

**SUWANNEE COUNTY
DEVELOPMENT AUTHORITY**

FINANCIAL STATEMENTS

For the Year Ended September 30, 2022

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SUWANNEE COUNTY DEVELOPMENT AUTHORITY

AUTHORITY MEMBERS

September 30, 2022

<u>MEMBERS</u>	<u>POSITION</u>
District 1 Jerry Fortner	Member
District 2 Stefan Blue	Member
District 3 Ernest Sellers	Member
District 4 James Cornett	Member
District 5 John Koch	Member
At Large George Burnham	Chairperson
Joe Flanagan	Treasurer
Clifford Gwinn	Vice-chairperson

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SUWANNEE COUNTY DEVELOPMENT AUTHORITY

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September 30, 2022

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KENNETH M. DANIELS
CERTIFIED PUBLIC ACCOUNTANT

107 2nd Ave S.E.
Jasper, FL 32052

Phone 386-792-1906
Fax 386-792-1925
kmdcpa@windstream.net

INDEPENDENT AUDITOR'S REPORT

To the Board Members
Suwannee County Development Authority
Live Oak, Florida

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements of the governmental activities and the major fund of the Suwannee County Development Authority as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Suwannee County Development Authority's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Suwannee County Development Authority, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my 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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. I am required to be independent of the Suwannee County Development Authority, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Suwannee County Development Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Suwannee County Development Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Suwannee County Development Authority's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-7 and budgetary comparison information on pages 21-23 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. I 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 I obtained during our audit

of the basic financial statements. I 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*, I have also issued my report dated June 30, 2023, on my consideration of the Suwannee County Development Authority's internal control over financial reporting and on my 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 Suwannee County Development 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 Suwannee County Development Authority's internal control over financial reporting and compliance.



Kenneth M. Daniels
Certified Public Accountant
June 30, 2023

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**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

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SUWANNEE COUNTY DEVELOPMENT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended September 30, 2022

Our discussion and analysis of the Suwannee County Development Authority's (the Authority), financial performance provides an overview of Authority's financial activities for the fiscal year ended September 30, 2022. Please read it in conjunction with the Authority's financial statements, which begin on page 8.

Financial Highlights

In the continuing efforts to further economic development, the Authority sold Lot 23 at the East 90 Commerce Centre for \$39,000. Approximately thirty-one acres remains available for development within the Centre.

The Authority previously purchased 63.41 acres of land adjacent to the Suwannee County Catalyst Site. Suwannee County was provided an option to purchase the land within a post-purchase, five-year period for expansion of the Catalyst Site. In fiscal year 2021-22, the County exercised the option and purchased the 63.41 acres for \$183,978.

Using this Annual Report

This annual report consists of a series of financial statements.

The Statement of Net Position and the Statement of Activities provide information about the activities of the Authority as a whole and present a longer-term view of the Authority's finances.

Fund financial statements start on page 10. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Authority's operations in more detail than the government-wide statements by providing information about the Authority's most significant funds.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

Reporting the Authority as a Whole

The analysis of the Authority begins on page 5.

The Statement of Net Position and the Statement of Activities on pages 8 and 9 include all assets and liabilities using the accrual basis of accounting, which is like the accounting used by most private-sector companies. All current year's revenues and expenses are considered regardless of when cash is received or paid.

These two statements also report the Authority's Net Position and changes in it. The Authority's Net Position – the difference between assets and liabilities – is one way to measure the Authority's financial health, or financial position. Over time, increases or decreases in the Authority's Net Position are an indicator of whether its financial health is improving or deteriorating. Additional other nonfinancial factors such as changes in the

area’s economic conditions and the condition of the Authority’s capital assets should be considered in assessing the Authority’s overall financial health.

In the Statement of Net Position and the Statement of Activities, the Authority’s activities are reported as governmental: economic environment - industry development.

Reporting the Authority’s Funds

Our analysis of the Authority’s funds (one major – General Fund) begins on page 6. The fund financial statements begin on page 10 and provide detailed information about the Authority’s governmental fund. A description of governmental funds follows:

Governmental funds focus on how money flows into and out of those funds and the balances left at year–end that are available for spending. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

The governmental fund statements provide a detailed short –term view of the Authority’s general government operations and the basic services it provides.

Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Authority’s programs.

