

**CLAY COUNTY DEVELOPMENT AUTHORITY**

**FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2021**

**CLAY COUNTY DEVELOPMENT AUTHORITY  
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SEPTEMBER 30, 2021**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors,  
Clay County Development Authority:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Clay County Development Authority (the Authority), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

The Authority's 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 audits 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 Authority'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.

#### ***Opinion***

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

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, as listed in the table contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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 audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2022, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*James Moore & Co., P.L.*

Daytona Beach, Florida  
March 16, 2022

**CLAY COUNTY DEVELOPMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2021**

We offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended September 30, 2021.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Government Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Certain comparative information between the current year and prior year is required to be presented in the MD&A and is presented in the Financial Highlights.

**Financial Highlights**

Our financial statements provide these insights into the results of this year's operation:

- At September 30, 2021, the Authority's statement of net position reported an ending net position balance of \$1,967,097, which is a change of (\$110,816) from the prior fiscal year. One of the reasons for this decrease is due to the loss of rental income in recent years after a sale of Authority property that eliminated rental income.
- The Authority's assets exceeded its liabilities at September 30, 2021 by \$1,967,097. The full amount (unrestricted net position) may be used to meet the Authority's ongoing obligations.
- Total revenues were \$468,739 and \$858,400 for the fiscal years ending September 30, 2021 and 2020, respectively. Of those amounts, the Authority earned and expended \$466,650 and \$839,366, respectively, in grant revenues.
- Total expenses were \$579,555 and \$940,685 for September 30, 2021 and 2020, respectively. The reason for the decrease in expenses is related to less grant-related expenditures compared to the prior fiscal year.

**Overview of the Financial Statements**

The discussion and analysis is intended to serve as an introduction to the Authority's financial statements which include a combined governmental fund and a government-wide statement as well as notes to the financial statements. There is additional supplementary information following these financial statements which may be of interest to the reader.

The governmental activities statements include a Statement of Net Position and a Statement of Activities, and are designed to provide you with the financial position of the Authority and are similar to private-sector financial statements.

The Governmental Fund Balance Sheet/Statement of Revenues, Expenditures, and Changes in Fund Balance (general fund column) shows the Authority's near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

**CLAY COUNTY DEVELOPMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2021  
(Continued)**

**Government-wide financial statements – Analysis**

Statement of Net Position

	2021	2020
<b>Assets</b>		
Current and other assets	\$ 1,967,106	\$ 2,078,091
<b>Total assets</b>	\$ 1,967,106	\$ 2,078,091
<b>Liabilities</b>		
Accounts payable and other liabilities	\$ 9	\$ 178
<b>Total liabilities</b>	\$ 9	\$ 178
<b>Net Position</b>		
Unrestricted	\$ 1,967,097	\$ 2,077,913
<b>Total Net Position</b>	\$ 1,967,097	\$ 2,077,913

The Statement of Net Position column shows the Authority's assets less its liabilities. The difference between these assets and liabilities is reported as net position. Changes in net position over time may be helpful in indicating an improving or deteriorating financial position. The Authority's net position in 2021 remained very similar and stable to the prior years.

Statement of Activities

	2021	2020
<b>Revenues:</b>		
Program revenues:		
Grants	\$ 466,650	\$ 839,366
General revenues:		
Investment income	2,058	19,015
Miscellaneous	31	19
Gain/loss on disposal of capital assets	-	-
<b>Total revenues</b>	468,739	858,400
<b>Expenses:</b>		
Operating costs	132,905	185,685
Facility costs	-	-
Capital grants	446,650	755,000
<b>Total expenses</b>	579,555	940,685
<b>Change in net position</b>	(110,816)	(82,285)
<b>Net Position – beginning</b>	2,077,913	2,160,198
<b>Net Position - ending</b>	\$ 1,967,097	\$ 2,077,913

Because the focus of governmental funds, general fund column, is narrower than that of the government-wide financial statement, net position column, it is useful to compare the information presented for governmental activities in the general fund with governmental information presented for governmental activities in the government-wide column Statement of Net Position.

**CLAY COUNTY DEVELOPMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2021  
(Continued)**

The Statement of Activities column presents information showing how the net position changed during the fiscal year. The statement presents all underlying events, which give rise to the change, regardless of the timing of the related cash flows.

