

2020

Gadsden County, Florida

Financial Statements
and Independent Auditor's Report

September 30, 2020

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and Independent Auditor's Report

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**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORTS**

GADSDEN COUNTY, FLORIDA

SEPTEMBER 30, 2020

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**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORTS**

GADSDEN COUNTY, FLORIDA

SEPTEMBER 30, 2020

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INTRODUCTORY SECTION

GADSDEN COUNTY, FLORIDA

LIST OF ELECTED AND APPOINTED OFFICIALS

SERVING AS OF SEPTEMBER 30, 2020

ELECTED OFFICIALS

Commissioner – District 2, Chairperson	Anthony Viegbesie
Commissioner – District 5, Vice-Chairperson	Sherrie Taylor
Commissioner – District 1	Eric Hinson
Commissioner – District 3	Gene Morgan
Commissioner – District 4	Brenda Holt
Clerk of the Circuit Court/Comptroller	Nicholas Thomas
Tax Collector	W. Dale Summerford
Sheriff	Morris A. Young
Property Appraiser	Reginald A. Cunningham
Supervisor of Elections	Shirley Green Knight

APPOINTED OFFICIALS

Interim-County Administrator	Henry G. Grant
County Attorney	Clayton Knowles

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable Board of County Commissioners
and Constitutional Officers
Gadsden County, Florida

We have audited the accompanying financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Gadsden County, Florida, (the County) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the County'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 County'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.

CERTIFIED PUBLIC ACCOUNTANTS

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An Independent Member of the BDO Alliance USA

The Honorable Board of County Commissioners
and Constitutional Officers
Gadsden County, Florida

INDEPENDENT AUDITOR'S REPORT

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County as of September 30, 2020, the respective changes in financial position, thereof, and the respective budgetary comparison of the general fund and each major special revenue fund, for the year then ended in conformity 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 and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The introductory section and the combining non-major fund statements are presented for purposes of additional analysis, and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Chapter 10.550, *Rules of the Auditor General* of the State of Florida, is also not a required part of the basic financial statements.

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

The Honorable Board of County Commissioners
and Constitutional Officers
Gadsden County, Florida

INDEPENDENT AUDITOR'S REPORT

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 10, 2021, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



June 10, 2021
Tallahassee, Florida

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Gadsden County, Florida (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2020. We encourage readers to consider the information presented here in conjunction with the County's basic financial statements.

FINANCIAL HIGHLIGHTS

Government-Wide Statements

The government-wide assets (and deferred outflows of resources) of the County exceeded liabilities (and deferred inflows of resources) at the close of the 2019-2020 fiscal year by \$53,593,792 (*net position*). Of this amount, (\$13,528,122) is considered unrestricted, \$11,947,351 is restricted for specific purposes (*restricted net position*), and \$55,174,563 is *net investment in capital assets*.

Fund Statements

At September 30, 2020, the County's governmental funds reported combined ending fund balances of \$21,327,792, an increase of \$2,596,293 in comparison with the \$18,731,499 ending fund balances on September 30, 2019. This increase is primarily from the County receiving CARES ACT money in advance.

The general fund's unassigned fund balance at September 30, 2020, was \$3,584,011, or 17.33% of total general fund expenditures excluding transfers. This indicates a 4.6% decrease from the prior fiscal year, where unassigned fund balance was 21.94% of the total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements include three components:

- (1) Government-wide financial statements
- (2) Fund financial statements
- (3) Notes to the basic financial statements

A brief description of the different financial statements follows.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-Wide Financial Statements

The government-wide financial statements (statement of net position and statement of activities found on pages 14-15) concentrate on the County as a whole and do not emphasize fund types. The governmental activities comprise the primary government. Fiduciary funds are not included in the government-wide financial statements. The County does not have any business-type activities.

General governmental and intergovernmental revenues support the governmental activities, along with user fees and charges for services. The purpose of the government-wide financial statements is to allow the user to be able to analyze the County's total financial position. Over time, increases or decreases in net position are indicators of whether the County's financial health is improving or deteriorating.

The statement of activities reflects the expenses of a given function or program, which are offset by program revenues. In order to better understand the County's operations, governmental activities expenses include, among others, general government services, public safety, culture and recreation, transportation, and economic environment. Program revenues are defined as charges for services, operating grants and contributions, and capital grants and contributions directly associated with a given function. Taxes, state shared revenues, and investment earnings are reported under general revenue. The effect of the interfund activity has been removed from the government-wide financial statements.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific purposes or objectives. Individual funds have been established by the County to account for revenues that are restricted to certain uses, to comply with legal requirements, or to account for the use of Federal and State grants. The three major categories of funds found in the County's fund financial statements include: governmental funds, proprietary funds, and fiduciary funds. The County's major funds are presented in separate columns on the fund financial statements. The definition of a major fund is one that meets the certain criteria set forth in GASB Statement No. 34. The funds that do not meet the criteria of a major fund are considered non-major funds and are combined into a single column on the fund financial statements.

Fund financial statements for all governmental funds include a **balance sheet** and a **statement of revenues, expenditures, and changes in fund balance**. The County's general fund and major special revenue funds include a **statement of revenues, expenditures, and changes in fund balance-budget and actual**. A **statement of fiduciary net position** is presented for the County's agency fund.

Governmental Fund Financial Statements

Governmental fund financial statements are prepared on the modified accrual basis using the current financial resources measurement focus. Under the modified accrual basis, revenues are recognized when they become measurable and available as net current assets.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The fund financial statements provide a presentation of the County's major funds, along with a column for all non-major funds. In the case of governmental activities, outlays for long lived assets are reported as expenditures, and long-term liabilities - such as general obligation bonds - are not included in the fund financial statements. To facilitate a comparison between the fund financial statements and the government-wide financial statements, a reconciliation of the balance sheet to the statement of net position and a reconciliation of the statement of revenues, expenditures, and changes in fund balances to the statement of activities are presented on pages 18 and 21, respectively.

Fiduciary Fund Financial Statements

The fiduciary fund financial statement is not included in the government-wide financial statements because the resources of these funds are not available to support the County's programs. Agency funds, the only type of fiduciary funds the County maintains, are used to account for assets held by the County as an agent for individuals and other governments.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data presented in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-57 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following schedule provides a summary of assets, liabilities, and net position of the County for fiscal years ending September 30, 2020 and 2019.

The largest portion of the County's net position, 99%, reflects its investment in capital assets (land, buildings, improvements, equipment, furniture, vehicles, construction in progress, and infrastructure) less any related debt to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Gadsden County Florida
Summary of Net Position**

	Governmental Activities	
	2020	2019
Current and Other Assets	\$ 32,132,249	\$ 23,511,450
Capital Assets	70,240,389	64,319,616
Total Assets	102,372,638	87,831,066
Deferred Outflows of Resources		
Pension Related	8,691,143	8,530,010
Current Liabilities	11,614,177	6,178,638
Non-Current Liabilities	43,782,997	40,474,726
Total Liabilities	55,397,174	46,653,364
Deferred Inflows of Resources		
Pension Related	2,072,815	2,801,698
Net Position		
Net Investment in Capital Assets	55,174,563	49,473,955
Restricted	11,947,351	8,152,413
Unrestricted	(13,528,122)	(10,720,354)
Total Net Position	\$ 53,593,792	\$ 46,906,014

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following schedule provides a summary of the changes in Net Position.

Gadsden County Florida Summary of Changes in Net Position

	Governmental Activities	
	2020	2019
Revenues		
Program Revenues:		
Charges for Services	\$ 5,446,276	\$ 5,375,186
Operating Grants and Contributions	8,715,993	3,828,591
Capital Grants and Contributions	7,796,644	2,730,029
Total Program Revenues	21,958,913	11,933,806
General Revenues		
Property Taxes	12,346,064	12,046,702
Sales Tax and State Shared Revenue	6,797,476	7,100,088
Local Option Taxes	6,403,705	6,590,918
Motor Fuel Tax	2,270,608	2,461,295
Other	1,111,855	1,706,199
Total General Revenues	28,929,708	29,905,202
Total Revenues	50,888,621	41,839,008
Expenses		
Program Expenses:		
General Government	9,699,530	9,390,933
Public Safety	16,948,060	16,752,891
Physical Environment	622,562	584,755
Transportation	7,731,496	8,304,769
Economic Environment	1,878,406	1,057,986
Human Services	3,722,482	3,595,676
Court Related	1,853,223	1,742,914
Culture/Recreation	1,340,472	1,368,084
Interest on Long-Term Debt	404,612	369,252
Total Expenses	44,200,843	43,167,260
Increase (Decrease) in Net Position	6,687,778	(1,328,252)
Net Position, Beginning of Year	46,906,014	48,234,266
Net Position, End of Year	\$ 53,593,792	\$ 46,906,014

MANAGEMENT'S DISCUSSION AND ANALYSIS

FUND FINANCIAL ANALYSIS

Governmental Funds

The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. Unassigned fund balance may serve as a useful measure of the County's net resources available for spending at the close of a fiscal year.

As of the end of fiscal year 2020, the County's governmental funds reported combined ending fund balances of \$21,327,792, an increase of \$2,596,293 in comparison with the prior year. Of the approximately \$21.3 million total fund balance, unassigned fund balance is \$3.5 million and is available for spending at the County's discretion.

The General Fund is the chief operating fund of the County and had a decrease in fund balance of \$207,772. The total general fund balance was \$5,466,689 of which \$3,584,011 is unassigned. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total general fund expenditures. Unassigned fund balance represents 17.33% of total general fund expenditures, excluding transfers.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund's budget increased during fiscal year 2019-2020 in the amount of \$1,642,047 from the original budget. A major portion of the increase of \$715,966 was transferred to various funds due to increased expenses caused by COVID-19. And approximately \$470,493 was needed as matching dollars for grant funding requirements.

Actual General Fund revenues fell short from the final revenue budget by \$433,140. The majority of this decrease came from reduced activity in providing revenue streams in the County and State of Florida due to COVID-19.

CAPITAL ASSETS AND DEBT MANAGEMENT

Capital Assets

The County's investment in capital assets for its governmental activities as of September 30, 2020, amounts to \$70.2 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, and infrastructure, net of depreciation.

Capital asset events during the current fiscal year included the following:

The Public Works Department bought two Kubota Tractors for \$52,127 a piece and a double drum roller for \$49,563.

The Fire Services bought a 2020 Freightliner Firetruck for \$299,004 and a diesel generator for \$27,250.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSETS AND DEBT MANAGEMENT

Capital Assets

The EMS Department bought four Ambulances and five power stretchers costing \$834,925.

The Sheriff's Office entered into a lease-purchase agreement for new vehicles at a cost of \$544,318.

Through the use of grant awards, numerous roads are currently being paved, but are not complete adding to Construction in Progress in 2020 \$7,064,179.

Additional information regarding the County's capital assets is contained in Note 6 of the Financial Statements.

Capital assets at September 30, 2020 and September 30, 2019, are as follows:

Gadsden County Florida Capital Assets (Net of Depreciation)

	Governmental Activities	
	2020	2019
Land	\$ 2,054,225	\$ 2,054,225
Buildings	23,213,892	22,703,207
Improvements Other than Buildings	4,161,695	4,181,055
Machinery and Equipment	7,379,190	6,171,161
Construction in Progress	9,410,326	2,695,586
Infrastructure	24,021,061	26,514,382
Total	\$ 70,240,389	\$ 64,319,616

Debt Management

During fiscal year 2020, the County incurred two new debt obligations. The Sheriff's Office entered into a lease purchase agreement to purchase new vehicles for \$544,318.

MANAGEMENT’S DISCUSSION AND ANALYSIS

The EMS Department financed the four Frazer Diesel Ambulances for \$744,198.

Additional information regarding the County’s Long-Term Debt is contained in Note 7 to the Financial Statements.

Gadsden County Florida Outstanding Debt

	2020	2019	Increase (Decrease)
Revenue Bonds	\$ 14,362,567	\$ 15,808,156	\$ (1,445,589)
Notes and Loans Payable	1,542,090	661,128	880,962
Compensated Absences	1,298,636	1,317,041	(18,405)
Other Post Employment Benefits	810,800	702,300	108,500
Net Pension Liability	29,027,989	24,930,067	4,097,922
Total	\$ 47,042,082	\$ 43,418,692	\$ 3,623,390

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

Gadsden County is Florida’s 43rd most populous County and is home to 2% of Florida’s population. The unemployment rate at September 30, 2020, was 6.8% as compared to the state’s percentage of 7.6% (Information provided by the Florida Legislature Office of Economic and Demographic Research). Gadsden County is once again designated as a fiscally constrained County in the State of Florida and is included in the governor’s designated Northwest Florida Rural Area of Economic Concern.

Gadsden County millage rate for the 2021 budget was adopted at 8.9064 mills, which has stayed the same since 2008. The total adopted budget for 2021 of \$51,569,377 was an increase over 2020’s budget in the amount of \$80,416. For 2021, the County appropriated \$1,319,309 from the General Fund Balance to balance the original approved budget.

A continued challenge for the County is to update its aging infrastructure, including resurfacing and paving roads while providing continuation of normal service to citizens.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives and manages. If you have questions about this report or need additional financial information, contact the Gadsden County Finance Office, 10 E. Jefferson Street, Quincy, FL 32351.

BASIC FINANCIAL STATEMENTS

**GADSDEN COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020**

	Governmental Activities
Assets	
Current Assets:	
Cash and Cash Equivalents	\$ 22,086,156
Investments	1,587,365
Accounts Receivables, Net	628,188
Due from Agency Funds	6,300
Due from Other Governments	7,482,869
Prepaid Items	229,226
Inventories	112,145
Total Current Assets	32,132,249
Non-Current Assets:	
Capital Assets:	
Non-Depreciable	11,464,551
Depreciable, Net	58,775,838
Total Non-Current Assets	70,240,389
Total Assets	102,372,638
Deferred Outflows of Resources	
Pension Related	8,691,143
Liabilities	
Current Liabilities:	
Accounts Payable and Accrued Expenses	4,414,733
Due to Agency Funds	533
Due to Other Governments	71,774
Accrued Wages Payable	362,257
Unearned Revenue	3,505,795
Bonds and Notes Payable	2,629,320
Accrued Compensated Absences	581,028
Net Pension Liability	48,737
Total Current Liabilities	11,614,177
Non-Current Liabilities:	
Accrued Compensated Absences	717,608
Other Postemployment Benefits Obligation	810,800
Bonds and Notes Payable	13,275,337
Net Pension Liability	28,979,252
Total Non-Current Liabilities	43,782,997
Total Liabilities	55,397,174
Deferred Inflows of Resources	
Pension Related	2,072,815
Net Position	
Net Investment in Capital Assets	55,174,563
Restricted	11,947,351
Unrestricted	(13,528,122)
Total Net Position	\$ 53,593,792

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

**GADSDEN COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
General Government	\$ 9,699,530	\$ 1,117,964	\$ 111,093	\$ 199,250	\$ (8,271,223)
Public Safety	16,948,060	3,297,570	1,793,569	-	(11,856,921)
Physical Environment	622,562	-	327,745	-	(294,817)
Transportation	7,731,496	40,673	184,235	5,664,495	(1,842,093)
Economic Environment	1,878,406	-	696,709	760,684	(421,013)
Human Services	3,722,482	14,603	4,628,577	165,536	1,086,234
Court-Related	1,853,223	942,761	577,624	-	(332,838)
Culture and Recreation	1,340,472	32,705	396,441	1,006,679	95,353
Interest on Long-Term Debt	404,612	-	-	-	(404,612)
Total Primary Government	\$ 44,200,843	\$ 5,446,276	\$ 8,715,993	\$ 7,796,644	(22,241,930)
General Revenues					
Taxes:					
Property Taxes					12,346,064
Franchise and Utility Taxes					160,620
Discretionary Sales Surtax					4,859,288
Local Option Gas Tax					1,383,797
Motor Fuel Tax					2,270,608
Other Taxes					262,839
Sales Tax and Other Shared Revenues					6,797,476
Investment Earnings					193,452
Miscellaneous					655,564
Total General Revenues					28,929,708
Change in Net Position					6,687,778
Net Position Beginning of Year					46,906,014
Net Position End of Year					\$ 53,593,792

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

GADSDEN COUNTY, FLORIDA
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	<u>General Fund</u>	<u>County Transportation</u>	<u>CARES Act</u>
Assets			
Cash and Cash Equivalents	\$ 3,795,140	\$ 2,879,265	\$ 1,380,059
Investments	1,587,365	-	-
Accounts Receivables (Net of Allowance for Uncollectibles)	89,994	4	-
Due from Other Funds	580,714	-	-
Due from Other Governments	691,655	482,871	2,298,078
Prepaid Expenses	228,776	-	-
Inventories, at Cost	54,291	57,854	-
Total Assets	<u>7,027,935</u>	<u>3,419,994</u>	<u>3,678,137</u>
Liabilities			
Accounts Payable and Accrued Expenses	860,311	258,402	246,624
Due to Other Funds	-	-	-
Due to Other Governments	38,459	1,375	-
Accrued Wages Payable	187,053	56,678	-
Unearned Revenues	173,350	-	-
Total Liabilities	<u>1,259,173</u>	<u>316,455</u>	<u>246,624</u>
Deferred Inflows of Resources	<u>302,073</u>	<u>287,843</u>	<u>704,615</u>
Fund Balances			
Non-Spendable	283,067	57,854	-
Restricted	280,302	2,757,842	2,726,898
Committed	-	-	-
Assigned	1,319,309	-	-
Unassigned	3,584,011	-	-
Total Fund Balances	<u>5,466,689</u>	<u>2,815,696</u>	<u>2,726,898</u>
Total Liabilities and Fund Balances	<u>\$ 7,027,935</u>	<u>\$ 3,419,994</u>	<u>\$ 3,678,137</u>

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

SHIP HHRP	Capital Project Public Works	Other Governmental Funds	Total Governmental Funds
\$ 2,555,350	\$ 1,806,085	\$ 9,670,257	\$ 22,086,156
-		-	1,587,365
-	-	538,190	628,188
-	-	153,164	733,878
-	1,866,585	2,143,680	7,482,869
-	-	450	229,226
-	-	-	112,145
<u>2,555,350</u>	<u>3,672,670</u>	<u>12,505,741</u>	<u>32,859,827</u>
58,550	2,277,157	713,689	4,414,733
-	-	728,111	728,111
-	-	31,940	71,774
984	-	117,542	362,257
2,495,816	-	836,629	3,505,795
<u>2,555,350</u>	<u>2,277,157</u>	<u>2,427,911</u>	<u>9,082,670</u>
		1,154,834	2,449,365
-	-	450	341,371
-	1,395,513	5,625,627	12,786,182
-	-	6,866	6,866
-	-	3,290,053	4,609,362
-	-	-	3,584,011
-	<u>1,395,513</u>	<u>8,922,996</u>	<u>21,327,792</u>
<u>\$ 2,555,350</u>	<u>\$ 3,672,670</u>	<u>\$ 12,505,741</u>	<u>\$ 32,859,827</u>

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

GADSDEN COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

Total Fund Balances of Governmental Funds \$ 21,327,792

**Amounts Reported for Governmental Activities in the Statement
of Net Position are Different Because:**

Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds. 70,240,389

Receivables that do not provide current financial resources are reported as deferred inflows of resources in the governmental funds. 2,449,365

Certain pension related amounts are being deferred and amortized over a period of years or are being deferred as contributions to the plan made after the measurement date:

Deferred Outflows Related to Pensions	\$ 8,691,143	
Deferred Inflows Related to Pensions	<u>(2,072,815)</u>	6,618,328

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:

Bonds and Installment Notes Payable	(15,904,657)	
Accrued Compensated Absences	(1,298,636)	
Accrued Other Postemployment Benefits Obligation	(810,800)	
Net Pension Liability	<u>(29,027,989)</u>	<u>(47,042,082)</u>

