscal year, but represent items which are applicable to future accounting periods. Reported amounts in governmental funds are classified as nonspendable fund balance, in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Fund Balance

Governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Clerk is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balance is reported in five components: nonspendable, restricted, committed, assigned, and unassigned.

Nonspendable – Amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact.

Restricted – Amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations, or imposed by laws through constitutional provisions or enabling legislation.

**CLERK OF THE CIRCUIT COURT,
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance (Continued)

Committed – Amounts that are constrained for specific purposes imposed by the Clerk's formal action of highest level of decision-making authority.

Assigned – Includes spendable fund balances intended to be used for specific purposes, but which are neither restricted nor committed.

Unassigned – Represents the residual fund balance within the General Fund, which has not been assigned to other funds and has not been restricted, committed, assigned. In funds other than the General Fund, unassigned fund balances are limited to negative residual balances.

The Clerk considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available. Additionally, the Clerk would first use committed fund balance, followed by assigned fund balance, and then unassigned fund balance, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Interfund Transactions

During the course of normal operations, it is necessary for the Clerk to enter into transactions among its various funds. These transactions consist of one or more of the following types:

- Reimbursements to a fund, for receipts initially deposited to it that are properly applicable to another fund. As of September 30, 2021, the General Fund owed the Child Support Fund \$3,334 due to a time lag between the dates transactions are recorded and the payments are made.
- Transfers in and out, as appropriate, for all other interfund transactions, which are shown as other financing sources (uses). The following is a summary of interfund transfers as of September 30, 2021.

The amount transferred by the Board to fund the 2021 budget of the Clerk was \$533,208.

In accordance with Florida Statutes, all revenues in excess of expenditures as of year-end are owed to the Board. Those amounts are recorded as a transfer out in the basic financial statements of the Clerk. The amount of undistributed excess appropriations at the end of the fiscal year is reported as amounts due to the Board. At September 30, 2021, the excess fees were \$20,830 due to the Board at fiscal year-end.

**CLERK OF THE CIRCUIT COURT,
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Uses of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as applicable to governmental units, requires management to make use of estimates that affect the reported amounts in the financial statements. Actual results could differ from estimates.

NOTE 2 DEPOSITS

Custodial credit risk is the risk that in the event of a bank failure, the Clerk's deposits may not be returned to it. In accordance with its policy, all Clerk depositories are banks designated by the Florida Chief Financial Officer as qualified public depositories. Chapter 280 of the Florida Statutes, "Florida Security for Public Deposits Act," provides procedures for public depositories to ensure public monies in banks and savings and loans are collateralized with the Florida Chief Financial Officer as agent for the public entities. Chapter 280 defines deposits as demand deposit accounts, time deposit accounts, and nonnegotiable certificates of deposit.

Financial institutions qualifying as public depositories shall deposit with the Florida Chief Financial Officer eligible collateral at the pledging level required pursuant to Chapter 280. The Florida Security for Public Deposits Act has a procedure for the payment of losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof; therefore, the Clerk is not exposed to custodial credit risk for its deposits.

NOTE 3 CAPITAL ASSETS

Tangible personal property used in the Clerk's operations is recorded as an expenditure in the governmental fund types of the Clerk at the time of purchase. Capital assets with an initial cost greater than \$5,000 are capitalized at historical cost in the government-wide financial statements of the County. The Clerk maintains custodial responsibility for the capital assets.

**CLERK OF THE CIRCUIT COURT,
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 3 CAPITAL ASSETS (CONTINUED)

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

	Balance October 1, 2020	Increases	Decreases	Balance September 30, 2021
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ -	\$ 38,220	\$ -	\$ 38,220
Capital Assets, Being Depreciated:				
Equipment	197,158	-	(75,334)	121,824
Less Accumulated Depreciation:				
Equipment	188,295	4,074	(75,334)	117,035
Total Capital Assets, Net	<u>\$ 8,863</u>	<u>\$ 34,146</u>	<u>\$ -</u>	<u>\$ 43,009</u>

NOTE 4 COMPENSATED ABSENCES

It is the Clerk's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick leave, which will be paid upon separation of service. For governmental fund reporting, a liability and expenditure for compensated absences is recognized as payments come due each period upon the occurrence of relevant events, such as employee resignations and retirements. For reporting within governmental activities of the County's basic financial statements, vacation is accrued as a liability when benefits are earned by the employees, that is, the employees have rendered services that give rise to the vacation liability and it is probable that the Clerk will compensate the employees in some manner, e.g., in cash or in paid time-off, now or upon termination or retirement. The Clerk uses the vesting method in accruing sick leave liability. The vesting method accrues sick leave liability for employees who are currently eligible to receive termination payments upon separation as well as those expected to become eligible in the future.

The following is a summary of changes in accumulated compensated absences during the year 2021:

Balance, October 1, 2020	\$ 20,969
Increases	59,123
Decreases	(48,002)
Balance, September 30, 2021	<u>\$ 32,090</u>
Amounts Due Within One Year	<u>\$ 32,090</u>

**CLERK OF THE CIRCUIT COURT,
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 5 PENSION PLAN

Background

The Florida Retirement System (FRS) was created by 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 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 Clerk are eligible to enroll as members of the State-administered FRS. Provisions relating to the 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 the two cost sharing, multiple employers defined nonintegrated programs.

A comprehensive annual 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' website (www.dms.myflorida.com).

Florida Retirement System Pension Plan

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers 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 special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

**CLERK OF THE CIRCUIT COURT,
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 5 PENSION PLAN (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Plan Description (Continued)

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at eight years of creditable 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 FRS 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. Employees enrolled in the FRS Plan may include up to four years of credit for military service toward creditable service. The FRS 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 FRS 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 FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except those 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 FRS 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.

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%. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

**CLERK OF THE CIRCUIT COURT,
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 5 PENSION PLAN (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided (Continued)

Detailed information about the County's proportionate share of FRS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

Retiree Health Insurance Subsidy Program

Plan Description

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided

For the fiscal year ended June 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Detailed information about the County's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

FRS Investment Plan

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the state of Florida Comprehensive Annual Financial Report.

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. Clerk 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 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. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution 0.06% of payroll and by forfeited benefits of plan members.

**CLERK OF THE CIRCUIT COURT,
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 5 PENSION PLAN (CONTINUED)

FRS Investment Plan (Continued)

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. Nonvested 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. For the fiscal year ended June 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 Clerk.

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.

Contributions

Participating employer contributions are based upon statewide rates established by the state of Florida. The Clerk's contributions made to the plans during the years ended September 30, 2021, 2020, and 2019 were \$111,152, \$98,310, and \$86,809, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the County-wide financial statements.

NOTE 6 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

The Clerk provides postemployment health care benefits in accordance with Section 112.0801, Florida Statutes, to all employees who retire from the Clerk. The Clerk is required to provide health care coverage at cost to all retirees but does not pay any portion of the premium for the retiree to participate in the Clerk's group health care plan. The liability and expense for other postemployment benefits, calculated in accordance with Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, are reported in the financial statements of the County.

**CLERK OF THE CIRCUIT COURT,
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 COMMITMENTS AND CONTINGENCIES

The Clerk leases certain equipment under various noncancelable operating leases. Total costs for these leases totaled \$8,100 for the fiscal year ended September 30, 2021.

In August 2018, the Clerk entered into a contract for a local disk based appliance for the purposes of backup at the Clerk's location. The agreement is for 60 months with 6 months renewals until a renewal contract is agreed upon or notification of termination of service is received. The contract calls for monthly payments of \$0.30 per gigabyte calculated by the maximum amount of usable capacity consumed. The minimum monthly billable capacity is 1,000 gigabytes. Total costs recorded to contractual services was \$3,600 for the fiscal year ended September 30, 2021.

The future minimum lease payments under these leases and contracts are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2022	\$ 8,100
2023	6,225
2024	3,300
Total	<u>\$ 17,625</u>

NOTE 8 RISK MANAGEMENT

The Clerk is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The County provides coverage for the above risks and no cost is charged to the Clerk. There have been no claims in excess of insurance coverage limits during the last three years.

NOTE 9 CHANGE IN ACCOUNTING PRINCIPLES

During the year ended September 30, 2021, the Clerk implemented GASB Statement No. 84 *Fiduciary Activities*. The goal of the statement is to improve finance reporting by establishing specific criteria for identifying activities that should be reported as fiduciary activities. The implementation of the pronouncement required the restatement of September 30, 2020, fiduciary net position of the custodial funds.

Fiduciary Net Position, as Previously Reported	<u>\$ -</u>
Change in Accounting Principle	7,605
Fiduciary Net Position, as Restated	<u>\$ 7,605</u>

REQUIRED SUPPLEMENTARY INFORMATION

**CLERK OF THE CIRCUIT COURT,
GLADES COUNTY, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL – GENERAL FUND (NON-GAAP BUDGETARY BASIS)
YEAR ENDED SEPTEMBER 30, 2021
(SEE INDEPENDENT AUDITORS' REPORT)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 163,954	\$ 178,093	\$ 178,093	\$ -
Charges for Services	354,644	354,644	430,270	75,626
Investment Earnings	-	-	1,078	1,078
Total Revenues	<u>518,598</u>	<u>532,737</u>	<u>609,441</u>	<u>76,704</u>
EXPENDITURES				
Current - General Government:				
Personal Services	957,066	934,483	862,435	72,048
Operating Expenditures	72,824	92,318	102,714	(10,396)
Capital Outlay	924	39,144	38,220	924
Total Expenditures	<u>1,030,814</u>	<u>1,065,945</u>	<u>1,003,369</u>	<u>62,576</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(512,216)	(533,208)	(393,928)	139,280
OTHER FINANCING SOURCES (USES)				
Transfers In From the Board of County Commissioners	512,216	533,208	533,208	-
Transfers Out to the Board of County Commissioners	-	-	(20,830)	(20,830)
Unexpended Appropriation: State of Florida	-	-	(118,450)	(118,450)
Total Other Financing Sources	<u>512,216</u>	<u>533,208</u>	<u>393,928</u>	<u>(139,280)</u>
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Schedule of Revenues and Expenditures – Budget and Actual General Fund (Non-GAAP Budgetary Basis).

**CLERK OF THE CIRCUIT COURT,
GLADES COUNTY, FLORIDA
NOTES TO SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
GENERAL FUND (NON-GAAP BUDGETARY BASIS)
SEPTEMBER 30, 2021**

NOTE 1 BUDGETARY ACCOUNTING

The Clerk is required to prepare two budgets. One budget relates to the Clerk's court related functions and is filed with the Clerks of Court Operations Corporation (CCOC). The other budget relates to the requirement of the Clerk as Clerk to the Board and is filed with the Board. Pursuant to Chapter 129, Florida Statutes, the Board of County Commissioners (the Board) follows the procedures below in establishing, adopting, and maintaining the operating budget, which includes the budget of the Clerk's office:

- On or before June 1 of each year, the Clerk submits to the Board a tentative budget for her office for the fiscal year commencing the following October 1. Taxpayers are informed of the proposed budget and tentative millage rates through advertising. Public hearings are held to elicit taxpayer comments.
- The budget is legally adopted through Board Resolution.
- The Board, at any time within a fiscal year, may amend a budget for that year as follows:
 - 1) Appropriations for expenditures in any fund may be decreased and other appropriations in the same fund correspondingly increased by actions recorded in the minutes, provided that the total of the appropriations of the fund are not changed. The Board, however, may establish procedures by which the Clerk may authorize certain intradepartmental budget amendments, provided that the total appropriation of the department shall not be changed.
 - 2) Appropriations from reserves may be made to increase appropriations by resolution of the Board, but no expenditures shall be directly charged to any reserve.
 - 3) A receipt from a source not anticipated in the budget and received for a particular purpose including, but not limited to, grants, donations, gifts, or reimbursements for damages may, by resolution of the Board recorded in its minutes, be appropriated and expended for that purpose, in addition to the appropriations and expenditures provided for in the budget. Such receipts and appropriations shall be added to the budget in the proper fund.
- It is unlawful for the Clerk to expend or contract for expenditures in any fiscal year more than the amount budgeted in each individual fund's budget, and in no case shall the total appropriations of any budget be exceeded. Budgetary comparison schedules presented herein are on a basis consistent with accounting principles generally accepted in the United States of America.