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

**Governmental Funds**

The Authority's revenues and other financing sources decreased by approximately \$389,000 when compared to the prior fiscal year, primarily due to significant grant projects being undertaken in the prior fiscal year.

The Authority's expenditures and other financing uses decreased by approximately \$361,000 compared to the prior fiscal year. The decrease in expenditures was mostly attributable to the decrease in grant expenditures of approximately \$308,000.

**Budgetary Highlights**

Budget to actual statements are provided in the financial statements. No budget amendments were made during the year. The budget to actual statement for the General Fund shows that actual expenditures were less than budgeted expenditures by \$390,847, mostly due to significantly less than anticipated grant disbursements.

**Contacting the Authority**

This financial report is designed to provide a general overview of the Authority's finances and to show the Authority's accountability for the management of the financial resources of the Authority. If you have any questions about this report or need additional financial information, you may contact the Clay County Development Authority by mail at 1845 Town Center Blvd, Suite 410, Fleming Island, FL 32003.

**CLAY COUNTY DEVELOPMENT AUTHORITY  
BALANCE SHEET / STATEMENT OF NET POSITION  
SEPTEMBER 30, 2021**

	<b>General Fund</b>	<b>Adjustments</b>	<b>Statement of Net Position</b>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 230,977	\$ -	\$ 230,977
Investments	163,144	-	163,144
Property held for sale	1,198,195	-	1,198,195
Grants and accounts receivable	366,650	-	366,650
Prepaid items and deposits	8,140	-	8,140
<b>Total Assets</b>	<b>\$ 1,967,106</b>	<b>\$ -</b>	<b>\$ 1,967,106</b>
<b><u>LIABILITIES</u></b>			
Accounts payable and accrued expenses	\$ 9	\$ -	\$ 9
<b><u>FUND BALANCE / NET POSITION</u></b>			
Fund balance:			
Nonspendable:			
Prepaid items and deposits	\$ 8,140	\$ (8,140)	\$ -
Property held for sale	1,198,195	(1,198,195)	-
Unassigned	760,762	(760,762)	-
Net position:			
Unrestricted	-	1,967,097	1,967,097
<b>Total Fund Balance / Net Position</b>	<b>1,967,097</b>	<b>\$ -</b>	<b>\$ 1,967,097</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,967,106</b>		

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



**CLAY COUNTY DEVELOPMENT AUTHORITY  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE / STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>Revenues</b>			
Interest income	\$ 2,058	\$ -	\$ 2,058
Grants	466,650	-	466,650
Miscellaneous	31	-	31
Total revenues	<u>468,739</u>	<u>-</u>	<u>468,739</u>
<b>Expenditures / expenses</b>			
Legal and professional	108,605	-	108,605
Funding to CEDC	15,000	-	15,000
Grant disbursements	446,650	-	446,650
Miscellaneous	9,300	-	9,300
Total expenditures / expenses	<u>579,555</u>	<u>-</u>	<u>579,555</u>
<b>Excess (deficiency) of revenues over expenditures / operating income (loss)</b>	<u>(110,816)</u>	<u>-</u>	<u>(110,816)</u>
<b>Fund balance / net position, beginning of year</b>	2,077,913	-	2,077,913
<b>Fund balance / net position, end of year</b>	<u>\$ 1,967,097</u>	<u>\$ -</u>	<u>\$ 1,967,097</u>

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

**CLAY COUNTY DEVELOPMENT AUTHORITY  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Interest income	\$ 24,000	\$ 24,000	\$ 2,058	\$ (21,942)
Grants	866,667	866,667	466,650	(400,017)
Miscellaneous	-	-	31	31
Total revenues	890,667	890,667	468,739	(421,928)
<b>Expenditures / expenses</b>				
Legal and professional	112,150	112,150	108,605	3,545
Funding to CEDC	15,000	15,000	15,000	-
Other grants	500	500	-	500
Special promotion	8,055	8,055	-	8,055
Grant disbursements	831,667	831,667	446,650	385,017
Miscellaneous	3,030	3,030	9,300	(6,270)
Total expenditures / expenses	970,402	970,402	579,555	390,847
<b>Excess (deficiency) of revenues over expenditures</b>	(79,735)	(79,735)	(110,816)	(31,081)
<b>Fund balance, beginning of year</b>	2,077,913	2,077,913	2,077,913	-
<b>Fund balance, end of year</b>	\$ 1,998,178	\$ 1,998,178	\$ 1,967,097	\$ (31,081)

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

**CLAY COUNTY DEVELOPMENT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

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

The accounting policies of the Clay County Development Authority (the Authority) conform to generally accepted accounting principles applicable to governmental units. The following is a summary of significant policies.

