

TOWN OF REDDICK, FLORIDA
Reddick, Florida

ANNUAL FINANCIAL REPORT
September 30, 2021

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Independent Auditor's Report

Honorable Members of Town Council
Town of Reddick, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities of the Town of Reddick, Florida (the "Town"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the 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 Town'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 Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Ocala, Florida 34471

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Town, 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.

Other Matters

Required Supplementary Information

Management has omitted Management Discussion and Analysis that accounting principles generally accepted in the United States of America requires 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The schedule of expenditures – general fund is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures – general fund 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 schedule of expenditures – general fund is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2022, on our consideration of the Town'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 Town'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 Town's internal control over financial reporting and compliance.

**Restriction on Use**

This report is intended solely for the information and use of Management, the Town Council of Reddick, Florida, and the Auditor General of the State of Florida and others within the Town, and is not intended to be and should not be used by anyone other than these specified parties.

Crippen & Co., LLP

Ocala, Florida
March 3, 2022

GENERAL PURPOSE FINANCIAL STATEMENTS

TOWN OF REDDICK, FLORIDA
STATEMENT OF NET POSITION
September 30, 2021

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	Primary Government	
	General	Total
Assets		
Cash and cash equivalents	\$ 1,449,253	\$ 1,449,253
Accrued interest	10,069	10,069
Investments	1,978,585	1,978,585
Capital assets	90,748	90,748
Total Assets	<u>3,528,655</u>	<u>3,528,655</u>
Liabilities		
Accounts payable	<u>5,672</u>	<u>5,672</u>
Total Liabilities	<u>5,672</u>	<u>5,672</u>
Net Position		
Net investment in capital assets	90,748	90,748
Restricted for:		
Transportation expenditures	794,848	794,848
Infrastructure	330,439	330,439
Unrestricted	<u>2,306,948</u>	<u>2,306,948</u>
Total Net Position	<u><u>\$ 3,522,983</u></u>	<u><u>\$ 3,522,983</u></u>

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

TOWN OF REDDICK, FLORIDA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2021

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Functions/Programs	Governmental Activities	Total
Governmental Activities:		
General government	\$ 32,072	\$ 32,072
Public safety	472	472
Physical environment	33,987	33,987
Transportation	79,568	79,568
Culture and recreation	7,194	7,194
	<hr/>	<hr/>
Total Governmental Activities	153,293	153,293
	<hr/>	<hr/>
General Revenues		
State Revenues:		
Revenue sharing	26,445	26,445
Half-cent sales tax	45,043	45,043
Gasoline taxes	29,297	29,297
Communications services tax	3,245	3,245
One-cent sales tax	78,420	78,420
Licenses and permits	1,832	1,832
Interest and dividends	48,846	48,846
Investment loss	(82,475)	(82,475)
Miscellaneous revenues	528	528
	<hr/>	<hr/>
Total Revenues	151,181	151,181
	<hr/>	<hr/>
Change in Net Position	(2,112)	(2,112)
	<hr/>	<hr/>
Net Position at Beginning of the Year	3,525,095	3,525,095
	<hr/>	<hr/>
Net Position at End of the Year	<u>\$ 3,522,983</u>	<u>\$ 3,522,983</u>

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

TOWN OF REDDICK, FLORIDA
BALANCE SHEET
September 30, 2021

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Assets

Current Assets

Cash and cash equivalents	\$ 1,449,253
Accrued interest	<u>10,069</u>

Total Current Assets	<u>1,459,322</u>
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Investments	<u>1,978,585</u>
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Total Assets	<u><u>\$ 3,437,907</u></u>
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Liabilities and Fund Balances

Current Liabilities

Accounts payable	<u>\$ 5,672</u>
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Total Current Liabilities	<u>5,672</u>
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Total Liabilities	<u>5,672</u>
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Fund Balances

Restricted for:	
Reserved for transportation expenditures	794,848
Infrastructure	330,439
Unassigned	<u>2,306,948</u>

Total Fund Balances	<u>3,432,235</u>
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Total Liabilities and Fund Balances	<u><u>\$ 3,437,907</u></u>
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The accompanying notes are an integral part of these financial statements.