The relationships or differences between governmental activities reported in the Statement of Net Position and the Statement of Activities and governmental funds is described in reconciliations accompanying the fund financial statements.

The Authority as a Whole

The Authority’s Net Position as indicated in the table below increased slightly. A detailed analysis of the changes follows Table 1 below.

Governmental Activities – Net Position

Table 1
NET POSITION
(In Thousands)

	Governmental Activities	
	<u>2022</u>	<u>2021</u>
Other assets	\$ 853	\$ 625
Capital assets	<u>281</u>	<u>497</u>
Total assets	<u><u>1,134</u></u>	<u><u>1,122</u></u>
Other liabilities	5	1
Long term liabilities	<u>-</u>	<u>-</u>
Total liabilities	<u>5</u>	<u>1</u>
Deferred inflows	<u>41</u>	<u>41</u>
Net position:		
Invested in Cap Assets, net of debt	281	499
Unrestricted	<u>807</u>	<u>581</u>
Total net position	<u>1,088</u>	<u>1,080</u>
Total liabilities, deferred inflows, & net position	<u><u>\$ 1,134</u></u>	<u><u>\$ 1,122</u></u>

Other assets cash/unrestricted net position increased and capital assets decreased due to the sale of land (\$183,978) adjacent to the Suwanee County Catalyst site.

Governmental Activities - Changes in Net Position

Table 2
CHANGES IN NET POSITION
(In Thousands)

Statement of Activities	Governmental Activities	
	2022	2021
Program revenues		
Economic environment	\$ 10	\$ 10
General revenues		
Interest	2	6
Miscellaneous	2	-
Total revenues	<u>14</u>	<u>16</u>
Program expenses		
Economic environment	<u>11</u>	<u>11</u>
Excess (deficiency) before special item	3	5
Other financing sources (uses)		
Gain (loss) on asset disposals	<u>5</u>	<u>(6)</u>
Change in net position	8	(1)
Net position - beginning	<u>1,080</u>	<u>1,081</u>
Net position - ending	<u>\$ 1,088</u>	<u>\$ 1,080</u>

Table 2’s significant variances between years are explained below:

- Interest revenue decreased as a note receivable held by the Authority was reduced in amount.
- Gain on asset disposal increased due to the land (lot and acreage) sold in the 2021-22 fiscal year. See financial highlights above.

THE AUTHORITY’S FUNDS

TABLE 3
CHANGES IN GENERAL FUND’S TOTAL
FUND BALANCE
(in Thousands)

General Fund	2022	2021	\$ Change	Percent Change
Nonspendable	\$ 26	\$ 13	\$ 13	100.00%
Unassigned	<u>782</u>	<u>568</u>	<u>214</u>	37.68%
Total fund balances	<u>\$ 808</u>	<u>\$ 581</u>	<u>\$ 227</u>	39.07%

The Authority’s total fund balance increased approximately \$227,000 – the result of the sale of land. (See above.)

GENERAL FUND BUDGETARY HIGHLIGHTS

The Authority expended much less than budgeted (approximately \$366,000) due to the grants and aids budgeted line item. The amount provides funds for potential economic development needs.

CAPITAL ASSET AND DEBT ADMINISTRATION

As indicated in the table below, the Authority, in supporting economic development, continues to make lots available for sale to further economic development in Suwannee County.

Table 4
CAPITAL ASSETS (in Thousands)

	Governmental Activities	
	<u>2022</u>	<u>2021</u>
Land	\$ 278	\$ 496
Infrastructure/improvements	<u>5</u>	<u>5</u>
Total capital assets, gross	<u>\$ 283</u>	<u>\$ 501</u>

2022-23 BUDGET AND CURRENTLY KNOWN FACTS

2022-23 Budget

The Authority's budget for the 2022-23 fiscal year totals \$746,000. Approximately \$699,000 is available for grants and aids.

Currently Known Facts

The Authority continues its development of the East 90 Commerce Centre and promotion of economic development within Suwannee County, FL.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the citizens of Suwannee County, Florida with a general overview of the Authority's finances and accountability for the funds that it receives.

If you have questions about this report or need additional financial information, contact the Authority at PO Drawer C Live Oak, FL 32064.



