

GASPARILLA ISLAND BRIDGE AUTHORITY

FINANCIAL STATEMENTS

SEPTEMBER 30, 2021 AND 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors
Gasparilla Island Bridge Authority

We have audited the accompanying financial statements of the Gasparilla Island Bridge Authority as of and for the years ended September 30, 2021 and 2020, 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

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. 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 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Gasparilla Island Bridge Authority as of September 30, 2021, and 2020, and the respective changes in the financial position, and, where applicable, cash flows thereof, for the years 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 the management's discussion and analysis on pages 3 through 5 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 Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 7, 2022, on our consideration of the Gasparilla Island Bridge 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 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 Gasparilla Island Bridge Authority'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 Gasparilla Island Bridge Authority's internal control over financial reporting and compliance.

Suplee Shea Cramer & Miller, P.A

Suplee Shea Cramer & Miller, PA
Sarasota, Florida
March 7, 2022

GASPARILLA ISLAND BRIDGE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

As management of the Gasparilla Island Bridge Authority (the Authority), we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal years ended September 30, 2021 and 2020. The discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the financial statements as a whole.

FINANCIAL HIGHLIGHTS

Income from operations for the Authority was \$2,726,091 and \$2,246,368 for fiscal years 2021 and 2020, respectively. Income from operations for fiscal year 2021 increased by 21% compared to fiscal year 2020. The fiscal year 2020 revenue drop was due to beach closures and reduced traffic flow related to the COVID 19 pandemic. In fiscal year 2021, traffic flows recovered and exceeded expectations. Net income produced an increase in net position of \$2,317,286 and \$1,772,088 for fiscal years 2021 and 2020, respectively. The term "net position" refers to the difference between assets and liabilities. At the close of fiscal year 2021, the Authority had a net position of \$28,873,984, an increase of 9% over fiscal year 2020. At the close of fiscal year 2020, the Authority had a net position of \$26,556,698.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Authority's financial statements. This report also contains other supplementary information concerning the Authority's trend data as well as information on the Authority's history. The financial statements are designed to provide readers with a broad overview of the Authority's finances. The statement of net position presents information on all of the assets and liabilities, with the difference of the two reported as net position. Over time, increases and decreases in net position may serve as an indicator of whether the financial condition of the Authority is improving or deteriorating. Net position increases when revenues exceed expenses. Increases to assets, without corresponding increases to liabilities results in increased net position, which indicates an improved financial condition.

The statement of revenues, expenses, and changes in net position presents information showing how the Authority's net position changed during the fiscal year. All changes in net position are reported as soon as the event occurs, regardless of the timing of related cash flows. Thus, revenue and expenses are reported in this statement for some items that will have cash flows in different periods.

The statement of cash flows presents the cash activities of the Authority from operating, capital and related financing and investing activities.

REVENUE/TRAFFIC STREAMS

There is a relationship between traffic count and revenue. Normally when traffic increases revenue increases. The traffic flow has historically fluctuated: decreased less than 1% (2018), increased 4% (2019), decreased 2% (2020), and increased 10% (2021).

	Revenue	Traffic
FY 17	\$ 5,104,167	992,755
FY 18	\$ 4,928,054	979,016
FY 19	\$ 5,164,300	1,017,304
FY 20	\$ 4,894,412	991,900
FY 21	\$ 5,545,933	1,088,440

GASPARILLA ISLAND BRIDGE AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

LONG-TERM DEBT

Capital projects were funded with excess cash flows and long-term debt. The Florida Department of Transportation Toll Revolving Trust Fund Loan (FDOT Loan) funded the bridge design, the Suntrust Bank Loan (STI Bank Loan) funded the fixed bridges project, and the Florida Department of Transportation State Infrastructure Bank Loan (FDOT SIB Loan) funded the swing bridge project.

Issued Loan		Interest Rate	Original Maturity Date	Principal
Amount	Issuer			Remaining as of 9/30/21
\$ 1,500,000	FDOT Loan	0%	October 1, 2023	\$ 300,000
\$ 10,469,000	STI Bank Loan	3.21%	October 1, 2028	\$ -
\$ 18,701,610	FDOT SIB Loan	2.5%	October 1, 2043	\$ 15,684,559
\$ 30,670,610				\$ 15,984,559

During fiscal year 2021, the Authority used excess cash flows to pay off the STI Bank Loan and to prepay \$250 thousand in principal on the FDOT SIB loan. The debt service ratio of 2.19 for fiscal year 2021 was well within the loan covenants of 1.25 set forth in the FDOT SIB loan.