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted for all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes available to the fiscal year, whenever signed into law or otherwise legally authorized.

**CLERK OF THE CIRCUIT COURT,
GLADES COUNTY, FLORIDA
NOTES TO SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL
GENERAL FUND (NON-GAAP BUDGETARY BASIS)
SEPTEMBER 30, 2021**

NOTE 2 DIFFERENCE BETWEEN BUDGETED AND ACTUAL RESULTS

Budgets are adopted on a basis consistent with GAAP except as follows:

	<u>General Fund</u>
Actual Amounts (Budgetary Basis) "Revenues" from the Budgetary Comparison Schedule	\$ 609,441
Differences—Budget to GAAP: Certain Child Support Related Revenues are not a Component of the Clerk's Budget	65,589
Total Revenues as Reported on the Statement of Revenues and Expenditures	<u>\$ 675,030</u>
Actual Amounts (Budgetary Basis) "Expenditures" from the Budgetary Comparison Schedule	\$ 1,003,369
Differences—Budget to GAAP: Certain Child Support Related Expenditures are not a Component of the Clerk's Budget	65,589
Total Expenditures as Reported on the Statement of Revenues and Expenditures	<u>\$ 1,068,958</u>

SUPPLEMENTAL REPORTS



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

Honorable Tami Pearce Simmons
Clerk of the Circuit Court, Glades 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 each major fund and the aggregate remaining fund information of the Clerk of the Circuit Court, Glades 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 basic financial statements, and have issued our report thereon dated June 21, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, 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 opinions 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

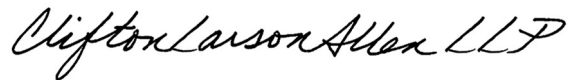
Honorable Tami Pearce Simmons
Clerk of the Circuit Court, Glades County, Florida

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



CliftonLarsonAllen LLP

Fort Myers, Florida
June 21, 2022



MANAGEMENT LETTER

Honorable Tami Pearce Simmons
Clerk of the Circuit Court,
Glades County, Florida

Report on the Financial Statements

We have audited the financial statements of the Clerk of the Circuit Court, Glades County, Florida (the Clerk), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated June 21, 2022.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 21, 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 status of findings and recommendations made in the preceding annual financial audit report are listed in Appendix A.

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 discloses this information in the notes to the financial statements.

Honorable Tami Pearce Simmons
Clerk of the Circuit Court,
Glades County, Florida

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, our recommendation is as follows:

2021-001 Timely Remittance of Custodial Transactions

Criteria

Custodial funds, formally known as Agency funds, should be used to report resources held by the reporting government in a purely custodial capacity. Custodial funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.” Florida laws and statutes govern the disposition and remittance of amounts collected through the court-related and official records functions of the Clerk’s office. Each transaction accounted for in a custodial capacity should maintain a full record of the source and who the transaction is held for.

Condition

The Clerk is maintaining balances from prior years held in a custodial capacity in which there are no readily available records to determine to whom these funds are owed. The Clerk has made considerable progress identifying and clearing old balances and remitting funds back to the proper parties, but at September 30, 2021 there remain accounts where proper records are still being researched and worked through.

Cause

The main cause of old balances is the accounting structure that was used in prior years. Certain accounts were coded as revenue or expenditure accounts which were closed to fund balance, which resulted in the details of the transaction not being maintained. The Clerk has been working towards resolution on these balances, but has not completely cleared the issue.

Effect

Governmental entities, individuals, or others may not have received amounts that are due to them.

Prior Year Finding

Yes, 2020-002

Recommendation

We understand the custodial fund balances are now being reconciled timely and balances are supported. In addition, considerable progress has been made to identify and resolve old amounts.

For the remaining old amounts, we recommend the Clerk exhaust research options, document the procedures taken to find the beneficiary and finally eliminate the balances and remit amounts to the state, if required.

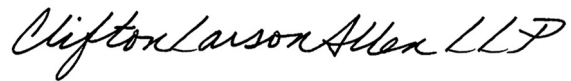
Honorable Tami Pearce Simmons
Clerk of the Circuit Court,
Glades County, Florida

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material, but which warrants the attention of those charged with governance. In connection with our audit, we did not have 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 of the Circuit Court, Glades County, Florida and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Fort Myers, Florida
June 21, 2022

**CLERK OF THE CIRCUIT COURT,
GLADES COUNTY, FLORIDA
MANAGEMENT LETTER
SEPTEMBER 30, 2021**

APPENDIX A – PRIOR YEAR FINDINGS AND RECOMMENDATIONS

Prior Year Findings		Finding Number			Current Year Status		
		Current Year	FY 2020	FY 2019	Cleared	Partially Cleared	Not Cleared
2020-001 Material Audit Adjustments	Material Weakness	N/A	2020-001	2019-001	X		
2020-002 Timely Remittance of Agency Transactions	Management Letter	2021-001	2020-002	2019-002		X	
2020-003 Performance Reports	Management Letter	N/A	2020-003	2019-003	X		
2020-004 Clerk of Court Expenditures and Collections Report	Management Letter	N/A	2020-004	2019-004	X		



INDEPENDENT ACCOUNTANTS' REPORT

Honorable Tami Pearce Simmons
Clerk of the Circuit Court,
Glades County, Florida

We have examined the Clerk of the Circuit Court, Glades County, Florida's (the Clerk) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds; Section 61.181, Florida Statutes, regarding Clerk of the Courts alimony and child support payments; and Sections 28.35 and 28.36, Florida Statutes, regarding Clerk of the Courts performance standards and budget, during the year ended September 30, 2021. Management of the Clerk is responsible for the Clerk's compliance with the specified requirements. Our responsibility is to express an opinion on the Clerk'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 Clerk complied, in all material respects, with the specified 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 the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, 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 Section 218.415, Florida Statutes, regarding the investment of public funds; Section 61.181, Florida Statutes, regarding Clerks of the Courts alimony and child support payments; and Sections 28.35 and 28.36, Florida Statutes, regarding Clerks of the Courts performance standards and budgets during year ended September 30, 2021.

This report is intended solely for the information and use of the Clerk and the Florida Auditor General, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Fort Myers, Florida
June 21, 2022



CLA is an independent member of Nexia International, a leading, global network of independent accounting and consulting firms. See [nexia.com/member-firm-disclaimer](https://www.nexia.com/member-firm-disclaimer) for details.



Tami P. Simmons

CLERK OF THE CIRCUIT COURT
TWENTIETH JUDICIAL CIRCUIT
GLADES COUNTY, FLORIDA

GLADES COUNTY COURTHOUSE
500 AVENUE J
POST OFFICE BOX 10
MOORE HAVEN, FLORIDA 33471-0010

June 21, 2022

Christopher Kessler, CPA, Principal
CliftonLarsonAllen, LLP
1280 University Drive, Suite 210
Fort Myers, Florida 33907

Thank you for the opportunity to provide Managements Response to the finding noted in the Financial Statements and Supplemental Reports for the Year End September 30, 2021.

2021-001 – Timely Remittance of Custodial Transactions

Management concurs with the Finding and Recommendation. All current balance will continue to be reconciled monthly and remitted timely. As noted, the Finance Department has made significant process in identifying and reconciling old account balances and will continue to do so until all balances are resolved. As recommended, upon exhausting all research options our process will be documented and remaining balances will be eliminated and remitted to the state, if required. We anticipate that this process will be completed by September 30, 2022

If you have further questions please do not hesitate to reach out.

Thank you,

A handwritten signature in blue ink that reads "Tami P. Simmons".

Tami P. Simmons
Clerk of Courts

**PROPERTY APPRAISER
GLADES COUNTY, FLORIDA**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2021



WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

CLAconnect.com

**PROPERTY APPRAISER
GLADES COUNTY, FLORIDA
TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 2021**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
BALANCE SHEET – GENERAL FUND	4
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – GENERAL FUND	5
NOTES TO FINANCIAL STATEMENTS	6
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL – GENERAL FUND (NON-GAAP BUDGETARY BASIS)	14
NOTES TO SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL – GENERAL FUND (NON-GAAP BUDGETARY BASIS)	15
SUPPLEMENTAL REPORTS	
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	17
MANAGEMENT LETTER	19
INDEPENDENT ACCOUNTANTS' REPORT	22



INDEPENDENT AUDITORS' REPORT

The Honorable Lorie Ward
Property Appraiser
Glades County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the general fund of the Property Appraiser, Glades County, Florida (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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion 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 auditors' 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 opinion.

The Honorable Lorie Ward
Property Appraiser
Glades County, Florida

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the general fund of the Property Appraiser as of September 30, 2021, and the changes in financial position 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. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the general fund, only for that portion of the general fund of Glades County, Florida that is attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Glades County, Florida, as of September 30, 2021, and the changes in its financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. 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 schedule of revenues and expenditures – budget and actual – general fund (non-GAAP budgetary basis) on pages 14-16 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 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.

Management has omitted management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

The Honorable Lorie Ward
Property Appraiser
Glades County, Florida

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated May 20, 2022 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 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 Property Appraiser'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 Property Appraiser's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Fort Myers, Florida
May 20, 2022

FINANCIAL STATEMENTS

**PROPERTY APPRAISER
GLADES COUNTY, FLORIDA
BALANCE SHEET – GENERAL FUND
SEPTEMBER 30, 2021**

ASSETS

Cash	<u>\$ 42,970</u>
------	------------------

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts Payable	\$ 396
Accrued Expenses	492
Due to Board of County Commissioners	41,160
Due to Other Governments	<u>922</u>
Total Liabilities	42,970

FUND BALANCE

Total Liabilities and Fund Balance	<u>\$ -</u>
	<u>\$ 42,970</u>

See accompanying Notes to Financial Statements.

**PROPERTY APPRAISER
GLADES COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2021**

REVENUES

Charges for Services	\$	44,560
Miscellaneous		1,344
Total Revenues		45,904

EXPENDITURES

Current:		
Personal Services		521,840
Operating Expenditures		141,806
Capital Outlay		47,316
Total Expenditures		710,962

DEFICIENCY OF REVENUES UNDER EXPENDITURES (665,058)

OTHER FINANCING SOURCES (USES)

Transfers From the Board of County Commissioners		707,140
Distribution of Excess Fees:		
Board of County Commissioners		(41,160)
Other Governments		(922)
Total Other Financing Sources		665,058

NET CHANGE IN FUND BALANCE

Fund Balance - Beginning of Year -

FUND BALANCE - END OF YEAR \$ -

See accompanying Notes to Financial Statements.

**PROPERTY APPRAISER
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Property Appraiser, Glades County, Florida (the Property Appraiser), is a separately elected constitutional officer pursuant to the Constitution of the State of Florida. Pursuant to the Florida Statutes, the Property Appraiser's budget is submitted to the Florida Department of Revenue for approval and a copy is forwarded to the Glades County Board of County Commissioners (the Board). The Property Appraiser's financial statements do not purport to reflect the financial position or the results of operations of Glades County, Florida (the County), taken as a whole.

For financial reporting purposes, the Property Appraiser is deemed to be a part of the primary government of the County. As such, the Property Appraiser's financial statements are included in the financial statements of the County. There are no component units included in the Property Appraiser's financial statements.

Basis of Presentation

These financial statements have been prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, Rules of the Auditor General – Local Governmental Entity Audits, which allows the Property Appraiser to only present fund financial statements. These financial statements present only the portion of the funds of the County that are attributable to the Property Appraiser. They are not intended to present fairly the financial position and results of operations of the County in conformity with accounting principles generally accepted in the United States of America. The financial activities of the Property Appraiser, as a constitutional officer, are included in the Glades County, Florida Annual Financial Report.

Basis of Accounting and Measurement Focus

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting 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. For this purpose the Property Appraiser considers revenue to be available if they are collected within 60 days after the end of the current fiscal period. Expenditures are recorded when the liability is incurred, except for accumulated sick and vacation pay and other postemployment benefits, which are not recorded until paid.

**PROPERTY APPRAISER
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Transactions

During the course of normal operations, it is necessary for the County to enter into transactions among its various funds. These transactions consist of the following:

- Transfers in and out, as appropriate, for all other interfund transactions, which are shown as other financing sources (uses). The amount transferred by the Board to fund the 2021 budget of the Property Appraiser was \$707,140.