George Burnham
Chairperson, Suwannee County Development Authority

**BASIC
FINANCIAL
STATEMENTS**

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SUWANNEE COUNTY DEVELOPMENT AUTHORITY

STATEMENT OF NET POSITION

September 30, 2022

Assets		
Cash	\$	827,179
Notes receivable		25,840
Capital assets, net of depreciation		
Land		278,419
Other capital assets, net of depreciation		<u>2,169</u>
Total net capital assets		<u>280,588</u>
Total assets	\$	<u><u>1,133,607</u></u>
Liabilities, deferred inflows of resources, and net position		
Liabilities		
Accounts payable	\$	<u>4,930</u>
Deferred inflows of resources		
Deferred signage		<u>40,404</u>
Net position		
Net investment in capital assets		280,588
Unrestricted		<u>807,685</u>
Total net position		<u>1,088,273</u>
Total liabilities, deferred inflows of resources, and net position	\$	<u><u>1,133,607</u></u>

SUWANNEE COUNTY DEVELOPMENT AUTHORITY

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2022

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental activities					
Economic environment					
Industry development	<u>\$ 10,912</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ (912)</u>
General revenues					
Interest					2,183
Miscellaneous					1,595
Gain on sale of land					<u>4,797</u>
Total general revenues					<u>8,575</u>
Change in net position					7,663
Net position - beginning					<u>1,080,610</u>
Net position - ending					<u>\$ 1,088,273</u>

SUWANNEE COUNTY DEVELOPMENT AUTHORITY

**BALANCE SHEET
GOVERNMENTAL FUNDS**

September 30, 2022

	<u>General Fund</u>
Assets	
Current assets	
Cash	\$ 827,179
Notes receivable	<u>25,840</u>
Total assets	<u>\$ 853,019</u>
Liabilities, deferred inflows of resources, and fund balances	
Liabilities	
Accounts payable	<u>\$ 4,930</u>
Deferred inflows of resources	
Deferred signage	<u>40,404</u>
Fund Balances	
Nonspendable	
Notes receivable	25,840
Unassigned	<u>781,845</u>
Total fund balances	<u>807,685</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 853,019</u>

SUWANNEE COUNTY DEVELOPMENT AUTHORITY

**RECONCILIATION OF THE GOVERNMENTAL FUND'S BALANCE SHEET
TO THE STATEMENT OF NET POSITION**

September 30, 2022

Total fund balances for governmental funds \$ 807,685

Total net position reported for governmental activities in the statement of net position is different because of the following:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of the following:

Land	278,420
Infrastructure	5,500
Accumulated depreciation - infrastructure	<u>(3,332)</u>
Total capital assets (See note 4.)	<u>280,588</u>
Total net position of governmental activities	<u>\$ 1,088,273</u>

SUWANNEE COUNTY DEVELOPMENT AUTHORITY

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

For the Year Ended September 30, 2022

		<u>General Fund</u>
Revenues		
Intergovernmental revenues		
Grants from other local units	\$	10,000
Miscellaneous revenues		
Interest		2,183
Rents		505
Miscellaneous		1,089
Total revenues		13,777
Expenditures		
Economic environment		
Industry development		
Current:		
Operating expenditures		
Professional services		4,200
Legal services		3,000
Bookkeeping		2,070
Promotional activities		61
Other current charges		792
Taxes and licenses		344
Dues and subscriptions		225
Total operating expenditures		10,692
Excess (deficiency) of revenues over expenditures		3,085
Other financing sources		
Sale of land		222,978
Net change in fund balance		226,063
Fund balance at beginning of year		581,622
Fund balance at end of year	\$	807,685

SUWANNEE COUNTY DEVELOPMENT AUTHORITY

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

For the Year Ended September 30, 2022

Net change in fund balances - total governmental funds	\$ 226,063
 Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The proceeds from the sale of assets is used to compute gain/loss on the disposal (proceeds less basis) and the gain/loss is recorded	
Basis of assets sold	(218,180)
Depreciation	<u>(220)</u>
Change in net position of governmental activities	<u>\$ 7,663</u>

SUWANNEE COUNTY DEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

September 30, 2022

NOTE 1. – Summary of Significant Accounting Policies

The Suwannee County Development Authority (the Authority) is an Independent Special District created by Special Act of the State of Florida Legislature, Chapter 59-1903, Special Acts of 1959 for the purpose of performing such acts as shall be necessary for the sound planning for, and development of Suwannee County. Accordingly, the Authority is subject to restrictions imposed by the Florida Constitution and Statutes, as well as the Authority's governing board.