(a) **Reporting entity**—The Authority is an independent special district created under special act by the Florida Legislature, Chapter 2001-317, House Bill 897, for the purpose of performing such acts as shall be necessary for the sound planning and development of Clay County, Florida. It is composed of ten members who are appointed by the governor. The Authority has adopted Governmental Accounting Standards Board (GASB) Codification and has determined that there are no component units that meet the criteria for inclusion in the Authority's financial statements.

(b) **Measurement focus, basis of accounting, and financial statement presentation**—The government wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using current *financial resources, measurement focus*, and the *modified accrual basis of accounting*. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Authority considers revenues to be available if they are collected within one year of the end of the fiscal year.

(c) **Budget and budgetary accounting**—The Authority prepares a budget on a consistent basis which does not differ materially from generally accepted accounting principles. The budget is approved and amended by Authority members. The Authority has one budgeted governmental fund, which is the General Fund. The legal level of control is the General Fund as a whole.

(d) **Cash and cash equivalents**—Cash and cash equivalents consists of cash on hand and on deposit in banks and money market accounts.

(e) **Investments**—The Authority's investment practices are governed by Chapter 218.415, Florida Statutes. The Authority is authorized to invest in the following:

- 1) The Local Government Surplus Funds Trust Fund;
- 2) Securities and Exchange Commission registered money market funds with the highest credit rating from a nationally recognized rating agency;
- 3) Interest bearing time deposits or savings accounts in qualified public depositories; and
- 4) Direct obligations of the U.S. Treasury.

(f) **Property held for sale**—Property held for sale reports the value of vacant land owned by the Authority and intended to be sold in the future.

(g) **Grants and accounts receivable**—All receivables are determined to be fully collectable. Accordingly, no allowance for doubtful accounts has been provided.

**CLAY COUNTY DEVELOPMENT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

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

(h) **Fund equity**—The Authority had no fund balance other than nonspendable, which represents prepaid items and deposits, assigned, which represent funds designed by the Board for use in the following fiscal year, and unassigned fund balance at September 30, 2021. Should the Authority hold any fund balance/net position that classifies as either restricted or committed, it is the Authority to first apply restricted resources, and then committed resources, before using any unrestricted resources.

(i) **Revenues and expenditures**—Other than grant revenues, the Authority’s primary revenue streams consist of bond fees, earned by the Authority both upon the issuance of conduit debt and on an ongoing basis from conduit debt issuance. Non-grant expenditures generally are for administrative items. The Authority had no conduit debt issuances for the year ended September 30, 2021.

(j) **Use of estimates**—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

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

(a) **Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position**—Included with the governmental fund balance sheet is a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. These differences, including various equity reclassifications, are outlined in the “Adjustments” column on the balance sheet / statement of net position.

(b) **Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**—Included with the governmental fund statement of revenues, expenditures, and changes in fund balances, there is a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. There were no such reconciling items for the current year.

(3) **Deposits and Investments:**

At September 30, 2021, the carrying amount of the Authority’s deposits was \$230,977. In addition to insurance provided by the Federal Depository Insurance Corporation, deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral. In the event of failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. The Authority’s deposits at year end are considered insured for custodial credit risk purposes.

The Authority measures and records its investments, assets whose use is limited, and restricted assets using fair value measurement guidelines established by the GASB Codification. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

**CLAY COUNTY DEVELOPMENT AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2021**

(3) **Deposits and Investments:** (Continued)

Investments of \$163,144 consist of monies held in the Florida PRIME fund, as managed by the State Board of Administration. The Local Government Surplus Funds Trust Fund (Florida PRIME) is not a registrant with the Securities and Exchange Commission (SEC); however, the Board has adopted operating procedures consistent with the requirements of the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than market value to report net assets to compute share prices if certain conditions are met. Those conditions include restrictions on the types of investments held; restrictions on the term-to-maturity of individual investments and the dollar-weighted average of the portfolio; requirements for portfolio diversification; requirements for divestiture considerations in the event of security downgrades and defaults; and required actions if the market value of the portfolio deviates from amortized cost by a specified amount. The Florida PRIME is considered a SEC 2a7-like fund, and the account balance is considered the fair value of the investment. The Florida PRIME is rated by Standard & Poor. The current rating is AAAM. The weighted average days to maturity of the Florida PRIME at September 30, 2021, were 49 days.