LIFE CYCLE FOR BRIDGE ASSETS

In 1998 when the Authority acquired the bridge and causeway system, engineers estimated a useful life remaining for the 3 bridges built in 1958 was approximately 10 years. In 1999, after completion of \$2.2 million in bridge renovation and preservation projects, engineers extended the estimated useful life by 15 years (until 2014). The bridge inspections in 2011 recommended a replacement date of 2014 for both fixed bridges and 2017 for the swing bridge. The fixed bridges were replaced in 2013 with a \$10.4 million loan from STI Bank and the swing bridge was replaced in 2016 with a \$18.7 million loan from the FDOT SIB. The new bridges have a life expectancy of approximately 75 years.

STATEMENTS OF NET POSITION

Net position serves as an indicator of the Authority's financial condition. For fiscal year 2021, the Authority's assets exceeded liabilities by \$28,873,984. This represents a 9% increase over the previous year. By far the largest portion of the Authority's net assets reflect its investments in capital (e.g.: roads, bridges, buildings, toll equipment, etc.), less any related debt used to acquire those assets. These assets are not available to liquidate liabilities or other spending. The value of property is \$2,963,000 in land, \$1,249,910 in buildings, \$36,688,951 in Bridges/Improvements and \$731,254 in equipment; net of depreciation. The Authority does not have any restricted assets. Unrestricted assets increased from \$1,849,090 in fiscal year 2020 to \$3,225,428 in fiscal year 2021.

GASPARILLA ISLAND BRIDGE AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

STATEMENTS OF NET POSITION (continued)

	2021	2020	2019
Current Assets	\$ 3,692,821	\$ 2,311,461	\$ 2,312,990
Depreciable Capital Assets, Net of Accum Depr.	38,669,615	39,407,259	40,487,421
Non-Depreciable Assets	2,963,500	3,170,997	3,272,790
Other Assets	770	770	770
Total Assets	\$ 45,326,706	\$ 44,890,487	\$ 46,073,971
Current Liabilities	\$ 1,227,719	\$ 1,944,341	\$ 2,118,713
Non-Current Liabilities	15,225,003	16,389,448	19,170,648
Total Liabilities	16,452,722	18,333,789	21,289,361
Invested in capital assets, net	25,648,556	24,707,608	23,148,281
Unrestricted	3,225,428	1,849,090	1,636,329
Total Net Assets	28,873,984	26,556,698	24,784,610
Total Liabilities & Net Assets	\$ 45,326,706	\$ 44,890,487	\$ 46,073,971

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

In fiscal year 2021 revenues increased 13% (\$651,521) with an increase in traffic of 10% (96,540). In fiscal year 2021, expenses increased 6% (\$171,798). The resultant change in net assets for the year was an increase of 31% (\$545,198) compared to fiscal year 2020.

	2021	2020	2019
Revenue	\$ 5,545,933	\$ 4,894,412	\$ 5,164,300
Operating Expenses	2,819,842	2,648,044	2,637,133
Income from Operations	2,726,091	2,246,368	2,527,167
Non-Operating Revenues (Expenses)	(408,805)	(474,280)	(561,081)
Change in Net Assets	2,317,286	1,772,088	1,966,086
Net Assets at Beginning of Period	26,556,698	24,784,610	22,818,524
Nets Assets at End of Period	\$ 28,873,984	\$ 26,556,698	\$ 24,784,610

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information contact Kathy Banson-Verrico, Executive Director, Authority, P.O. Box 1918, Boca Grande, FL 33921.

GASPARILLA ISLAND BRIDGE AUTHORITY

STATEMENTS OF NET POSITION

SEPTEMBER 30, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Current assets:		
Cash and cash equivalents	\$ 3,525,275	\$ 2,177,042
Accounts receivable	19,655	21,204
Prepaid expenses	147,891	113,215
	<hr/>	<hr/>
Total current assets	3,692,821	2,311,461
	<hr/>	<hr/>
Noncurrent assets:		
Capital assets:		
Depreciable capital assets, net of accumulated depreciation of \$10,219,037 and \$8,851,397	38,669,615	39,407,259
Non-depreciable capital assets	2,963,500	3,170,997
Other assets:		
Utility deposits	770	770
	<hr/>	<hr/>
Total noncurrent assets	41,633,885	42,579,026
	<hr/>	<hr/>
Total Assets	\$ 45,326,706	\$ 44,890,487
	<hr/> <hr/>	<hr/> <hr/>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