The Authority is composed of eight members appointed by the Suwannee County Board of County Commissioners to serve four-year terms, except appointments to fill vacancies which are for the unexpired term of the originally appointed member.

A. Reporting Entity

The financial statements present only the Suwannee County Development Authority (the primary government). As defined by GASBS No. 14, component units are legally separate entities that are to be included in the Authority's reporting entity because of the significance of the operating or financial relationships with the Authority.

At September 30, 2022, the Suwannee County Development Authority reporting entity consists only of those functions and activities administered directly by the Authority and includes no component units.

B. Basis of Presentation, Basis of Accounting

The Authority's basic financial statements include both government-wide, which include the financial activities of the overall government (reporting the Authority as a whole) and fund financial statements (reporting the Authority's major funds).

The Authority's industry development activities are classified as governmental activities; therefore, both the government-wide and fund financial statements are considered governmental.

Government Wide Statements

The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. There are no fiduciary funds.

These statements detail the *governmental activities* of the Authority. Governmental activities generally are financed through intergovernmental revenues, and other nonexchange transactions. The Authority's governmental activities include all services provided.

In the government-wide statement of net position, the government activities are presented on a consolidated basis and are reported on a full accrual, economic resource basis, which recognizes all long-term assets, receivables, and deferred inflows of resources. The Authority's net position is reported in three parts: net investment in capital assets; restricted net position; and unrestricted net position.

The statement of activities presents a comparison, reporting the gross and net costs, between direct expenses and program revenues for each function of the Authority's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. There are no indirect expense allocations.

Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The government-wide focus is on the sustainability of the Authority as an entity and the change in the Authority's net position resulting from the current year's activities.

Fund Financial Statements

The fund financial statements provide information about the Authority's funds and focus on the determination of financial position and changes in financial position rather than upon net income.

The Authority only presents governmental funds. The emphasis of fund financial statements is on the Authority's major governmental fund.

The Authority reports the following major governmental fund:

General Fund - The General Fund is the Authority's operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

C. Measurement Focus, Basis of Accounting

The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Authority gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Authority considers all revenues reported in the governmental funds to be available if they are collected within six months after the end of the current fiscal period. Intergovernmental revenues and interest are considered to be susceptible to accrual.

In governmental funds, expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured.

General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of sales of land are reported as other financing sources.

When the Authority funds certain programs using a combination of restricted and unrestricted resources. It is the Authority's policy to first apply restricted resources to such programs, followed by unrestricted resources.

D. Assets, Liabilities, Deferred Inflows of Resources and Net Position/Fund Equity

Cash and Cash Equivalents

The Authority has defined cash and cash equivalents to include cash on hand, demand deposits, and certificates of deposit.

Inventories

It is the policy of the Authority to record the acquisition of supplies as expenditures at the time of purchase. The amount of supplies on hand at any time is nominal in amount and is considered immaterial.

Capital Assets

Capital assets purchased or acquired are reported at historical cost or estimated fair value. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the asset's estimated useful lives.

Estimated useful lives and the asset category's capitalization threshold are as follows:

	<u>Useful Life</u>	<u>Capitalization Threshold</u>
Buildings	40 years	\$5,000
Infrastructure	10-40 years	5,000
Equipment	5-25 years	5,000

GASBS No. 34 requires the Authority to report and depreciate new infrastructure assets. Infrastructure assets include roads, underground pipe, traffic signals, sidewalks, etc. The Authority has retroactively reported all capital assets constructed or purchased in prior years.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Deferred Inflows of Resources

In addition to liabilities, the governmental funds balance sheet reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Flow Assumptions

The Authority may fund outlays for a particular purpose from both restricted and unrestricted resources. To compute the amounts to report as restricted or unrestricted (fund balance/net position) in the financial statements, a flow assumption must be made about the order in which the resources are applied. When applicable, it is the Authority's policy to consider restricted resources to have been depleted before using any of the components of unrestricted resources.

Governmental Funds – Fund Balances

GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54) provides a more structured classification of fund balance to improve the usefulness of fund balance reporting to the users of the Authority's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the users of those resources.

NOTE 2. Deposits and Investments

Pursuant to Section 218.415(17), *Florida Statutes*, the Authority, without deposit and investment policies, is authorized to invest surplus public funds in:

- (a) The Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Inter-local Cooperation Act, as provided in s. 163.01.
- (b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.
- (c) Interest-bearing time deposits or savings accounts in qualified public depositories, as defined in s. 280.02.
- (d) Direct obligations of the U.S. Treasury.