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TOWN OF REDDICK, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
As of September 30, 2021

Total Fund Balances of Governmental Funds \$ 3,432,235

**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 funds. The cost of the assets is \$363,048 and the accumulated depreciation is \$272,300.

90,748

Total Net Assets of Governmental Activities \$ 3,522,983

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

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TOWN OF REDDICK, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended September 30, 2021

	Budget	Actual	Variance- Favorable (Unfavorable)
Revenues			
State Revenues:			
Revenue sharing	\$ 17,220	\$ 26,445	\$ 9,225
Half-cent sales tax	34,000	45,043	11,043
Gasoline taxes	21,152	29,297	8,145
Communications services tax	3,189	3,245	56
One-cent sales tax	67,500	78,420	10,920
Licenses and permits	5,745	1,832	(3,913)
Interest and dividends	53,533	48,846	(4,687)
Investment loss	-	(82,475)	(82,475)
Miscellaneous revenues	-	528	528
Total Revenues	202,339	151,181	(51,158)
Expenditures			
Current:			
General government	51,405	32,072	19,333
Public safety	23,500	472	23,028
Physical environment	31,500	33,987	(2,487)
Transportation	97,870	75,508	22,362
Culture and recreation	6,400	3,837	2,563
Total Expenditures	210,675	145,876	64,799
(Deficiency) Excess of Revenues over Expenditures	(8,336)	5,305	13,641
Other Financing Sources			
Release of restrictions for transportation and infrastructure expenditures	8,336	2,078	6,258
Total Other Financing Sources	\$ 8,336	\$ 2,078	\$ 6,258
Net Change in Fund Balance	-	7,383	7,383
Fund Balances at Beginning of the Year		3,424,852	
Fund Balances at End of the Year		\$ 3,432,235	

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

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TOWN OF REDDICK, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2021

Net Change in Fund Balances - Total Governmental Funds	\$ 5,305
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**Amounts Reported for Governmental Activities in the Statement
of Activities are Different Because:**

Governmental funds reported capital purchases as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense. This reconciling item is depreciation expense of \$7,417.

(7,417)

Change in Net Position of Governmental Activities	<u>\$ (2,112)</u>
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The accompanying notes are an integral part of these financial statements.

TOWN OF REDDICK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

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1. Summary of significant accounting policies:

The accounting policies of the Town of Reddick, Florida conform to generally accepted accounting principles applicable to governments as established by the *Governmental Accounting Standards Board* ("US GAAP"). The following is a summary of the significant policies used in the preparation of these financial statements.

Reporting entity - The Town of Reddick, Florida (the "Town") operates under a council-mayor-clerk form of government as authorized by the Legislature of the State of Florida, Laws of Florida 11711, in 1925. The Town provides services for the citizens of the Town of Reddick, Florida, including public safety, physical environment, transportation, culture, recreation and community development. All financial activities of the Town are included in the general purpose financial statements of the Town of Reddick, Florida.

The Town is required to include all agencies, boards and authorities that are controlled by, or are dependent upon, the Town in its Annual Financial Report. Control by or dependence upon the Town is the criteria used to determine whether an agency is includable in the Town of Reddick, Florida reporting entity. No agencies, boards or authorities are controlled by or dependent upon the Town; and therefore, none have been included in the reporting entity.

Basis of presentation - The financial transactions of the Town are recorded in the general fund, which are reported by type in the financial statements. The columns entitled "Totals" included in the general purpose financial statements are included for informational purposes only. These total columns are not comparable to consolidated financial information.

The Town reports its governmental fund balances as net position in the following categories, as applicable:

Nonspendable - The net current financial resources that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Generally, not in spendable form means that an item is not expected to be converted to cash. Examples of items that are not in spendable form include inventory, prepaid amounts, long-term amounts of loans and notes receivable, and property acquired for resale. The Town did not have any nonspendable fund balances at September 30, 2021.