In accordance with Florida Statutes, all Board funding in excess of expenditures as of year-end are owed to the Board. Excess fees of \$41,160 were due to the Board General Fund at September 30, 2021.

Uses of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as applicable to governmental units, requires management to make use of estimates that affect the reported amounts in the financial statements. Actual results could differ from estimates.

NOTE 2 DEPOSITS

Custodial credit risk is the risk that in the event of a bank failure, the Property Appraiser's deposits may not be returned to it. In accordance with its policy, all Property Appraiser depositories are banks designated by the Florida Chief Financial Officer as qualified public depositories. Chapter 280 of the Florida Statutes, "Florida Security for Public Deposits Act," provides procedures for public depositories to ensure public monies in banks and saving and loans are collateralized with the Florida Chief Financial Officer as agent for the public entities. Chapter 280 defines deposits as demand deposit accounts, time deposit accounts, and nonnegotiable certificates of deposit.

Financial institutions qualifying as public depositories shall deposit with the Florida Chief Financial Officer eligible collateral at the pledging level required pursuant to Chapter 280. The Florida Security for Public Deposits Act has a procedure for the payment of losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof; therefore, the Property Appraiser is not exposed to custodial credit risk for its deposits.

**PROPERTY APPRAISER
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 3 CAPITAL ASSETS

Tangible personal property used in the Property Appraiser's operations is recorded as an expenditure in the General Fund of the Property Appraiser at the time of purchase. Purchased assets are capitalized at historical cost in the government-wide financial statements of the County. The Property Appraiser maintains custodial responsibility for these capital assets.

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

	Balance October 1, 2020	Increases	Decreases	Balance September 30, 2021
Capital Assets Not Being Depreciated:				
Construction in Process	\$ 147,316	\$ 47,316	\$ (194,632)	\$ -
Capital Assets Being Depreciated:				
Equipment	157,984	-	(35,679)	122,305
Software	-	194,632	-	194,632
Less Accumulated Depreciation:				
Equipment	153,629	1,587	(35,679)	119,537
Software	-	7,299	-	7,299
Total Capital Assets				
Being Depreciated, Net	4,355	185,746	-	190,101
Total Capital Assets, Net	<u>\$ 151,671</u>	<u>\$ 233,062</u>	<u>\$ (194,632)</u>	<u>\$ 190,101</u>

NOTE 4 COMPENSATED ABSENCES

It is the Property Appraiser's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick leave, which will be paid upon separation of service. In fund financial statements, a liability and expenditure for compensated absences is recognized as payments come due each period upon the occurrence of relevant events, such as employee resignations and retirements. For reporting within governmental activities of the County's basic financial statements, vacation is accrued as a liability when benefits are earned by the employees, that is, the employees have rendered services that give rise to the vacation liability and it is probable that the Property Appraiser will compensate the employees in some manner, e.g., in cash or in paid time-off, now or upon termination or retirement. The Property Appraiser uses the vesting method in accruing sick leave liability. The vesting method accrues sick leave liability for employees who are currently eligible to receive termination payments upon separation as well as those expected to become eligible in the future.

**PROPERTY APPRAISER
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 4 COMPENSATED ABSENCES (CONTINUED)

Changes in compensated absences for the year ended September 30, 2021 are reported in the governmental activities in the government-wide financial statements of the County and are as follows:

Balance - October 1, 2020	\$	14,849
Increases		31,355
Decreases		(27,266)
Balance - September 30, 2021	<u>\$</u>	<u>18,938</u>
Amounts Due Within One Year	<u>\$</u>	<u>18,938</u>

NOTE 5 PENSION PLAN

Background

The Florida Retirement System (FRS) was created by 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 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 Property Appraiser are eligible to enroll as members of the State-administered FRS. Provisions relating to the 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 the two cost sharing, multiple employer defined benefit plans and other nonintegrated programs. A comprehensive annual 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).

**PROPERTY APPRAISER
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 5 PENSION PLAN (CONTINUED)

Florida Retirement System Pension Plan

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers 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 special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at eight years of creditable 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 FRS 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. Employees enrolled in the FRS Plan may include up to four years of credit for military service toward creditable service. The FRS 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 FRS 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 FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating 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.

**PROPERTY APPRAISER
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 5 PENSION PLAN (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided

Benefits under the FRS 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.

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%. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Detailed information about the County's proportionate share of FRS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

Retiree Health Insurance Subsidy Program

Plan Description

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided

For the fiscal year ended June 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

**PROPERTY APPRAISER
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 5 PENSION PLAN (CONTINUED)

Retiree Health Insurance Subsidy Program (Continued)

Benefits Provided (Continued)

Detailed information about the County's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

FRS Investment Plan

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

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. Property Appraiser 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 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. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeiting benefits of plan members.

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. Nonvested 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. For the fiscal year ended June 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 Property Appraiser.

**PROPERTY APPRAISER
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 5 PENSION PLAN (CONTINUED)

FRS Investment Plan (Continued)

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.

Contributions

Participating employer contributions are based upon statewide rates established by the state of Florida. The Property Appraiser's contributions made to the plans during the years ended September 30, 2021, 2020, and 2019 were \$54,026, \$46,944, and \$55,899, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the County-wide financial statements.

NOTE 6 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

The Property Appraiser provides postemployment health care benefits in accordance with Section 112.0801, Florida Statutes, to all employee who retire from the Property Appraiser. The Property Appraiser is required to provide health care coverage at cost to all retirees but does not pay any portion of the premium for the retiree to participate in the Property Appraiser's group health care plan. The liability and expense for the other postemployment benefits, calculated in accordance with Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, are reported in the financial statements of the County.

NOTE 7 RISK MANAGEMENT

The Property Appraiser is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The County provides coverage for the above risks and no cost is charged to the Property Appraiser.

REQUIRED SUPPLEMENTARY INFORMATION

**PROPERTY APPRAISER
GLADES COUNTY, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL – GENERAL FUND (NON-GAAP BUDGETARY BASIS)
YEAR ENDED SEPTEMBER 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for Services	\$ -	\$ -	\$ 24,318	\$ 24,318
Miscellaneous	-	-	1,262	1,262.00
Total Revenues	-	-	25,580	25,580.00
EXPENDITURES				
Current:				
Personal Services	512,108	527,074	521,840	5,234
Operating Expenditures	158,330	158,330	137,506	20,824
Capital Outlay	47,316	47,316	47,316	-
Total Expenditures	717,754	732,720	706,662	26,058
DEFICIENCY OF REVENUES OVER EXPENDITURES	(717,754)	(732,720)	(681,082)	(51,638)
OTHER FINANCING SOURCES (USES)				
Transfers In	717,754	732,720	707,140	(25,580)
Distribution of Excess Fees:				
Board of County Commissioners	-	-	(25,136)	25,136
Other Governments	-	-	(922)	922
Total Other Financing Sources	717,754	732,720	681,082	51,638
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance - Beginning of Year			-	
FUND BALANCE - END OF YEAR			<u>\$ -</u>	

See accompanying Notes to Schedule of Revenues and Expenditures – Budget and Actual – General Fund (Non-GAAP Budgetary Basis).

**PROPERTY APPRAISER
GLADES COUNTY, FLORIDA
NOTES TO SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL – GENERAL FUND (NON-GAAP BUDGETARY BASIS)
YEAR ENDED SEPTEMBER 30, 2021**

NOTE 1 BUDGETARY ACCOUNTING

Pursuant to Chapter 129 and 195.087, Florida Statutes govern the preparation, adoption, and administration of the budget of the Property Appraiser. The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- On or before June 1 of each year, the Property Appraiser concurrently submits to the Department of Revenue (the DOR) and the Board of County Commissioners (the Board) a budget for the operation of her office for the ensuing fiscal year.
- On or before August 15, the DOR makes final amendments or changes to the budget and provides notice thereof to the Property Appraiser and the Board.
- Taxpayers are informed of the proposed budget and tentative millage rates through advertising. Public hearings are held to elicit taxpayer comments.
- The budget is legally adopted through Board Resolution.
- Once the budget is legally adopted by the Board and the DOR, the Board may not make any amendments without the approval of the DOR. No transfer of funds between appropriations categories may be made without the written approval of the DOR; however, transfers may be made within these categories. All monies received by the Property Appraiser in complying with Chapter 119.07, Florida Statutes, may be used and expended in the same manner and to the same extent as funds budgeted for the office, and no budget amendment shall be required.
- It is unlawful for the Property Appraiser to expend or contract for, in any fiscal year, expenditures which exceed the amount budgeted, and in no case shall the total appropriations of any budget be exceeded. Budgetary comparison schedule presented herein is on a budgetary basis which differs from accounting principles generally accepted in the United States of America.

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted for all reserves, transfers, allocations, supplementary appropriations, and other legally authorized changes available to the fiscal year, whenever signed into law or otherwise legally authorized.

**PROPERTY APPRAISER
GLADES COUNTY, FLORIDA
NOTES TO SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL – GENERAL FUND (NON-GAAP BUDGETARY BASIS)
YEAR ENDED SEPTEMBER 30, 2021**

NOTE 2 DIFFERENCE BETWEEN BUDGETED AND ACTUAL RESULTS

Budgets are adopted on a basis consistent with GAAP except as follows:

	<u>General Fund</u>
Actual Amounts (Budgetary Basis) "Revenues" from the Budgetary Comparison Schedule	\$ 25,580
Differences—Budget to GAAP: Certain nonadvalorem related Revenues are not a component of the Property Appraiser's Budget	20,324
Total Revenues as Reported on the Statement of Revenues and Expenditures	\$ 45,904
Actual Amounts (Budgetary Basis) "Expenditures" from the Budgetary Comparison Schedule	\$ 706,662
Differences—Budget to GAAP: Certain nonadvalorem-related Expenditures are not a component of the Property Appraiser's Budget	4,300
Total Expenditures as Reported on the Statement of Revenues and Expenditures	\$ 710,962
Actual Amounts (Budgetary Basis) "Other Financing Sources (Uses)" from the Budgetary Comparison Schedule	\$ 681,082
Differences—Budget to GAAP: Distribution of excess fees related to certain revenues and expenditures that are not a component of the Property Appraiser's budget	(16,024)
Total Other Financing Sources (Uses) as Reported on the Statement of Revenues and Expenditures	\$ 665,058

SUPPLEMENTAL REPORTS



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

The Honorable Lorie Ward
Property Appraiser
Glades 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 Property Appraiser, Glades County, Florida (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, and have issued our report thereon dated May 20, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Property Appraiser'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 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

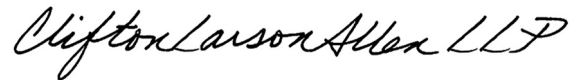
The Honorable Lorie Ward
Property Appraiser
Glades County, Florida

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



CliftonLarsonAllen LLP

Fort Myers, Florida
May 20, 2022



MANAGEMENT LETTER

The Honorable Lorie Ward
Property Appraiser
Glades County, Florida

Report on the Financial Statements

We have audited the financial statements of the Property Appraiser, Glades County, Florida (the Property Appraiser), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated May 20, 2022.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated May 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. See Appendix A for the current year status of findings and 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 discloses this information in the notes to the financial statements.

The Honorable Lorie Ward
Property Appraiser
Glades County, Florida

Financial Management

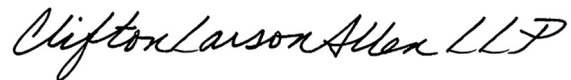
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but 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 Property Appraiser, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Fort Myers, Florida
May 20, 2022

**PROPERTY APPRAISER, GLADES COUNTY, FLORIDA
APPENDIX A
SEPTEMBER 30, 2021**

APPENDIX A – PRIOR YEAR FINDINGS AND RECOMMENDATIONS

Prior Year Findings		Finding Number			Current Year Status		
		Current Year	2019-2020	2018-2019	Cleared	Partially Cleared	Not Cleared
Payroll Deductions	Material Weakness	N/A	2020-001	N/A	X		



INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Lorie Ward
Property Appraiser
Glades County, Florida

We have examined the Property Appraiser, Glades County, Florida's (the Property Appraiser) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2021. Management of the Property Appraiser is responsible for Property Appraiser's compliance with those specified requirements. Our responsibility is to express an opinion on the Property Appraiser'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 Property Appraiser complied, in all material respects, with the specified 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 noncompliance, 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 Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2021.