At September 30, 2022, the Authority's cash held in bank demand deposits totaled \$827,179. Of the total, \$727,960, was covered by FDIC insurance. The remaining amount was insured by the Bureau of Collateral Services, Florida Department of Financial Services.

NOTE 3. Notes Receivable

The Authority's note receivable consists of a first mortgage note secured by lot 23 at the East 90 Commerce Centre in Live Oak, Florida. The note carries interest at 4.25% and is to be paid in monthly payments of \$863. Annual payments, principal, and interest are as follows:

For the year ending September 30,	<u>Payments</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 10,352	\$ 9,436	\$ 916
2024	10,352	9,845	507
2025	<u>6,661</u>	<u>6,559</u>	<u>102</u>
Totals	<u>\$ 27,365</u>	<u>\$ 25,840</u>	<u>\$ 1,525</u>

Due to the property securing the note, it is deemed collectible. The Authority has not recorded a provision for uncollectible notes receivable at September 30, 2022.

NOTE 4. Capital Assets

Capital asset activity for the year ending September 30, 2022, was as follows:

	<u>Balance</u> <u>10/1/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/2022</u>
Governmental Activities				
Capital assets not being depreciated				
Land	<u>\$ 496,600</u>	<u>\$ -</u>	<u>\$ 218,181</u>	<u>\$ 278,419</u>
Capital assets being depreciated				
Infrastructure	5,500	-	-	5,500
Less accumulated depreciation for				
Infrastructure	<u>(3,111)</u>	<u>(220)</u>	<u>-</u>	<u>(3,331)</u>
Total capital assets being depreciated, net	<u>2,389</u>	<u>(220)</u>	<u>-</u>	<u>2,169</u>
Governmental activities capital assets, net	<u>\$ 498,989</u>	<u>\$ (220)</u>	<u>\$ 218,181</u>	<u>\$ 280,588</u>

Depreciation was charged as follows:

Economic environment	
Industry development	<u>\$ 220</u>

NOTE 5. Deferred Inflows of Resources

In May 2004, the Authority entered into a Sign Site Lease with Anderson Outdoor for the purpose of erecting and maintaining thereon, advertising, billboard display, including necessary structures, devices, power poles and connections. The agreement's general terms call for prepayment of \$25,000 per structure (two) for an initial term of ninety-nine years. The prepayment was deferred and is being recognized over the ninety-nine-year agreement period.

At September 30, 2022, \$40,404 of the original payment remained deferred.

NOTE 6. Fund Balance Reporting

Per GASB 54, governmental fund balances are classified as follows:

Nonspendable - amounts that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.

Restricted – amounts that are constrained by external parties, constitutional provisions, or enabling legislation.

Committed – amounts that can only be used for specific purposes established by the Authority’s Board of Directors.

Assigned – amounts that are designated for a particular purpose but are not spendable until a budget ordinance is passed or there is a majority vote approval by the Authority’s Board.

Unassigned – amounts not constrained for any particular purpose.

The Authority has classified its fund balances as follows:

Nonspendable

At September 30, 2022, the Authority reports \$25,840 of its fund balance as nonspendable. The amount is based upon the Authority’s note receivable which is not in spendable form.

Spendable

The Authority has classified the spendable fund balance as unassigned. At September 30, 2022, the unassigned general fund balance was \$781,845 or 7,312 percent of the General Fund’s total expenditures.

NOTE 7. Risk Management

The Authority does not carry commercial insurance coverage. Due to the types of assets held and the Authority’s operations, the Board of Directors has deemed the cost of coverage as greater than the risks posed.

NOTE 8. Current/Future Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) effective dates of upcoming pronouncements are as follows:

Statement 91, *Conduit Debt Obligations* —reporting periods beginning after December 15, 2021: FY2022-23

Statement No. 96, *Subscription-Based Information Technology Arrangements* - effective for fiscal years beginning after June 15, 2022: FY 2022-23

Statement No. 99, Omnibus 2022, varying effective dates

Statement No. 100 Accounting Changes and Error Corrections – effective for fiscal years beginning after June 15, 2023: FY 2023-24

Statement No. 101 Compensated Absences – effective for fiscal years beginning after December 15, 2023: FY 2024-25

The Authority is evaluating the effects that these statements will have on its financial statements for the year ending September 30, 2023, and beyond.