Total Net Position of Governmental Activities \$ 53,593,792

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

GADSDEN COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>General Fund</u>	<u>County Transportation</u>	<u>CARES Act</u>
Revenues			
Taxes	\$ 12,482,911	\$ 3,541,008	\$ -
Licenses and Permits	160,620	-	-
Intergovernmental Revenues	5,992,717	14,565	3,585,292
Charges for Services	1,222,834	40,673	-
Fines and Forfeitures	-	-	-
Miscellaneous Revenues	458,192	85,090	-
Total Revenues	<u>20,317,274</u>	<u>3,681,336</u>	<u>3,585,292</u>
Expenditures			
Current:			
General Government	8,264,579	-	-
Public Safety	8,338,370	-	-
Physical Environment	340,438	-	-
Transportation	-	3,413,633	-
Economic Environment	261,995	-	-
Human Services	1,600,890	-	367,396
Court-Related	219,382	-	-
Culture and Recreation	239,430	-	-
Debt Service:			
Principal	170,815	61,296	-
Interest	23,522	12,027	-
Capital Outlay:			
General Government	380,300	-	-
Public Safety	744,385	-	-
Transportation	-	169,890	-
Economic Environment	-	-	-
Human Services	-	-	16,149
Court-Related	-	-	-
Culture and Recreation	86,340	-	-
(Total Expenditures)	<u>(20,670,446)</u>	<u>(3,656,846)</u>	<u>(383,545)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(353,172)</u>	<u>24,490</u>	<u>3,201,747</u>
Other Financing Sources (Uses)			
Transfers in	9,825,106	830,927	-
Transfers (out)	(10,224,024)	(89,394)	(474,849)
Debt Proceeds	-	-	-
Installment Purchases	544,318	-	-
Total Other Financing Sources (Uses)	<u>145,400</u>	<u>741,533</u>	<u>(474,849)</u>
Net Change in Fund Balances	(207,772)	766,023	2,726,898
Fund Balances at Beginning of Year	5,674,461	2,049,673	-
Fund Balances at End of Year	<u>\$ 5,466,689</u>	<u>\$ 2,815,696</u>	<u>\$ 2,726,898</u>

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

SHIP HHRP	Capital Projects Public Works	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 3,542,040	\$ 19,565,959
-	-	414,050	574,670
559,184	5,664,495	8,176,135	23,992,388
-	-	3,431,065	4,694,572
-	-	142,394	142,394
24,117	10,749	270,868	849,016
<u>583,301</u>	<u>5,675,244</u>	<u>15,976,552</u>	<u>49,818,999</u>
-	-	170,976	8,435,555
-	-	6,159,915	14,498,285
-	-	204,217	544,655
-	160,416	227,077	3,801,126
583,301	-	999,277	1,844,573
-	-	1,198,333	3,166,619
-	-	1,369,366	1,588,748
-	-	886,133	1,125,563
-	-	1,583,350	1,815,461
-	-	369,063	404,612
-	-	4,063	384,363
-	-	2,332,853	3,077,238
-	5,125,332	31,467	5,326,689
-	-	1,790	1,790
-	-	-	16,149
-	-	9,248	9,248
-	-	2,384,208	2,470,548
<u>(583,301)</u>	<u>(5,285,748)</u>	<u>(17,931,336)</u>	<u>(48,511,222)</u>
-	389,496	(1,954,784)	1,307,777
-	211,270	11,174,971	22,042,274
-	(121,876)	(11,132,131)	(22,042,274)
-	-	744,198	744,198
-	-	-	544,318
-	89,394	787,038	1,288,516
-	478,890	(1,167,746)	2,596,293
-	916,623	10,090,742	18,731,499
<u>\$ -</u>	<u>\$ 1,395,513</u>	<u>\$ 8,922,996</u>	<u>\$ 21,327,792</u>

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

GADSDEN COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Net Change in Fund Balances - Total Governmental Funds \$ 2,596,293

**Amounts Reported for Governmental Activities in the Statement of
Activities are Different Because:**

Capital outlays are reported in governmental funds as expenditures.
However, in the statement of activities, the cost of those activities
is allocated over their estimated useful lives as depreciation expense:

Expenditures for Capital Outlays	\$ 11,286,025	
Contributions of Assets	165,536	
(Loss) on Disposal	(104,890)	
(Current Year Depreciation)	<u>(5,425,898)</u>	5,920,773

Repayment of long-term debt principal is an expenditure in the
governmental funds, but the repayment reduces long-term
liabilities in the statement of net position. 1,815,461
Other reductions of long-term debt 37,682

The issuance of long-term debt provides current financial resources
to governmental funds, while it has no effect on the statement
of activities. (1,288,516)

Certain pension related amounts are being deferred and amortized over
a period of years or are being deferred as contributions to the pension
plans made after the measurement date:

Deferred Inflows Related to Pensions	161,133	
Deferred Outflows Related to Pensions	<u>728,883</u>	890,016

Some expenses in the statement of activities do not require the use
of current financial resources and, therefore, are not reported as
expenditures in the governmental funds:

Compensated Absences	18,405	
Other Postemployment Benefits	(108,500)	
Net Pension Liability	<u>(4,097,922)</u>	(4,188,017)

Revenues in the statement of activities that do not provide
current financial resources are not reported as revenues
in the governmental funds. 904,086

Change in Net Position - Governmental Activities \$ 6,687,778

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

GADSDEN COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues				
Taxes	\$ 11,773,912	\$ 11,773,912	\$ 12,482,911	\$ 708,999
Licenses and Permits	120,000	120,000	160,620	40,620
Intergovernmental Revenues	6,505,588	6,660,909	5,992,717	(668,192)
Charges for Services	1,763,091	1,779,892	1,222,834	(557,058)
Fines and Forfeitures	9,000	9,000	-	(9,000)
Miscellaneous Revenues	350,250	406,701	458,192	51,491
Total Revenues	<u>20,521,841</u>	<u>20,750,414</u>	<u>20,317,274</u>	<u>(433,140)</u>
Expenditures				
Current:				
General Government	9,204,506	9,225,965	8,264,579	961,386
Public Safety	8,386,328	8,453,554	8,338,370	115,184
Physical Environment	463,487	353,547	340,438	13,109
Economic Environment	287,338	287,338	261,995	25,343
Human Services	1,606,247	1,726,374	1,600,890	125,484
Court-Related	492,403	489,403	219,382	270,021
Culture and Recreation	149,796	251,796	239,430	12,366
Debt Service:				
Principal	25,500	152,525	170,815	(18,290)
Interest	500	19,936	23,522	(3,586)
Capital Outlay:				
General Government	781,211	867,922	380,300	487,622
Public Safety	38,000	682,318	744,385	(62,067)
Physical Environment	2,000	2,000	-	2,000
Culture and Recreation	213,000	177,000	86,340	90,660
Contingency	73,500	73,500	-	73,500
(Total Expenditures)	<u>(21,723,816)</u>	<u>(22,763,178)</u>	<u>(20,670,446)</u>	<u>2,092,732</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(1,201,975)</u>	<u>(2,012,764)</u>	<u>(353,172)</u>	<u>1,659,592</u>
Other Financing Sources (Uses)				
Transfers in	9,789,265	9,365,786	9,825,106	459,320
Transfers (out)	(8,637,290)	(9,239,986)	(10,224,024)	(984,038)
Installment Purchases	-	544,318	544,318	-
Total Other Financing Sources (Uses)	<u>1,151,975</u>	<u>670,118</u>	<u>145,400</u>	<u>(524,718)</u>
Net Change in Fund Balance	(50,000)	(1,342,646)	(207,772)	1,134,874
Fund Balance, Beginning of Year	<u>50,000</u>	<u>1,342,646</u>	<u>5,674,461</u>	<u>4,331,815</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,466,689</u>	<u>\$ 5,466,689</u>

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

GADSDEN COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY TRANSPORTATION
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>		Final Budget
				(Negative)
Revenues				
Taxes	\$ 3,446,179	\$ 3,446,179	\$ 3,541,008	\$ 94,829
Intergovernmental Revenues	2,000	2,000	14,565	12,565
Charges for Services	274,000	274,000	40,673	(233,327)
Miscellaneous Revenues	44,116	44,116	85,090	40,974
Total Revenues	<u>3,766,295</u>	<u>3,766,295</u>	<u>3,681,336</u>	<u>(84,959)</u>
Expenditures				
Current:				
Transportation	4,327,222	4,021,095	3,413,633	607,462
Debt Service:				
Principal	-	-	61,296	(61,296)
Interest	-	-	12,027	(12,027)
Capital Outlay:				
Transportation	270,000	3,286,733	169,890	3,116,843
(Total Expenditures)	<u>(4,597,222)</u>	<u>(7,307,828)</u>	<u>(3,656,846)</u>	<u>3,650,982</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(830,927)</u>	<u>(3,541,533)</u>	<u>24,490</u>	<u>3,566,023</u>
Other Financing Sources (Uses)				
Transfers in	830,927	830,927	830,927	-
Transfers (out)	-	(89,394)	(89,394)	-
Installment Purchases	-	2,800,000	-	(2,800,000)
Total Other Financing Sources (Uses)	<u>830,927</u>	<u>3,541,533</u>	<u>741,533</u>	<u>(2,800,000)</u>
Net Change in Fund Balance	-	-	766,023	766,023
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>2,049,673</u>	<u>2,049,673</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,815,696</u>	<u>\$ 2,815,696</u>

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

GADSDEN COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CARES ACT
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental Revenues	\$ -	\$ 733,954	\$ 3,585,292	\$ 2,851,338
Total Revenues	<u>-</u>	<u>733,954</u>	<u>3,585,292</u>	<u>2,851,338</u>
Expenditures				
Current:				
Human Services	-	250,118	367,396	(117,278)
Capital Outlay:				
Human Services	-	8,987	16,149	(7,162)
(Total Expenditures)	<u>-</u>	<u>(259,105)</u>	<u>(383,545)</u>	<u>124,440</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>474,849</u>	<u>3,201,747</u>	<u>2,975,778</u>
Other Financing Sources (Uses)				
Transfers (out)	-	(474,849)	(474,849)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(474,849)</u>	<u>(474,849)</u>	<u>-</u>
Net Change in Fund Balance	-	-	2,726,898	2,975,778
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,726,898</u>	<u>\$ 2,726,898</u>

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

GADSDEN COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SHIP HHRP
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental Revenues	\$ -	\$ 2,679,235	\$ 559,184	\$ (2,120,051)
Miscellaneous Revenues	-	-	24,117	24,117
Total Revenues	<u>-</u>	<u>2,679,235</u>	<u>583,301</u>	<u>(2,095,934)</u>
Expenditures				
Current:				
Human Services	-	2,679,235	583,301	2,095,934
(Total Expenditures)	<u>-</u>	<u>(2,679,235)</u>	<u>(583,301)</u>	<u>2,095,934</u>
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**GADSDEN COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2020**

	Private Purpose Trust Fund	Agency Funds	Total
Assets			
Cash and Cash Equivalents	\$ 2,233,833	\$ 1,048,137	\$ 3,281,970
Investments	9,051,606	-	9,051,606
Accounts Receivable	-	25,096	25,096
Due from Other Funds	-	533	533
Total Assets	11,285,439	1,073,766	12,359,205
Liabilities			
Accounts Payable	-	10,409	10,409
Due to Other Funds	-	6,300	6,300
Due to Individuals	-	2,335	2,335
Due to Other Governments	-	144,431	144,431
Assets Held for Others	-	36,226	36,226
Installment Tax Deposits	-	225,060	225,060
Deposits	-	649,005	649,005
Total Liabilities	-	1,073,766	1,073,766
Net Position			
Held in Trust	\$ 11,285,439	\$ -	\$ 11,285,439

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

GADSDEN COUNTY, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
SEPTEMBER 30, 2020

	<u>Private Purpose Trust Fund</u>
Additions	
Investment Earnings:	
Net Appreciation in Fair Value of Investments	\$ 200,319
Interest and Dividends	<u>267,374</u>
Total Additions	<u>467,693</u>
 Deductions	
Administrative Fees	<u>36,044</u>
Total Deductions	<u>(36,044)</u>
 Net Increase	 431,649
 Net Position Held in Trust, Beginning of Year	 <u>10,853,790</u>
 Net Position Held in Trust, End of Year	 <u>\$ 11,285,439</u>

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

GADSDEN COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Note 1 - Reporting Entity

Gadsden County, Florida, (the County) is a political subdivision of the State of Florida and provides services to its residents in many areas including general government, public safety, physical environment, transportation, economic environment, human services, and culture and recreation. It is governed by a five-member elected Board of County Commissioners (the Board), which derives its authority by Florida Statutes and regulations. In addition to the members of the Board, there are five Constitutional Officers: the Clerk of the Circuit Court (Clerk), Tax Collector, Sheriff, Property Appraiser, and Supervisor of Elections. The Constitutional Officers, with the exception of the Supervisor of Elections and the Property Appraiser, maintain separate accounting records and budgets.

The accompanying financial statements include the operations of the Board and the Constitutional Officers. In addition, each Constitutional Officer has separately issued financial statements.

The Board funds a portion, or in certain instances, all of the operating budgets of the County's Constitutional Officers. Florida Statutes require the applicable budget excess of the Constitutional Officers to be remitted back to the Board at the close of the fiscal year.

The accompanying financial statements present the primary government, and its component units, for which the primary government is considered to be financially accountable. Also included are other entities whose exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Each potential component unit is individually evaluated using specific criteria to determine whether the entity is: (a) part of the primary government; (b) a component unit which should be included in the reporting entity (blended or discretely presented); or (c) an organization which should be excluded from the reporting entity entirely. The principal criteria for classifying a potential component unit include the legal separateness of the organization, the financial accountability of the primary government for the potential component unit resulting from either the primary government's ability to impose its will on the potential component unit, or the potential component unit's fiscal dependency on the primary government. Based upon the application of these criteria, the following is a brief review of each potential component unit addressed in defining the reporting entity:

- **Gadsden County Hospital (the Hospital)**—The Hospital was created pursuant to Chapter 24534, *Laws of Florida 1947*. In evaluating this potential component unit, it was determined that the Hospital is not a separate legal entity as it generally cannot transact business in its own name and, therefore, should be included as part of the primary government for reporting purposes. The Hospital does not function as an operating hospital, but provides the facilities and the maintenance and repair of such facilities for a provider who contracts with the County to operate the Hospital. The assets, liabilities, and results of operations of the Hospital are presented in the financial statements of the County as a non-major special revenue fund.
- **Gadsden County Industrial Development Authority (the Development Authority)**—The Development Authority was created by resolution of the Board pursuant to Chapter 159, Part III, Florida Statutes. The Development Authority members are appointed by the Board; however, the Board's accountability for the Development Authority does not extend beyond making the appointments. Accordingly, the Development Authority is considered to be a related organization only, and is not included in the financial reporting entity.

GADSDEN COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

- **Quincy-Gadsden Airport Authority (the Airport Authority)**—The Airport Authority was created by Chapter 88-439, *Laws of Florida*. The Authority is composed of five members. Two members are appointed by the City of Quincy, Florida, two members are appointed by the Board, and one member is appointed by these four members. The Airport Authority is a local unit of special purpose government and is not considered a component unit of the County and is not included in the financial reporting entity.
- **Gadsden County Enterprise Zone Development Agency (the Agency)**—The Agency was created by ordinance of the Board pursuant to Chapter 290, Florida Statutes, to carry out economic development and redevelopment activities. The Agency Board members are appointed by the Board and the Board retains various powers including approving expenditures, borrowing funds, investing funds, and approving assistance to businesses within the enterprise zone. Accordingly, the activities of the Agency are included as a blended component unit in the County’s financial statements. The Agency did not have any activity in fiscal year 2020.
- **Gadsden Hospital, Inc.**—The Gadsden Hospital, Inc. is a not-for-profit corporation established to assist with the operation of the Hospital and other health care facilities in Gadsden County. The Gadsden Hospital, Inc. members are appointed by the Board and the Board approves its funding and operations. Accordingly, the activities of Gadsden Hospital, Inc. have been included as a blended component unit in the County’s financial statements, and has been included as a special revenue fund in the accompanying financial statements. The Gadsden Hospital, Inc. did not have financial activity in fiscal year 2020.

Note 2 - Summary of Significant Accounting Policies

The accounting policies of the County conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

GADSDEN COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter is excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

- **General Fund**—The General Fund is the County’s primary operating fund. It accounts for all resources traditionally associated with governments except those required to be accounted for in another fund.
- **County Transportation**—The County Transportation fund accounts for the operation of the Public Works Department of the County. Funding is provided principally from gas taxes and other charges for services.
- **CARES Act** – The CARES Act is funded by the U.S. Department of Treasury through the State of Florida, Division of Emergency Management. The program funds are only to be used for expenditures incurred due to public health emergency with respect to Coronavirus Disease (COVID-19). Eligible expenses include medical expenses, public health expenses, payroll for public safety, health care, and similar employees whom responded to COVID-19 emergencies, expenses to facilitate compliance for COVID-19, and expenses for economic support.
- **SHIP HHRP**—The SHIP (State Housing Initiative Program) HHRP (Hurricane Housing Recovery Program) is funded by the state through the Florida Housing Finance office. This program provides recovery activities for individuals that suffered damages due to Hurricane Michael.
- **Capital Projects Public Works**—The Capital Project Public Works fund was set up to provide funds for road building and resurfacing projects and to track those funds separate from operating expenses, which is the source of revenue for this fund.

The County also reports two types of fiduciary funds: agency funds, which are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals, and a private purpose trust fund to account for the Gadsden County Hospital Trust.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements are reported using *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within thirty days of the end of the current fiscal period and ninety days for grants. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and other postemployment benefits are recorded only when payment is due.

GADSDEN COUNTY, FLORIDA
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Budgets and Budgetary Accounting

The County follows the procedures provided by Florida Statutes in establishing final budget balances reported on the financial statements.

- Budgets are generally prepared for the governmental funds on a basis consistent with generally accepted accounting principles.
- Budgets are prepared, public hearings are held, and original budgets are adopted annually for all governmental funds in accordance with procedures and time intervals prescribed by law.
- Appropriations lapse at year-end to the extent that they have not been expended. Budget appropriations may not be legally exceeded on a fund basis.

The County-wide General Fund is comprised of the following six sub-funds: Board of County Commissioners, Clerk of the Circuit Court, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector. In order to comply with the generally accepted accounting principles, the actual intra-fund activity has been consolidated in order to eliminate inflated amounts in the aggregate financial statements of the County-wide General Fund.

Cash and Cash Equivalents

Cash and Cash Equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquisition. This includes funds invested with the State Board of Administration in the Florida PRIME investment pool. Funds held in Florida PRIME are measured at amortized cost.

Investments

Investments are generally measured at fair value, except for certificates of deposit which are measured at cost.

Receivables

Receivables are shown at their net realizable value and reduced by an allowance for uncollectible accounts.

Due from (to) Other Funds

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds."

Prepaid Items

Certain payments to vendors are made in advance of the accounting period to which the cost related. These payments are reported under the allocation method, i.e., an asset is established at the date of the payment and subsequently amortized over the account periods that are expected to benefit from the initial payment. The prepaid balances reported on the governmental funds balance sheet are offset by a non-spendable fund balance classification, which indicates these balances do not constitute "available spendable resources."

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Inventories

Inventories shown in the General Fund consist of fuel and office supplies valued at cost. General Fund inventory is recorded under the consumption method. Inventories shown in the County transportation fund consists predominately of repair parts and are valued at cost. On the governmental fund balance sheet, the inventory balance are offset by a non-spendable fund balance classification which indicates these balances do not constitute “available spendable resources” even though it is a component of net current assets. The costs of governmental fund type inventories are recorded as expenditure when consumed; therefore, the inventory is not available for appropriation.

Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (e.g., roads, right-of-ways, stormwater systems, sidewalks, and similar items) are reported in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Land and buildings acquired prior to October 1, 1980, were recorded at the values stated on the 1979 Gadsden County Property Appraiser’s assessment roll. Acquisitions of land and buildings since October 1, 1980, have been recorded at cost. Roads, bridges, and other infrastructure assets constructed prior to October 1, 2002, are reported at estimated historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are expensed as incurred.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	50
Improvements Other than Buildings	50
Machinery and Equipment	5-20
Infrastructure	15-25

Major outlays for capital assets and improvements are capitalized as projects are constructed. For assets constructed with governmental fund resources, interest during construction is not capitalized.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position.

Deferred Inflows/Outflows of Resources

Deferred inflows of resources reported on applicable governmental fund types represent revenues which are measureable but not available in accordance with the modified accrual basis of accounting. The deferred inflows will be recognized as revenue in the fiscal year they are earned or become available. Deferred outflows of resources represent consumption of net position that is applicable to a future reporting period. Deferred outflows have a positive effect on net position, similar to assets.

Pension Related—Pension Related Deferred Inflows and Outflows represent the difference between expected and actual experience with regard to economic or demographic factors and changes to assumptions in the measurement of total pension liability, and the differences between expected and actual earnings on pension plan investments, and changes in the County’s proportionate share of

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pension contributions. These amounts are reported as deferred inflows or outflows of resources, to be recognized in expense over time. Also included in deferred outflows are amounts contributed to the pension plans subsequent to the measurement date. See Note 9 for more information on Pension Related Deferred Inflows and Outflows.