GASPARILLA ISLAND BRIDGE AUTHORITY
STATEMENTS OF NET POSITION (CONTINUED)

SEPTEMBER 30, 2021 AND 2020

LIABILITIES AND NET POSITION

	<u>2021</u>	<u>2020</u>
Current liabilities:		
Current portion of notes payable	\$ 759,556	\$ 1,481,200
Accounts payable	6,980	21,508
Accrued expenses	55,011	55,892
Deferred revenue	406,172	385,741
	<u>1,227,719</u>	<u>1,944,341</u>
Total current liabilities		
	<u>1,227,719</u>	<u>1,944,341</u>
Noncurrent liabilities:		
Notes payable	15,225,003	16,389,448
	<u>15,225,003</u>	<u>16,389,448</u>
Total noncurrent liabilities		
	<u>15,225,003</u>	<u>16,389,448</u>
Total Liabilities	<u>16,452,722</u>	<u>18,333,789</u>
	<u>16,452,722</u>	<u>18,333,789</u>
Net Position:		
Invested in capital assets, net of related debt	25,648,556	24,707,608
Unrestricted	3,225,428	1,849,090
	<u>28,873,984</u>	<u>26,556,698</u>
Total Net Position		
	<u>28,873,984</u>	<u>26,556,698</u>
Total Liabilities and Net Position	<u>\$ 45,326,706</u>	<u>\$ 44,890,487</u>
	<u>\$ 45,326,706</u>	<u>\$ 44,890,487</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

GASPARILLA ISLAND BRIDGE AUTHORITY

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Operating revenues:		
Toll revenues	<u>\$ 5,545,933</u>	<u>\$ 4,894,412</u>
Operating expenses:		
Personnel services	862,175	813,267
General and administrative	342,174	342,582
Maintenance and operation	223,200	158,524
Depreciation	<u>1,392,293</u>	<u>1,333,671</u>
Total operating expenses	<u>2,819,842</u>	<u>2,648,044</u>
Income from operations	<u>2,726,091</u>	<u>2,246,368</u>
Non-operating revenues (expenses):		
Interest income	4,415	5,181
Gain (loss) on disposal of assets	(233)	(259)
Interest expense	(413,718)	(479,202)
Miscellaneous income	<u>731</u>	<u>-</u>
Net non-operating expenses	<u>(408,805)</u>	<u>(474,280)</u>
Change in net position	2,317,286	1,772,088
Net position at beginning of period	<u>26,556,698</u>	<u>24,784,610</u>
Net position at end of period	<u><u>\$ 28,873,984</u></u>	<u><u>\$ 26,556,698</u></u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

GASPARILLA ISLAND BRIDGE AUTHORITY

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Receipts from customers and users	\$ 5,567,913	\$ 4,903,344
Payments to suppliers	(856,860)	(950,997)
Payments to employees	(620,774)	(590,847)
Net cash provided by operating activities	<u>4,090,279</u>	<u>3,361,500</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(446,654)	(151,974)
Payment of principal on notes payable	(1,886,089)	(2,741,283)
Interest paid	(413,718)	(479,202)
Net cash used by capital and related financing activities	<u>(2,746,461)</u>	<u>(3,372,459)</u>
Cash flows from investing activities:		
Interest received	4,415	5,181
Net cash provided by investing activities	<u>4,415</u>	<u>5,181</u>
Net increase (decrease) in cash	1,348,233	(5,778)
Cash and cash equivalents at beginning of period	2,177,042	2,182,820
Cash and cash equivalents at end of period	<u>\$ 3,525,275</u>	<u>\$ 2,177,042</u>
Reconciliation of operating income to net cash provided by operating activities:		
Income from operations	\$ 2,726,091	\$ 2,246,368
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation	1,392,293	1,333,671
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	1,549	(5,984)
Decrease (increase) in prepaid expenses	(34,676)	1,735
Increase (decrease) in accounts payable	(14,528)	(232,358)
Increase (decrease) in accrued expenses	(881)	3,152
Increase (decrease) in deferred revenue	20,431	14,916
Total adjustments	<u>1,364,188</u>	<u>1,115,132</u>
Net cash provided by operating activities	<u>\$ 4,090,279</u>	<u>\$ 3,361,500</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

GASPARILLA ISLAND BRIDGE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

Note 1 - Organization and Summary of Significant Accounting Policies

Reporting Entity

The Gasparilla Island Bridge Authority (the Authority) is an independent special Authority created in 1996 by Chapter 96-507, Laws of Florida, for the purpose of operation of bridges and a related causeway in Charlotte County and their continued maintenance and improvement. The governing body is composed of nine members acting as the Board of Supervisors. Five of the members of the Board of Supervisors are voting members with full power to conduct the business of the Authority by majority vote. The other four members serve as non-voting members. The Board of Supervisors appoints an executive director who has responsibility for the operation of the Authority.