Restricted - The portion of fund balance on which constraints have been placed by creditors, grantors, contributors, laws or regulations of other governments, constitutional provisions, or enabling legislation. Restricted fund balance places the most binding level of constraint on the use of fund balance. The Town classifies local option gas tax, 2nd local option gas tax, and eighth cent motor fuel tax revenues as restricted for transportation-related activities and one cent motor fuel tax revenues as restricted for infrastructure, that are legally or otherwise restricted. It is the Town's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

TOWN OF REDDICK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

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1. Summary of significant accounting policies (continued):

Committed - The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority (i.e., the Town Council). These amounts cannot be used for any other purpose unless the Town Council removes or changes the specified use by taking the same action it employed to previously commit the amounts. The Town did not have any committed fund balances at September 30, 2021.

Assigned - The portion of fund balance that is intended to be used for specific purposes, but is neither restricted nor committed. Assigned amounts include those that have been set aside for a specific purpose by an authorized government body or official, but the constraint imposed does not satisfy the criteria to be classified as restricted or committed. The Town did not have any assigned fund balances at September 30, 2021.

Unassigned - The portion of fund balance that is residual classification for the General Fund. This balance represents amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned for specific purposes.

Governmental fund type - Governmental funds are those through which all governmental functions of the Town are financed. The acquisition, use and balances of the Town's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position rather than upon net income determination. The following is the Town's governmental fund type:

The *General Fund* is used to account for all revenues and expenditures applicable to the general operations of Town Government. The governmental fund measurement focus is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income determination. This fund is 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. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. Permits and other revenues are recorded as revenues when received in cash because they are generally not measurable until actually received.

TOWN OF REDDICK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

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1. Summary of significant accounting policies (concluded):

The general fund is also used to maintain control and cost information on Town-owned property and equipment. Costs of property and equipment were established at historical cost or estimated historical cost. General fixed assets are recorded as expenditures in the General Fund at the time of purchase. General fixed assets have been cumulatively recorded as investment in capital assets in the general fund (see Notes 3 and 4). The Town capitalizes major expenditures for additions and improvements, including road improvements. Expenditures for maintenance and repairs are charged as operating expenses.

Cash and cash equivalents - The Town defines cash and cash equivalents to include cash on hand, demand deposits, and all highly liquid investments with an original maturity of three months or less.

Annual budget - The Town is required by Section 166.241, Florida Statutes to adopt annual budgets for the general fund and similar governmental fund types.

The Town Council formally approves the annual budget at a regularly scheduled meeting, generally September or October of each fiscal year. The approved annual budget is adopted on a basis consistent with generally accepted accounting principles and revenue estimates are based upon the best available information.

Any expenditures of the Town in excess of budgeted amounts are formally approved at regularly scheduled council meetings.

Use of estimates - The preparation of financial statements in conformity with US GAAP requires management to make various estimates. Actual results could differ from those estimates.

2. Cash, cash equivalents, and investments:

The Town's comprehensive investment policies, pursuant to Section 218.415, Florida Statutes, established permitted investments, asset allocation limits, issuer limits, credit ratings requirements, and maturity limits to protect the Town's cash and investment assets. The Town maintains a common cash and investment pool for the use of all funds.

Deposits are carried at fair market value. Deposits consist of demand deposits, savings and money market accounts, and certificates of deposit. All of the Town's deposits are held in qualified public depositories pursuant to the provisions of Chapter 280, Florida Statutes (the "Act"). In addition, all of the Town's deposits are covered by federal depository insurance and, for the amount in excess of such federal depository insurance, by the Act. Under the Act, all qualified public depositories are required to pledge eligible collateral in varying percentages. Any losses to public depositors are covered by applicable deposit insurance, by the sale of pledged securities and, if necessary, by assessments against other qualified public depositories. Therefore, all of the Town's deposits are considered to be insured.