Unavailable Revenues—Unavailable revenues are revenues which are measureable, but not available because they have not been received within the County’s period of availability. These revenues are deferred and recorded as deferred inflows of resources in governmental fund financial statements.

Compensated Absences

Upon retirement or resignation, employees may be paid a cash benefit equal to the number of vacation hours accrued up to a maximum amount, based upon the employee’s current wage rate. Upon retirement or resignation in good standing, employees are paid a portion of accumulated sick leave. The portion is payable at various percentages depending on years of service and the governmental office in which the employee worked.

Postemployment Benefits Other than Pension Benefits (OPEB)

The County participates and administers a single-employer plan under which qualified retired employees are permitted to participate in the health, dental, vision, and life insurance benefits program. Additional information on the County’s OPEB liability can be found in Note 13.

Property Taxes

Under Florida law, the assessment of all properties and the collection of all County municipal and school board property taxes are consolidated in the offices of the Property Appraiser and Tax Collector. The laws of the state regulating tax assessment are also designed to assure a consistent property valuation method state-wide. Florida Statutes permit counties to levy property taxes at a rate of up to 10 mills for general operations.

The tax levy of the County is established by the Board prior to October 1, of each year and the Property Appraiser incorporates the County millages into the total tax levy, which includes the various municipalities, the County School Board, and other taxing authorities.

All property is assessed according to its fair market value January 1, of each year. Each assessment roll is submitted to the Executive Director of the Florida Department of Revenue for review to determine if the rolls meet all of the appropriate requirements of Florida Statutes.

All taxes become payable on November 1 of each year, or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, and 1% in the month of February. Taxes paid in March are without discount.

On or prior to June 1, following the tax year, tax certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest of 18% per year or at any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years. Unsold tax certificates are held by the County.

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Fund Balance

Fund balance is reported in five components – non-spendable, restricted, committed, assigned, and unassigned:

- **Non-Spendable**—This component of fund balance consists of amounts that cannot be spent because: (a) they are not expected to be converted to cash; or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund.
- **Restricted**—This component of fund balance consists of amounts that are constrained either: (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments); or (b) by law through constitutional provisions or enabling legislation.
- **Committed**—This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., ordinance) of the organization’s governing authority (the Board). These committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (e.g., ordinance) employed to constrain those amounts.
- **Assigned**—This component of fund balance consists of amounts that are constrained by a less-than-formal action of the organization’s governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. In addition, residual balances in capital projects and debt service funds are considered assigned for the general purpose of the respective fund.
- **Unassigned**—This classification is used for: (a) negative unrestricted fund balances in any governmental fund; or (b) fund balances within the General Fund that are not restricted, committed, or assigned.
- **Flow Assumption**—When both restricted and unrestricted resources are available for use, it is the Board’s policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use in any governmental fund, it is the Board’s policy to use committed resources first, then assigned, and then unassigned as needed.

Recent GASB Standards

The County is currently evaluating the effects that the following GASB Statements, which will be implemented in future financial statements, will have on its financial statements for subsequent fiscal years:

- **Statement No. 84, *Fiduciary Activities***. This statement establishes specific criteria for identifying activities that should be reported as fiduciary activities. It also adds the custodial fund classification to replace agency funds, and requires the presentation of a Statement of Changes in Fiduciary Net Position for custodial funds. This statement is currently under review and the County will consider the impact, if any, upon financial reporting. The provisions of this statement are effective for the County’s fiscal year ending September 30, 2021.

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- Statement No. 87, *Leases*. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. This statement is currently under review and the County will consider the impact, if any, upon financial reporting. The provisions of this statement are effective for the County’s fiscal year ending September 30, 2022.

- Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. This statement is currently under review and the County will consider the impact, if any, upon financial reporting. The provisions of this statement are effective for the County’s fiscal year ending September 30, 2022.

Note 3 - Cash and Investments

The County maintains cash and investments in two separate areas: those which support the County’s public purpose and programs of the County, and the Hospital Endowment Trust Fund, for which funds are held in trust for the benefit of the Hospital.

Public Purpose

As of September 30, 2020, the County’s public purpose programs had the following in cash, cash equivalents and investments:

	Carrying Amount
Cash on Hand	\$ 3,960
Deposits in Qualified Public Depositories (Including Repurchase Agreement)	17,068,904
Certificates of Deposit	1,587,365
SBA Florida PRIME	6,061,429
Total Cash, Cash Equivalents and Investments	\$ 24,721,658

In accordance with Florida Statutes, Section 218.415(1-16), the County adopted a written investment policy for public purpose programs on October 1, 1995. The policy includes the objectives of safety, liquidity, and investment income, in order of priority. Authorized investments included in the policy are:

1. The Florida PRIME (formerly the Local Government Surplus Trust Funds Investment Pool) administered by the State Board of Administration.

2. Negotiable direct obligations of, or obligations of the principal and interest of which are unconditionally guaranteed by the United States Government, which include, but are not limited to: treasury bills, treasury notes, treasury bonds, and treasury strips.

GADSDEN COUNTY, FLORIDA
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3. Bonds, debentures, notes or other evidence of indebtedness, issued or guaranteed by United States agencies provided such obligations are backed by the full faith and credit of the United States Government, which include, but are not limited to: Farmers Home Administration, Federal Financing Bank, Federal Housing Administration Debentures, and Government National Mortgage Association.
4. Bonds, debentures, notes or other evidence of indebtedness, issued or guaranteed by United States government agencies (federal instrumentalities), which are not full-faith and credit agencies limited to the following: Federal Farm Credit Bank, Federal Home Land Bank or its district banks, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, and Student Loan Marketing Association.
5. Non-Negotiable interest-bearing time certificates of deposit, money market accounts, or savings accounts in banks/savings and loan associations organized under the laws of the United States.
6. Repurchase agreements (for purchase and subsequent sale) for any of the investments authorized above in items 3 and 4.

Florida PRIME is administered by the Florida State Board of Administration (SBA). Florida PRIME is an external investment pool that is not a registrant with the Securities and Exchange Commission (SEC). Florida PRIME is governed by Chapter 19-7 of the Florida Administrative Code, which identifies the Rules of the SBA. These rules provide guidance and establish the general operating procedures for the administration of Florida PRIME.

Additionally, the State of Florida, Office of the Auditor General performs the operational audit of the activities and investments of the SBA. The County's fair value of their position in Florida PRIME approximates their value of the pool shares. Investments in Florida PRIME are not evidenced by securities that exist in physical or book entry form.

The SBA's interpretation of GASB Statement No. 79 is that the Florida PRIME investment pool currently meets all necessary criteria to measure its investments at amortized cost. Therefore, as a participant in the SBA's Florida PRIME investment pool, the County's investments in Florida PRIME were also measured at amortized cost for fiscal year 2019-20. There were no limitations or restrictions on participant withdrawals including items such as redemption notices, maximum transaction amounts, and the pool's authority to impose liquidity fees or redemption gates, however, the fund may on the occurrence of an event that has a material impact on liquidity or operations, impose restrictions on withdrawals for up to 48 hours.

The following disclosures describe the County's public purpose investment exposure to various risks:

Credit Risk—Public Purpose Funds

The current rating for the Florida PRIME is AAAM by Standards & Poor's.

The securities utilized by the financial institution to pledge against the County's overnight repurchase agreement at September 30, 2020, consist primarily of treasury notes and agency securities from the Federal National Mortgage Association and Government National Mortgage Association. The treasury notes are triple A-rated by a nationally recognized statistical rating organization. The agency securities are not fully rated.

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The County’s certificates of deposit are also not rated.

Custodial Credit Risk—Public Purpose Funds

Custodial credit risk is the risk that, in the event of a bank failure, or the failure of the counterparty, the government’s deposits may not be returned to it, or the government may not be able to recover the value of its investments that are in the possession of an outside party.

Qualified public depositories of public funds are required to provide collateral each month pursuant to Section 280.04, Florida Statutes. The collateral is held by the Florida Division of Treasury or other custodian with full legal rights maintained by the Florida Division of Treasury to transfer ownership. Any loss not covered by the pledged securities and deposit insurance would be assessed by the Florida Division of Treasury and paid by the other public depositories. The County’s cash deposits and certificates of deposit in these qualified depositories are considered fully insured or collateralized.

Interest Rate Risk—Public Purpose Funds

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County limits interest rate risk for the repurchase agreement by utilizing an overnight sweep agreement to invest excess cash balances. The weighted-average investment maturity for Florida PRIME is 48 days. The County’s certificates of deposit have maturities of between six months and one year.

Hospital Endowment Trust Fund

As of September 30, 2020, the Hospital Endowment Trust Fund had the following balances in cash and investments:

	Fair Value
Cash in Bank	\$ 189,393
Repurchase Agreement	806,165
SBA Florida PRIME	1,238,275
Domestic Common Stock	790,884
Corporate Bonds	200,222
Mutual Funds - (Fixed Income)	3,262,591
Equities	4,797,909
Total Cash and Investments	\$ 11,285,439

As of September 30, 2020, the Hospital Endowment Trust Fund had cash deposits of \$189,393 in a qualified public depository.

The following disclosures describe the Hospital Endowment Trust Fund’s investment exposure to various risks:

Credit Risk—Hospital Endowment Trust Fund

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. Investing activities for the Hospital Endowment Trust Fund are performed strictly by the members of the Trust committee.

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The U.S. Treasury Bonds and Notes, and the U.S. Government Agency holdings of the Hospital Endowment Trust Fund are triple A-rated by a nationally recognized statistical rating organization.

Custodial Credit Risk—Hospital Endowment Trust Fund

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the government may not be able to recover the value of its investments that are in the possession of the outside party. Custody of the Hospital Endowment Trust Fund’s investments is maintained in the County’s name by Capital City Trust Company, the fiduciary of the account.

Concentration of Credit Risk—Hospital Endowment Trust Fund

Concentration of credit risk is the risk of loss attributed to the investments of the Hospital Endowment Trust Fund in any one issuer that represents 5% or more of the total investment. There were no individual investments that represented more than 5% of the investment balance.

Interest Rate Risk—Hospital Endowment Trust Fund

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Hospital Endowment Trust Fund includes the following investments on a time-segmented basis:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than One Year</u>	<u>1-5 Years</u>
Corporate Bonds	\$ 200,222	\$ 200,222	\$ -
Mutual Funds - Fixed	4,053,475	3,062,369	991,106
Equities	<u>4,797,909</u>	<u>4,797,909</u>	-
Total	<u>\$ 9,051,606</u>	<u>\$ 8,060,500</u>	<u>\$ 991,106</u>

Fair Value Measurements – Hospital Endowment Trust Fund

Fair value measurements assume a transaction takes place in a government’s principal market, or a government’s most advantageous market in the absence of a principal market. The fair value also should be measured assuming that general market participants would act in their economic best interest.

The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels:

- **Level 1 Inputs**—are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- **Level 2 Inputs**—are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- **Level 3 Inputs**—are unobservable inputs for an asset or liability. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs.

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Fair value measurements for the Hospital Endowment Trust are as follows at September 30, 2020:

	Amount	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Corporate Bonds	\$ 200,222	\$ -	\$ 200,222	\$ -
Equities	4,797,909	4,797,909	-	-
Total Investments Measured at Fair Value	\$ 4,998,131	\$ 4,797,909	\$ 200,222	\$ -
Investments Measured at the Net Asset Value (NAV)	Amount	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Mutual Funds - Fixed	\$ 4,053,475	\$ -	Daily	None
Total Investments	\$ 9,051,606			

Note 4 - Receivables

Receivables at September 30, 2020, consist of the following:

	Gross Accounts Receivable	Allowance for Uncollectibles	Net Receivables
General	\$ 89,994	\$ -	\$ 89,994
County Transportation	4	-	4
Other Governmental Funds:			
Emergency Medical Services	1,709,887	(1,171,697)	538,190
Fiduciary Funds:			
Agency Funds - Tax	25,096	-	25,096
Total Receivables	\$ 1,824,981	\$ (1,171,697)	\$ 653,284

Note 5 - Interfund Receivables, Payables, and Transfers

Interfund balances at September 30, 2020, consisted of the following:

	Due From	Due To
General Fund	\$ 580,714	\$ -
Other Governmental Funds	153,164	728,111
Fiduciary Funds:		
Agency Funds	533	6,300
Total	\$ 734,411	\$ 734,411

The purpose for each of these interfund receivables and payables is to provide temporary loans for cash flow needs, primarily associated with the time lag between the dates that: (a) interfund goods and services are provided or reimbursable expenditures occur; (b) transactions are recorded in the accounting system; and (c) payments between funds are made.

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Interfund transfers for the year ended September 30, 2020, consisted of the following:

	Interfund	
	Transfers In	Transfers (Out)
General Fund	\$ 9,825,106	\$ 10,224,024
County Transportation	830,927	89,394
Cares Act	-	474,849
Indigent Surtax	-	699,655
Capital - Public Works	211,270	121,876
Other Governmental Funds	11,174,971	10,432,476
Total Interfund Transfers	\$ 22,042,274	\$ 22,042,274

The purposes of these interfund transfers were to: (a) fund budgetary requirements of other funds or Constitutional Officers; (b) meet grant match requirements; or (c) meet state or other budgetary requirements to expend revenues that were collected in another fund.

Note 6 - Capital Assets

Capital asset activity for the year ended September 30, 2020, was as follows:

	Beginning Balance	Increases	(Decreases)	Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 2,054,225	\$ -	\$ -	\$ 2,054,225
Construction Work in Progress	2,695,586	7,064,179	(349,439)	9,410,326
Total Capital Assets Not Being Depreciated	4,749,811	7,064,179	(349,439)	11,464,551
Capital Assets Being Depreciated:				
Buildings	37,273,612	1,283,676	(19,750)	38,537,538
Improvements Other Than Buildings	5,625,719	102,958	-	5,728,677
Machinery and Equipment:				
Board and Clerk	16,791,277	1,907,378	(500,962)	18,197,693
Sheriff	3,163,886	620,924	(380,038)	3,404,772
Total Machinery and Equipment	19,955,163	2,528,302	(881,000)	21,602,465
Infrastructure	75,549,613	821,885	-	76,371,498
Total Capital Assets Being Depreciated	138,404,107	4,736,821	(900,750)	142,240,178
Less Accumulated Depreciation:				
Buildings	(14,570,405)	(756,664)	3,423	(15,323,646)
Improvements Other Than Buildings	(1,444,664)	(122,318)	-	(1,566,982)
Machinery and Equipment	(13,784,002)	(1,231,710)	792,437	(14,223,275)
Infrastructure	(49,035,231)	(3,315,206)	-	(52,350,437)
Total Accumulated Depreciation	(78,834,302)	(5,425,898)	795,860	(83,464,340)
Total Capital Assets Being Depreciated, Net	59,569,805	(689,077)	(104,890)	58,775,838
Total Governmental Activities Capital Assets, Net	\$ 64,319,616	\$ 6,375,102	\$ (454,329)	\$ 70,240,389

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Depreciation expense was charged to governmental activities functions/programs of the primary government as follows:

General Government	\$ 276,466
Public Safety	667,640
Physical Environment	47,659
Transportation	3,675,438
Economic Environment	16,509
Human Services	543,624
Court-Related	75,189
Culture and Recreation	<u>123,373</u>
Total Depreciation Expense	
Governmental Activities	<u><u>\$ 5,425,898</u></u>

Note 7 - Long-Term Debt

Summary of Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year ended September 30, 2020:

	Balance 10/1/19	Additions	Deductions	Balance 9/30/20	Due Within One Year
Employee Compensated Absences Payable	\$ 1,317,041	\$ 1,085,699	\$(1,104,104)	\$ 1,298,636	\$ 581,028
Other Postemployment Benefits	702,300	108,500	-	810,800	-
Net Pension Liability	24,930,067	4,097,922	-	29,027,989	48,737
Loan with BB&T for 2016 Sales Tax Revenue Refunding Bond, Monthly Principal and Interest Payment of \$53,819 Commencing August 2016 through March 2030, Interest at 2.00%, Funds Used for Refunding of 2013 Hospital Bond	6,111,997	-	(528,422)	5,583,575	539,088
Gas Tax Revenue and Refunding Bond, Series 2015, Monthly Principal and Interest Payments of \$60,588, Commencing June 2015, Interest at 2.43%, Funds Used for Refunding the 2013 Gas Tax Revenue Refunding Bond and for Construction and Improvement of Certain Roads in Gadsden County	6,778,879	-	(568,638)	6,210,241	582,610
Loan with BB&T for 2016 Local Gov't Half-Cent Revenue Bonds, Semiannual Interest and Principal Payments of \$105,728 in April and October, Interest Rate of 1.53% Funds Used for Refinancing Costs of 2006 Library Bond	617,721	-	(202,777)	414,944	205,891

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	Balance 10/1/19	Additions	Deductions	Balance 9/30/20	Due Within One Year
Motorola Loan -Cell Tower & Radio Communications Annual principal and interest payments of \$152,589 commencing November 2018 through November 15, 2027. Interest rate of 3.10% Funds used for building new cell tower and updating radio communications.	\$ 1,182,556	\$ -	\$ (115,930)	\$ 1,066,626	\$ 119,524
Motorola Loan for Dispatch Center Furnishing Annual principal and interest payments of \$47,441 commencing of November 15, 2018 through November 15, 2028. Interest rate of 4.29%. Funds used to furnish and update the Dispatch Center	410,003	-	(29,822)	380,181	31,101
Purchase of Vehicles for Board of County Commissioners Annual principal and interest payments of \$102,558 commencing on March 1, 2019 through March 1, 2023. Interest rate of 4.58%	367,243	-	(85,739)	281,504	89,666
Line of Credit - BB&T for Agriculture Center One payment required for Line of Credit. Principal and interest payment due August 21, 2020 Interest rate 2.30%	707,000	-	-	707,000	707,000
Lease-Purchase with Santander Bank N.A for 4 Frazer Diesel Ambulances. Annual principal and interest payments of \$ 166,885.44 including interest of 3.94%	-	744,198	(137,564)	606,634	142,984
Purchase of Vehicles for the Sheriff Payable in 12 Quarterly Installments of \$24,619 Including Interest of 4.5%	24,345	-	(24,345)	-	-
2018 Purchase of Vehicles for the Sheriff Payable in 48 Monthly Installments of \$2,356 Including Interest of 5.2%	75,269	-	(21,361)	53,908	26,512
2019 Purchase of Vehicles for the Sheriff Payable in 48 Monthly Installments of various amount. Interest of 5.2%	194,271	-	(81,324)	112,947	47,245
2020 Purchase of Vehicles for the Sheriff Payable in monthly payments from 36-48 months at interest rates ranging from 4.4% to 5.8%	-	544,318	(57,221)	487,097	137,699
Total	\$43,418,692	\$ 6,580,637	\$ (2,957,247)	\$47,042,082	\$ 3,259,085

Interest expense and other debt-related charges during 2020 on long-term debt totaled \$404,612, none of which was capitalized.

**GADSDEN COUNTY, FLORIDA
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Maturities of Long-Term Debt

Maturities of long-term debt for years ending September 30 are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 2,629,068	\$ 371,733
2022	1,973,167	317,636
2023	1,740,668	263,885
2024	1,594,839	215,283
2025	1,397,808	175,086
2026-2030	6,569,107	364,023
Other Years (Including Compensated Absences, Other Postemployment Benefits, and Net Pension Liability)	<u>31,137,425</u>	-
Total	<u><u>\$47,042,082</u></u>	<u><u>\$ 1,707,646</u></u>

Note 8 - Pledged Revenues

The County has pledged certain revenues to repay bonds outstanding as of September 30, 2020. The following table reports the revenues pledged for each debt issue, the amounts of such revenues received in the current year principal and interest paid on the debt, the approximated percentage of each revenue which is pledged to meet the debt obligation, the date through which the revenue is pledged under the debt agreement, and the total pledged future revenues for each debt, which is the amount of the remaining principal and interest on the bonds and notes at September 30, 2020.