For financial reporting purposes, the Authority is a stand-alone entity; there are no component units included in the accompanying financial statements and the Authority is not considered a component unit of another entity.

Basis of Presentation

The Gasparilla Island Bridge Authority financial statements are prepared on an enterprise fund basis. Enterprise funds are used to account for operations of governmental entities that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Basis of Accounting

The Authority prepares its financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles for enterprise funds, which are similar to those for private business enterprises. Accordingly, revenues are recorded when earned and expenses are recorded when incurred.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Authority's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

State statutes and local ordinances authorize the Authority to invest in various types of investments.

Capital Assets

All property and equipment are recorded at historical cost. The cost of property and equipment includes right-of-way construction costs, design and engineering fees, administrative and general expenses paid from construction monies and interest expense incurred during the period of construction. Expenses made to acquire additional property and equipment, which replaces existing assets or otherwise prolongs their useful lives are capitalized. Maintenance and repairs are charged to expense as incurred.

Costs related to right-of-way are considered non-depreciable costs. All other costs related to construction of roadways and bridges are capitalized and depreciated according to Authority policy.

GASPARILLA ISLAND BRIDGE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

Capital Assets (continued)

Depreciation of property and equipment is computed using the straight-line method over the estimated useful lives of the assets as follows:

Roadways	15 years
Bridges	40 years
Buildings, toll facilities and other	3 to 30 years
Computer equipment	3 to 5 years
Furniture, fixtures, and equipment	5 to 7 years

Construction/projects in progress represents costs incurred by the Authority for in-process activities designed to expand, replace or extend useful lives of existing property and equipment.

Deferred Revenue

Revenue from the sale of volume passes is recognized at the time of usage.

Accumulated Compensated Absences

Accumulated compensated absences are accrued when incurred.

Operating Revenues and Expenses

The Authority's operating revenues and expenses consist of revenues earned and expenses incurred relating to the operation and maintenance of its system. All other revenues and expenses are reported as non-operating revenues and expenses or as a special item.

Net Position

Net Position is classified and displayed in three components:

Invested in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and related debt.

Restricted net position - Consists of net position with constraints placed on the use either by 1) external groups, such as creditors, grantors, contributors, or laws and regulations of other governments or 2) law through constitutional provisions or enabling legislation. There was no restricted net position at September 30, 2021 and 2020.

Unrestricted net position - All other components of net position that do not meet the definition of "restricted" or "invested in capital assets".

Toll Revenue

Cash toll fees are recorded as revenue at the time the service is performed. Annual pass fees are recorded as revenue when payment is received.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires the use of management's estimates. Actual results could differ from those estimates.

GASPARILLA ISLAND BRIDGE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

Budgets

The Authority follows the following procedures in establishing budgets:

1. On or before September 1, management of the Authority prepares an estimate of all necessary expenditures for the Authority for the ensuing fiscal year and an estimate of income to the Authority from all sources of revenue provided in the Authority's enabling act. The Board of Supervisors may either approve the budget as proposed or modify the budget in part or in whole.
2. On or before September 1, the Authority files the proposed budget with the County Clerks of Lee and Charlotte Counties.
3. All legally adopted budgets are on a basis consistent with generally accepted accounting principles.

Reclassifications

Certain amounts for 2020 have been reclassified to enhance comparability with 2021.

Note 2 - Deposits

The Authority maintains cash deposits with banks who qualify as qualified public depositories under Florida law. Deposits in excess of federally insured limits are covered by collateral pledged by the bank with the State Treasurer pursuant to Chapter 280, Florida Statutes. Under this chapter, in the event of default by a participating financial institution, all participating institutions are obligated through an assessment to reimburse the governmental entity if the applicable deposit insurance and sale of securities pledged as collateral by the bank are not sufficient to cover the loss. For this reason, there is no custodial credit risk for the cash deposits of the Authority.