TOWN OF REDDICK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

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2. Cash, cash equivalents, and investments (continued):

In addition to the deposits listed above, the Town, pursuant to their investment policy, maintains investment of funds in U.S. Treasury Notes, Government National Mortgage Association (“GNMA”) obligations, Federal National Mortgage Association (“FNMA”) and Federal Home Loan Mortgage Corporation (“FHLM”) obligations. The Town has an agreement with Raymond James to provide asset management services for the Town's investments. The funds in this account are invested in U.S. Treasury notes, FNMA obligations, FHLMC obligations, GNMA obligations as well as debenture bonds. Investments in U.S. Treasury and agency securities (GNMA, FNMA, FHLM) are all investment grade (AAA) rated by both Moody's and Standard & Poors.

A total of \$14,461 of fees were incurred for management of this account during the year ended September 30, 2021.

The Town also invests funds in the Local Government Surplus Funds Trust Fund, managed by the State Board of Administration (“SBA”). Investments in the SBA are not required to be categorized since the investments are not evidenced by securities that exist in physical or book entry form.

Included in the cash and cash equivalents total at September 30, 2021, is \$52,882 invested with the Local Government Surplus Funds Trust Fund, an Investment Pool (the Surplus Funds Investment Pool), administered by the State Board of Administration of Florida.

Investments are classified as held-to-maturity securities and are reported at fair value.

Credit risk: The Town's investment policies permit for investing in the following investments, which are limited to credit quality ratings from nationally recognized rating agencies as described below.

Custodial credit risk: The Town's investment policies, pursuant to Section 218.415(18), Florida Statutes, required securities, with the exception of certificates of deposits, shall be held with a third party custodian; and all securities purchased by, and all collateral obtained by the Town should be properly designated as an asset of the Town. The securities must be held in an account separate and apart from the assets of the financial institution. A third party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trust and which is doing business in the State of Florida.

Concentration of credit risk: The Town's investment policies have established asset allocation and issuer limits on the following investments, which are designed to reduce concentration risk of the Town's investment portfolio.

TOWN OF REDDICK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

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2. Cash, cash equivalents, and investments (continued):

Concentration of credit risk (concluded): A maximum of 90% of available funds may be invested in fixed income investments, a maximum of 90% of available funds may be invested in cash and cash equivalents, and a maximum of 20% of available funds may be invested in equity securities. At least 10% of the investment portfolio should be held in marketable U.S. Treasury bills, repurchase agreements, or State Pool Funds.

Foreign currency risk: The Town's investment policies do not allow for investments in foreign currency. Therefore, the Town has no exposure to foreign currency risk.

The following is a summary of the Town's cash and cash equivalents as of September 30, 2021:

	Market Value	Historical Cost	Maturity Date
Cash and cash equivalents:			
Demand and savings accounts	\$ 127,993	\$ 127,993	N/A
Raymond James cash and cash equivalents	1,268,378	1,268,378	N/A
Local Government Surplus Funds Trust Fund	52,882	52,882	N/A
Total cash and cash equivalents	<u>\$1,449,253</u>	<u>\$1,449,253</u>	

Investment valuation: The Town categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application* provides guidance for determining fair value of investments for financial reporting purposes and includes the fair value hierarchy, which has three levels based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs. Statement No. 72 allows for the use of quoted prices provided by third parties. The Town uses quoted prices provided by its third-party custodian, Raymond James. Quoted prices are categorized using a Fair Value Evaluation Matrix providing asset type, pricing method, pricing sources, evaluation frequency, and customary fair value level. Investments' fair value measurements and input levels are as follows as of September 30, 2021:

	Fair Value	Level 1	Level 2	Level 3
Certificate of Deposit				
- Renasant Bank	\$ 52,788	\$ 52,788	\$ -	\$ -
Certificate of Deposit				
- Millennium Bank	52,395	52,395	-	-
Raymond James Fixed Income	1,873,402	-	1,873,402	-
Total	<u>\$1,978,585</u>	<u>\$ 105,183</u>	<u>\$1,873,402</u>	<u>\$ -</u>

TOWN OF REDDICK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

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2. Cash, cash equivalents, and investments (concluded):

The Town's net investment loss was \$33,629 and consisted of \$48,846 of interest income and \$82,475 of realized and unrealized losses for the year ended September 30, 2021.