<u>Pledged Revenue</u>	<u>Description of Bonds</u>	<u>Revenue Received</u>	<u>Principal and Interest Paid</u>	<u>Estimated Percentage Pledged</u>	<u>Outstanding Principal and Interest</u>	<u>Pledged Through</u>
County Fuel Tax	Revenue Bond for Infrastructure Revenue Bond, Series 2015	\$ <u>1,482,777</u>	\$ <u>727,059</u>	49.03%	\$ <u>6,967,646</u>	2030
Local Half-Cent Tax	Revenue Bond for Library Revenue Bond, Series 2016	\$ <u>1,527,322</u>	\$ <u>211,455</u>	13.84%	\$ <u>422,911</u>	2022
Indigent Surtax Revenues	Sales Tax and Revenue Refund Bond, Series 2016	\$ <u>2,014,974</u>	\$ <u>645,836</u>	32.05%	\$ <u>6,135,438</u>	2030

Note 9 - Employee Retirement Plan

General Information about the Florida Retirement System (FRS)

The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any state-administered retirement system in paying the costs of health insurance.

GADSDEN COUNTY, FLORIDA
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Essentially all regular employees of the County are eligible to enroll as members of the State-administered FRS. Provisions relating to FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112 Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of two cost-sharing, multiple-employer defined-benefit plans and other non-integrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' web site (www.dms.myflorida.com).

FRS Pension Plan

Plan Description. The FRS Pension Plan (Plan) is a cost-sharing multiple-employer qualified defined benefit pension plan, with a DROP available for eligible employees. The general classes of membership applicable to the County are as follows:

- *Regular Class*—Members of the FRS who do not qualify for membership in the other classes.
- *Elected County Officer Class*—Members who hold specified elective offices in local government.
- *Senior Management Service Class (SMSC)*—Members in senior management level positions.
- *Special Risk Class*—Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All vested members enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service, except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service. All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Members of the Plan may include up to four years of credit for military service toward creditable service. The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

**GADSDEN COUNTY, FLORIDA
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Benefits Provided. Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned.

Class, Initial Enrollment, and Retirement Age/Years of Service	Percent Value
<i>Regular Class Members Initially Enrolled Before July 1, 2011:</i>	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement at age 63 or with 31 years of service	1.63
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 or more years of service	1.68
<i>Regular Class Members Initially Enrolled on or After July 1, 2011:</i>	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 or more years of service	1.68
<i>Elected County Officers</i>	3.00
<i>County Court Judges</i>	3.33
<i>Senior Management Service Class</i>	2.00
<i>Special Risk Regular</i>	
Service from December 1, 1970 through September 30, 1974	2.00
Service on and after October 1, 1974	3.00

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

**GADSDEN COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

Contributions. The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates during the County's 2019-20 fiscal year were as follows:

<u>Class</u>	<u>Year Ended June 30, 2020</u>		<u>Year Ended June 30, 2021</u>	
	<u>Percent of Gross Salary</u>		<u>Percent of Gross Salary</u>	
	<u>Employee</u>	<u>Employer (2)</u>	<u>Employee</u>	<u>Employer (2)</u>
FRS, Regular	3.00	6.75	3.00	8.28
FRS, Elected County Officers	3.00	47.10	3.00	47.46
FRS, Senior Management Service	3.00	23.69	3.00	25.57
FRS, Special Risk Regular	3.00	23.76	3.00	22.73
DROP – Applicable to Members				
from All of the Above Classes	0.00	12.94	0.00	15.32
FRS, Reemployment Retiree	(1)	(1)	(1)	(0)

Notes: (1) Contribution rates are dependent upon retirement class in which reemployed.

(2) These rates include the normal cost and unfunded actuarial liability contributions but do not include the contribution for Retiree Health Insurance Subsidy of 1.66% and the fee of 0.06% for administration of the FRS Investment Plan and provision of education tools for both plans.

The County's contributions (employer) to the FRS Plan totaled \$1,892,770 for the fiscal year ended September 30, 2020. This excludes the HIS defined benefit pension plan contributions.

Pension Liabilities and Pension Expense. At September 30, 2020, the County reported a liability of \$24,352,975 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The County's proportionate share of the net pension liability was based on the County's 2019-20 fiscal year contributions of all participating members. At June 30, 2020, the County's proportion was .056188618%, which was a decrease of .00304283155% from its proportion measured as of June 30, 2019.

For the year ended September 30, 2020, the County recognized pension expense of \$4,981,856 related to the Plan.

Actuarial Assumptions. The total pension liability in the June 30, 2020 actuarial valuation, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary Increases	3.25% Average, Including Inflation
Discount Rate	6.80%
Long-Term Expected Rate of Rate of Return, Net of Investment Expense	6.80%

Mortality rates were based on PUB2010. The base table varies by member category and sex, projected generationally with scale MP-2018.

The actuarial assumptions used in the June 30, 2020 valuation, were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

**GADSDEN COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Annual Target Allocation ⁽¹⁾	Annual Arithmetic Return	Geometric Return	Standard Deviation
Cash	1.0%	2.2%	2.2%	1.2%
Fixed Income	19.0%	3.0%	2.9%	3.5%
Global Equity	54.2%	8.0%	6.7%	17.1%
Real Estate	10.3%	6.4%	5.8%	11.7%
Private Equity	11.1%	10.8%	8.1%	25.7%
Strategic Investments	4.4%	5.5%	5.3%	6.9%
Total	100%			
Assumed Inflation – Mean			2.4%	1.7%

Note: (1) As outlined in the Plan's Investment Policy.

Discount Rate. The discount rate used to measure the total pension liability was 6.80%. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The discount rate was 6.90% in the July 1, 2019 valuation.

Sensitivity of the County's Proportionate Share of the Net Position Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 6.80%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

FRS – County:

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
County's Proportionate Share of the Net Pension Liability	\$ 38,887,609	\$ 24,352,975	\$ 12,213,586

Pension Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

GADSDEN COUNTY, FLORIDA
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HIS Pension Plan

Plan Description. The HIS Pension Plan (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The Florida Legislature established and amends the contribution requirements and benefit terms of the HIS program. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs.

Benefits Provided. For the fiscal year ended June 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment equal to the years of service credited at retirement multiplied by \$5. The minimum HIS payment is \$30 and a maximum payment is \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under the State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions. The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the Plan fiscal years ended June 30, 2020 and 2019, the contribution rate was 1.66% of payroll, pursuant to Section 112.363, Florida Statutes. The County contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The County's contributions to the HIS Plan totaled \$221,391 for the fiscal year ended September 30, 2020.

Pension Liabilities and Pension Expense. At September 30, 2020, the County reported a net pension liability of \$4,675,014 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The County's proportionate share of the net pension liability was based on the County's 2019-2020 fiscal year contributions relative to the total 2018-2019 fiscal year contributions of all participating members. At June 30, 2020, the County's proportionate share was .038288911%, which was a decrease of .00221139819% from its proportionate share measured as of June 30, 2019.

For the fiscal year ended September 30, 2020, the County recognized pension expense of \$340,770 related to the HIS Plan.

Actuarial Assumptions. The total pension liability for the HIS Pension Plan was determined by an actuarial valuation as of July 1, 2018, and recalculated as of June 30, 2020, using a standard actuarial roll-forward technique. The following actuarial assumptions, applied to all periods included in the measurement, were used to determine the total pension liability:

Inflation	2.40%
Salary Increases	3.25% Average, Including Inflation
Discount Rate	2.21%
Long-Term Expected Rate of	
Rate of Return, Net of Investment Expense	N/A
Municipal Bond Index	2.21%

GADSDEN COUNTY, FLORIDA
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Mortality rates were based on the Generational RP-2000 with Projected Scale BB.

The actuarial assumptions used to determine the total pension liability as of June 30, 2020, were based on certain results of an actuarial experience study of the FRS for the period July 1, 2013, through June 30, 2018.

Discount Rate. The discount rate used to measure the total pension liability was 2.21%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 2.21%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21%) or 1-percentage-point higher (3.21%) than the current rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
County's Proportionate Share of the Net Pension Liability	\$ 5,404,107	\$ 4,675,014	\$ 4,078,253

Pension Plan Fiduciary Net Position. Detailed information about the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report.

Additional Disclosures – Defined Benefit Plans

Net Pension Liability

	FRS	HIS	Total
Net Pension Liability	\$ 24,352,975	\$ 4,675,014	\$ 29,027,989

Deferred Outflows of Resources

	FRS	HIS	Total
Employer Contributions After Measurement Date	\$ 497,706	\$ 56,812	\$ 554,518
Difference Between Expected and Actual Experience	932,038	191,236	1,123,274
Changes in Assumptions	4,408,663	502,697	4,911,360
Changes in Proportion	500,623	147,635	648,258
Net Difference Between Projected and Actual Earnings on Investments	1,450,000	3,733	1,453,733
Total Deferred Outflows of Resources	\$ 7,789,030	\$ 902,113	\$ 8,691,143

**GADSDEN COUNTY, FLORIDA
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SEPTEMBER 30, 2020**

Deferred Inflows of Resources

	<u>FRS</u>	<u>HIS</u>	<u>Total</u>
Difference Between Expected and Actual Experience	\$ -	\$ 3,606	\$ 3,606
Changes in Assumptions	-	271,834	271,834
Changes in Proportion	1,406,084	391,291	1,797,375
Net Difference Between Projected and Actual Earnings on Investments	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>\$ 1,406,084</u>	<u>\$ 666,731</u>	<u>\$ 2,072,815</u>

Deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date totaling \$554,518 will be recognized as a reduction of the net pension liability in the year ending September 30, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending</u>	<u>FRS</u>	<u>HIS</u>	<u>Total</u>
2021	\$ 1,224,513	\$ 73,926	\$ 1,298,439
2022	1,965,891	40,322	2,006,213
2023	1,624,223	(28,055)	1,596,168
2024	937,707	6,666	944,373
2025	132,906	59,952	192,858
Thereafter	<u>-</u>	<u>25,759</u>	<u>25,759</u>
Total	<u>\$ 5,885,240</u>	<u>\$ 178,570</u>	<u>\$ 6,063,810</u>

Pension Expense

For the year ended September 30, 2020, the County recognized pension expense from the defined benefit pension plans as follows:

	<u>FRS</u>	<u>HIS</u>	<u>Total</u>
Board of County Commissioners, Supervisor of Elections, Property Appraiser	\$ 2,534,460	\$ 177,652	\$ 2,712,112
Clerk of the Circuit Court/Comptroller	416,984	33,289	450,273
Tax Collector	67,367	13,848	81,215
Sheriff	<u>1,963,045</u>	<u>115,581</u>	<u>2,078,626</u>
Total Pension Expense	<u>\$ 4,981,856</u>	<u>\$ 340,370</u>	<u>\$ 5,322,226</u>

There were certain changes in assumptions from the previous valuation related to the two plans described above. The assumption changes include the following:

- **FRS**—In the July 1, 2020 actuarial valuation, the discount rate used to determine total pension liability decreased from 6.90% to 6.80%.
- **HIS**—In the July 1, 2020 actuarial valuation, the municipal rate used to determine total pension liability decreased from 3.50% to 2.21%.

**GADSDEN COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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FRS – Defined Contribution Pension Plan

The County contributes to the FRS Investment Plan (Investment Plan), a defined contribution pension plan, for its eligible employees electing to participate in the Investment Plan. The Investment Plan is administered by the SBA, and is reported in the SBA’s annual financial statements and in the State of Florida Comprehensive Annual Financial Report. Service retirement benefits are based upon the value of the member’s account upon retirement.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined-benefit plan. County employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member’s accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS defined benefit plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the investment member’s accounts during the 2019-2020 fiscal year were as follows:

Class	Year Ended June 30, 2020		Year Ended June 30, 2021	
	Percent of Gross Compensation		Percent of Gross Compensation	
	Employee	Employer	Employee	Employer
FRS, Regular Class	3.00	3.30	3.00	3.00
FRS, Special Risk Class	3.00	11.00	3.00	11.00
FRS, Senior Management Service Class	3.00	4.67	3.00	4.67
FRS, Elected County Officers, Judges	3.00	10.23	3.00	10.23
FRS, Elected County Officers	3.00	8.34	3.00	8.34

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of Investment Plan members. For the fiscal year ended September 30, 2020, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the County.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the FRS Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

**GADSDEN COUNTY, FLORIDA
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The County's Investment Plan pension expense totaled \$373,730 for the fiscal year ended September 30, 2020.

Note 10 - Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees and the public, or damage to property of others. The County obtained commercial insurance against losses for the following types of risk:

- Real and Personal Property Damage
- Public Employees' Bond
- Workers' Compensation
- Automobile Liability

The County participates in the Florida Association of Counties Trust (FACT), a public entity risk pool for risks related to comprehensive general liability. The agreement provides that the financial liability of each participating county is limited to premiums and surplus contributions paid or obligations made to FACT. Aggregate coverage provided is limited to \$1,000,000 for each claim.

Note 11 - Hospital Endowment Trust Fund

On July 7, 1952, a trust was established with Quincy State Bank (now Capital City Bank) as trustee to accept gifts and bequests for the benefit of the Hospital. The corpus of the trust is unavailable for use except in an emergency, and then only upon the approval of the parties to the trust agreement and the Circuit Court of the County. The trust is accounted for as a private purpose trust fund in the fiduciary fund financial statements.

Note 12 - Commitments and Contingencies

Litigation

The County is contingently liable with respect to various lawsuits and other claims incidental to the ordinary course of its operations. In the opinion of the County's management, the ultimate disposition of these lawsuits and claims will not have a material adverse effect on the financial position of the County.

Hospital Lease

Pursuant to the County's amended agreement entered into on February 24, 2020 to lease the Hospital to a third-party operator, the County has agreed to pay the operator \$200,000 a year from March – February each year from the proceeds of the one-half cent sales surtax for health care not otherwise committed to repayment of the County's Sales Tax Revenue Refunding Bonds, Series 2013. This amended lease shall have an initial term of fifteen years beginning on the commencement date and ending on the last day of the month, fifteen years after the commencement date. The term of this amended lease shall automatically be renewed for up to two additional consecutive terms of five years; unless, either party delivers written notice to the other party that it will not renew at least 12 months prior to the end of the term then in effect.

GADSDEN COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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During each lease year of the Amended Lease terms, the operator shall pay rent to the County at the rate of \$200,000 per annum, payable in equal monthly installments of \$16,666.67 each on the first day of each calendar month during the balance of the Lease Term along with a the sales or privilege tax required under applicable law. The base rent shall be increased by 5% over the then-current rate every three years beginning on the first day of the first month following the 3rd anniversary of the effective date of the amended lease.

Construction Commitments

The following is a summary of major commitments of the County and contracts in progress as of September 30, 2020:

<u>Project</u>	<u>Fund</u>	<u>Contract Amount</u>	<u>Expended as of September 30, 2020</u>
CO Road 270, Tolar White	Capital Projects – SCOP	\$ 805,257	\$ 801,484
CO Road 65B, Old Federal	Capital Projects – SCOP	2,185,620	1,815,524
Attapulgus Highway	Capital Projects – SCOP	304,968	72,450
Pt. Milligan Rd	Capital Projects – SCOP	252,500	57,713
Cooks Landing Rd	Capital Projects – SCOP	1,079,704	-
Fairbanks Rd	Capital Projects – SCOP	169,000	147,250
Adam’s St Sidewalk	Capital Projects – LAPA	48,187	26,503
Ralph Strong Rd	Capital Projects – LAPA	78,316	64,911
CR 159A Potter Woodberry	Capital Projects – CIGP	80,135	6,730
Cochran Rd	Capital Projects – SCRAP	87,325	59,915
Hutchinson Ferry Bridge	Capital Projects - Bridges	1,612,943	811,920
Greenshade Fire Station	Fire Assessment	376,259	296,355
Total		<u>\$ 7,080,214</u>	<u>\$ 4,160,755</u>

Note 13 - Postemployment Benefits Other than Pension Benefits (OPEB)

Plan Description

The OPEB Plan is a single-employer defined benefit plan administered by the County. Retirees are charged whatever the insurance company charges for the type of coverage elected. However, the premiums charged by the insurance company are based on a blending of the experience among younger active employees and older retired employees.

Retirees and their dependents (except for life insurance) are permitted to remain covered under the County’s respective medical and insurance plans as long as they pay a full premium applicable to coverage elected. This conforms to the minimum required of Florida governmental employers per Chapter 112.08, Florida Statutes. The OPEB Plan does not issue a stand-alone report.

Participant data as of the most recent actuarial valuation date of October 1, 2018 is shown below:

Retiree and Beneficiaries Currently Receiving Benefits	2
Active Employees	<u>283</u>
Total	<u><u>285</u></u>

**GADSDEN COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

Funding Policy

For the OPEB Plan, contribution requirements of the County are established and may be amended through action from either the Board of County Commissioners or Constitutional Officers. Currently the County's OPEB Benefits are unfunded. The required contributions are based on pay-as-you-go financing requirements. There is no separate Trust Fund or equivalent arrangement into which the County would make contributions to advance-fund the obligation, as it does for its pension plan, the FRS. Therefore, ultimate subsidies which are provided over time are financed directly by general assets of the County, which are invested in very short-term income instruments.

Actuarial Methods and Assumptions

In any long-term actuarial valuation, certain demographic, economic, and behavioral assumptions are made concerning the population, the investment discount rates and the benefits provided. These actuarial assumptions form the basis for the actuarial model which is used to project the future population, the future benefits provided, and the contributions collected. Then the investment discount rate assumption is used to discount those projected net OPEB benefits to a present value. This and other related present values are used to calculate the annual OPEB cost.

Actuarial Assumptions:

Salary Increases	2.75%
Discount Rate	2.75%
Investment Rate of Return	0.0%
Healthcare Cost Trend Rates	4.00% for fiscal year end 2019 and 2.00% for fiscal year-end 2020 (to reflect actual experience), then 5.50% for fiscal year end 2021, decreasing 0.50% per year to an ultimate rate of 5.00%
Mortality	RP-2014 Mortality Table, fully generational with base year 2006, projected using two-dimensional mortality improvement scale MP-2019
Actuarial Cost Method	Entry Age Actuarial Cost Method

The discount rate as of the actuarial measurement date has been updated to be based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA or higher. The discount rate will be updated annually to reflect market conditions as of the Measurement Date.

Total OPEB Liability

The County's total OPEB liability was measured as of October 1, 2019.

Changes in the Total OPEB Liability include the following:

	<u>Total OPEB Liability</u>
Balance at October 1, 2019	\$ 702,300
Changes for the Year:	
Service Cost	49,800
Interest	28,500
Differences Between Expected and Actual Experience	(28,000)
Assumption Changes	74,000
Benefit Payments	(15,800)
Net Changes	<u>108,500</u>
Balance at September 30, 2020	<u><u>\$ 810,800</u></u>

**GADSDEN COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

Sensitivity of the total OPEB liability to changes in the discount rate:

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.75%) or 1-percentage-point higher (3.75%) than the current discount rate:

	1% Decrease (1.75%)	Discount Rate (2.75%)	1% Increase (3.75%)
Total OPEB Liability	\$ 886,300	\$ 810,800	\$ 741,300

Sensitivity of the total OPEB liability to changes in healthcare cost trend rates:

The following presents the total OPEB liability for the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower) or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates 4.00%	1% Increase
Total OPEB Liability	\$ 701,500	\$ 810,800	\$ 943,700

There were no deferred inflows or outflows related to the OPEB plan at the measurement date and amounts contributed to the plan subsequent to the measurement date were not considered material.

Note 14 - Other Disclosures

Budget Over-Expenditure

Actual expenditures or transfers out exceeded the respective amounts budgeted in the following funds:

Fund	Transfers Out in Excess of Appropriations	Expenditures in Excess of Appropriations
Grant Fund – Cares Act	\$ -	\$ 124,440
Grant Fund - Courthouse	4,471	-
Indigent Surtax	17,314	-
Capital Projects- Public Works	13,798	-

Fund Balance Classifications

The following is a summary of the County's fund balance classifications and the purpose of each as of September 30, 2020:

Non-Spendable Fund Balance	
Prepaid Expenses	\$ 229,226
Inventory	112,145
Total Non-Spendable Fund Balance	\$ 341,371

**GADSDEN COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

Restricted Fund Balance	
Transportation	\$ 4,132,241
Public Safety	1,431,821
Cares Act	2,726,898
Cares Act – Sheriff	123,206
Capital Projects - Roads	1,395,513
Federal and State Grants	449,648
Indigent Surtax	252,478
Court Facilities	116,128
Debt Service Hospital	852,439
Judicial Services	413,346
Library Donation	10,591
Tourist Development	240,670
Boating Improvements	75,737
Building Inspection	266,466
Public Records Modernization	217,641
Drivers Education	<u>81,359</u>
Total Restricted Fund Balance	<u>\$ 12,786,182</u>
Committed Fund Balance	
Teen Court	<u>\$ 6,886</u>
Total Committed Fund Balance	<u>\$ 6,886</u>
Assigned Fund Balance	
Capital Projects	\$ 564,594
Subsequent Year’s Budget	1,319,309
Public Safety	970,358
Landfill	99,134
Library Services	267,013
Debt Service	<u>1,388,954</u>
Total Assigned Fund Balance	<u>\$ 4,609,362</u>

(Deficit) Unrestricted Net Position

At September 30, 2020, there was a deficit in unrestricted net position of (\$13,528,122). This deficit primarily resulted from the recording of the unfunded pension liabilities related to the Florida Retirement System in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Note 15 - Tax Abatements

In March of 2012, the County established a tax abatement program by adopting Ordinance 2012-003, which was later amended by Ordinance 2015-005. These ordinances allow the Board to grant ad valorem tax exemptions for new and expanding businesses within the unincorporated and incorporated area of the County if the businesses meet certain criteria. The ordinance provides for exemption of only those ad valorem taxes levied by the Board of County Commissioners. The authority to grant the tax exemptions under this ordinance expires ten years after it was adopted. For the fiscal year ended September 30, 2020, there were no businesses who had received tax abatements under the program.