Property held for resale of \$1,198,195 is valued based on market conditions and resale data of similar parcels of land, a level 3 input. Based on the short period of time from the purchase date to the financial statement date, the purchase price was been used as the estimated fair value at September 30, 2021.

(4) **Noncommitments and Conduit Debt:**

Chapter 159, Parts II and III, Florida Statutes, and other applicable provisions of law (the "Act") authorizes the Authority to make and execute agreements, contracts, deeds, and other instruments necessary or convenient for the construction of an industrial or manufacturing plant as defined in the Act. The Act also authorizes the purchase of machinery, equipment, land, rights in land, and other related appurtenances and facilities, to the end that the Authority may be able to promote the economic development of Clay County and of the State of Florida; to increase opportunities for gainful employment; and to aid in improving the prosperity and welfare of the State and its inhabitants. The Authority, as permitted by the Act, has issued Industrial Revenue Bonds, the various borrowers of which are solely responsible for debt repayment. A schedule of outstanding conduit debt as of September 30, 2021, is not available.

(5) **Risk Management:**

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Authority carries commercial insurance. There have been no claims or reductions in coverage from the prior year.

(6) **New Accounting Pronouncements:**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial statements. Listed below are pronouncements with required implementation dates effective for subsequent fiscal years that have not yet been implemented. Management has not currently determined what, if any, impact implementation of the following will have on the financial statements:

- (a) GASB issued Statement No. 87, *Leases*, in June 2017. GASB 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions in GASB 87 are effective for periods beginning after June 15, 2021.

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

To the Board of Directors,  
Clay County Development Authority:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States of America, the financial statements of the Clay County Development Authority (the Authority) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 16, 2022.

***Internal Control over Financial Reporting***

In planning and performing our audits of the financial statements, we considered the Authority'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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority'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.

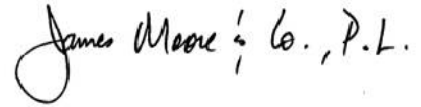
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given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

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of 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 audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

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

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

Daytona Beach, Florida  
March 16, 2022

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

To the Board of Directors,  
Clay County Development Authority:

**Report on the Financial Statements**

We have audited the basic financial statements of the Clay County Development Authority (the Authority), as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated March 16, 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 Reports and Schedule**

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*; 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 March 16, 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 recommendations from the prior fiscal year audit.

**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 Clay County Development Authority was established by special act by the Florida Legislature, Chapter 2001-317, HB 897. There are no component units related to the Authority.



## **Financial Condition and Management**

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and communicate the results of our determination as to whether or not the Authority has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audits, we determined that the Authority 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. It is management's responsibility to monitor the Authority'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 address in the management letter 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; therefore, we did not note any such component units that failed to provide the necessary information.

## **Specific Special District Information – Clay County Development Authority**

The following items have been provided to us to comply with state reporting requirements and have not been audited by us. We did not audit the following information within this section, nor were we required to perform any procedures to verify the accuracy or the completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on this data.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Authority reported the following unaudited data:

- a) The total number of district employees compensated in the last pay period of the district's fiscal year: -0-.
- b) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year: 3 (three).
- c) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: \$-0-.
- d) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency: \$98,105.
- 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:
  - a. No such projects noted.

- 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 follows: there were no amendments between the original and final total district expenditure budget.

### **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address 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, and applicable management and the Board of Directors, and is not intended to be and should not be used by anyone other than these specified parties.

*James Moore & Co., P.L.*

Daytona Beach, Florida  
March 16, 2022

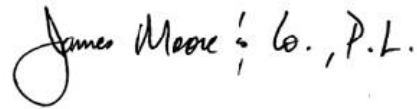
## INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

To the Board of Directors,  
Clay County Development Authority:

We have examined the Clay County Development Authority's (the Authority) compliance with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2021. The Authority's management is responsible for the Authority's compliance with those requirements. Our responsibility is to express an opinion on the Authority's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Authority complied with Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2021, in all material respects. An examination involves performing procedures to obtain evidence about the Authority's compliance with those requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material noncompliance with those requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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



Daytona Beach, Florida  
March 16, 2022