3. Capital assets:

Capital assets, which include land; equipment, furniture, and fixtures; building improvements; road improvements; and buildings; are reported in the general fund account group. Equipment, furniture, and fixtures with initial costs exceeding \$1,000; building improvements with initial costs exceeding \$5,000; road improvements with initial costs exceeding \$10,000; and buildings with initial costs exceeding \$10,000, and estimated useful lives exceeding one year are recorded as capital assets. Capital assets are recorded at historical costs or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Government-wide assets are required to be depreciated in the financial statements. Depreciation of \$7,417 is recorded in the Statement of Activities under general government and transportation expenses. Equipment, furniture and fixtures; building improvements, road improvements and buildings are depreciated using the straight line method over the following estimated useful lives.

Furniture, fixtures, and equipment	5 years
Building improvements	15 years
Road improvements	20 years
Buildings	50 years

	Book Cost	Accumulated Depreciation	Net Book Value
Land	\$ 59,014	\$ -	\$ 59,014
Furniture, fixtures, and equipment	26,506	26,506	-
Buildings and improvement	116,899	110,282	6,617
Road improvements	160,629	135,512	25,117
Total fixed assets	\$ 363,048	\$ 272,300	\$ 90,748

TOWN OF REDDICK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

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4. Restricted and unassigned fund balances:

A summary of unassigned and restricted funds of the Town as of September 30, 2021, is reflected below:

	General (Unassigned)	Transportation- Related Activities (Restricted)	Infrastructure (Restricted)	Total
Fund Balances at Beginning of the Year	\$ 2,331,774	\$ 841,059	\$ 252,019	\$3,424,852
Revenues	43,464	29,297	78,420	151,181
Expenditures	(70,368)	(75,508)	-	(145,876)
Excess (Deficit) of Revenues Over (Under) Expenditures	(26,904)	(46,211)	78,420	5,305
Release of Restrictions for Transportation and Infrastructure Expenditures	2,078	-	-	2,078
Fund Balances at End of the Year	\$ 2,306,948	\$ 794,848	\$ 330,439	\$3,432,235

5. Interlocal agreements:

Road grading services

On April 20, 2004, the Town entered into an Interlocal Agreement with the Board of County Commissioners of Marion County to provide quarterly road grading services at the rate of \$75 per hour with payment due within thirty days of the county grading of the roads. The agreement is automatically renewed for additional one-year periods until terminated by either party by 30 days written notice. Expenses totaling \$1,200 were incurred under this agreement for the year ended September 30, 2021.

TOWN OF REDDICK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

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5. Interlocal agreements (continued):

Code enforcement

On August 19, 1997, the Town entered into an Interlocal Agreement with Marion County to provide an alternate code enforcement system which gives the Marion County Code Enforcement Board the authority to hold hearings and assess fines against violators of the Town's services of Code Enforcement Officers and \$7 per hour for services of clerical support with a maximum of \$200 per violation cited, with payment to be made within sixty days of receipt of invoice. This agreement is superseded by the agreement signed on July 6, 2017. No expenses were incurred under this agreement for the year ended September 30, 2021.

On March 21, 2000, the Town entered into an agreement with Marion County to provide for the enforcement and administration of the provisions of the Marion County Construction Code, as adopted by Marion County, Florida pursuant to Ordinance No. 99-6. The Town has agreed to pay the County \$30 per hour for staff time, minimum of one hour, and \$15 per each additional half hour. The agreement is superseded by the agreement signed on July 6, 2017. No expenses were incurred under this agreement for the year ended September 30, 2021. Further, the Town at times pays an independent contractor for processing and enforcement of code violations through the County Code Enforcement Board. No expenses were incurred to the independent contractor for year ended September 30, 2021.

On July 6, 2017, the Town entered into an agreement with Marion County to provide an alternate code enforcement system which gives the Marion County Code Enforcement Board the authority to hold hearings and assess fines against violators of the Town's municipal codes and ordinances related to unsafe buildings and structures. The Town has agreed to pay the County \$50 per hour for staff time, \$30 per hour for services of clerical support with a maximum of \$300 per violation cited, with payment to be made within sixty days of receipt of invoice. The agreement is automatically renewed for additional one year periods until terminated by either party by 30 days written notice. No expenses were incurred under this agreement for the year ended September 30, 2021.