GADSDEN COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

Note 16 - Subsequent Events

On June 16, 2020 the Board approved to enter into a Lease-Purchase Agreement to purchase 12 pieces of heavy equipment for the Public Works Department. The County took possession of the 12 pieces of heavy equipment on February 19, 2021 after year-end and will make 5 annual payments of \$339,921 on January 26 of each year. The first payment is due on January 26, 2021, with an interest rate of 3.25%.

On April 9, 2021 the Board approved the issuance of Capital Improvement Revenue Bond, Series 2021, proceeds will be derived through the United States Department of Agriculture, Rural Housing Service and are expected to be expended as follows:

- \$25,500 of said proceeds will be used to pay debt issuance expenses
- \$632,912 of said proceeds will be used to repay the remaining principal and interest on the Line of Credit with BB&T
- \$16,176 of said proceeds will be used to pay the costs of the Project – acquiring, improving, and/or extending multi-purpose facility

The County will make annual payments beginning in 2022 and ending in 2051. The first payment will be due on April 9, 2022 totaling \$15,988, with an interest rate 2.25%.

REQUIRED SUPPLEMENTARY INFORMATION

GADSDEN COUNTY, FLORIDA
FRS PENSION PLAN
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
County's Proportion of the Net Pension Liability	0.056188618%	0.059231450%	0.059283048%	0.062579916%	0.062937069%	0.060673599%
County's Proportionate Share of the Net Pension Liability	\$ 24,352,975	\$ 20,398,487	\$ 17,856,359	\$ 18,510,719	\$ 15,891,659	\$ 7,836,809
County's Covered-Employee Payroll (FYE 06/30)	\$ 13,291,566	\$ 13,547,892	\$ 12,893,614	\$ 13,157,048	\$ 12,902,289	\$ 12,782,607
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	183.22%	150.57%	138.49%	140.69%	123.17%	61.31%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.85%	82.61%	84.26%	83.89%	84.88%	92.00%

Notes to Schedule:

The amounts presented above were determined using a measurement date of June 30.

This schedule will build to 10 years as information becomes available.

GADSDEN COUNTY, FLORIDA
FRS PENSION PLAN
SCHEDULE OF THE COUNTY'S CONTRIBUTIONS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contributions	\$ 1,892,770	\$ 1,825,024	\$ 1,728,563	\$ 1,630,549	\$ 1,606,989	\$ 1,493,376
Contributions in Relation to the Contractually Required Contribution	(1,892,770)	(1,825,024)	(1,728,563)	(1,630,549)	(1,606,989)	(1,493,376)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered-Employee Payroll (FYE 09/30)	\$ 13,336,807	\$ 13,443,554	\$ 12,961,265	\$ 13,075,843	\$ 13,314,277	\$ 12,782,607
Contributions as a Percentage of Covered-Employee Payroll	14.19%	13.58%	13.34%	12.47%	12.07%	11.68%

Note to Schedule:

The amounts presented above were determined using the County's fiscal year, September 30.

This schedule will build to 10 years as information becomes available.

**GADSDEN COUNTY, FLORIDA
HIS PENSION PLAN
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY**

	2020	2019	2018	2017	2016	2015
County's Proportion of the Net Pension Liability	0.0382889%	0.0405003%	0.0394677%	0.0412691%	0.0417857%	0.0415987%
County's Proportionate Share of the Net Pension Liability	\$ 4,675,014	\$ 4,531,579	\$ 4,177,302	\$ 4,412,678	\$ 4,869,952	\$ 4,242,418
County's Covered-Employee Payroll (FYE 06/30)	\$ 13,291,566	\$ 13,547,892	\$ 12,893,614	\$ 13,157,048	\$ 12,902,289	\$ 12,782,607
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	35.17%	33.45%	32.40%	33.54%	37.74%	33.19%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	3.00%	2.63%	2.15%	1.64%	0.97%	0.50%

Notes to Schedule:

The amounts presented above were determined using a measurement date of June 30.

This schedule will build to 10 years as information becomes available.

**GADSDEN COUNTY, FLORIDA
HIS PENSION PLAN
SCHEDULE OF THE COUNTY'S CONTRIBUTIONS**

	2020	2019	2018	2017	2016	2015
Contractually Required Contributions	\$ 221,391	\$ 223,163	\$ 215,157	\$ 217,059	\$ 221,017	\$ 172,438
Contributions in Relation to the Contractually Required Contribution	(221,391)	(223,163)	(215,157)	(217,059)	(221,017)	(172,438)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's Covered-Employee Payroll (FYE 09/30)	\$ 13,336,807	\$ 13,443,554	\$ 12,961,265	\$ 13,075,843	\$ 13,314,277	\$ 12,782,607
Contributions as a Percentage of Covered-Employee Payroll	1.66%	1.66%	1.66%	1.66%	1.66%	1.35%

Note to Schedule:

The amounts presented above were determined using the County's fiscal year, September 30.

This schedule will build to 10 years as information becomes available.

GADSDEN COUNTY, FLORIDA
OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB)
SCHEDULE OF CHANGES IN TOTAL OTHER POSTEMPLOYMENT BENEFITS
AND RELATED RATIOS

Actuarial Valuation Date	9/30/2018	9/30/2018	9/30/2016
Measurement Date	9/30/2019	9/30/2018	9/30/2017
Reporting Date	9/30/2020	9/30/2019	9/30/2018
Total OPEB Liability			
Service Cost	\$ 49,800	\$ 41,600	\$ 40,500
Interest on the Total OPEB Liability	28,500	24,200	22,300
Changes of Benefit Terms			
Difference Between Expected and Actual Experience of the Total OPEB Liability	(28,000)	17,300	-
Changes in Assumptions and Other Inputs	74,000	(22,800)	-
Benefit Payments	(15,800)	(15,800)	(4,400)
Net Change in Total OPEB Liability	108,500	44,500	58,400
Total OPEB Liability - Beginning of Year	<u>702,300</u>	<u>657,800</u>	<u>599,400</u>
Total OPEB Liability - End of Year	<u><u>810,800</u></u>	<u><u>702,300</u></u>	<u><u>657,800</u></u>
Plan Fiduciary Net Position			
Contributions - Employer	15,800	15,800	4,400
Benefit Payments	(15,800)	(15,800)	(4,400)
Net Change in Plan Fiduciary Net Position	-	-	-
Plan Fiduciary Net Position - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Plan Fiduciary Net Position - End of Year	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Net OPEB Liability	<u><u>\$ 810,800</u></u>	<u><u>\$ 702,300</u></u>	<u><u>\$ 657,800</u></u>
Estimated Covered-Employee Payroll	\$ 11,236,000	\$ 11,236,000	\$ 10,505,400
Total OPEB Liability as a percentage of Covered-Employee Payroll	7.22%	6.25%	6.26%

Note to Schedule:

10 years of data will be displayed as information becomes available.

**GADSDEN COUNTY, FLORIDA
OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB)
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

	<u>September 30, 2020</u>	<u>September 30, 2019</u>	<u>September 30, 2018</u>
Actuarially Determined Contribution	\$ 15,800	\$ 15,800	\$ 4,400
Contributions in Relation to the Actuarially Determined Contribution	<u>(15,800)</u>	<u>(15,800)</u>	<u>(4,400)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expected Covered-Employee Payroll	\$ 11,236,000	\$ 11,236,000	\$ 10,505,400
Contributions as a Percentage of Covered-Employee Payroll	0.14%	0.14%	0.04%

Notes to Schedule:

The County has elected to make an annual contribution equal to the benefit payments. The County's share of net benefits is the difference between the expected benefit payments and the retiree contributions. It is sometimes referred to as "pay-as-you-go".

The expected benefit payments are actuarially determined to reflect the age difference between the overall covered group and the retiree group.

Actuarially determined contributions, which are based on the expected "pay-as-you-go" cost, and actual contributions are from the measurement periods ending September 30 of the year prior to the year-end of the reporting periods shown. This is the first valuation under GASB 75 for the reported plan.

10 years of data will be displayed as information becomes available.

COMBINING NON-MAJOR FUND STATEMENTS

**GADSDEN COUNTY, FLORIDA
COMBINING BALANCE SHEET
ALL NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	Special Revenue		
	Landfill	Fines and Forfeitures	Emergency Medical Services
Assets			
Cash and Cash Equivalents	\$ 131,923	\$ 600,469	\$ 554,453
Accounts Receivables (Net of Allowance for Uncollectible)	-	-	538,190
Due from Other Funds	-	2,604	-
Due from Other Governments	-	1,148	-
Prepaid Expenses	-	-	-
Total Assets	131,923	604,221	1,092,643
Liabilities and Fund Balances			
Liabilities			
Accounts Payable and Accrued Expenses	32,789	-	30,799
Due to Other Funds	-	-	-
Due to Other Governments	-	-	184
Accrued Wages	-	-	67,902
Unearned Revenue	-	-	-
Total Liabilities	32,789	-	98,885
Deferred Inflows of Resources	-	-	455,222
Fund Balances			
Non-Spendable	-	-	-
Restricted	-	172,399	-
Committed	-	-	-
Assigned	99,134	431,822	538,536
Total Fund Balances	99,134	604,221	538,536
Total Liabilities and Fund Balances (Deficits)	\$ 131,923	\$ 604,221	\$ 1,092,643

Special Revenue

<u>Library Services</u>	<u>Judicial Services Fund</u>	<u>Fire Assessment</u>	<u>Court Facilities</u>	<u>Tourist Development</u>
\$ 302,870	\$ 419,989	\$ 801,855	\$ 116,893	\$ 238,333
-	-	-	-	-
-	-	267,522	-	19,860
-	-	-	-	-
<u>302,870</u>	<u>419,989</u>	<u>1,069,377</u>	<u>116,893</u>	<u>258,193</u>
11,210	6,643	241,942	765	7,928
-	-	-	-	-
-	-	-	-	-
13,957	-	2,006	-	-
99	-	-	-	-
<u>25,266</u>	<u>6,643</u>	<u>243,948</u>	<u>765</u>	<u>7,928</u>
-	-	180,484	-	9,595
-	-	-	-	-
10,591	413,346	644,945	116,128	240,670
-	-	-	-	-
267,013	-	-	-	-
<u>277,604</u>	<u>413,346</u>	<u>644,945</u>	<u>116,128</u>	<u>240,670</u>
<u>\$ 302,870</u>	<u>\$ 419,989</u>	<u>\$ 1,069,377</u>	<u>\$ 116,893</u>	<u>\$ 258,193</u>

**GADSDEN COUNTY, FLORIDA
COMBINING BALANCE SHEET
ALL NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	Special Revenue		
	General Grants	E-911	Building Inspection Fund
Assets			
Cash and Cash Equivalents	\$ 449,841	\$ 40,409	\$ 249,683
Accounts Receivables (Net of Allowance for Uncollectible)	-	-	-
Due from Other Funds	-	-	-
Due from Other Governments	185,294	207,861	30,791
Prepaid Expenses	-	-	-
Total Assets	<u>635,135</u>	<u>248,270</u>	<u>280,474</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable and Accrued Expenses	225,751	-	5,286
Due to Other Funds	116,107	41,897	-
Due to Other Governments	2	-	613
Accrued Wages	-	-	8,109
Unearned Revenue	-	50,000	-
Total Liabilities	<u>341,860</u>	<u>91,897</u>	<u>14,008</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances			
Non-Spendable	-	-	-
Restricted	293,275	156,373	266,466
Committed	-	-	-
Assigned	-	-	-
Total Fund Balances	<u>293,275</u>	<u>156,373</u>	<u>266,466</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 635,135</u>	<u>\$ 248,270</u>	<u>\$ 280,474</u>

Special Revenue

<u>CDBG</u>	<u>Indigent Surtax</u>	<u>SHIP</u>	<u>SHIP Disaster Funding</u>	<u>SHIP CARES</u>
\$ -	\$ 224,430	\$ 564,569	\$ -	\$ 168,555
-	-	-	-	-
-	-	-	-	-
297,967	389,645	-	-	-
-	-	-	-	-
<u>297,967</u>	<u>614,075</u>	<u>564,569</u>	<u>-</u>	<u>168,555</u>
-	69,542	8,927	-	9,459
297,935	-	-	-	-
-	29,181	-	-	-
32	-	444	-	-
-	-	555,198	-	159,096
<u>297,967</u>	<u>98,723</u>	<u>564,569</u>	<u>-</u>	<u>168,555</u>
-	262,874	-	-	-
-	-	-	-	-
-	252,478	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>252,478</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 297,967</u>	<u>\$ 614,075</u>	<u>\$ 564,569</u>	<u>\$ -</u>	<u>\$ 168,555</u>

**GADSDEN COUNTY, FLORIDA
COMBINING BALANCE SHEET
ALL NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	Debt Service		
	Debt Service Hospital	Debt Service Library	Debt Service Public Works
Assets			
Cash and Cash Equivalents	\$ 852,439	\$ 1,064,891	\$ 1,244,523
Accounts Receivables (Net of Allowance for Uncollectible)	-	-	-
Due from Other Funds	-	-	-
Due from Other Governments	-	270,017	237,992
Prepaid Expenses	-	-	-
Total Assets	<u>852,439</u>	<u>1,334,908</u>	<u>1,482,515</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable and Accrued Expenses	-	-	-
Due to Other Funds	-	-	-
Due to Other Governments	-	-	-
Accrued Wages	-	-	-
Unearned Revenue	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources	<u>-</u>	<u>138,543</u>	<u>108,116</u>
Fund Balances			
Non-Spendable	-	-	-
Restricted	852,439	-	1,374,399
Committed	-	-	-
Assigned	-	1,196,365	-
Total Fund Balances	<u>852,439</u>	<u>1,196,365</u>	<u>1,374,399</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 852,439</u>	<u>\$ 1,334,908</u>	<u>\$ 1,482,515</u>

<u>Debt Service</u>	<u>Capital Projects</u>	<u>Constitutional</u>	<u>Constitutional</u>	<u>Total</u>
<u>Debt Service General</u>	<u>Capital Projects General/Parks</u>	<u>Officer Sheriff Special Revenues</u>	<u>Officer Clerk of the Circuit Court</u>	<u>Non-Major Governmental Funds</u>
\$ 192,589	\$ 456,605	\$ 638,109	\$ 356,829	\$ 9,670,257
-	-	-	-	538,190
-	-	150,539	21	153,164
-	179,923	54,039	1,621	2,143,680
-	-	450	-	450
<u>192,589</u>	<u>636,528</u>	<u>843,137</u>	<u>358,471</u>	<u>12,505,741</u>
-	3,275	-	59,373	713,689
-	68,659	203,513	-	728,111
-	-	-	1,960	31,940
-	-	-	25,092	117,542
-	-	17,831	54,405	836,629
-	<u>71,934</u>	<u>221,344</u>	<u>140,830</u>	<u>2,427,911</u>
-	-	-	-	1,154,834
-	-	450	-	450
-	-	614,477	217,641	5,625,627
-	-	6,866	-	6,866
<u>192,589</u>	<u>564,594</u>	<u>-</u>	<u>-</u>	<u>3,290,053</u>
<u>192,589</u>	<u>564,594</u>	<u>621,793</u>	<u>217,641</u>	<u>8,922,996</u>
<u>\$ 192,589</u>	<u>\$ 636,528</u>	<u>\$ 843,137</u>	<u>\$ 358,471</u>	<u>\$ 12,505,741</u>

GADSDEN COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue		
	Landfill	Fine and Forfeitures	Emergency Medical Services
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental	34,497	184,360	-
Charges for Services	-	27,988	2,542,116
Fines and Forfeitures	-	25,183	-
Miscellaneous	1,157	3,600	801
Total Revenues	<u>35,654</u>	<u>241,131</u>	<u>2,542,917</u>
Expenditures			
Current:			
General Government	-	-	-
Public Safety	-	164,300	3,236,452
Physical Environment	88,561	-	-
Transportation	-	-	-
Economic Environment	-	-	-
Human Services	-	-	-
Court-Related	-	-	-
Culture and Recreation	-	-	-
Debt Service:			
Principal Payments	-	-	132,764
Interest	-	-	29,321
Capital Outlay:			
General Government	-	-	-
Public Safety	-	-	762,904
Physical Environment	-	-	-
Economic Environment	-	-	-
Court-Related	-	-	-
Culture and Recreation	-	-	-
(Total Expenditures)	<u>(88,561)</u>	<u>(164,300)</u>	<u>(4,161,441)</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>(52,907)</u>	<u>76,831</u>	<u>(1,618,524)</u>
Other Financing Sources (Uses)			
Transfers in	-	7,562,667	926,803
Transfers (out)	-	(7,708,737)	(22,875)
Debt Proceeds	-	-	744,198
Total Other Financing Sources (Uses)	<u>-</u>	<u>(146,070)</u>	<u>1,648,126</u>
Net Change in Fund Balances	(52,907)	(69,239)	29,602
Fund Balances, Beginning of Year	152,041	673,460	508,934
Fund Balances, End of Year	<u>\$ 99,134</u>	<u>\$ 604,221</u>	<u>\$ 538,536</u>

Special Revenue

Library Services	Judicial Services Fund	Fire Assessment	Court Facilities	Tourist Development
\$ -	\$ -	\$ 1,394,703	\$ -	\$ 132,363
-	-	-	-	-
396,441	-	-	-	-
5,327	79,703	-	114,994	-
-	-	-	-	-
30,590	-	-	1,735	1,742
<u>432,358</u>	<u>79,703</u>	<u>1,394,703</u>	<u>116,729</u>	<u>134,105</u>
-	-	-	170,416	-
-	-	968,261	-	-
-	-	-	-	-
-	-	-	-	36,069
-	-	-	-	-
-	177,702	-	-	-
874,372	-	-	-	-
-	-	4,998	-	-
-	-	980	-	-
-	-	-	4,063	-
-	-	1,292,210	-	-
-	-	-	-	-
-	-	-	-	1,790
-	9,248	-	-	-
-	-	-	-	-
<u>(874,372)</u>	<u>(186,950)</u>	<u>(2,266,449)</u>	<u>(174,479)</u>	<u>(37,859)</u>
<u>(442,014)</u>	<u>(107,247)</u>	<u>(871,746)</u>	<u>(57,750)</u>	<u>96,246</u>
551,746	159,492	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>551,746</u>	<u>159,492</u>	<u>-</u>	<u>-</u>	<u>-</u>
109,732	52,245	(871,746)	(57,750)	96,246
167,872	361,101	1,516,691	173,878	144,424
<u>\$ 277,604</u>	<u>\$ 413,346</u>	<u>\$ 644,945</u>	<u>\$ 116,128</u>	<u>\$ 240,670</u>

GADSDEN COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue		
	General		Building
	Grants	E-911	Inspection Fund
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits	-	-	414,050
Intergovernmental	1,665,217	644,133	-
Charges for Services	-	-	52,463
Fines and Forfeitures	56	-	-
Miscellaneous	243	993	48
Total Revenues	1,665,516	645,126	466,561
Expenditures			
Current:			
General Government	-	-	-
Public Safety	44,188	508,682	387,953
Physical Environment	115,656	-	-
Transportation	227,077	-	-
Economic Environment	-	-	-
Human Services	-	-	-
Court-Related	-	-	-
Culture and Recreation	-	-	-
Debt Service:			
Principal Payments	-	-	-
Interest	-	-	-
Capital Outlay:			
General Government	-	-	-
Public Safety	106,487	-	2,500
Physical Environment	31,467	-	-
Economic Environment	-	-	-
Court-Related	-	-	-
Culture and Recreation	2,032,661	-	-
(Total Expenditures)	(2,557,536)	(508,682)	(390,453)
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(892,020)	136,444	76,108
Other Financing Sources (Uses)			
Transfers in	601,688	-	44,503
Transfers (out)	(465,199)	(77,689)	-
Debt Proceeds	-	-	-
Total Other Financing Sources (Uses)	136,489	(77,689)	44,503
Net Change in Fund Balances	(755,531)	58,755	120,611
Fund Balances, Beginning of Year	1,048,806	97,618	145,855
Fund Balances, End of Year	\$ 293,275	\$ 156,373	\$ 266,466