This report is intended solely for the information and use of the Property Appraiser and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Fort Myers, Florida
May 20, 2022

**SHERIFF
GLADES COUNTY, FLORIDA**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2021



WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

CLAconnect.com

**SHERIFF
GLADES COUNTY, FLORIDA
TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 2021**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
BALANCE SHEET – GENERAL FUND	4
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GENERAL FUND	5
NOTES TO FINANCIAL STATEMENTS	6
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL – GENERAL FUND (NON-GAAP BUDGETARY BASIS)	18
NOTE TO SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL – GENERAL FUND (NON-GAAP BUDGETARY BASIS)	19
SUPPLEMENTAL REPORTS	
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	21
MANAGEMENT LETTER	23
INDEPENDENT ACCOUNTANTS' REPORT	25



INDEPENDENT AUDITORS' REPORT

The Honorable David Hardin
Sheriff
Glades County, Florida

Report on the Financial Statements

We have audited the financial statements of the general fund of the Sheriff, Glades County, Florida (the Sheriff), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Sheriff'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.

Auditors' 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 auditors' 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.

The Honorable David Hardin
Sheriff
Glades County, Florida

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Sheriff as of September 30, 2021, and the changes in financial position 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 of 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. 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 only for that portion of major funds of Glades County, Florida that is attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of Glades County, Florida as of September 30, 2021, and the changes in its financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of revenues and expenditures – budget and actual – general fund (non-GAAP budgetary basis) on pages 19-21 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 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.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

The Honorable David Hardin
Sheriff
Glades County, Florida

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 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. 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 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.



CliftonLarsonAllen LLP

Fort Myers, Florida
June 2, 2022

FINANCIAL STATEMENTS

**SHERIFF
GLADES COUNTY, FLORIDA
BALANCE SHEET – GENERAL FUND
SEPTEMBER 30, 2021**

	General Fund
ASSETS	
Cash	\$ 561,025
Accounts Receivable	340,374
Prepaid Items	12,271
Due from Other Governments	28,500
Due from Board of County Commissioners	24,888
Total Assets	\$ 967,058
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts Payable	\$ 169,084
Other Accrued Liabilities	241,703
Due to Board of County Commissioners	5,400
Total Liabilities	416,187
FUND BALANCES	
Nonspendable:	
Prepaid Items	12,271
Restricted:	
Training	33,135
Donations - Public Safety	42,473
Assigned:	
Personnel Expenditures	462,992
Total Fund Balances	550,871
Total Liabilities and Fund Balances Resources, and Fund Balances	\$ 967,058

See accompanying Notes to Financial Statements.

**SHERIFF
GLADES COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2021**

	General Fund
REVENUES	
Fines and Forfeitures	\$ 32,677
Intergovernmental	266,689
Charges for Services	5,696,087
Investment Earnings	122
Miscellaneous Income	30,922
Total Revenues	6,026,497
EXPENDITURES	
Current:	
Public Safety:	
Personal Services	3,237,782
Operating Expenditures	1,129,841
Jail Operations:	
Personal Services	5,349,194
Operating Expenditures	1,801,253
Debt Service:	
Principal	83,579
Interest and Other Charges	2,362
Capital Outlay	610,662
Total Expenditures	12,214,673
Excess (Deficiency) of Revenues Over Expenditures	(6,188,176)
OTHER FINANCING SOURCES (USES)	
Transfers from Board of County Commissioners	5,991,267
Transfers to Board of County Commissioners	(7,213)
Proceeds from the Disposal of Capital Assets	10,200
Capital Lease Proceeds	193,777
Total Other Financing Sources (Uses)	6,188,031
NET CHANGE IN FUND BALANCES	(145)
Fund Balances - Beginning of Year	551,016
FUND BALANCES - END OF YEAR	\$ 550,871

See accompanying Notes to Financial Statements.

**SHERIFF
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Sheriff, Glades County, Florida (the Sheriff), is a separately elected county official established pursuant to the Constitution of the State of Florida. The Sheriff's budget is submitted to the Glades County, Florida, Board of County Commissioners (the Board) for approval. The Sheriff's financial statements do not purport to reflect the financial position or the results of operations of Glades County, Florida (the County), taken as a whole.

For financial reporting purposes, the Sheriff is deemed to be a part of the primary government of the County. As such the Sheriff's financial statements are included in the financial statements of the County. There are no component units included in the Sheriff's financial statements.

Description of Funds

The accounting records of the Sheriff are organized on the basis of funds classified for reporting purpose into one governmental funds.

Governmental Funds

- *General Fund* is used to account for all financial activity of the Sheriff not accounted for in other funds. The funding is primarily from transfers in from the Glades County Board of County Commissioners and Charges for Services revenues from the Glades Correctional Development Corporation.

Basis of Presentation

The Sheriff's financial statements have been prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*, which allows the Sheriff to only present fund financial statements. These financial statements present only the portion of the funds of Glades County, Florida that are attributable to the Sheriff. They are not intended to present fairly the financial position and results of operations of Glades County, Florida in conformity with accounting principles generally accepted in the United States of America. The financial activities of the Sheriff, as a constitutional officer, are included in the Glades County, Florida Annual Financial Report.

The General Fund is presented as a major governmental fund.

The County funds the operating budget of the Sheriff.

**SHERIFF
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting and Measurement Focus

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

The General Fund is a governmental fund which uses the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when measurable and available to finance expenditures of the current period. For this purpose, the Sheriff considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, except for accumulated sick and vacation pay and other postemployment benefits, which are not recorded until due.

Prepaid Items

Prepaid items consist of certain costs which have been paid prior to the end of the fiscal year but represents items which are applicable to future accounting periods. Reported amounts in governmental funds are classified as nonspendable fund balance, in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Fund Balance

Governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Sheriff is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balance is reported in five components: nonspendable, restricted, committed, assigned, and unassigned.

Nonspendable – Amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact.

Restricted – Amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations or imposed by laws through constitutional provisions or enabling legislation.

Committed – Amounts that are constrained for specific purposes imposed by the Sheriff's formal action of highest level of decision-making authority.

**SHERIFF
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance (Continued)

Assigned – Includes spendable fund balances intended to be used for specific purposes, but which are neither restricted nor committed.

Unassigned – Represents the residual positive fund balance within the General Fund which has not been assigned to other funds and has not been restricted, committed, or assigned. In funds other than the General Fund, unassigned fund balances are limited to negative residual balances.

The Sheriff uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available. Additionally, the Sheriff would first use committed fund balance, followed by assigned fund balance, and then unassigned fund balance, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Interfund Transactions

During the course of normal operations, it is necessary for the Sheriff to enter into transactions among its various funds. These transactions consist of the following:

The amount transferred by the Board to fund the 2021 budget of the Sheriff was \$5,826,092.

The Board requires that the excess of the County appropriations (and other revenues) over expenditures be returned to the Board at the end of the fiscal year. Repayments to the County are recorded as a transfer out in the basic financial statements of the Sheriff and as a transfer in, in the basic financial statements of the County. The amount of undistributed excess appropriations at the end of the fiscal year is reported as amounts due to the Board.

The amount of undistributed excess fees of \$4,301 was due to the Board's General Fund at September 30, 2021.

In addition to the undistributed excess fees, the Sheriff reported amounts due to the Board's General Fund of \$663 for interest income and \$436 for other fees.

In addition to the budgeted transfers the General Fund reported transfers from the Board of County Commissioners in the amount of \$162,263 from equitable sharing accounts.

The amount of \$24,888 was due from the Board as of September 30, 2021.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as applicable to governmental units, requires management to make use of estimates that affect the reported amounts in the financial statements. Actual results could differ from estimates.

**SHERIFF
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 2 DEPOSITS

Custodial credit risk is the risk that in the event of a bank failure, the Sheriff's deposits may not be returned to it. In accordance with its policy, all Sheriff Depositories are banks designated by the Florida Chief Financial Officer as qualified public depositories. Chapter 280 of the Florida Statutes, "Florida Security for Public Deposits Act," provides procedures for public depositories to ensure public monies in banks and saving and loans are collateralized with the Florida Chief Financial Officer as agent for the public entities. Chapter 280 defines deposits as demand deposit accounts, time deposit accounts, and nonnegotiable certificates of deposit.

Financial institutions qualifying as public depositories shall deposit with the Florida Chief Financial Officer eligible collateral at the pledging level required pursuant to Chapter 280. The Florida Security for Public Deposits Act has a procedure for the payment of losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof; therefore, the Sheriff is not exposed to custodial credit risk for its deposits.

NOTE 3 CAPITAL ASSETS

Tangible personal property used in the Sheriff's operations is recorded as expenditure in the governmental fund types of the Sheriff at the time of purchase. Capital assets with an initial cost greater than \$1,000 are capitalized at historical cost in the government-wide financial statements of the County. The Sheriff maintains recordkeeping and custodial responsibility for certain tangible capital assets used by his office.

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

	Balance October 1, 2020	Increases	Decreases	Balance September 30, 2021
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ -	\$ 299,730	\$ -	\$ 299,730
Capital Assets, Being Depreciated:				
Motor Vehicles	2,056,939	234,139	129,484	2,161,594
Equipment and Furniture	2,397,680	86,944	42,537	2,442,087
Livestock	10,500	-	-	10,500
Total Capital Assets, Being Depreciated	<u>4,465,119</u>	<u>321,083</u>	<u>172,021</u>	<u>4,614,181</u>
Less Accumulated Depreciation for:				
Motor Vehicles	1,248,695	268,501	122,322	1,394,874
Equipment and Furniture	1,945,856	102,745	41,703	2,006,898
Livestock	10,500	-	-	10,500
Total Accumulated Depreciation	<u>3,205,051</u>	<u>371,246</u>	<u>164,025</u>	<u>3,412,272</u>
Total Capital Assets, Net	<u>\$ 1,260,068</u>	<u>\$ 249,567</u>	<u>\$ 7,996</u>	<u>\$ 1,501,639</u>

**SHERIFF
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 4 CAPITAL LEASE OBLIGATIONS

The Sheriff entered into a lease agreement for financing the purchase of radio equipment. The lease agreement qualifies as a capital lease and has been recorded at the present value of the future minimum lease payments as of the inception dates. The future minimum lease obligations and the net present value of the minimum lease payments as of September 30, 2021 are as follows:

<u>Fiscal Year Ending September 30,</u>	<u>Amount</u>
2022	\$ 67,306
2023	67,306
2024	<u>67,306</u>
Total Minimum Lease Payments	201,918
Less: Amount Representing Interest	<u>(8,141)</u>
Total	<u><u>\$ 193,777</u></u>

The cost and accumulated depreciation of capital assets acquired under the leases are \$299,730 and \$-0-, respectively, as of September 30, 2021. The leased assets are recorded to construction in progress while the assets are being modified for use.

The principal balance outstanding under this capital lease obligation is recorded as a liability in the basic financial statements of the County (statement of net position). The change in the capital lease obligation is as follows:

Balance, October 1, 2020	\$ 83,579
Proceeds	193,777
Principal Retirements	<u>(83,579)</u>
Balance, September 30, 2021	<u><u>\$ 193,777</u></u>
 Amounts Due Within One Year	 <u><u>\$ 62,865</u></u>

NOTE 5 OPERATING LEASE OBLIGATIONS

The Sheriff leases office equipment under operating leases. These leases expire on various dates through 2022. In most cases the Sheriff expects that in the normal course of operations, these leases will be renewed or replaced by other leases.

Total rental expenditures for all operating leases for the year ended September 30, 2021 were \$12,510.

The future minimum lease obligations as of September 30, 2021 are as follows:

<u>Fiscal Year Ending September 30,</u>	<u>Amount</u>
2022	\$ 11,029
Total Minimum Lease Payments	<u><u>\$ 11,029</u></u>

**SHERIFF
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 6 COMPENSATED ABSENCES

It is the Sheriff's policy to permit employees to accumulate a limited amount of earned, but unused vacation, holiday, and sick leave based upon length of employment, which will be paid upon separation of service. For governmental fund reporting, a liability and expenditure for compensated absences is recognized as payments come due each period upon the occurrence of relevant events, such as employee resignations and retirements. For reporting within governmental activities of the County's basic financial statements, vacation and holiday are accrued as a liability when benefits are earned by the employees, that is, the employees have rendered services that give rise to the vacation and holiday liability and it is probable that the Sheriff will compensate the employees in some manner, e.g., in cash or in paid time-off, now or upon termination or retirement. The Sheriff uses the vesting method in accruing sick leave liability. The vesting method accrues sick leave liability for employees who are currently eligible to receive termination payments upon separation as well as those expected to become eligible in the future. The total compensated absence liability consists of two components:

- 100% of earned, but unused vacation and holiday leave
- 25% of earned, but unused sick leave, for employees with greater than five years of service (125 hours maximum for employees with 5 to 10 years of service and 250 hours maximum for employees with over 10 years of service)

The following is a summary of changes in the compensated absences liability during fiscal year 2021.