NOTE 9. Subsequent Events

The Authority’s management has evaluated the subsequent events through the date of the audit report – June 30, 2023, and reports the following:

Sales of lots:

<u>Date</u>	<u>Lot</u>	<u>Selling Price</u>
March 28, 2023	23	\$ 22,000
April 5, 2023	31, 32, 33	116,400

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**REQUIRED
SUPPLEMENTARY
INFORMATION**

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SUWANNEE COUNTY DEVELOPMENT AUTHORITY

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

For the Year Ended September 30, 2022

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>
Budgetary fund balance	\$ 330,000	\$ 330,000	\$ 581,622
Estimated receipts			
Intergovernmental revenues			
Grants from other local units	10,000	10,000	10,000
Miscellaneous revenues			
Disposition of fixed assets	36,667	36,667	222,978
Interest	-	-	2,183
Rents	505	505	505
Miscellaneous	<u>-</u>	<u>-</u>	<u>1,089</u>
Total amounts available for appropriation	<u>377,172</u>	<u>377,172</u>	<u>818,377</u>
Appropriations and reserves			
Economic environment			
Industry development			
Operating expenditures			
Professional services	5,500	5,500	4,200
Legal services	5,000	5,000	3,000
Bookkeeping	7,000	7,000	2,070
Repair and maintenance	23,380	23,380	-
Promotional activities	4,842	4,842	61
Other current charges	500	500	792
Taxes and licenses	350	350	344
Dues and subscriptions	<u>600</u>	<u>600</u>	<u>225</u>
Total operating expenditures	47,172	47,172	10,692
Grants and aids	<u>330,000</u>	<u>330,000</u>	<u>-</u>
Total industry development	<u>377,172</u>	<u>377,172</u>	<u>10,692</u>
Reserves			
Contingency and reserve	<u>-</u>	<u>-</u>	<u>-</u>
Total appropriations and reserves	<u>377,172</u>	<u>377,172</u>	<u>10,692</u>
Budgetary fund balance at year end	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 807,685</u>

SUWANNEE COUNTY DEVELOPMENT AUTHORITY

NOTES TO BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

September 30, 2022

Note 1. Budget

Annual budgets, as required by state statutes, are adopted on a basis consistent with GAAP for all governmental funds. All annual appropriations lapse at fiscal year-end.

On or before July 3, the Authority's Treasurer prepares a proposed budget and submits it to the governing board. On or before September 30, the Authority's governing board adopts the budget by resolution.

The appropriated budget is prepared on a detailed line-item basis by fund, function, and department. Revenues are budgeted by source. Expenditures are budgeted by department; object classification as follows: personal services, operating expenditures, capital outlay, and debt service; and line-item detail within each object code. The legal level of budgetary control is the fund level.

Budgetary information is integrated into the accounting system and appropriations are controlled at the line item level within each department for management control purposes. Budget amendments require the Authority's governing board's approval recorded in the Authority's minutes. The Authority made no supplemental budget amendment for the fiscal year ending September 30, 2022.

Note 2. Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	General Fund
Sources/inflows of resources	
Financial statement major funds	
Actual amount (budgetary basis) of the estimated receipts and balances from the budgetary comparison schedules	\$ 818,377
Adjustments	
Budgetary fund balance is an amount available for appropriation but is not considered a revenue for GAAP reporting	(581,622)
Budgetary sale of assets is available for appropriation but is considered an other financing source for financial reporting purposes	<u>(222,978)</u>
Total revenues reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 13,777</u>
Uses/outflows of resources	
Actual amounts (budgetary basis) "total appropriations" from the budgetary comparison schedules	\$ 10,692
Adjustments	<u>-</u>
Total expenditures reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 10,692</u>

Note 3. Budget Adoption and Amendments

Per *Florida Statutes* 189.016(4), the tentative budget must be posted on the special district's official website at least 2 days before the budget hearing, held pursuant to s. 200.065 or other law, to consider such budget and must remain on the website for at least 45 days. The final adopted budget must be posted on the special district's official website within 30 days after adoption and must remain on the website for at least 2 years.

Per review of the Authority's website, the budget was not posted in accordance with the above.