Special Revenue

CDBG	Indigent Surtax	SHIP	SHIP Disaster Funding	SHIP CARES
\$ -	\$ 2,014,974	\$ -	\$ -	\$ -
-	-	-	-	-
402,019	-	294,690	201,500	81,672
-	-	-	-	-
-	-	-	-	-
-	-	14,999	-	-
<u>402,019</u>	<u>2,014,974</u>	<u>309,689</u>	<u>201,500</u>	<u>81,672</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
452,019	-	309,689	201,500	-
-	1,116,661	-	-	81,672
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>(452,019)</u>	<u>(1,116,661)</u>	<u>(309,689)</u>	<u>(201,500)</u>	<u>(81,672)</u>
<u>(50,000)</u>	<u>898,313</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	(699,655)	-	-	-
-	-	-	-	-
-	<u>(699,655)</u>	<u>-</u>	<u>-</u>	<u>-</u>
(50,000)	198,658	-	-	-
50,000	53,820	-	-	-
<u>\$ -</u>	<u>\$ 252,478</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

GADSDEN COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Debt Service		
	Debt Service Hospital	Debt Service Library	Debt Service Public Works
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-
Intergovernmental	-	1,527,322	1,482,777
Charges for Services	-	-	-
Fines and Forfeitures	-	-	-
Miscellaneous	8,259	14,707	19,361
Total Revenues	8,259	1,542,029	1,502,138
Expenditures			
Current:			
General Government	-	-	-
Public Safety	-	-	-
Physical Environment	-	-	-
Transportation	-	-	-
Economic Environment	-	-	-
Human Services	-	-	-
Court-Related	-	-	-
Culture and Recreation	-	-	-
Debt Service:			
Principal Payments	528,422	202,777	568,637
Interest	117,414	8,678	158,422
Capital Outlay:			
General Government	-	-	-
Public Safety	-	-	-
Physical Environment	-	-	-
Economic Environment	-	-	-
Court-Related	-	-	-
Culture and Recreation	-	-	-
(Total Expenditures)	(645,836)	(211,455)	(727,059)
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(637,577)	1,330,574	775,079
Other Financing Sources (Uses)			
Transfers in	699,655	-	-
Transfers (out)	-	(1,327,049)	(830,927)
Debt Proceeds	-	-	-
Total Other Financing Sources (Uses)	699,655	(1,327,049)	(830,927)
Net Change in Fund Balances	62,078	3,525	(55,848)
Fund Balances, Beginning of Year	790,361	1,192,840	1,430,247
Fund Balances, End of Year	\$ 852,439	\$ 1,196,365	\$ 1,374,399

<u>Debt Service</u>	<u>Capital Projects</u>	<u>Constitutional</u>	<u>Constitutional</u>	<u>Total</u>
<u>Debt Service General</u>	<u>Capital Projects General/Parks</u>	<u>Officer Sheriff Special Revenues</u>	<u>Officer Clerk of the Circuit Court</u>	<u>Non-Major Governmental Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 3,542,040
-	-	-	-	414,050
-	140,721	543,162	577,624	8,176,135
-	-	52,250	556,224	3,431,065
-	-	-	117,155	142,394
-	5,502	164,974	2,157	270,868
-	146,223	760,386	1,253,160	15,976,552
-	-	-	560	170,976
-	-	850,079	-	6,159,915
-	-	-	-	204,217
-	-	-	-	227,077
-	-	-	-	999,277
-	-	-	-	1,198,333
-	-	-	1,191,664	1,369,366
-	11,761	-	-	886,133
145,752	-	-	-	1,583,350
54,248	-	-	-	369,063
-	-	-	-	4,063
-	129,586	39,166	-	2,332,853
-	-	-	-	31,467
-	-	-	-	1,790
-	-	-	-	9,248
-	351,547	-	-	2,384,208
(200,000)	(492,894)	(889,245)	(1,192,224)	(17,931,336)
(200,000)	(346,671)	(128,859)	60,936	(1,954,784)
300,000	100,000	228,417	-	11,174,971
-	-	-	-	(11,132,131)
-	-	-	-	744,198
300,000	100,000	228,417	-	787,038
100,000	(246,671)	99,558	60,936	(1,167,746)
92,589	811,265	522,235	156,705	10,090,742
\$ 192,589	\$ 564,594	\$ 621,793	\$ 217,641	\$ 8,922,996

GADSDEN COUNTY, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
SEPTEMBER 30, 2020

	Agency Funds Clerk of the Courts		
	Trust Funds	Cash Bond	Child Support
Assets			
Cash	\$ 555,072	\$ 165,538	\$ 2,451
Accounts Receivable	-	-	-
Due from Other Funds	-	-	-
Total Assets	<u>555,072</u>	<u>165,538</u>	<u>2,451</u>
Liabilities			
Accounts Payable	-	-	-
Due to Other Funds	729	21	937
Due to Individuals	1,845	-	490
Due to Other Governments	69,010	-	1,024
Installment Tax Deposits	-	-	-
Assets Held for Others	-	-	-
Deposits	483,488	165,517	-
Total Liabilities	<u>\$ 555,072</u>	<u>\$ 165,538</u>	<u>\$ 2,451</u>

Civil Account	Agency Funds Sheriff			Agency Funds Tax Collector		Totals
	Suspense	Confiscated Funds	Inmate Commissary	Tax		
\$ 12,063	\$ -	\$ 12,733	\$ 20,769	\$ 279,511	\$ 1,048,137	
-	-	-	-	25,096	25,096	
-	-	-	-	533	533	
<u>12,063</u>	<u>-</u>	<u>12,733</u>	<u>20,769</u>	<u>305,140</u>	<u>1,073,766</u>	
-	-	-	9,339	1,070	10,409	
-	-	-	-	4,613	6,300	
-	-	-	-	-	2,335	
-	-	-	-	74,397	144,431	
-	-	-	-	225,060	225,060	
12,063	-	12,733	11,430	-	36,226	
-	-	-	-	-	649,005	
<u>\$ 12,063</u>	<u>\$ -</u>	<u>\$ 12,733</u>	<u>\$ 20,769</u>	<u>\$ 305,140</u>	<u>\$ 1,073,766</u>	

OTHER INFORMATION

**ADDITIONAL ELEMENTS OF REPORT PREPARED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*,
ISSUED BY THE COMPTROLLER GENERAL OF THE UNITED STATES;
THE *RULES OF THE AUDITOR GENERAL* OF THE STATE OF
FLORIDA; AND OTHER CONTRACT REQUIREMENTS**

**GADSDEN COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Federal Grantor/Pass-Through Grantor/ Grant Program	Federal CFDA Number	Grant ID Number	Federal Expenditures
U.S. Department of Housing and Urban Development			
Passed through the State of Florida Department of Economic Opportunity:			
Florida Small Cities CDBG	14.228	17DB-OL-02-30-01-H12	<u>\$ 452,019</u>
U.S. Department of Justice			
Passed Through the State of Florida Department of Juvenile Justice:			
Gadsden County Restoring Families Grant	16.540	10624	138,260
Gadsden County Teen Success Academy	16.540	10643	<u>71,316</u>
Subtotal Expenditures - CFDA No. 16.540			<u>209,576</u>
Passed Through the State of Florida Office of the Attorney General:			
Victims of Crime Act	16.575	V00355	<u>57,701</u>
Total U.S. Department of Justice			<u>267,277</u>
U.S. Department of Transportation/Federal Highway Administration			
Passed Through State of Florida Department of Transportation:			
LAPA - Adams Street Sidewalk	20.205	436992-1-38-01	26,503
LAPA - Scotland/Dover Guardrails	20.205	440647-1-38-01	107,465
LAPA - Ralph Strong Road	20.205	440385-1-38-01	64,911
LAPA - Iron Bridge Road	20.205	440649-1-38-01	<u>121,331</u>
Subtotal Expenditures - CFDA No. 20.205			<u>320,210</u>
Passed Through State of Florida Department of Environmental Protection:			
RTP - St Hebron Park	20.219	T1710	<u>140,721</u>
Passed Through City of Tallahassee, Florida:			
Federal Transit	20.507	FL-2016-02-01-00	<u>55,080</u>
Total U.S. Department of Transportation/Federal Highway Administration			<u>516,011</u>

GADSDEN COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Federal Grantor/Pass-Through Grantor/ Grant Program	Federal CFDA Number	Grant ID Number	Federal Expenditures
U.S. Department of the Treasury			
Passed Through Florida Division of Emergency Management Coronavirus Relief Fund (CARES ACT)	21.019	Y2292	\$ 4,289,907
Passed Through Florida Housing Finance Corporation Cares Act CRF	21.019	053-2020	81,672
Passed Through State of Florida Department of State: Cares Act- Supervisors of Elections	21.019		39,575
Subtotal Expenditures-CFDA No. 21.019			<u>4,411,154</u>
Total U.S. Department of the Treasury			<u>4,411,154</u>
U.S. Department of Environmental Protection			
Passed Through State of Florida Department of Environmental Protection: Brownfields Assessment and Cleanup	66.818	OOD58717	<u>61,951</u>
U.S. Election Assistance Commission			
Passed Through State of Florida Department of State: Federal Election Cybersecurity	90.401	20.e.es.000.019	<u>42,018</u>
Total U.S. Election Assistance Commission			
U.S. Department of Health and Human Services			
Passed Through State of Florida Department of Revenue: Child Support Reimbursement Payments	93.563	COC20	<u>213,518</u>
U.S. Department of Homeland Security			
Passed Through State of Florida Division of Emergency Management: Disaster Grant - Public Assistance	97.036	4399 Hurricane Michael	<u>55,450</u>
Passed Through State of Florida Executive Office of the Governor: Emergency Management Preparedness Grant	97.042	G0047	<u>44,225</u>
Total U.S. Department of Homeland Security			<u>99,675</u>
Total Federal Expenditures			<u>\$ 6,063,623</u>

GADSDEN COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

State Grantor/Pass-Through Grantor/ Program Title	CSFA Number	Pass-Through/ Grantor Number	State Expenditures
Florida Office of the Governor			
Emergency Management Preparedness Grant	31.063	A0055	\$ 65,149
Emergency Management Preparedness Grant	31.063	A0139	28,034
Subtotal Expenditures - CFDA No. 31.063			<u>93,183</u>
Passed Through Florida Division of Emergency Management			
Hurricane Michael Recovery - Hutchinson Ferry Bridge	31.070	F0062	771,296
Hurricane Michael Recovery - Little River	31.070	F0062	811,920
Subtotal Expenditures - CFDA No. 31.070			<u>1,583,216</u>
Total Florida Office of the Governor			<u>1,676,399</u>
Florida Department of Environmental Protection			
Small County Solid Waste	37.012	SC009	85,172
Florida Department of Economic Opportunity			
DEO - Juniper Creek Road	40.038	DL002	300,000
Florida Housing Finance Corporation			
State Housing Initiatives Partnership	40.901	Unknown	309,689
State Housing Initiatives Partnership Disaster Funding	40.901	Unknown	201,500
HHRP Hurricane Recovery Program	40.901	Unknown	583,301
Subtotal Expenditures - CFDA No. 40.901			<u>1,094,490</u>
Total Florida Housing Finance Corporation			<u>1,094,490</u>
Florida Department of Agriculture and Consumer Services			
Arthropod Control/Mosquito Control	42.003	26486	34,497
Agriculture Center Renovations	42.030	21831	865,958
Total Florida Department of Agriculture and Consumer Services			<u>900,455</u>
Florida Department of State			
Division of Library and Information Systems:			
State Aid to Libraries	45.030	20-ST-11	396,441
Division of Historical Resources:			
Gadsden Courthouse Grant	45.032	SC731	199,108
Total Florida Department of State			<u>595,549</u>
Florida Department of Education			
Coach Aaron Feis Guardian Program	48.140	#97F-90210-9D001	201,835
Florida Department of Transportation			
CIGP - Potter Woodberry Road	55.008	442402-1-54-01	6,730
SCOP - 65B, Old Federal Road	55.009	436844-1-54-01	1,656,973
SCOP - 270 Tolar White Road	55.009	438359-1-54-01	770,909
SCOP - Attapulgas Hwy	55.009	440622-1-34-01	72,450
SCOP - Point Milligan Road	55.009	438356-1-54-01	57,713
SCOP - Fairbanks Road	55.009	446637-1-54-01	147,250
Subtotal Expenditures - CFDA No. 55.009			<u>2,705,295</u>
SCRAP - Cochran Road	55.016	446706-1-54-01	59,915
Total Florida Department of Transportation			<u>2,771,940</u>

**GADSDEN COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

State Grantor/Pass-Through Grantor/ Program Title	CSFA Number	Pass-Through/ Grantor Number	State Expenditures
Florida Department of Children and Families			
Criminal Justice Mental Health & Substance Abuse Reinvestment	60.115	LHZ96	\$ 74,051
Florida Department of Health			
EMS Matching Grant	64.003	M8007	91,501
EMS County Grant	64.005	C8020	16,428
Total Florida Department of Health			<u>107,929</u>
Florida Department of Law Enforcement			
Criminal Justice Data Transparency Funding	71.044	2020-DTSFA-D2-002	<u>29,500</u>
Florida Department of Management Services			
E911 System Replacement	72.001	S10-17-12-03	191,417
E911 Logging Recorder Replacement	72.001	S10-19-02-06	24,998
E911 Back-up center for Logging Recorder	72.001	S10-19-02-08	22,214
E911 System Replacement	72.001	S10-19-02-07	179,600
E911 COVID-19	72.001	unknown	24,000
Subtotal Expenditures - CFDA No 72.001			<u>442,229</u>
Total Florida Department of Management Services			<u>442,229</u>
Total State Financial Assistance			<u>8,279,549</u>
Total Expenditures of Federal Awards and State Financial Assistance			<u>\$ 14,343,172</u>

**GADSDEN COUNTY, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards and state financial assistance includes the federal and state award activity of Gadsden County, Florida, and is presented on the modified accrual basis of accounting.

Note 2 - De Minimis Indirect Cost Rate Election

The County did not elect to use the 10% de minimis indirect cost rate as covered in §200.414, Indirect (F&A) costs, of the Uniform Guidance.

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

The Honorable Board of County Commissioners and
Constitutional Officers
Gadsden County, Florida

Report on Compliance for Each Major Federal Program and State Project

We have audited the Gadsden County, Florida, (the County), compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and in the Florida Department of Financial Services’, *State Projects Compliance Supplement*, that could have a direct and material effect on each of the County’s major federal programs and state projects for the year ended September 30, 2020. The County’s major federal programs and state projects are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the County’s major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, *Rules of the Auditor General*. Those standards, the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General*, require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the County’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program and state project. However, our audit does not provide a legal determination of the County’s compliance.

CERTIFIED PUBLIC ACCOUNTANTS

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The Honorable Board of County Commissioners and
Constitutional Officers
Gadsden County, Florida

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

Opinion on Each Major Federal Program and State Project

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2020.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County’s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program and state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program and state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a federal program or state project will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program or state project that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The Honorable Board of County Commissioners and
Constitutional Officers
Gadsden County, Florida

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

Purpose

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*. Accordingly, this report is not suitable for any other purpose.



June 10, 2021
Tallahassee, Florida

**GADSDEN COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Section I - Summary of Independent Auditor's Results

Financial Statements

Type of Auditor's Report Issued	Unmodified
Internal Control over Financial Reporting:	
Material Weakness(es) Identified?	No
Significant Deficiency(ies)	Yes
Non-Compliance Material to Financial Statements Noted?	No

Federal Awards and State Financial Assistance

Internal Control over Major Projects:	
Material Weakness(es) Identified?	No
Significant Deficiency(ies) Identified?	No

Type of Auditor's Report Issued on Compliance for Major Projects	Unmodified
--	------------

Any Audit Findings Disclosed that are Required to be Reported in Accordance with the Uniform Guidance and Chapter 10.550, <i>Rules of the Auditor General</i> ?	No
---	----

The programs tested as major federal programs and state projects were as follows:

<u>Federal Program</u>	<u>CFDA No.</u>
Coronavirus Relief Fund	21.019

<u>State Projects</u>	<u>CSFA No.</u>
State Housing Initiative Partnership	40.901
Small County Outreach Program	55.009
Hurricane Michael Recovery Grant Program	31.070
Gadsden County Fairgrounds Repairs	42.030

Dollar Threshold Used to Distinguish Between Type A and Type B Projects (Federal and State)	\$ 750,000
---	------------

The County did not qualify as a low risk auditee for federal grant programs.

Section II - Financial Statement Findings

Financial statement findings, if any, are reported in the individual reports of the Constitutional Officers except as noted below.

GADSDEN COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

2020-01 - EMS Billing Reconciliation

Criteria

Internal controls over financial reporting should include reconciliations of all significant account balances to be performed at a minimum annually at fiscal year-end, and preferably monthly. For control accounts which are journalized separately from inputs recorded into a separate subsidiary ledger, reconciliations should be performed periodically throughout the fiscal year in order to ensure continuous agreement between the subsidiary ledger detail and the control account balance.

Condition

For the fiscal year ended September 30, 2020, certain adjustments were required to be made to the accounting records during the course of the audit for differences noted between the subsidiary ledger detail and the control account for the EMS Billing receivables. The adjustment of \$60,286 was considered to be material to the financial statements when assessed at the individual fund level.

Cause and Effect

Periodic reconciliations of the EMS Billing receivables detail subsidiary ledger to the EMS Billing receivables control account were not being performed, resulting in a material misstatement of the control account balance when compared to the detail of existing fully or partially collectible receivables. An audit adjustment was posted to correct the misstatement. Lack of reconciliation of detail subsidiary ledgers to control accounts for significant account balances could result in unreconciled differences between the balances, which could cause a material misstatement of the financial statements as a whole if not detected and corrected in a timely manner.

Recommendation

We recommend that management perform periodic reconciliations of subsidiary ledger details to the related control accounts for all significant account balances, and that any detected differences be investigated and adjusted, if necessary, to their materially accurate amounts.

2020-02 - Accounts Payable Cutoff

Criteria

Internal controls over financial reporting should include procedures related to the proper cutoff of significant revenue and expense activities. Such procedures should include a review of services rendered during the fiscal year as compared to expenses journalized, as well as a review of invoices received subsequent to fiscal year-end to determine the proper reporting period for the related expense.

Condition

For the fiscal year ended September 30, 2020, certain adjustments were required to be made to the accounting records during the course of the audit to record expenses for invoiced amounts where the invoices were received subsequent to fiscal year-end, but related to services performed prior to fiscal year-end. The adjustment of \$124,440 was not considered to be material to the government-wide financial statements; however, it was material to the fund as a whole.

GADSDEN COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS -
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Cause and Effect

Review of invoices received subsequent to fiscal year-end was not being performed in sufficient detail to identify invoices which were submitted for services attributable to the fiscal year-end in question, resulting in a potentially material understatement of expenses for the fiscal year-end, as well as an understatement of grant expenditures recorded in the schedule of expenditures of federal awards, as the expense was reimbursable through available federal grant funding. This also resulted in a budget over-expenditure in the fund. An audit adjustment was posted to correct the misstatement. Lack of identification of proper reporting period for invoices received subsequent to fiscal year-end could cause a material misstatement of the financial statements as a whole if not detected and corrected in a timely manner.

Recommendation

We recommend that management select and apply appropriate accounting principles to prepare financial statements in accordance with generally accepted accounting principles, including appropriate cutoff procedures designed to assist in recording revenue and expense activity in its appropriate reporting period.

Section III - Findings and Questioned Costs – Federal Awards and State Projects

The audit disclosed no findings for any major federal programs and state projects to be reported under the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*.

Section IV - Status of Prior Audit Findings

Prior Year State Project Finding Number 2019-01 was considered to be resolved.

Prior Year Federal Project Finding Number 2019-02 was considered to be resolved.