Note 3 – Capital Assets

Capital assets are summarized as follows:

	September 30, 2020	Additions	Reductions	September 30, 2021
Depreciable capital assets				
Buildings	\$ 2,350,734	\$ -	\$ -	\$ 2,350,734
Improvements other than buildings	44,789,977	579,850	-	45,369,827
Equipment	1,117,945	75,032	(24,886)	1,168,091
Accumulated depreciation	(8,851,397)	(1,392,293)	24,653	(10,219,037)
Depreciable capital assets, net of accumulated depreciation	<u>\$ 39,407,259</u>	<u>\$ (737,411)</u>	<u>\$ (233)</u>	<u>\$ 38,669,615</u>
Non-depreciable capital assets				
Land	\$ 2,963,000	\$ -	\$ -	\$ 2,963,000
Construction/projects in progress	207,997	368,315	(575,812)	500
Non-depreciable capital assets	<u>\$ 3,170,997</u>	<u>\$ 368,315</u>	<u>\$ (575,812)</u>	<u>\$ 2,963,500</u>

GASPARILLA ISLAND BRIDGE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

Note 3 – Capital Assets (continued)

	September 30, 2019	Additions	Reductions	September 30, 2020
Depreciable capital assets				
Buildings	\$ 2,350,734	\$ -	\$ -	\$ 2,350,734
Improvements other than buildings	44,785,272	4,705	-	44,789,977
Equipment	869,641	249,062	(758)	1,117,945
Accumulated depreciation	(7,518,226)	(1,333,671)	500	(8,851,397)
Depreciable capital assets, net of accumulated depreciation	<u>\$ 40,487,421</u>	<u>\$ (1,079,904)</u>	<u>\$ (258)</u>	<u>\$ 39,407,259</u>
Non-depreciable capital assets				
Land	\$ 2,963,000	\$ -	\$ -	\$ 2,963,000
Construction/projects in progress	309,790	127,929	(229,722)	207,997
Non-depreciable capital assets	<u>\$ 3,272,790</u>	<u>\$ 127,929</u>	<u>\$ (229,722)</u>	<u>\$ 3,170,997</u>

Depreciation expense was \$1,392,293 and \$1,333,671 for the years ended September 30, 2021 and 2020, respectively.

Note 4 - Retirement Plan

The Authority does not participate in the Florida Retirement System. Instead, the Authority participates in a defined contribution plan administered by the Variable Annuity Life Insurance Company (VALIC). The GIBA Retirement Plan (“the Plan”) was adopted on December 15, 1998. The Authority and participants are not required to contribute to the plan but may make voluntary contributions up to certain levels as permitted by the agreement and limits established under the Internal Revenue Code. Any contributions made by the Authority are discretionary and are 100% vested. The benefit terms of the Plan state that benefits begin at the normal retirement age of 65 with no provision for early retirement. In-service distributions may be made at the participant’s election provided the participant has reached the age of 59 ½.

For the fiscal year ended September 30, 2021, and 2020, voluntary contributions by the Authority were \$37,894 and \$38,340, respectively.

Note 5 - Long-Term Debt

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

	September 30, 2020	Additions	Reductions	September 30, 2021
Bridge facility debt	\$ 17,870,648	\$ -	\$ (1,886,089)	\$ 15,984,559
Less current portion	(1,481,200)	(759,556)	1,481,200	(759,556)
Total long-term debt, net of current portion	<u>\$ 16,389,448</u>	<u>\$ (759,556)</u>	<u>\$ (404,889)</u>	<u>\$ 15,225,003</u>
	September 30, 2019	Additions	Reductions	September 30, 2020
Bridge facility debt	\$ 20,611,930	\$ -	\$ (2,741,282)	\$ 17,870,648
Less current portion	(1,441,282)	(1,481,200)	1,441,282	(1,481,200)
Total long-term debt, net of current portion	<u>\$ 19,170,648</u>	<u>\$ (1,481,200)</u>	<u>\$ (1,300,000)</u>	<u>\$ 16,389,448</u>

GASPARILLA ISLAND BRIDGE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

Note 5 - Long-Term Debt (continued)