Balance, October 1, 2020	\$ 718,541
Increases	642,364
Decreases	<u>(761,132)</u>
Balance, September 30, 2021	<u>\$ 599,773</u>
Amounts Due Within One Year	<u>\$ 419,841</u>

**SHERIFF
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 PENSION PLAN

Background

The Florida Retirement System (FRS) was created by 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 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 Glades County, Florida, Sheriff are eligible to enroll as members of the state-administered FRS. Provisions relating to the 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 the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual 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).

Florida Retirement System Pension Plan

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers 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 special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

**SHERIFF
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 PENSION PLAN (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Plan Description (Continued)

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at eight years of creditable 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 FRS 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. Employees enrolled in the FRS Plan may include up to four years of credit for military service toward creditable service. The FRS 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 FRS 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 FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating 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 FRS 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.

**SHERIFF
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 PENSION PLAN (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided (Continued)

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%. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Detailed information about the County's proportionate share of FRS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

Retiree Health Insurance Subsidy Program

Plan Description

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of state-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided

For the fiscal year ended June 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Detailed information about the County's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

**SHERIFF
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 PENSION PLAN (CONTINUED)

FRS Investment Plan

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

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. Glades County, Florida, Sheriff 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 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. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

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. Nonvested 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. For the fiscal year ended June 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 Glades County, Florida, Sheriff.

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.

**SHERIFF
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 PENSION PLAN (CONTINUED)

Contributions

Participating employer contributions are based upon statewide rates established by the state of Florida. The Glades County, Florida, Sheriff's contributions made to the plans during the years ended September 30, 2021, 2020, and 2019 were \$1,148,200, \$1,334,688, and \$1,374,321, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the County-wide financial statements.

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

The Sheriff provides postemployment health care benefits in accordance with Section 112.0801, Florida Statutes, to all employee who retire from the Sheriff. The Sheriff is required to provide health care coverage at cost to all retirees but does not pay any portion of the premium for the retiree to participate in the Sheriff's group health care plan. The liability and expense for the other postemployment benefits, calculated in accordance with Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, are reported in the financial statements of the County.

NOTE 9 RISK MANAGEMENT

The Sheriff is exposed to various risks of loss related to torts; theft of damage to and destruction of assets; errors and omissions; and natural disasters. Therefore, the Sheriff carries commercial insurance, in which the agency retains no risk of loss. There have been no claims in excess of insurance coverage limits during the last three years.

The coverage for general liability, workers' compensation, and comprehensive crime loss is covered through a comprehensive property and liability risk management program, the Florida Sheriff's Self-Insurance Fund. The program is a self-insurance program whereby the Sheriff makes annual contributions along with other members of the program. The Sheriff is subject to a special assessment in the event of a deficiency, except to the extent that the deficiency results from a specific claim against a member in excess of the reinsurance available, such deficiency is solely the responsibility of that member. The Sheriff is covered by Florida Statutes under the Doctrine of Sovereign Immunity, which generally limits the amount of the liability of the Sheriff to individual claims of \$100,000 or \$200,000 for all claims relating to the same incident.

The Sheriff purchases commercial insurance policies for health and dental insurance benefits.

**SHERIFF
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 10 COMMITMENTS AND CONTINGENCIES

Glades Correctional Development Corporation

The Sheriff entered into an agreement with Glades Correctional Development Corporation (GCDC), to manage, operate, and maintain the GCDC prison facility. The facility is a 440-bed prison located in Moore Haven, Florida. The agreement is effective through September 30, 2030. For the year ended September 30, 2021, the Sheriff recognized revenue in the amount of \$5,195,353 from GCDC, which was used to fund payroll expenses related to the operation of the GCDC facility and a negotiated management fee in the amount of \$500,000. The management fee is based on an annual budget submitted and mutually agreed upon by GCDC and the Sheriff and is paid in 12 payments during the fiscal year.

In 2006, the County transferred a parcel of land valued at \$550,000 to GCDC on which the prison facility was constructed. GCDC issued First Mortgage Revenue Bonds, Series 2006 in the amount of \$33,000,000 on March 14, 2006 to fund the construction of the prison facility. When all the bonds are discharged, GCDC will transfer fee simple title of the facility and land to Glades County. GCDC has executed a deed of the facility and land to the County which is being held by a trustee in escrow and will be delivered to the County after all the bonds are paid. The County has the right and option to defease or redeem the bonds prior to their maturity date and take title to the project at such time. The bonds are payable solely from rents and other revenues generated from the operations of the prison facility, and neither Glades County nor the Sheriff is liable for this debt.

REQUIRED SUPPLEMENTARY INFORMATION

**SHERIFF
GLADES COUNTY, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL – GENERAL FUND (NON-GAAP BUDGETARY BASIS)
YEAR ENDED SEPTEMBER 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Fines and Forfeitures	\$ -	\$ 32,677	\$ 32,677	\$ -
Intergovernmental	-	266,689	266,689	-
Charges for Services	-	5,696,425	5,696,087	(338)
Investment Earnings	-	122	122	-
Miscellaneous Income	-	10,172	10,172	-
Carryover	-	-	-	-
Total Revenues	-	6,006,085	6,005,747	(338)
EXPENDITURES				
Current:				
Public Safety:				
Personal Services	2,792,034	3,237,783	3,237,782	1
Operating Expenditures	695,203	1,055,837	1,055,791	46
Jail Operations:				
Personal Services	-	5,349,193	5,349,194	(1)
Operating Expenditures	1,696,491	1,801,207	1,801,253	(46)
Debt Service:				
Principal	-	83,544	83,579	(35)
Interest and Other Charges	-	2,397	2,362	35
Capital Outlay	68,098	498,980	498,979	1
Reserves - General Operating	-	-	-	-
Total Expenditures	5,251,826	12,028,941	12,028,940	1
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,251,826)	(6,022,856)	(6,023,193)	(337)
OTHER FINANCING SOURCES (USES)				
Transfers from Board of County Commissioners	5,251,826	5,826,092	5,826,092	-
Transfers to Board of County Commissioners	-	(4,301)	(4,301)	-
Proceeds from the Disposal of				
Capital Assets	-	7,288	7,288	-
Capital Lease Proceeds	-	193,777	193,777	-
Total Other Financing Sources (Uses)	5,251,826	6,022,856	6,022,856	-
NET CHANGE IN FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (337)</u>	<u>\$ (337)</u>

See accompanying Note to Schedule of Revenues and Expenditures – Budget and Actual – General Fund.

**SHERIFF
GLADES COUNTY, FLORIDA
NOTE TO SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL – GENERAL FUND (NON-GAAP BUDGETARY BASIS)
SEPTEMBER 30, 2021**

NOTE 1 BUDGETARY ACCOUNTING

Pursuant to Chapter 129, Florida Statutes, the Board of County Commissioners (the Board) follows the procedures below in establishing, adopting, and maintaining the operating budget, which includes the budget of the Sheriff's office:

- On or before June 1 of each year, the Sheriff submits to the Board a tentative budget for his office for the fiscal year commencing the following October 1. Taxpayers are informed of the proposed budget and tentative millage rates through advertising. Public hearings are held to elicit taxpayer comments.
- The budget is legally adopted through Board Resolution.
- The Board, at any time within a fiscal year, may amend a budget for that year as follows:
 - 1) Appropriations for expenditures in any fund may be decreased and other appropriations in the same fund correspondingly increased by actions recorded in the minutes, provided that the total of the appropriations of the fund are not changed. The Board, however, may establish procedures by which the Sheriff may authorize certain intradepartmental budget amendments, provided that the total appropriation of the department shall not be changed. The Asset Forfeiture Special Revenue Fund does not have a legally adopted budget.
 - 2) Appropriations from reserves may be made to increase appropriations by resolution of the Board, but no expenditures shall be directly charged to any reserve.
 - 3) A receipt from a source not anticipated in the budget and received for a particular purpose including, but not limited to, grants, donations, gifts, or reimbursements for damages, may, by resolution of the Board recorded in its minutes, be appropriated, and expended for that purpose, in addition to the appropriations and expenditures provided for in the budget. Such receipts and appropriations shall be added to the budget in the proper fund.
- It is unlawful for the Sheriff to expend or contract for expenditures in any fiscal year more than the amount budgeted in each individual fund's budget, and in no case shall the total appropriations of any budget be exceeded. Budgetary comparison schedule presented herein is on a basis which differs from accounting principles generally accepted in the United States of America (GAAP).

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted for all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes available to the fiscal year, whenever signed into law or otherwise legally authorized.

**SHERIFF
GLADES COUNTY, FLORIDA
NOTE TO SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL – GENERAL FUND (NON-GAAP BUDGETARY BASIS)
SEPTEMBER 30, 2021**

NOTE 2 DIFFERENCE BETWEEN BUDGETED AND ACTUAL RESULTS

Budgets are adopted on a basis consistent with GAAP except as follows:

	<u>General Fund</u>
Actual Amounts (Budgetary Basis) "Revenues" from the Budgetary Comparison Schedule	\$ 6,005,747
Differences—Budget to GAAP:	
Donations not budgeted	20,750
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - General Fund	\$ 6,026,497
Uses/Outflows of Resources:	
Actual Amounts (Budgetary Basis) "Expenditures" from the Budgetary Comparison Schedule	\$ 12,028,940
Differences—Budget to GAAP:	
Public Safety Operating Expenditures Paid with Asset Forfeiture or Donation Funding Not Budgeted	74,050
Capital Outlay Paid with Asset Forfeiture Funds not Budgeted	111,683
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - General Fund	\$ 12,214,673
Actual Amounts (Budgetary Basis) "Other Sources (Uses)" from the Budgetary Comparison Schedule	\$ 6,022,856
Differences—Budget to GAAP:	
Asset Forfeiture Appropriations not Budgeted	162,263
Capital Asset Disposal Proceeds not Budgeted	2,912
Total Sources (Uses) as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - General Fund	\$ 6,188,031

SUPPLEMENTAL REPORTS



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

The Honorable David Hardin
Sheriff
Glades 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 Sheriff, Glades County, Florida (the Sheriff), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Sheriff's financial statements, and have issued our report thereon dated June 2, 2022.

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 entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

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

The Honorable David Hardin
Sheriff
Glades County, Florida

Compliance and Other Matters

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

Purpose of this Report

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



CliftonLarsonAllen LLP

Fort Myers, Florida
June 2, 2022



MANAGEMENT LETTER

The Honorable David Hardin
Sheriff
Glades County, Florida

Report on the Financial Statements

We have audited the financial statements of the Sheriff, Glades County, Florida (the Sheriff), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated June 2, 2022.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated June 2, 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. Corrective actions have been taken to address findings and 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 the management letter, unless disclosed in the notes to the financial statements. The Sheriff discloses this information in the notes to the financial statements.

The Honorable David Hardin
Sheriff
Glades County, Florida

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 noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material, but 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.



CliftonLarsonAllen LLP

Fort Myers, Florida
June 2, 2022



INDEPENDENT ACCOUNTANTS' REPORT

The Honorable David Hardin
Sheriff
Glades County, Florida

We have examined the Sheriff, Glades County, Florida's (the Sheriff) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds, during the year ended September 30, 2021. Management of the Sheriff is responsible for the Sheriff's compliance with the specified requirements. Our responsibility is to express an opinion on the Sheriff'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 Sheriff complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Sheriff 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 noncompliance, 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 Section 218.415, Florida Statutes, regarding the investment of public funds for the year ended September 30, 2021.