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COMPLIANCE
SECTION

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KENNETH M. DANIELS
CERTIFIED PUBLIC ACCOUNTANT

107 2nd Ave S.E.
Jasper, FL 32052

Phone 386-792-1906
Fax 386-792-1925
kmdepa@windstream.net

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 Board Members of the Suwannee County Development Authority
Live Oak, Florida

I 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 Standard* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Suwannee County Development Authority, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Suwannee County Development Authority's basic financial statements, and have issued my report thereon dated June 30, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Suwannee County Development Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Suwannee County Development Authority's internal control. Accordingly, I do not express an opinion on the effectiveness of Suwannee County Development 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.

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Suwannee County Development Authority's financial statements are free from material misstatement, I 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my 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 my 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.



Kenneth M. Daniels
Certified Public Accountant
June 30, 2023

KENNETH M. DANIELS
CERTIFIED PUBLIC ACCOUNTANT

107 2nd Ave S.E.
Jasper, FL 32052

Phone 386-792-1906
Fax 386-792-1925
kmdcpa@windstream.net

INDEPENDENT ACCOUNTANT'S REPORT

To the Board Members of the Suwannee County Development Authority
Live Oak, Florida

I have examined the Suwannee County Development Authority's compliance with *Florida Statutes* 218.415 during the period October 1, 2021 to September 30, 2022. Management of the Suwannee County Development Authority is responsible for the Authority's compliance with those requirements. My responsibility is to express an opinion on the Suwannee County Development Authority's compliance based on my examination.

My examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that I plan and perform the examination to obtain reasonable assurance about whether the Suwannee County Development Authority complied in all material respects with the specified requirements above. An examination involves performing procedures to obtain evidence about whether the Suwannee County Development Authority complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on my judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. I believe that my examination provides a reasonable basis for my opinion.

I am required to be independent of the Suwannee County Development Authority and to meet my other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

My examination does not provide a legal determination on the Suwannee County Development Authority's compliance with the specified requirements.

In my opinion, the Suwannee County Development Authority, complied in all material respects, with the aforementioned requirements for the period October 1, 2021 to September 30, 2022.



Kenneth M. Daniels
Certified Public Accountant
June 30, 2023

KENNETH M. DANIELS
CERTIFIED PUBLIC ACCOUNTANT

107 2nd Ave S.E.
Jasper, FL 32052

Phone 386-792-1906
Fax 386-792-1925
kmdcpa@windstream.net

MANAGEMENT LETTER

To the Board Members
Suwannee County Development Authority
Live Oak, Florida

Report on the Financial Statements

I have audited the financial statements of the Suwannee County Development Authority, as of and for the fiscal year ended September 30, 2022, and have issued my report thereon dated June 30, 2023.

Auditor's Responsibility

I conducted my 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.

Other Reporting Requirements

I have issued my Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550 *Rules of the Auditor General*. Disclosures in those reports, which are dated June 30, 2023, 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 I 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 current or prior year findings.

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. See Note 1. The Suwannee County Development Authority's financial statements included no component units.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, requires that I report the results of my determination as to whether or not the Suwannee County Development 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 my audit, I determined that the Suwannee County Development 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*, I applied financial condition assessment procedures. It is management's responsibility to monitor the Suwannee County Development Authority's financial condition, and my financial condition assessment was based in part on representations made by management and review of financial information provided by the same. The financial condition assessment was performed as of September 30, 2022.

Section 10.554(1) (i)2, *Rules of the Auditor General*, require that I communicate any recommendations to improve financial management. In connection with my audit, in connection with my audit, I 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 I communicate the failure of a special district that is a component unit of a county, municipality, or special district, provided 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 my audit, I did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), *Florida Statutes*.

As required by Section 218.39(3)(c) *Florida Statutes*, and Section 10.554(1)(i)6, *Rules of the Auditor General*, the Suwannee County Development Authority reported:

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as "none."
- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as "three."
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$0.
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as \$9,270.
- 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 "none."
- f. A budget variance based on the budget adopted under Section 189.046(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: the district did not amend its original budget as indicated in the Budgetary Comparison Schedule on page 23.

Additional Matters

Section 10.554(1) (i)3., *Rules of the Auditor General*, requires me 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 warrants the attention of those charged with governance. In connection with my audit, I did not 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 Authority Members, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.



Kenneth M. Daniels
Certified Public Accountant
June 30, 2023