Animal control

On April 7, 1998, the Town entered into an Interlocal Agreement with Marion County to provide animal control assistance. The Town has agreed to pay the County \$25 per hour for the services of County Animal Control Officers, with a maximum annual liability not to exceed \$3,000. The agreement will continue until either party terminates upon 10 days written notice. This agreement is superseded by the agreement signed on August 5, 2021. Expenses totaling \$613 were incurred under this agreement for the year ended September 30, 2021.

TOWN OF REDDICK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

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5. Interlocal agreements (concluded):

On August 5, 2021, the Town entered into an Interlocal Agreement with Marion County to provide animal control assistance. The Town has agreed to pay the County annually on April 1 for services performed based on a pro rata share of the actual expenditures by Marion County. The Town will pay fifty percent of its pro rata share of the actual expenditures on April 1, 2022. The Town will pay seventy-five percent of its pro rata share of the actual expenditures on April 1, 2023. On April 1, 2024, and thereafter, all annual payments will be 100% of actual expenditures. The agreement will continue through September 30, 2026. The agreement is automatically renewed for additional one year periods until terminated by either party by 90 days written notice. No expenses were incurred under this agreement for the year ended September 30, 2021.

Substance abuse prevention

During the year ended September 30, 2001, the Town renewed an Interlocal Agreement with Marion County, the City of Ocala, the School Board of Marion County, Florida, the City Council of the City of Dunnellon, the Town Council of the Town of McIntosh and the City Council of the City of Belleview to establish a Substance Abuse Prevention Department and provide reasonable in-kind services, staff support, legislative and lobbying efforts as needed. The agreement will remain in effect unless the Town terminates or withdraws from the agreement by 30 days written notice. No expenses were incurred under this agreement for the year ended September 30, 2021.

6. Risk management:

The Town of Reddick maintains an insurance policy with Florida League of Cities, Inc. for general property and casualty claims. Payments to Florida League of Cities, Inc. are based on past experience of the amounts needed to pay current year claims. The Town of Reddick remitted \$7,939 to Florida Municipal Insurance Trust for insurance coverage during the year ended September 30, 2021.

7. Contingencies:

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) pandemic. The outbreak of COVID-19 is affecting communities, business operations, as well as the US economy and financial markets. The full extent to which COVID-19 will impact the Town of Reddick is uncertain at this time and will depend on new information that may emerge concerning COVID-19 and the actions to contain and treat its impact and the economic impact on local, regional, national and international markets.

TOWN OF REDDICK, FLORIDA
NOTES TO FINANCIAL STATEMENTS
September 30, 2021

19

8. Subsequent event:

The Town expects to receive an estimated \$195,000 in funds from the American Rescue Plan (“ARP”) to aid in recovery from the COVID-19 pandemic. The Town received \$97,000 in ARP funding during October 2021. The Town must submit a plan for the funds to the State of Florida by April 30, 2022.

SUPPLEMENTARY INFORMATION

TOWN OF REDDICK, FLORIDA
SCHEDULE OF EXPENDITURES - GENERAL FUND
Year Ended September 30, 2021

20

General Government and Administration

Clerk's expense	\$ 6,600	
Insurance	7,939	
Professional fees	10,005	
Service charges	1,711	
Supplies and miscellaneous	3,922	
Telephone	<u>1,895</u>	\$ 32,072

Public Safety

Emergency fire & rescue	<u>472</u>	472
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Physical Environment

Utilities, garbage, and trash pick up	<u>33,987</u>	33,987
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Transportation

Animal control services	613	
Street lighting	15,596	
Street maintenance and repairs	44,804	
Professional fees	9,095	
Clerk's expense	<u>5,400</u>	75,508

Culture and Recreation

Cleaning, maintenance, and repairs	<u>3,837</u>	<u>3,837</u>
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Total Expenditures

\$ 145,876

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

COMPLIANCE SECTION



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

To the Honorable Members of Town Council
Town of Reddick, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America ("GAAS") 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 of the Town of Reddick, Florida (the "Town"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated March 3, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town'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 Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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 Town'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 certain deficiencies in internal control, described below that we consider to be a material weakness.