Long-term debt consisted of the following at September 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Note payable to the State of Florida Department of Transportation. Annual payments of principal and interest at an annual rate of 2.5% are due, and quarterly prepayments of principal of \$250,000 are allowed. The note matures in October 2031. Note is collateralized by a pledge of revenues from the operations and a lien and pledge of all investment instruments purchased with loan proceeds.	\$ 15,684,559	\$ 16,415,912
Note payable to SunTrust Bank requiring monthly payments of principal and interest at an annual rate of 3.21%. The note was paid in full in November 2020.	-	854,736
Interest-free note payable to the State of Florida Department of Transportation Toll Facilities Revolving Trust Fund, requiring annual repayments of principal of \$300,000. The note must be fully repaid by October 2023. Note is collateralized by a pledge of revenues from the operations and a lien and pledge of all investment instruments purchased with loan proceeds.	<u>300,000</u>	<u>600,000</u>
	15,984,559	17,870,648
Less current maturities	<u>759,556</u>	<u>1,481,200</u>
Total long-term debt	<u>\$ 15,225,003</u>	<u>\$ 16,389,448</u>

Debt service requirements based on current principal borrowed and interest rates to maturity for notes payable is as follows:

2022	\$ 1,050,000
2023	1,887,750
2024	1,888,750
2025	1,889,625
2026	1,890,375
Thereafter	<u>9,373,440</u>
Total Payments	17,979,940
Less amounts representing interest	<u>(1,995,381)</u>
Principal	<u>\$ 15,984,559</u>

GASPARILLA ISLAND BRIDGE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

Note 6 - Risk Management

The Authority's risk management activities are provided by commercial insurance coverage for all major categories of risk. There have been no significant changes in insurance coverage from coverage in the prior year. Settlement amounts have not exceeded insurance coverage for the current year or three prior years.

Note 7 - Subsequent Events

Subsequent events have been evaluated through March 7, 2022, the date the financial statements were available to be issued.

OTHER REPORTS



SUPLEE SHEA CRAMER & MILLER, PA

CERTIFIED PUBLIC ACCOUNTANTS

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NORMAN J. SHEA III, CPA
THOMAS R. CRAMER, CPA
JAY D. MILLER, CPA
CANDY L. KESSEL, CPA
MARINA DINER, CPA

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 Supervisors
Gasparilla Island Bridge Authority

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 Gasparilla Island Bridge 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 7, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Gasparilla Island Bridge 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Gasparilla Island Bridge Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Gasparilla Island Bridge 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 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.

Compliance and Other Matters

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

Purpose of this Report

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

Suplee Shea Cramer & Miller, P.A

Suplee Shea Cramer & Miller, PA
Sarasota, FL
March 7, 2022



**SUPLEE SHEA
CRAMER & MILLER, PA**

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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH FLORIDA
STATUTES SECTION 218.415 – INVESTMENTS OF PUBLIC FUNDS

To the Board of Supervisors
Gasparilla Island Bridge Authority

We have examined the Gasparilla Island Bridge Authority's (the Authority) compliance with Section 218.415, *Florida Statutes - Local Government Investment Policies*, during the fiscal year ended September 30, 2021. Management is responsible for the Authority's compliance with these 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, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Authority 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 Authority's compliance with specified requirements.

In our opinion, the Authority 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 management and the Board of Supervisors of the Gasparilla Island Bridge Authority and is not intended to be and should not be used by anyone other than these specified parties.

Suplee Shea Cramer & Miller, P.A

Suplee Shea Cramer & Miller, PA
Sarasota, Florida
March 7, 2022



SUPLEE SHEA CRAMER & MILLER, PA

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MANAGEMENT LETTER AND OTHER COMMENTS

To the Board of Supervisors
Gasparilla Island Bridge Authority

Report on the Financial Statements

We have audited the financial statements of the Gasparilla Island Bridge Authority, Florida, as of and for the fiscal year ended September 30, 2021, and have issued our report thereon dated March 7, 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 Reports and 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 Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 7, 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 significant findings and recommendations made in the preceding annual financial audit report. There were no 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 Gasparilla Island Bridge Authority was established by Chapter 96-507 Laws of Florida. There are no component units.

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 Gasparilla Island Bridge Authority 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 Gasparilla Island Bridge Authority did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Section 10.554(1)(i)5. b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Gasparilla Island Bridge Authority. It is management's responsibility to monitor the Gasparilla Island Bridge 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 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 that we communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this letter

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

Suplee Shea Cramer & Miller, P.A

Suplee Shea Cramer & Miller, PA
Sarasota, Florida
March 7, 2022