**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**

Honorable Board of County Commissioners and
Constitutional Officers
Gadsden County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Gadsden County, Florida, (the County) as of and for the year ended September 30, 2020, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 10, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County'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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2020-01 and 2020-02 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on

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Gadsden County, Florida

**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***

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 instance of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

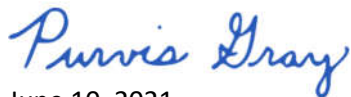
The County's Response to Findings

The County's response to the findings identified in our audit is included on page 95. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

This report is intended solely for the information and use of the County's management, the Florida Auditor General, and applicable federal and state agencies providing assistance and is not intended to be and should not be used by anyone other than these specified parties.



June 10, 2021
Tallahassee, Florida

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES – INVESTMENT OF PUBLIC FUNDS

Honorable Board of County Commissioners
and Constitutional Officers
Gadsden County, Florida

We have examined Gadsden County, Florida's, (the County) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, as of and for the year ended September 30, 2020, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County'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 County complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the County complied with the specified requirements. The nature, timing, and extent of procedures selected depend on our judgement, including an assessment of the risk of material non-compliance, 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 legal determination of the County's compliance with specified requirements.

In our opinion, the County complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2020.

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



June 10, 2021
Tallahassee, Florida

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 365.172(10) AND SECTION 365.173(2)(d), FLORIDA STATUTES

Honorable Board of County Commissioners and
Constitutional Officers
Gadsden County, Florida

We have examined Gadsden County, Florida's, (the County) compliance with the requirements of Section 365.172(10) Florida Statutes, *Authorized Expenditures of E911 Fee*, and Section 365.173(2)(d) Florida Statutes, *Distribution and Use of E911 Funds*, during the year ended September 30, 2020. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County'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 County complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the County complied with the specified requirements. The nature, timing, and extent of procedures selected depend on our judgement, including an assessment of the risk of material non-compliance, 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 legal determination of the County's compliance with specified requirements.

In our opinion, the County complied, in all material respects, with the aforementioned requirements during the year ended September 30, 2020.

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



June 10, 2021
Tallahassee, Florida

MANAGEMENT LETTER

Honorable Board of County Commissioners and
Constitutional Officers
Gadsden County, Florida

Report on the Financial Statements

We have audited the financial statements of Gadsden County, Florida (the County), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated June 10, 2021.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance); and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our 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*; Independent Auditor's Report on Compliance for Each Major Federal Program and State Project and on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountant's Reports on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated June 10, 2021, should be considered in conjunction with this management letter. This management letter applies to the County as a whole. Other management letter comments are described in the audit reports of the constitutional officers.

Prior Audit Findings

- Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. The findings noted in the previous year's audit report were considered to be resolved.

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 County was established by the Constitution of the State of Florida, Article VIII, Section 1(d). The County includes component units as described in Note 1 of the financial statements.

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Honorable Board of County Commissioners and
Constitutional Officers
Gadsden County, Florida

MANAGEMENT LETTER

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 County has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the County did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the County. It is management's responsibility to monitor the County's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by the 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 identified certain findings and recommendations which are reported in our Schedule of Findings and Questioned Costs –on pages 87-88.

Special District Component Units

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

Additional Matters

- Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance with provisions of contract or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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



June 10, 2021
Tallahassee, Florida



June 9, 2021

Mr. Ryan Tucker, CPA
Purvis Gray & Company
P.O. Box 23999
Gainesville, FL 32602-0999

RE: Gadsden County Board of County Commissioners Management Letter Comments Response

Dear Mr. Tucker:

After reviewing the management letter comments regarding the audit performed by Purvis Gray & Company for the fiscal year ending September 30, 2020, we would like to respond as follows:

2020-01 EMS Billing Reconciliation

Periodic reconciliations of the EMS Billing receivables detail subsidiary ledger to the EMS Billing receivables control account were not being performed, resulting in a material misstatement of \$60,286. An audit adjustment was posted to correct the misstatement.

Response

The County Finance Office will coordinate with the EMS Department and with the old and the new billing companies to make sure that timely and proper reconciliations are performed.

2020-02 Accounts Payable Cutoff

In reviewing invoices that were received subsequent to the fiscal year-end, ONE invoice for \$124,440 was identified as an expense for the current year. An audit adjustment was posted to correct the misstatement.

Response

The County Finance Office takes great care in processing accounts payables in ensuring the proper period, department, account, vendor, amount etc. In the fall of 2020, this office processed an additional four million dollars of payables to meet the December 31, 2020 deadline on the grant requirements for the Cares Act, in addition to meeting the reporting requirements. During these troubling times, this office did not catch this invoice in reviewing current year expenses. This office does not anticipate such a rush in processing payables in future years and therefore will have more time in identifying any miscoded payables.

Sincerely,

A handwritten signature in black ink, appearing to read "Edward J. Dixon". The signature is fluid and cursive, written over a white background.

Edward J. Dixon
County Administrator

cc: Gadsden County Board of County Commissioners
Nicholas Thomas, Clerk of the Court

2020

Gadsden County Clerk of the Circuit Court

Financial Statements and
Independent Auditor's Report

September 30, 2020

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR’S REPORT**

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

SEPTEMBER 30, 2020

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INDEPENDENT AUDITOR'S REPORT

The Honorable Nicholas Thomas
Gadsden County Clerk of the Circuit Court
Gadsden County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Clerk of the Circuit Court of Gadsden County, Florida, (the Clerk) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Clerk's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 Clerk's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Clerk's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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The Honorable Nicholas Thomas
Gadsden County Clerk of the Circuit Court
Gadsden County, Florida

INDEPENDENT AUDITOR'S REPORT

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Clerk as of September 30, 2020, and the respective changes in financial position and budgetary comparison for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida (the Rules). In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and budgetary comparisons of each major fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information of Gadsden County, Florida that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of Gadsden County, Florida as of September 30, 2020, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk's financial statements. The supplementary information as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 3, 2021, on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk's internal control over financial reporting and compliance.



June 3, 2021
Tallahassee, Florida

FINANCIAL STATEMENTS

**BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT**

	Major				Total Governmental Funds
	General Fund	Court Fund	Jury Fund	Public Records Trust Fund	
Assets					
Cash	\$ 12,067	\$ 127,361	\$ 11,827	\$ 217,641	\$ 368,896
Due from Other Funds	1,666	21	-	-	1,687
Due from Board of County Commissioners	5	-	-	-	5
Due from Other Governments	31,551	1,621	-	-	33,172
Total Assets	<u>45,289</u>	<u>129,003</u>	<u>11,827</u>	<u>217,641</u>	<u>403,760</u>
Liabilities and Fund Balance					
Liabilities					
Accounts Payable	1,301	59,313	60	-	60,674
Due to Board of County Commissioners	12,203	-	-	-	12,203
Due to Other Governments	9,930	1,960	-	-	11,890
Accrued Wages and Benefits	21,855	25,092	-	-	46,947
Unearned Revenue	-	42,638	11,767	-	54,405
Total Liabilities	<u>45,289</u>	<u>129,003</u>	<u>11,827</u>	<u>-</u>	<u>186,119</u>
Fund Balances					
Restricted for Records Modernization	-	-	-	217,641	217,641
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>217,641</u>	<u>217,641</u>
Total Liabilities and Fund Equity	<u>\$ 45,289</u>	<u>\$ 129,003</u>	<u>\$ 11,827</u>	<u>\$ 217,641</u>	<u>\$ 403,760</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT**

	Major				Total Governmental Funds
	General Fund	Court Fund	Jury Fund	Public Records Trust Fund	
Revenues					
Intergovernmental Revenues	\$ 243,018	\$ 548,427	\$ 29,197	\$ -	\$ 820,642
Charges for Services	162,207	495,745	-	60,479	718,431
Fines and Forfeitures	-	117,155	-	-	117,155
Interest	3,960	1,140	-	1,017	6,117
Miscellaneous	11,739	-	-	-	11,739
Total Revenues	420,924	1,162,467	29,197	61,496	1,674,084
Expenditures					
General Government:					
Personal Services	1,032,964	-	-	-	1,032,964
Operating Expenditures	284,167	-	-	560	284,727
Capital Outlay	8,758	-	-	-	8,758
Court-Related:					
Personal Services	-	1,120,157	20,172	-	1,140,329
Operating Expenditures	-	42,310	9,025	-	51,335
(Total Expenditures)	1,325,889	1,162,467	29,197	560	2,518,113
(Deficiency) Excess of Expenditures (Under) Over Revenues	(904,965)	-	-	60,936	(844,029)
Other Financing Sources					
Transfers from Board of County Commissioners					
	917,168	-	-	-	917,168
Transfers to Board of County Commissioners					
	(12,203)	-	-	-	(12,203)
Total Other Financing Sources (Uses)	904,965	-	-	-	904,965
Net Change in Fund Balances	-	-	-	60,936	60,936
Fund Balances, Beginning of Year	-	-	-	156,705	156,705
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ 217,641	\$ 217,641

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT**

	General Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental Revenues	\$ 201,000	\$ 243,018	\$ 243,018	\$ -
Charges for Services	153,406	162,207	162,207	-
Interest	7,000	3,960	3,960	-
Miscellaneous	12,135	11,739	11,739	-
Total Revenues	<u>373,541</u>	<u>420,924</u>	<u>420,924</u>	<u>-</u>
Expenditures				
General Government:				
Personal Services	1,040,548	1,032,964	1,032,964	-
Operating Expenditures	250,161	285,202	284,167	1,035
Capital Outlay	-	7,723	8,758	(1,035)
(Total Expenditures)	<u>(1,290,709)</u>	<u>(1,325,889)</u>	<u>(1,325,889)</u>	<u>-</u>
(Deficiency) Excess of Expenditures (Under) Over Revenues	<u>(917,168)</u>	<u>(904,965)</u>	<u>(904,965)</u>	<u>-</u>
Other Financing Sources				
Transfers from Board of County Commissioners	917,168	917,168	917,168	-
Transfers to Board of County Commissioners	-	(12,203)	(12,203)	-
Total Other Financing Sources	<u>917,168</u>	<u>904,965</u>	<u>904,965</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT**

	Court Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental Revenues	\$ 526,467	\$ 548,987	\$ 548,427	\$ (560)
Charges for Services	509,198	495,745	495,745	-
Fines and Forfeitures	207,443	117,155	117,155	-
Interest	824	1,140	1,140	-
Total Revenues	<u>1,243,932</u>	<u>1,163,027</u>	<u>1,162,467</u>	<u>(560)</u>
Expenditures				
Court-Related:				
Personal Services	1,183,330	1,120,157	1,120,157	-
Operating Expenditures	60,602	42,870	42,310	560
(Total Expenditures)	<u>(1,243,932)</u>	<u>(1,163,027)</u>	<u>(1,162,467)</u>	<u>560</u>
Net Change in Fund Balances	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT**

	Jury Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental Revenues	\$ 55,483	\$ 55,483	\$ 29,197	\$ (26,286)
Total Revenues	<u>55,483</u>	<u>55,483</u>	<u>29,197</u>	<u>(26,286)</u>
Expenditures				
Court-Related:				
Personal Services	37,534	37,534	20,172	17,362
Operating Expenditures	17,949	17,949	9,025	8,924
(Total Expenditures)	<u>(55,483)</u>	<u>(55,483)</u>	<u>(29,197)</u>	<u>26,286</u>
Net Change in Fund Balances	-	-	-	-
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT**

	Public Records Trust Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Charges for Services	\$ -	\$ 60,479	\$ 60,479	\$ -
Interest	-	1,017	1,017	-
Total Revenues	-	61,496	61,496	-
Expenditures				
General Government:				
Operating Expenditures	-	560	560	-
(Total Expenditures)	-	(560)	(560)	-
Net Change in Fund Balances	-	60,936	60,936	-
Fund Balances, Beginning of Year	112,365	156,705	156,705	-
Fund Balances, End of Year	\$ 112,365	\$ 217,641	\$ 217,641	\$ -

See accompanying notes to financial statements.

STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
SEPTEMBER 30, 2020
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT

Assets	
Cash	\$ 723,061
Total Assets	<u>723,061</u>
Liabilities	
Due to Other Funds	1,687
Due to Other Governments	70,034
Deposits	649,005
Due to Individuals	2,335
Total Liabilities	<u>\$ 723,061</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

Gadsden County, Florida, (the County), is a political subdivision of the State of Florida located in the panhandle of the state. The County was established under Article VIII, Section 1(d), Constitution of the State of Florida.

The Clerk of the Circuit Court (the Clerk) is an elected Constitutional Officer of the County pursuant to Article VIII, Section (1) of the Constitution of the State of Florida. For financial statement and reporting purposes, the Clerk is a separate Constitutional Officer as provided by Chapter 218, Florida Statutes. However, the Clerk does not meet the definition of a legally separate organization and is not considered to be a component unit. Accordingly, the Clerk is considered to be a part of the primary government of the County, and the financial activities of the Clerk are included as such in the County's annual financial report, along with the other Constitutional Officers and the Gadsden County Board of County Commissioners (the Board). The financial statements contained herein represent the financial transactions of the Clerk only. There are no component units for the Clerk to consider for inclusion in these financial statements.

The Clerk funds his non-court operations as a Budget Officer and a Fee Officer pursuant to Florida Statutes, Chapters 28, 129, and 218, respectively. As a Budget Officer, the operations of the Clerk are funded by the County General Fund. The receipts from the County General Fund are recorded as other financing sources on the Clerk's general fund financial statements. Any excess of revenues and other financing sources received over expenditures of the general fund are remitted to the County General Fund at year-end. The court-related operations of the Clerk are funded from fees and charges authorized under Chapter 2013-44, Laws of Florida and are reported in the Court Fund. At year-end, any excess of revenues over court-related expenditures of the Court Fund are remitted to the State of Florida pursuant to Florida Statute 28.37.

Basis of Presentation

The accompanying financial statements include all the funds and accounts of the Clerk's office, but are not a complete presentation of the County as a whole. Except for this matter, they are otherwise in conformity with accounting principles generally accepted in the United States of America (GAAP). The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557, *Rules of the Auditor General—Local Governmental Audits*.

Fund Accounting

The financial activities of the Clerk are recorded in separate funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT**

The purposes of the Clerk's various funds are categorized and described as follows:

■ **Governmental Fund Types**

● **Major Funds**

▶ **General Fund**

The General Fund is used to account for all revenues and expenditures applicable to the general operations of the Clerk that are not required either legally or by accounting principles generally accepted in the United States of America to be accounted for in another fund.

▶ **Jury Fund**

The Jury Fund is used to account for costs associated with all operational aspects of jury management. Revenue is received in advance from the Justice Administrative Commission (JAC) and quarterly reports of expenses are submitted to the Florida Clerks of Court Operations Corporation, (CCOC). Unused funds are deferred at year end to be used in the following year.

▶ **Court Fund**

The Court Fund was established to account for court-related revenues and expenditures and are required to be reported separately from the Clerk's General Fund activities.

▶ **Public Records Trust Fund**

The Public Records Trust Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for the public records system of the Clerk's office and additional court-related operational needs and program enhancements.

■ **Fiduciary Fund Type**

● **Agency Funds**

The Agency Funds are used to account for assets held by the Clerk in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. These are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Basis of Accounting

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

The modified accrual basis of accounting is followed by the governmental funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period. The Clerk considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures are recorded when the liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid. Charges for services and investment revenue are recorded as earned.

NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT

Measurement Focus

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. Generally, this means that only current assets and current liabilities are included in the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of “available spendable resources” during a period.

Budgets and Budgetary Accounting

Governmental fund revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget was adopted for the General Fund and the Public Records Trust Fund. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year. A budget was adopted for the Court Fund and approved by the Florida Clerk of Courts Operations Corporation. Budgets are prepared on the modified accrual basis of accounting.

The Clerk’s annual budgets are monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year-end.

Capital Assets

Capital assets purchased in the Governmental Fund type are recorded as expenditures (capital outlay) at the time of purchase. The tangible personal property used by the Clerk is recorded by the Board as capital assets, at cost, in the statement of net position in the government-wide financial statements of the County. The Clerk maintains custodial responsibility for the capital assets used by the Clerk.

Compensated Absences

Employees accrue vacation leave based on their length of employment. They may accrue from 13 to 20 days of vacation leave per year. A minimum of five consecutive days of vacation leave must be taken by each employee every year. Vacation leave in excess of 240 hours is transferred to sick leave on December 31 following the end of the fiscal year. Employees are not paid for vacation leave in lieu of taking vacation. An employee is paid for earned vacation leave only upon separation or by authorization of the Clerk. Upon retirement or resignation, employees may be paid a cash benefit equal to the number of vacation hours accumulated, based upon the employee’s current wage rate.

Employees earn four hours of sick leave for each two weeks of employment. Upon separation, employees of the Clerk, with three years or more of consecutive service, are paid twenty-five percent of their sick leave balance.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 16, *Accounting for Compensated Absences*, the Clerk uses the vesting method to calculate the liability for compensated absences. The Clerk does not, nor is he legally required to, accumulate expendable available financial resources to liquidate these obligations. Accordingly, the liability for compensated absences is not reported in the General Fund, but is included in the statement of net position in the government-wide financial statements of the County.

NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT

Unearned Revenue

In accordance with requirements of the Clerk of Court Operations Corporation (CCOC), the Clerk reports unearned revenue for court related fines and fees collected in September of 2020, which are to be used as advance funding for the Clerk's Court operations in the following fiscal year. Additionally, the Jury Fund reports unearned revenue for proceeds received from the Justice Administrative Commission, (JAC) that were not spent in the current year and can carry forward to the following year.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make use of estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Transfers In and Out

The Clerk is a fee officer whose operating budget is funded from fees, fines, and service charges relating to various statutory court and non-court services provided by the office. The Clerk also receives appropriations from the Board to fund the Clerk's functions as auditor and custodian of County funds. The payments by the Board to fund these services are recorded as transfers out on the financial statements of the Board and as transfers in on the financial statements of the Clerk.

In accordance with Section 218.36, Florida Statutes, all General Fund non-court-related revenues in excess of non-court-related expenditures during the fiscal year are distributed to the Board within 31 days following the end of the fiscal year. In accordance with Section 28.37, Florida Statutes, the excess of court-related fees, service charges, court costs, and fines retained by the Clerk in excess of approved court-related expenditures, are distributed to the Florida Department of Revenue by January 1 following the Clerk's fiscal year-end.

Fund Balance Reporting

The Clerk has implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), as required. The purpose of GASB 54 is to improve the consistency and usefulness of fund balance information to the financial statement user. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the organization is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components: non-spendable, restricted, committed, assigned, and unassigned.

- **Non-Spendable**—This component of fund balance consists of amounts that cannot be spent because: (a) they are not expected to be converted to cash, or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Clerk does not have any non-spendable funds.
- **Restricted**—This component of fund balance consists of amounts that are constrained either: (a) externally by third parties (creditors, grantors, contributors, laws or regulations of other governments), or (b) by law through constitutional provisions or enabling legislation.

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT**

- **Committed**—This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., ordinance or resolution) of the County’s governing body. These committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (e.g., ordinance or resolution) it employed previously to constrain those amounts.
- **Assigned**—This component of fund balance consists of amounts that are constrained by a less-than-formal action of the organization’s governing authority, or by an individual or body to whom the governing authority has delegated this responsibility. The Clerk has not delegated the responsibility to assign fund balances to any individual or body.
- **Unassigned**—This classification is used for: (a) negative unrestricted fund balances in any governmental fund, or (b) fund balances within the General Fund that are not restricted, committed, or assigned.

When both restricted and unrestricted resources are available for use, it is the Clerk’s policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use, it is the Clerk’s policy to use committed resources first, then assigned, and then unassigned as needed.

Note 2 - Cash

As of September 30, 2020, the Clerk had the following in cash:

	Carrying Amount
Cash on Hand	\$ 1,600
Deposits in Qualified Public Depositories	1,090,357
Total Cash	\$ 1,091,957

Credit Risk

The Clerk’s investment practices are governed by Section 218.415(17), Florida Statutes, which provides for the following authorized investments:

- The Florida PRIME (formerly the Local Government Surplus Trust Funds Investment Pool) or any authorized intergovernmental investment pool.
- Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating from a nationally-recognized rating agency.
- Interest-bearing time deposits or savings accounts in qualified public depositories.
- Direct obligations of the U.S. Treasury.

The Clerk has no investment policy that would further limit its investment choices.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the government’s deposits may not be returned to it.