This report is intended solely for the information and use of the Sheriff and the Florida Auditor General and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Fort Myers, Florida
June 2, 2022

**SUPERVISOR OF ELECTIONS,
GLADES COUNTY, FLORIDA**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2021



WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

CLAconnect.com

**SUPERVISOR OF ELECTIONS
GLADES COUNTY, FLORIDA
TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 2021**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
BALANCE SHEET – GENERAL FUND	4
STATEMENT OF REVENUES AND EXPENDITURES – GENERAL FUND	5
NOTES TO FINANCIAL STATEMENTS	6
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET TO ACTUAL – GENERAL FUND	16
NOTES TO SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET TO ACTUAL – GENERAL FUND	17
SUPPLEMENTAL REPORTS	
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	18
MANAGEMENT LETTER	20
INDEPENDENT ACCOUNTANTS' REPORT	22



INDEPENDENT AUDITORS' REPORT

The Honorable Aletris Farnam
Supervisor of Elections
Glades County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the general fund of the Supervisor of Elections, Glades County, Florida (the Supervisor of Elections), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Supervisor of Election'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.

Auditors' Responsibility

Our responsibility is to express an opinion 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 auditors' 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 Supervisor of Elections' 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 Supervisor of Elections' 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 opinion.

The Honorable Aletris Farnam
Supervisor of Elections
Glades County, Florida

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the general fund of the Supervisor of Elections as of September 30, 2021, and the changes in financial position 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. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the general fund only for that portion of the general fund of Glades County, Florida that is attributable to the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Glades County, Florida as of September 30, 2021, and the changes in its financial position for the fiscal 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 Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of revenues and expenditures – budget to actual – general fund on pages 16 to 17 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 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.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

The Honorable Aletris Farnam
Supervisor of Elections
Glades County, Florida

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2022, 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 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 effectiveness of the Supervisor of Elections 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.



CliftonLarsonAllen LLP

Fort Myers, Florida
May 23, 2022

FINANCIAL STATEMENTS

**SUPERVISOR OF ELECTIONS
GLADES COUNTY, FLORIDA
BALANCE SHEET – GENERAL FUND
SEPTEMBER 30, 2021**

ASSETS

Due from Board of County Commissioners	\$	3,970
Prepaid Items		149
		<hr/>
Total Assets	\$	<u><u>4,119</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts Payable	\$	4,119
		<hr/>
Total Liabilities		4,119

FUND BALANCE

Nonspendable:		
Prepaid Items		149
Unassigned		(149)
		<hr/>
Total Fund Balance		<u>-</u>
		<hr/>
Total Liabilities and Fund Balances	\$	<u><u>4,119</u></u>

See accompanying Notes to Financial Statements.

**SUPERVISOR OF ELECTIONS
GLADES COUNTY, FLORIDA
STATEMENT OF REVENUES AND EXPENDITURES – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2021**

REVENUES

Intergovernmental	\$ 78,780
Total Revenues	<u>78,780</u>

EXPENDITURES

Current - General Government:	
Personal Services	282,322
Operating Expenditures	112,025
Debt Service:	
Principal	13,105
Interest and Other Charges	41,718
Capital Outlay	16,107
Total Expenditures	<u>465,277</u>

OTHER FINANCING SOURCES

Transfer From the Board of County Commissioners	386,497
Total Other Financing Sources	<u>386,497</u>

NET CHANGE IN FUND BALANCE

Fund Balance - Beginning of Year	<u>-</u>
----------------------------------	----------

FUND BALANCE - END OF YEAR

	<u><u>\$ -</u></u>
--	--------------------

**SUPERVISOR OF ELECTIONS
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Supervisor of Elections, Glades County, Florida (the Supervisor of Elections), is a separately elected constitutional officer pursuant to the Constitution of the State of Florida. The Supervisor of Elections' budget is submitted to the Board of County Commissioners (the Board) for approval. The Supervisor of Elections' financial statements do not purport to reflect the financial position or the results of operations of Glades County, Florida (the County), taken as a whole.

For financial reporting purposes, the Supervisor of Elections is deemed to be a part of the primary government of the County. As such, the Supervisor of Elections' financial statements are included in the financial statements of the County. There are no component units included in the Supervisor of Elections' financial statements.

Description of Funds

The accounting records are organized on the basis of funds classified for reporting purposes into one basic fund type:

Governmental Fund:

- *General Fund* is used to account for the general operations of the Supervisor of Elections. All resources are provided by transfers from the County.

Basis of Presentation

These financial statements have been prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, *Rules of the Auditor General – Local Governmental Entity Audits*, which allows the Supervisor of Elections to only present fund financial statements. These financial statements present only the portion of the funds of the County that are attributable to the Supervisor of Elections. They are not intended to present fairly the financial position and results of operations of the County in conformity with accounting principles generally accepted in the United States of America. The financial activities of the Supervisor of Elections, as a constitutional officer, are included in the Glades County, Florida Annual Financial Report.

The General Fund is presented as a major governmental fund.

The County funds the operating budget of the Supervisor of Elections. Funding is provided on an as needed basis.

**SUPERVISOR OF ELECTIONS
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting and Measurement Focus

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting 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. For this purpose, the Supervisor of Elections considers revenue to be available if it is collected within 60 days after the end of the current fiscal period. Expenditures are recorded when the liability is incurred, except for capital leases, accumulated sick and vacation pay and other postemployment benefits, which are not recorded until paid.

Prepaid Items

Prepaid items consist of certain costs which have been paid prior to the end of the fiscal year but represent items which are applicable to future accounting periods.

Interfund Transactions

During the course of normal operations, it is necessary for the County to enter into transactions among its various funds. These transactions consist of one or more of the following types:

- Transfers in and out, as appropriate, for all other interfund transactions, which are reported as other financing sources (uses). The amount transferred by the Board to fund the 2021 budget of the Supervisor of Elections was \$386,497.

Fund Balance

Governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Supervisor of Elections is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balance is reported in five components: nonspendable, restricted, committed, assigned, and unassigned.

**SUPERVISOR OF ELECTIONS
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance (Continued)

Nonspendable – Amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact.

Restricted – Amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations or imposed by laws through constitutional provisions or enabling legislation.

Committed – Amounts that are constrained for specific purposes imposed by the Supervisor of Elections' formal action of highest level of decision-making authority.

Assigned – Includes spendable fund balances intended to be used for specific purposes, but which are neither restricted nor committed.

Unassigned – Represents the residual fund balance within the General Fund which has not been restricted, committed, or assigned.

The Supervisor of Elections uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available. Additionally, the Supervisor of Elections would first use committed fund balance, followed by assigned fund balance, and then unassigned fund balance, when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Uses of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as applicable to governmental units, requires management to make use of estimates that affect the reported amounts in the financial statements. Actual results could differ from estimates.

NOTE 2 CAPITAL ASSETS

Tangible personal property used in the Supervisor of Elections' operations is recorded as an expenditure in the General Fund of the Supervisor of Elections at the time of purchase. Purchased assets with an initial cost greater than \$5,000 are capitalized at historical cost in the government-wide financial statements of the County. The Supervisor of Elections maintains custodial responsibility for these capital assets.

**SUPERVISOR OF ELECTIONS
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 2 CAPITAL ASSETS (CONTINUED)

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

	Balance October 1, 2020	Increases	Decreases	Balance September 30, 2021
Assets Being Depreciated:				
Equipment, Furniture, and Vehicles	\$ 394,540	\$ 16,107	\$ 80,265	\$ 330,382
Less Accumulated Depreciation for:				
Equipment, Furniture, and Vehicles	148,173	42,530	80,265	110,438
Total Capital Assets, Net	<u>\$ 246,367</u>	<u>\$ (26,423)</u>	<u>\$ -</u>	<u>\$ 219,944</u>

NOTE 3 CAPITAL LEASE OBLIGATIONS

The Supervisor of Elections' entered into a lease agreement to financing the purchase of voting machines. The lease agreement qualifies as a capital lease and has been recorded at the present value of the future minimum lease payments as of the inception dates. The future minimum lease obligations and the net present value of the minimum lease payments as of September 30, 2021 are as follows:

<u>Fiscal Year Ending September 30,</u>	<u>Amount</u>
2022	\$ 54,823
2023	54,823
2024	54,823
2025	54,823
2026	54,823
Thereafter	<u>54,823</u>
Total Minimum Lease Payments	328,938
Less Amount Representing Interest	<u>(158,140)</u>
Total	<u>\$ 170,798</u>

The cost and accumulated depreciation of capital assets acquired under the lease are \$233,360 and \$53,478, respectively, as of September 30, 2021.

The principal balance outstanding under this capital lease obligation is recorded as a liability in the basic financial statements of the County (statement of net position). The change in the capital lease obligation is as follows:

Balance, October 1, 2020	\$ 183,903
Principal Retirements	<u>(13,105)</u>
Balance, September 30, 2021	<u>\$ 170,798</u>
Amounts Due Within One Year	<u>\$ 16,077</u>

**SUPERVISOR OF ELECTIONS
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 4 COMPENSATED ABSENCES

It is the Supervisor of Elections' policy to permit employees to accumulate a limited amount of earned but unused vacation and sick leave, which will be paid upon separation of service. For governmental fund reporting, a liability and expenditure for compensated absences is recognized as payments come due each period upon the occurrence of relevant events, such as employee resignations and retirements. For reporting within government-wide statements of the County's basic financial statements, vacation is accrued as a liability when benefits are earned by the employees, that is, the employees have rendered services that give rise to the vacation liability and it is probable that the Supervisor of Elections will compensate the employees in some manner, e.g., in cash or in paid time off, now or upon termination or retirement. The Supervisor of Elections uses the vesting method in accruing sick leave liability.

The vesting method accrues sick leave liability for employees who are currently eligible to receive termination payments upon separation as well as those expected to become eligible in the future. The Supervisor of Elections had one employee who is currently eligible to receive termination payments upon separation or who is expected to become eligible in the future.

Changes in the compensated absences for the year ended September 30, 2021 are reported in the governmental activities in the government-wide financial statements of the County and are as follows:

Balance - October 1, 2020	\$ 3,835
Increases	5,155
Decreases	<u>(6,837)</u>
Balance - September 30, 2021	<u>\$ 2,153</u>
Amounts Due Within One Year	<u>\$ 1,615</u>

NOTE 5 PENSION PLAN

Background

The Florida Retirement System (FRS) was created by 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 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.

**SUPERVISOR OF ELECTIONS
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 5 PENSION PLAN (CONTINUED)

Background (Continued)

Essentially all regular employees of the Supervisor of Elections are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FR 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 the two-cost sharing, multiple employer defined benefit plans and other nonintegrated programs. A comprehensive annual 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).

Florida Retirement System Pension Plan

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers 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 special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at eight years of creditable 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 FRS 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. Employees enrolled in the FRS Plan may include up to four years of credit for military service toward creditable service. The FRS 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 FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

**SUPERVISOR OF ELECTIONS
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 5 PENSION PLAN (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Plan Description (Continued)

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating 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 FRS 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.

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%. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Detailed information about the County's proportionate share of FRS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

**SUPERVISOR OF ELECTIONS
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 5 PENSION PLAN (CONTINUED)

Retiree Health Insurance Subsidy Program

Plan Description

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided

For the fiscal year ended June 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Detailed information about the County's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

FRS Investment Plan

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

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. Glades County, Florida, Supervisor of Elections 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 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. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

**SUPERVISOR OF ELECTIONS
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 5 PENSION PLAN (CONTINUED)

FRS Investment Plan (Continued)

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. Nonvested 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. For the fiscal year ended June 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 Glades County, Florida, Supervisor of Elections.

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.

Contributions

Participating employer contributions are based upon statewide rates established by the State of Florida. The Supervisor of Elections' contributions made during the years ended September 30, 2021, 2020, and 2019 were \$57,973, \$52,708, and \$51,185, respectively, equal to the actuarially determined contribution requirements for each year.

Additional information about pension plans can be found in the County-wide financial statements.

NOTE 6 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

The Supervisor of Elections provides postemployment health care benefits in accordance with Section 112.0801, Florida Statutes, to all employees who retire from the Supervisor of Elections. The Supervisor of Elections is required to provide health care coverage at cost to all retirees but does not pay any portion of the premium for the retiree to participate in the Supervisor of Elections' group health care plan. The liability and expense for other postemployment benefits, calculated in accordance with Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, are reported in the financial statements of the County.