OCALA

1900 Southeast 18th Avenue
Ocala, Florida 34471

THE VILLAGES

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The Villages, Florida 32162

LEESBURG

8543 US Highway 441
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W crippencpa.com

352 732 4260
352 732 1180



IC2009-1 A system of internal control over financial reporting includes controls over financial statement preparation, including footnote disclosures. While your auditors can assist with the preparation of your financial statements and related footnotes, the financial statements are the responsibility of management. A deficiency exists when the Town does not have the expertise necessary to prepare financial statements, including all required footnote disclosures, in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The Town's knowledge and expertise does not currently allow its staff to perform all of the functions necessary to prepare the financial statements and note disclosures in accordance with U.S. GAAP.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described below:

ML2009-1 The Town has elected not to present Management Discussion and Analysis that U.S. GAAP has determined necessary to supplement although not required to be a part of the basic financial statements.

Town's Response to Findings

The Town's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town'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 Town'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 Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Crippen & Co., LLP

Ocala, Florida
March 3, 2022



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

To the Honorable Members of Town Council
Town of Reddick, Florida

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

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Town's compliance with specified requirements.

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

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

Crippen & Co., LLP

March 3, 2022
Ocala, Florida

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The Villages, Florida 32162

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[o 352 732 4260](tel:3527324260)

[f 352 732 1180](tel:3527321180)

MANAGEMENT LETTER

To the Honorable Members of Town Council
Town of Reddick, Florida

Report on the Financial Statements

We have audited the financial statements of the Town of Reddick, Florida (the “Town”) as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated March 3, 2022.

Auditor’s Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Governmental Auditing Standards*; and Independent Auditor’s Report on Compliance with Section 218.415, Florida Statutes. Disclosures in those reports, which are dated March 3, 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 not been taken on the following findings from the preceding annual financial audit report:

Uncorrected Audit Findings
IC2009-1
ML2009-1

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.



Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Town met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the Town 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 Town. It is management's responsibility to monitor the Town's financial condition, and our financial condition assessment was based in part on representations made by management and 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.

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, the Town, and its management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Crippen & Co., LLP

Ocala, Florida
March 3, 2022

Town of Reddick

P O Box 99, Reddick, FL 32686

(352)591-4095

Fax: (352)591-1106

March 14, 2022

Crippen and Company
1900 S.E. 18th Avenue
Ocala, FL 34471

RE: Response to Management Comments on Financial Report
for the year ending September 30, 2021

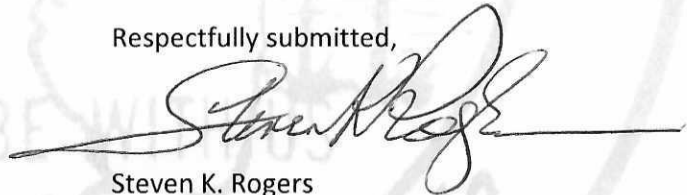
Gentlemen:

The following are our responses to your management comments on the above referenced Financial Report:

IC2009-1 The Town acknowledges the financial statements are the responsibility of management. The Town has insufficient number of employees to adequately produce the financial statements and related footnotes. The Town approves all journal entries and financial disclosures.

ML2009-1 As to Management Discussion and Analysis, the Town of Reddick has only one paid person who works on a part-time basis. The Town has insufficient number of employees to adequately produce such an extensive analysis.

Respectfully submitted,



Steven K. Rogers
President, Reddick Town Council

James R. Stroup, Mayor
William Pulliam, Councilman

Steven K. Rogers, Council President
Thomas Joyner, Councilman
Marjorie Stroup, Town Clerk

William E. Willis, President ProTem
Michael Salter, Councilman