**SUPERVISOR OF ELECTIONS
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 7 RISK MANAGEMENT

The Supervisor of Elections is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; and natural disasters. The County provides coverage for the above risks and no cost is charged to the Supervisor of Elections.

REQUIRED SUPPLEMENTARY INFORMATION

**SUPERVISOR OF ELECTIONS
GLADES COUNTY, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET TO ACTUAL – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 52,924	\$ 78,780	\$ 25,856
Total Revenues	<u>-</u>	<u>52,924</u>	<u>78,780</u>	<u>25,856</u>
EXPENDITURES				
Current - General Government:				
Personal Services	274,695	292,134	282,322	9,812
Operating Expenditures	65,500	122,134	112,025	10,109
Debt Service:				
Principal	-	13,200	13,105	95
Interest and other Charges	-	41,800	41,718	82
Capital Outlay	55,000	16,906	16,107	799
Total Expenditures	<u>395,195</u>	<u>486,174</u>	<u>465,277</u>	<u>20,897</u>
OTHER FINANCING SOURCES				
Transfer In:				
Glades County, Florida Board of County Commissioners Appropriations	395,195	433,250	386,497	(46,753)
Total Other Financing Sources (Uses)	<u>395,195</u>	<u>433,250</u>	<u>386,497</u>	<u>(46,753)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Schedule of Revenues and Expenditures – Budget to Actual – General Fund.

**SUPERVISOR OF ELECTIONS
GLADES COUNTY, FLORIDA
NOTES TO SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET TO ACTUAL – GENERAL FUND
SEPTEMBER 30, 2021**

NOTE 1 BUDGETARY ACCOUNTING

Pursuant to Chapter 129, Florida Statutes, the Board follows these procedures in establishing, adopting, and maintaining the operating budget, which includes the budget of the Supervisor of Elections' office:

- On or before June 1 of each year, the Supervisor of Elections submits to the Board a tentative budget for the operation of her office ensuing fiscal year.
- Taxpayers are informed of the proposed budget and tentative millage rates through advertising. Public hearings are held to elicit taxpayer comments.
- The budget is legally adopted through Board Resolution.
- The Board, at any time within a fiscal year, may amend a budget for that year as follows:
 - 1) Appropriations for expenditures in any fund may be decreased and other appropriations in the same fund correspondingly increased by actions recorded in the minutes, provided that the total of the appropriations of the fund are not changed. The Board, however, may establish procedures by which the Supervisor of Elections may authorize certain intradepartmental budget amendments, provided that the total appropriation of the department shall not be changed.
 - 2) Appropriations from reserves may be made to increase appropriations by resolution of the Board, but no expenditures shall be directly charged to any reserve.
 - 3) A receipt from a source not anticipated in the budget and received for a particular purpose including, but not limited to, grants, donations, gifts, or reimbursements for damages may, by resolution of the Board recorded in its minutes, be appropriated and expended for that purpose, in addition to the appropriations and expenditures provided for in the budget. Such receipts and appropriations shall be added to the budget in the proper fund.
- It is unlawful for the Supervisor of Elections to expend or contract for expenditures in any fiscal year more than the amount budgeted in each individual fund's budget, and in no case shall the total appropriations of any budget be exceeded. An annual budget is adopted for the General Fund. Budgetary comparison schedule presented herein is on a budgetary basis which differs from accounting principles generally accepted in the United States of America (GAAP) and are only prepared for the General Fund.

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted for all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes available to the fiscal year, whenever signed into law or otherwise legally authorized.

SUPPLEMENTAL REPORTS



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

The Honorable Aletris Farnam
Supervisor of Elections
Glades 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 Supervisor of Elections, Glades County, Florida (the Supervisor of Elections), as of and for the 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 May 23, 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 opinions 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.

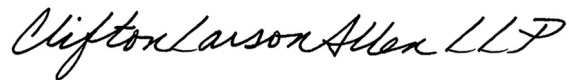
The Honorable Aletris Farnam
Supervisor of Elections
Glades County, Florida

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



CliftonLarsonAllen LLP

Fort Myers, Florida
May 23, 2022



MANAGEMENT LETTER

The Honorable Aletris Farnam
Supervisor of Elections
Glades County, Florida

Report on the Financial Statements

We have audited the financial statements of the Supervisor of Elections, Glades County, Florida (the Supervisor of Elections), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated May 23, 2022.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated May 23, 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. Corrective actions have been taken to address findings and 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 the management letter, unless disclosed in the notes to the financial statements. The Supervisor of Elections discloses this information in the notes to the financial statements.

The Honorable Aletris Farnam
Supervisor of Elections
Glades County, Florida

Financial Management

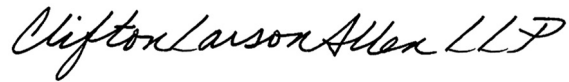
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material, but which warrants the attention of those charged with governance. In connection with our audit, we did not have 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 Supervisor of Elections and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Fort Myers, Florida
May 23, 2022



INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Aletris Farnam
Supervisor of Elections
Glades County, Florida

We have examined the Supervisor of Elections, Glades County, Florida's (the Supervisor of Elections) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds, during the year ended September 30, 2021. Management of the Supervisor of Elections is responsible for the Supervisor of Elections' compliance with the specified requirements. Our responsibility is to express an opinion on the Supervisor of Elections' 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 Supervisor of Elections complied, in all material respects, with the specified 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 risks of material noncompliance, 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 Section 218.415, Florida Statutes, regarding the investment of public funds for the year ended September 30, 2021.

This report is intended solely for the information and use of the Supervisor of Elections and the Florida Auditor General, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Fort Myers, Florida
May 23, 2022



**TAX COLLECTOR
GLADES COUNTY, FLORIDA**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL REPORTS**

YEAR ENDED SEPTEMBER 30, 2021



WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

CLAconnect.com

**TAX COLLECTOR
GLADES COUNTY, FLORIDA
TABLE OF CONTENTS
YEAR ENDED SEPTEMBER 30, 2021**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
BALANCE SHEET – GENERAL FUND	4
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – GENERAL FUND	5
STATEMENT OF FIDUCIARY NET POSITION – CUSTODIAL FUND	6
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – CUSTODIAL FUND	7
NOTES TO FINANCIAL STATEMENTS	8
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL – GENERAL FUND	17
NOTE TO SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL – GENERAL FUND	18
SUPPLEMENTAL REPORTS	
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	19
SCHEDULE OF FINDING AND RESPONSE	21
MANAGEMENT LETTER	22
INDEPENDENT ACCOUNTANTS' REPORT	24



INDEPENDENT AUDITORS' REPORT

The Honorable Gail Jones
Tax Collector
Glades 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 Tax Collector, Glades County, Florida (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.

Auditors' 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 auditors' 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 Tax Collector'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 Tax Collector'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.

The Honorable Gail Jones
Tax Collector
Glades County, Florida

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 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 of 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. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the general fund and the aggregate remaining fund information, only for that portion of the general fund and the aggregate remaining fund information of Glades County, Florida that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of Glades County, Florida as of September 30, 2021, and the changes in its financial position for the fiscal 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 Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of revenues and expenditures – budget and actual – general fund on pages 17-18 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 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.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statement is not affected by this missing information.

The Honorable Gail Jones
Tax Collector
Glades County, Florida

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated May 20, 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, 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.



CliftonLarsonAllen LLP

Fort Myers, Florida
May 20, 2022

FINANCIAL STATEMENTS

**TAX COLLECTOR
GLADES COUNTY, FLORIDA
BALANCE SHEET – GENERAL FUND
SEPTEMBER 30, 2021**

ASSETS

Cash	<u>\$ 174,620</u>
------	-------------------

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts Payable	\$ 806
Due to Board of County Commissioners	<u>173,814</u>
Total Liabilities	174,620

FUND BALANCE

Total Liabilities and Fund Balance	<u> -</u>
	<u>\$ 174,620</u>

See accompanying Notes to Financial Statements.

**TAX COLLECTOR
GLADES COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2021**

REVENUES	\$ -
EXPENDITURES	
Current:	
Personal Services	394,309
Operating Expenditures	80,920
Total Expenditures	<u>475,229</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(475,229)
OTHER FINANCING SOURCES (USES)	
Transfers from the Board of County Commissioners	506,090
Transfers to the Board of County Commissioners	<u>(30,861)</u>
Total Other Financing Sources	<u>475,229</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.

**TAX COLLECTOR
GLADES COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION – CUSTODIAL FUND
YEAR ENDED SEPTEMBER 30, 2021**

ASSETS

Cash and Cash Equivalents	\$ 111,918
Other Receivables	<u>301</u>
Total Assets	<u><u>\$ 112,219</u></u>

LIABILITIES

Due to Other Governmental Units	<u>112,219</u>
Total Liabilities	<u>\$ 112,219</u>

FIDUCIARY NET POSITION

\$ -

See accompanying Notes to Financial Statements.

**TAX COLLECTOR
GLADES COUNTY, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – CUSTODIAL FUND
YEAR ENDED SEPTEMBER 30, 2021**

ADDITIONS

Tax Collections for Other Governments	\$ 6,836,614
License and Fee Collections for Other Governments	<u>948,935</u>
Total Additions	<u>7,785,549</u>

DEDUCTIONS

Payments of Taxes to Other Governments	6,836,614
Payments of Licenses and Fees to Other Governments	<u>948,935</u>
Total Deductions	<u>7,785,549</u>

CHANGE IN FIDUCIARY NET POSITION

-

Fiduciary Net Position - Beginning of Year

-

FIDUCIARY NET POSITION - END OF YEAR

\$ -

See accompanying Notes to Financial Statements.

**TAX COLLECTOR
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Tax Collector, Glades County, Florida (the Tax Collector), is a separately elected constitutional officer pursuant to the Constitution of the State of Florida. Pursuant to the Florida Statutes, the Tax Collector's budget is submitted to the Florida Department of Revenue for approval and a copy is forwarded to the Glades County Board of County Commissioners (the Board). The Tax Collector's financial statements do not purport to reflect the financial position or the results of operations of Glades County, Florida (the County), taken as a whole.

For financial reporting purposes, the Tax Collector is deemed to be a part of the primary government of the County. As such, the Tax Collector's financial statements are included in the financial statements of the County. There are no component units included in the Tax Collector's financial statements.

Description of Funds

The accounting records are organized on the basis of funds classified for reporting purposes into two basic fund types:

Governmental Fund

General Fund is used to account for the general operations of the Tax Collector that are not accounted for in another fund. All resources are provided by transfers from the County.

Fiduciary Fund

Custodial Fund is used to report fiduciary activities that are not required to be reported in pension or OPEB trust funds, investment trust funds, or private purpose trust funds and account for assets held by the Tax Collector as an agent.

Basis of Presentation

These financial statements have been prepared for the purpose of complying with Section 218.39(2), Florida Statutes, and Chapter 10.550, *Rules of the Auditor General - Local Governmental Entity Audits*, which allows the Tax Collector to only present fund financial statements. These financial statements present only the portion of the funds of Glades County, Florida that are attributable to the Tax Collector. They are not intended to present fairly the financial position and results of operations of Glades County, Florida in conformity with accounting principles generally accepted in the United States of America. The financial activities of the Tax Collector, as a constitutional officer, are included in the Glades County, Florida Annual Financial Report.

**TAX COLLECTOR
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting and Measurement Focus

Basis of accounting refers to when intergovernmental transfers and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting 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, intergovernmental transfers are recognized when they become both measurable and available to finance expenditures of the current period. Expenditures are recorded when the liability is incurred, except for accumulated sick and vacation pay and other postemployment benefits, which are not recorded until paid.

The custodial fund is accounted for using the accrual basis of accounting.

Property Tax Collection

Chapter 197, Florida Statutes, governs property tax collection.

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, and 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 file an application for tax deed sale two years after the taxes have been delinquent (after April 1). 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.

Interfund Transactions

During the course of normal operations, it is necessary for the County to enter into transactions among its various funds. These transactions consist of the following:

Transfers in and out, as appropriate, for all other interfund transactions, which are shown as other financing sources (uses). The amount transferred by the Board to fund the 2021 budget of the Tax Collector was \$506,090.

In accordance with Florida Statutes, all revenues in excess of expenditures as of year-end are owed to the Board. Excess appropriations of \$30,861 were due to the Board of County Commissioners General Fund at September 30, 2021.

**TAX COLLECTOR
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Uses of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as applicable to governmental units, requires management to make use of estimates that affect the reported amounts in the financial statements. Actual results could differ from estimates.

New Accounting Standard

During the year ended September 20, 2021, the Tax Collector implemented GASB Statement No. 84, "Fiduciary Activities". The goal of the statement is to improve financial reporting by establishing specific criteria for identifying activities that should be reported as fiduciary activities. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of GASB 84 are effective for reporting periods beginning after December 15, 2019. A statement of fiduciary net position and a statement of changes in fiduciary net position are required to be presented for these activities. This Statement describes four fiduciary funds that should be reported: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds (formerly agency funds). The implementation of the pronouncement did not require the restatement of the September 30, 2020 net position of the custodial funds.

NOTE 2 DEPOSITS

Custodial credit risk is the risk that in the event of a bank failure, the Tax Collector's deposits may not be returned to it. In accordance with its policy, all the Tax Collector depositories are banks designated by the Florida Chief Financial Officer as qualified public depositories. Chapter 280 of the Florida Statutes, "Florida Security for Public Deposits Act," provides procedures for public depositories to ensure public monies in banks and saving and loans are collateralized with the Florida Chief Financial Officer as agent for the public entities. Chapter 280 defines deposits as demand deposit accounts, time deposit accounts, and nonnegotiable certificates of deposit.

Financial institutions qualifying as public depositories shall deposit with the Florida Chief Financial Officer eligible collateral at the pledging level required pursuant to Chapter 280. The Florida Security for Public Deposits Act has a procedure for the payment of losses in the event of a default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof; therefore, the Tax Collector is not exposed to custodial credit risk for its deposits.

**TAX COLLECTOR
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 3 CAPITAL ASSETS

Tangible personal property used in the Tax Collector's operations is recorded as an expenditure in the General Fund of the Tax Collector at the time of purchase. Purchased assets are capitalized at historical cost in the government-wide financial statements of the County. The Tax Collector maintains custodial responsibility for the capital assets.

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

	Balance October 1, 2020	Increases	Decreases	Balance September 30, 2021
Capital Assets Being Depreciated:				
Equipment	\$ 76,142	\$ -	\$ (26,848)	\$ 49,294
Less Accumulated Depreciation:				
Equipment	27,895	6,184	(26,848)	7,231
Total Capital Assets, Net	<u>\$ 48,247</u>	<u>\$ (6,184)</u>	<u>\$ -</u>	<u>\$ 42,063</u>

NOTE 4 COMPENSATED ABSENCES

It is the Tax Collector's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick leave, which will be paid upon separation of service. For governmental fund reporting, a liability and expenditure for compensated absences is recognized as payments come due each period upon the occurrence of relevant events, such as employee resignations and retirements. For reporting within government-wide statements of the County's basic financial statements, vacation is accrued as a liability when benefits are earned by the employees; that is, the employees have rendered services that give rise to the vacation liability and it is probable that the Tax Collector will compensate the employees in some manner, e.g., in cash or in paid time off, now or upon termination or retirement. The Tax Collector uses the vesting method in accruing sick leave liability. The vesting method accrues sick leave liability for employees who are currently eligible to receive termination payments upon separation as well as those expected to become eligible in the future.

Changes in compensated absences for the year ended September 30, 2021 are reported in the governmental activities in the government-wide financial statements of the County and are as follows:

Balance - October 1, 2020	\$ 15,851
Increases	22,507
Decreases	(19,870)
Balance - September 30, 2021	<u>\$ 18,488</u>
Amounts Due Within One Year	<u>\$ 11,880</u>

**TAX COLLECTOR
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 5 PENSION PLAN

Background

The Florida Retirement System (FRS) was created by 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 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 Tax Collector are eligible to enroll as members of the State-administered FRS. Provisions relating to the 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 the two cost-sharing multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual 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).

Florida Retirement System Pension Plan

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- *Regular Class* – Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officers 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 special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

**TAX COLLECTOR
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 5 PENSION PLAN (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Plan Description (Continued)

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at eight years of creditable 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 FRS 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. Employees enrolled in the FRS Plan may include up to four years of credit for military service toward creditable service. The FRS 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 FRS 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 FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating 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 FRS 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.

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%. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

**TAX COLLECTOR
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 5 PENSION PLAN (CONTINUED)

Florida Retirement System Pension Plan (Continued)

Benefits Provided (Continued)

Detailed information about the County's proportionate share of FRS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

Retiree Health Insurance Subsidy Program

Plan Description

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided

For the fiscal year ended June 30, 2021, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a state-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Detailed information about the County's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

FRS Investment Plan

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

**TAX COLLECTOR
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 5 PENSION PLAN (CONTINUED)

FRS Investment Plan (Continued)

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. Tax Collector 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 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. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members.

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. Nonvested 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. For the fiscal year ended June 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 Tax Collector.

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.

Contributions

Participating employer contributions are based upon statewide rates established by the State of Florida. The Tax Collector's contributions made to the plans during the years ended September 30, 2021, 2020, and 2019 were \$36,878, \$33,608, and \$33,424, respectively, equal to the actuarially determined contribution requirements for each year.

**TAX COLLECTOR
GLADES COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

NOTE 5 PENSION PLAN (CONTINUED)

Contributions (Continued)

Additional information about pension plans can be found in the County-wide financial statements.

NOTE 6 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

The Tax Collector provides postemployment health care benefits in accordance with Section 112.0801, Florida Statutes, to all employees who retire from the Tax Collector. The Tax Collector is required to provide health care coverage at cost to all retirees but does not pay any portion of the premium for the retiree to participate in the Tax Collector's group health care plan. The liability and expense for the other postemployment benefits, calculated in accordance with Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, are reported in the financial statements of the County.

NOTE 7 RISK MANAGEMENT

The Tax Collector is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The County provides coverage for the above risks and no cost is charged to the Tax Collector. There have been no claims in excess of insurance coverage limits during the last three years.

NOTE 8 LITIGATION

From time to time, the office of the Tax Collector is involved as a defendant in certain claims, litigation, and various legal proceedings incidental to the ordinary course of its operations. The County would be required to fund any claim payments arising from such actions that exceed the Tax Collector's ability to pay; therefore, this would not materially affect the operations of the office of the Tax Collector. At September 30, 2021, there is no pending or, to the knowledge of the County, any threatened litigation against the Tax Collector.

REQUIRED SUPPLEMENTARY INFORMATION

**TAX COLLECTOR
GLADES COUNTY, FLORIDA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current:				
Personal Services	417,567	419,000	394,309	24,691
Operating Expenditures	82,064	87,090	80,920	6,170
Total Expenditures	<u>499,631</u>	<u>506,090</u>	<u>475,229</u>	<u>30,861</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(499,631)	(506,090)	(475,229)	30,861
OTHER FINANCING SOURCES (USES)				
Transfers In	499,631	506,090	506,090	-
Transfers Out	-	-	(30,861)	(30,861)
Total Other Financing Sources (Uses)	<u>499,631</u>	<u>506,090</u>	<u>475,229</u>	<u>(30,861)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance - Beginning of Year			-	
FUND BALANCE - END OF YEAR			<u>\$ -</u>	

See accompanying Note to Schedule of Revenues and Expenditures – Budget and Actual – General Fund.

**TAX COLLECTOR
GLADES COUNTY, FLORIDA
NOTE TO SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2021**

NOTE 1 BUDGETARY ACCOUNTING

Pursuant to Chapters 129 and 195.087, Florida Statutes govern the preparation, adoption, and administration of the budget of the Tax Collector. The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- On or before June 1 of each year, the Tax Collector submits to the Board a tentative budget for the operation of her office ensuing fiscal year.
- Taxpayers are informed of the proposed budget and tentative millage rates through advertising. Public hearings are held to elicit taxpayer comments.
- The budget is legally adopted through Board Resolution.
- The Board, at any time within a fiscal year, may amend a budget for that year as follows:
 - 1) Appropriations for expenditures in any fund may be decreased and other appropriations in the same fund correspondingly increased by actions recorded in the minutes, provided that the total of the appropriations of the fund are not changed. The Board, however, may establish procedures by which the Tax Collector may authorize certain intradepartmental budget amendments, provided that the total appropriation of the department shall not be changed.
 - 2) Appropriations from reserves may be made to increase appropriations by resolution of the Board, but no expenditures shall be directly charged to any reserve.
 - 3) A receipt from a source not anticipated in the budget and received for a particular purpose including, but not limited to, grants, donations, gifts or reimbursements for damages may, by resolution of the Board recorded in its minutes, be appropriated and expended for that purpose, in addition to the appropriations and expenditures provided for in the budget. Such receipts and appropriations shall be added to the budget in the proper fund.
- It is unlawful for the Tax Collector to expend or contract for expenditures in any fiscal year more than the amount budgeted in each individual fund's budget, and in no case shall the total appropriations of any budget be exceeded. An annual budget is adopted for the General Fund. The budgetary comparison schedule presented herein is on a basis consistent with accounting principles generally accepted in the United States of America and is only prepared for the General Fund.

The original budget is the first complete appropriated budget. The final budget is the original budget adjusted for all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes available to the fiscal year, whenever signed into law or otherwise legally authorized.

SUPPLEMENTAL REPORTS



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

The Honorable Gail Jones
Tax Collector
Glades 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 Tax Collector, Glades County, Florida (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, and have issued our report thereon dated May 20, 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 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 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

The Honorable Gail Jones
Tax Collector
Glades County, Florida

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of finding and response as item 2021-001 that we consider to be a material weakness.

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, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Tax Collector's Response to Finding

The Tax Collector's response to the finding identified in our audit is described in the accompanying schedule of finding and response. The Tax Collector'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 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.



CliftonLarsonAllen LLP

Fort Myers, Florida
May 20, 2022

**TAX COLLECTOR
GLADES COUNTY, FLORIDA
SCHEDULE OF FINDING AND RESPONSE
YEAR ENDED SEPTEMBER 30, 2021**

2021-001 Audit Adjustments

Type of Finding: Material Weakness in Internal Control Over Financial Reporting

Condition

As part of the audit, we proposed audit adjustments to revise the Tax Collector's financial statements at year-end. These adjustments involved the recording of disbursements and collections to proper accounts.

Criteria

The Tax Collector is responsible for establishing and maintaining internal controls for the proper recording of all the Tax Collector's receipts and disbursements.

Effect

The design of the internal controls over recording receipts and disbursements could affect the ability of the Tax Collector to detect or prevent a misappropriation of assets or fraudulent activity

Cause

The Tax Collector's internal controls did not detect or prevent the error.

Recommendation

We recommend that the Tax Collector be consistently aware of all procedures and processes involved in recording receipts and disbursements and develop internal control policies to ensure proper recording of these items.

Views of Responsible Officials and Planned Corrective Actions

There were posting errors that should have been found during review of the quarterly fees and commissions due to the BOCC. The process included reviewing a balance sheet only and it did not show enough information to help the person during review to notice there was an error that needed to be corrected.

Management will include a profit and loss report along with the balance sheet and each bank reconciliation (monthly) during review. Therefore, if there are any errors, they can be found sooner and corrected. The Tax Collector will review these reports each month along with the bank reconciliations to ensure proper recording.



MANAGEMENT LETTER

The Honorable Gail Jones
Tax Collector
Glades County, Florida

Report on the Financial Statements

We have audited the financial statements of the Tax Collector, Glades County, Florida (the Tax Collector), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated May 20, 2022.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated May 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 Tax Collector discloses this information in the notes to the financial statements.

The Honorable Gail Jones
Tax Collector
Glades County, Florida

Financial Management

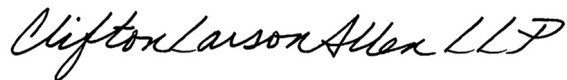
Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but 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 Tax Collector, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Fort Myers, Florida
May 20, 2022



INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Gail Jones
Tax Collector
Glades County, Florida

We have examined the Tax Collector, Glades County, Florida's (the Tax Collector) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2021. Management of the Tax Collector is responsible for the Tax Collector's compliance with those 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 referenced 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 noncompliance, 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 Section 218.415, Florida Statutes, regarding the investment of public funds during the year ended September 30, 2021.

This report is intended solely for the information and use of the Tax Collector and the Auditor General, State of Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Fort Myers, Florida
May 20, 2022