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT**

Qualified public depositories of public funds are required to provide collateral each month pursuant to Section 280.04, Florida Statutes. The collateral is held by the Florida Division of Treasury or other custodian with full legal rights maintained by the Florida Division of Treasury to transfer ownership. Any loss not covered by the pledged securities and deposit insurance would be assessed by the Florida Division of Treasury and paid by the other public depositories. The Clerk's deposits are therefore considered fully insured or collateralized. Bank deposit balances at September 30, 2020, were \$1,128,052.

Note 3 - Pension and Postemployment Benefits Other Than Pension Benefits

Florida Retirement System (FRS) Pension Benefits

The Clerk participates in FRS to provide benefits to his employees. A detailed plan description and any liability for employees of the Clerk are included in the financial statements of the County.

Postemployment Benefits Other than Pensions

The Clerk participates in the plan established by the Board to provide other postemployment benefits to retirees of the Board and Constitutional Officers. A detailed plan description and any liability for employees of the Clerk are included in the financial statements of the County.

Note 4 - Long-Term Liabilities

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

	<u>Balance</u> <u>October 1, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>September 30, 2020</u>
Liability for Compensated Absences	\$ 126,734	\$ 170,603	\$ (163,252)	\$ 134,085
Total	<u>\$ 126,734</u>	<u>\$ 170,603</u>	<u>\$ (163,252)</u>	<u>\$ 134,085</u>

Of the \$134,085 liability for accrued compensated absences, management estimates that \$81,114 will be due and payable within one year. The long-term liabilities are not reported in the financial statements of the Clerk since it is not payable from available resources at September 30, 2020. As discussed in Note 1, they are reported in the statement of net position in the government-wide financial statements of the County.

Note 5 - Operating Leases

The Clerk has non-cancellable operating leases for copiers which expire in February of 2025 and a postage meter which expire in September 2023. For the year ended September 30, 2020, the equipment lease expense was \$10,721.

Future rental payments for the leases are as follows:

<u>Year</u>	<u>Amount</u>
2021	\$ 22,656
2022	22,656
2023	22,656
2024	19,800
2025	8,250
Total	<u>\$ 96,018</u>

NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT

Note 6 - Risk Management

The Clerk is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees and the public; or damage to property of others. The Clerk participates in the risk management program through the Board, which uses commercial insurance and a public entity risk pool to cover certain risks from loss.

The Board participates in the Florida Association of Counties Trust (FACT), a public entity risk pool for risks related to comprehensive general liability. The agreement provides that the financial liability of each participating county is limited to premiums and surplus contributions paid or obligations made to FACT. Aggregate coverage provided is limited to \$1,000,000 for each claim.

OTHER FINANCIAL INFORMATION

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
ALL AGENCY FUNDS
SEPTEMBER 30, 2020
GADSDEN COUNTY CLERK OF THE CIRCUIT COURT**

	<u>General Trust</u>	<u>Cash Bonds</u>	<u>Child Support</u>	<u>Total of All Agency Funds</u>
Assets				
Cash	\$ 555,072	\$ 165,538	\$ 2,451	\$ 723,061
Total Assets	<u>555,072</u>	<u>165,538</u>	<u>2,451</u>	<u>723,061</u>
Liabilities				
Due to Other Funds	729	21	937	1,687
Due to Other Governments	69,010	-	1,024	70,034
Deposits	483,488	165,517	-	649,005
Due to Individuals	1,845	-	490	2,335
Total Liabilities	<u>\$ 555,072</u>	<u>\$ 165,538</u>	<u>\$ 2,451</u>	<u>\$ 723,061</u>

OTHER REPORTS

**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**

The Honorable Nicholas Thomas
Gadsden County Clerk of the Circuit Court
Gadsden County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Clerk of the Circuit Court of Gadsden County, Florida, (the Clerk) as of and for the year ended September 30, 2020, and have issued our report thereon dated June 3, 2021, which was modified to state that the financial statements are not intended to be a complete presentation of Gadsden County, Florida, as a whole.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Clerk's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Clerk's internal control. Accordingly, we do not express an opinion on the effectiveness of the Clerk's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Clerk'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 would not necessarily identify all deficiencies in internal control over financial reporting 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.

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The Honorable Nicholas Thomas
Gadsden County Clerk of the Circuit Court
Gadsden County, Florida

**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***

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clerk's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



June 3, 2021
Tallahassee, Florida

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415 – INVESTMENT OF PUBLIC FUNDS

The Honorable Nicholas Thomas
Gadsden County Clerk of the Circuit Court
Gadsden County, Florida

We have examined Gadsden County, Florida, Clerk of the Circuit Court's (the Clerk) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, as of and for the year ended September 30, 2020, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk'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 Clerk complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Clerk complied with the specified requirements. The nature, timing, and extent of procedures selected depend on our judgement, including an assessment of the risk of material non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the Clerk complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2020.

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



June 3, 2021
Tallahassee, Florida

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTIONS 28.35 AND 28.36, FLORIDA STATUTES

The Honorable Nicholas Thomas
Gadsden County Clerk of the Circuit Court
Gadsden County, Florida

We have examined Gadsden County, Florida, Clerk of the Circuit Court's (the Clerk) compliance with the requirements of Sections 28.35, Florida Statutes, *Florida Clerks of Court Operations Corporation*, and Section 28.36, Florida Statutes, *Budget Procedure*, during the year ended September 30, 2020, as required by Section 10.556(10)(b), *Rules of the Auditor General*. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk'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 Clerk complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Clerk complied with the specified requirements. The nature, timing, and extent of procedures selected depend on our judgement, including an assessment of the risk of material non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the Clerk complied, in all material respects, with the requirements of Section 28.35, Florida Statutes, *Florida Clerks of Court Operations Corporation*, and Section 28.36, Florida Statutes, *Budget Procedure*, for the year ended September 30, 2020.

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



June 3, 2021
Tallahassee, Florida

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 61.181, FLORIDA STATUTES

The Honorable Nicholas Thomas
Gadsden County Clerk of the Circuit Court
Gadsden County, Florida

We have examined Gadsden County, Florida, Clerk of the Circuit Court's (the Clerk) compliance with the requirements of Section 61.181, Florida Statutes, *Depository for Alimony Transactions, Support, Maintenance, and Support Payments; Fees*, during the year ended September 30, 2020, as required by Section 10.556(10)(d), *Rules of the Auditor General*. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk'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 Clerk complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Clerk complied with the specified requirements. The nature, timing, and extent of procedures selected depend on our judgement, including an assessment of the risk of material non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the Clerk complied, in all material respects, with the requirements of Section 61.181, Florida Statutes, *Depository for Alimony Transactions, Support, Maintenance, and Support Payments; Fees*, for the year ended September 30, 2020.

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



June 3, 2021
Tallahassee, Florida

MANAGEMENT LETTER

The Honorable Nicholas Thomas
Gadsden County Clerk of the Circuit Court
Gadsden County, Florida

Report on the Financial Statements

We have audited the financial statements of each major fund and the aggregate remaining fund information of the Gadsden County, Florida, Clerk of the Circuit Court (the Clerk) as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated June 3, 2021, which was modified to indicate that the financial statements are not intended to be a complete presentation of Gadsden County, Florida.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountant's Reports on examinations 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 3, 2021, 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 address in the management letter whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial report. Corrective actions have been taken to address the finding in the preceding annual financial 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 Clerk was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Clerk.

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The Honorable Nicholas Thomas
Gadsden County Clerk of the Circuit Court
Gadsden County, Florida

MANAGEMENT LETTER

Financial Management

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

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance with provisions of contracts or grants agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

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

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



June 3, 2021
Tallahassee, Florida

2020

Gadsden County, Florida Sheriff

Financial Statements
and Independent Auditor's Report

September 30, 2020

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

**GADSDEN COUNTY SHERIFF
GADSDEN COUNTY, FLORIDA**

SEPTEMBER 30, 2020

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INDEPENDENT AUDITOR'S REPORT

The Honorable Morris A. Young
Gadsden County Sheriff
Gadsden County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Gadsden County, Florida, Sheriff (the Sheriff) as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Sheriff's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 Sheriff's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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The Honorable Morris A. Young
Gadsden County Sheriff
Gadsden County, Florida

INDEPENDENT AUDITOR'S REPORT

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Sheriff as of September 30, 2020, and the respective changes in financial position thereof, and the respective budgetary comparison for the major funds for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* (the Rules) of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position, changes in financial position, and budgetary comparisons of each major fund, and the aggregate remaining fund information, only for that portion of the major funds and the aggregate remaining fund information of Gadsden County, Florida that is attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of Gadsden County, Florida as of September 30, 2020, and the changes in its financial position and budgetary comparisons for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Matters

Other Financial Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheriff's financial statements. The other financial information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters included under the heading Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. The purpose of that report is solely to describe the scope of our testing

The Honorable Morris A. Young
Gadsden County Sheriff
Gadsden County, Florida

INDEPENDENT AUDITOR'S REPORT

of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the Sheriff's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.



June 7, 2021
Tallahassee, Florida

FINANCIAL STATEMENTS

**BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020
GADSDEN COUNTY SHERIFF**

	<u>Major Funds</u>				<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Radio Communi- cations</u>	<u>Inmate Welfare</u>	<u>Other Governmental Funds</u>	
Assets					
Cash	\$ 565,328	\$ 146,328	\$ 467,084	\$ 24,697	\$ 1,203,437
Prepaid Expenses	56,964	450	-	-	57,414
Due from Other Funds	203,513	1,065	-	-	204,578
Due from Board of County Commissioners	-	-	-	149,474	149,474
Due from Other Governments	-	-	-	54,039	54,039
Total Assets	<u>825,805</u>	<u>147,843</u>	<u>467,084</u>	<u>228,210</u>	<u>1,668,942</u>
Liabilities and Fund Balance					
Liabilities					
Accounts Payable and Accrued Expenses	547,638	-	-	-	547,638
Due to Board of County Commissioners	102,604	-	-	-	102,604
Due to Other Funds	1,065	-	-	203,513	204,578
Unearned Revenues	51,292	-	-	17,831	69,123
Total Liabilities	<u>702,599</u>	<u>-</u>	<u>-</u>	<u>221,344</u>	<u>923,943</u>
Fund Balances					
Non-Spendable:					
Radio Communications	-	450	-	-	450
Restricted:					
Radio Communications	-	147,393	-	-	147,393
Inmate Welfare	-	-	467,084	-	467,084
CARES Act Funding	123,206	-	-	-	123,206
Committed:					
Teen Court	-	-	-	6,866	6,866
Total Fund Balances	<u>123,206</u>	<u>147,843</u>	<u>467,084</u>	<u>6,866</u>	<u>744,999</u>
Total Liabilities and Fund Balances	<u>\$ 825,805</u>	<u>\$ 147,843</u>	<u>\$ 467,084</u>	<u>\$ 228,210</u>	<u>\$ 1,668,942</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
GADSDEN COUNTY SHERIFF**

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General Fund	Radio Communi- cations	Inmate Welfare		
Revenues					
Intergovernmental Revenue	\$ 118,638	\$ -	\$ -	\$ 543,162	\$ 661,800
Charges for Services	-	41,634	-	10,616	52,250
Miscellaneous Revenue	-	-	164,974	-	164,974
Total Revenues	118,638	41,634	164,974	553,778	879,024
Expenditures					
Public Safety:					
Personnel Services	6,274,183	-	88,061	367,543	6,729,787
Operating	1,776,200	25,669	-	368,806	2,170,675
Capital Outlay	581,760	-	-	39,166	620,926
Debt Service:					
Principal	151,370	-	-	-	151,370
Interest	19,710	-	-	-	19,710
(Total Expenditures)	(8,803,223)	(25,669)	(88,061)	(775,515)	(9,692,468)
Excess (Deficiency) of Expenditures Over (Under) Revenues	(8,684,585)	15,965	76,913	(221,737)	(8,813,444)
Other Financing Sources (Uses)					
Sale of Capital Assets	59,887	-	-	-	59,887
Installment Purchase	544,318	-	-	-	544,318
Transfers from Board of County Commissioners	8,203,586	-	-	228,417	8,432,003
Total Other Financing Sources (Uses)	8,807,791	-	-	228,417	9,036,208
Net Change in Fund Balances	123,206	15,965	76,913	6,680	222,764
Fund Balances, Beginning of Year	-	131,878	390,171	186	522,235
Fund Balances, End of Year	\$ 123,206	\$ 147,843	\$ 467,084	\$ 6,866	\$ 744,999

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020
GADSDEN COUNTY SHERIFF**

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenues				
Intergovernmental Revenue	\$ 490,287	\$ 490,287	\$ 118,638	\$ (371,649)
Total Revenues	<u>490,287</u>	<u>490,287</u>	<u>118,638</u>	<u>(371,649)</u>
Expenditures				
Public Safety:				
Personnel Services	6,273,124	6,273,124	6,274,183	(1,059)
Operating	1,862,900	1,776,326	1,776,200	126
Capital Outlay	37,000	581,318	581,760	(442)
Debt Service:				
Principal	25,500	152,525	151,370	1,155
Interest	500	19,936	19,710	226
(Total Expenditures)	<u>(8,199,024)</u>	<u>(8,803,229)</u>	<u>(8,803,223)</u>	<u>6</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,708,737)</u>	<u>(8,312,942)</u>	<u>(8,684,585)</u>	<u>(371,643)</u>
Other Financing Sources (Uses)				
Sale of Capital Assets	-	59,887	59,887	-
Installment Purchase	-	544,318	544,318	-
Transfers from Board of County Commissioners	<u>7,708,737</u>	<u>7,708,737</u>	<u>8,203,586</u>	<u>494,849</u>
Total Other Financing Sources (Uses)	<u>7,708,737</u>	<u>8,312,942</u>	<u>8,807,791</u>	<u>494,849</u>
Net Change in Fund Balances	-	-	123,206	123,206
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 123,206</u>	<u>\$ 123,206</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - RADIO COMMUNICATIONS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020
GADSDEN COUNTY SHERIFF**

	<u>Radio Communications Fund</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$ 41,650	\$ 41,650	\$ 41,634	\$ (16)
Total Revenues	<u>41,650</u>	<u>41,650</u>	<u>41,634</u>	<u>(16)</u>
Expenditures				
Public Safety:				
Operating	41,650	41,650	25,669	15,981
(Total Expenditures)	<u>(41,650)</u>	<u>(41,650)</u>	<u>(25,669)</u>	<u>15,981</u>
Net Change in Fund Balances	-	-	15,965	15,965
Fund Balances, Beginning of Year	<u>131,878</u>	<u>131,878</u>	<u>131,878</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 131,878</u>	<u>\$ 131,878</u>	<u>\$ 147,843</u>	<u>\$ 15,965</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - INMATE WELFARE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020
GADSDEN COUNTY SHERIFF**

	<u>Inmate Welfare Fund</u>			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	
	<u>Original</u>	<u>Final</u>		
Revenues				
Miscellaneous Revenue	\$ 90,000	\$ 90,000	\$ 164,974	\$ 74,974
Total Revenues	<u>90,000</u>	<u>90,000</u>	<u>164,974</u>	<u>74,974</u>
Expenditures				
Public Safety:				
Personnel Services	90,000	90,000	88,061	1,939
(Total Expenditures)	<u>(90,000)</u>	<u>(90,000)</u>	<u>(88,061)</u>	<u>1,939</u>
Net Change in Fund Balances	-	-	76,913	76,913
Fund Balances, Beginning of Year	<u>390,171</u>	<u>390,171</u>	<u>390,171</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 390,171</u>	<u>\$ 390,171</u>	<u>\$ 467,084</u>	<u>\$ 76,913</u>

See accompanying notes to financial statements.

STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
SEPTEMBER 30, 2020
GADSDEN COUNTY SHERIFF

Assets

Cash	\$ 45,565
Total Assets	<u>45,565</u>

Liabilities

Accounts Payable	9,339
Assets Held for Others	<u>36,226</u>
Total Liabilities	<u>\$ 45,565</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY SHERIFF**

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

Gadsden County, Florida (the County) is a political subdivision of the State of Florida located in the northern portion of the state. The County was established under Article VIII, Section 1(d), *Constitution of the State of Florida*.

The Gadsden County, Florida, Sheriff (the Sheriff) is an elected Constitutional Officer of the County. For financial statement and reporting purposes, the Sheriff is a separate Constitutional Officer as provided by Chapter 218, Florida Statutes. However, the Sheriff does not meet the definition of a legally separate organization and is not considered to be a component unit. Accordingly, the Sheriff is considered to be a part of the primary government of the County, and the financial activities of the Sheriff are included as such in the annual comprehensive financial report, along with the other Constitutional Officers and the Gadsden County Board of County Commissioners (the Board). The financial statements contained herein represent the financial transactions of the Sheriff only. There are no component units for the Sheriff to consider for inclusion in its financial statements.

The accounting policies of the Sheriff conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant policies:

Basis of Presentation

The accompanying financial statements include all the funds and accounts of the Sheriff's office, but are not a complete presentation of the County as a whole. Except for this matter, they are otherwise in conformity with accounting principles generally accepted in the United States of America (GAAP). The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557, *Rules of the Auditor General Local Governmental Entity Audits*.

The financial transactions of the Sheriff are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. These funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. GAAP sets forth minimum criteria (percentage of assets, liabilities, revenues, and expenditures of each fund category) for the determination of major funds. Major funds are reported separately in the basic financial statements of the Sheriff.

Fund Accounting

The financial activities of the Sheriff are recorded in separate funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY SHERIFF**

The Sheriff reports the following major and non-major governmental funds:

■ **Major Governmental Funds**

- **General Fund**—The General Fund is used to account for all revenues and expenditures applicable to the general operations of the Sheriff that are not required either legally or by accounting principles generally accepted in the United States of America to be accounted for in another fund.
- **Radio Communications**—A Special Revenue Fund, which accounts for activities related to moving violation fines restricted for use for the radio communications program and local law enforcement automation.
- **Inmate Welfare**—A Special Revenue Fund, which accounts for commissions received from pay telephones and commissary profits restricted for the benefit of inmates.

■ **Non-Major Governmental Funds**

- **Special Revenue Funds**—Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The Sheriff reports the following special revenue funds in the financial statements under the title “Other Governmental Funds”:
 - ▶ **VOCA**—Accounts for the activities related to funds received from the Florida Attorney General for use related to the *Victims Crime Act*.
 - ▶ **Emergency Management**—Accounts for the activities related to establishing and maintaining disaster assistance services.
 - ▶ **E-911**—Accounts for the activities related to funds received from the Florida Department of Management Services for the prorated share of E-911 cell phone tax.
 - ▶ **Justice Assistance**—These two funds account for the activities related to funds received from the Florida Department of Law Enforcement for the Justice Assistance Grant and the related program income.
 - ▶ **Teen Court**—Accounts for the activities related to establishing and maintaining a teen court pursuant to the County ordinance Section 26-1.
 - ▶ **Victims Special**—Accounts for the activities related to funds received from the State of Florida for the Victim Advocates’ Assistance Emergency Fund.
 - ▶ **DEM Federal**—Accounts for the activities related to the emergency management preparedness grant funded by the U.S. Department of Homeland Security passed through the Board.
 - ▶ **Towing and Impound**—Accounts for the activities related to funds received from program generated income for narcotic-related activities from the Justice Assistance Grant.
 - ▶ **DJJ Teen Success Academy**—Accounts for the activities related to the youth-centered program grant funded by the Florida Department of Juvenile Justice.

NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY SHERIFF

- ▶ **DJJ Restoring Families**—Accounts for the activities related to the family unit continuity assistance grant funded by the Florida Department of Juvenile Justice.
 - ▶ **Guardian Training**—A Special Revenue Fund, which accounts for the activities related to providing training and certification of individuals seeking to become or maintain active status as “Guardians” within the Coach Aaron Feis Guardian Program, in accordance with the Marjory Stoneman Douglas High School Public Safety Act.
 - ▶ **DCF Mental Health**—Accounts for the activities related to the Criminal Justice, Mental Health, and Substance Abuse (CJMHS) Reinvestment Grant funded by the Florida Department of Children and Families.
- **Fiduciary Funds**
 - **Agency Funds**—The Agency Funds account for the assets held by the Sheriff in a trustee capacity as an agent for individuals, private organizations, and/or governmental units. These are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Basis of Accounting

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

The accounts of the Governmental Funds and Agency Funds are maintained on the modified accrual basis. Under the modified accrual basis, revenues are recognized when they are received or when they are considered both measurable and available and, as such, are susceptible to accrual. Expenditures are recorded when the liability is incurred and/or will be paid from expendable available financial resources.

The Sheriff considers receivables collected within 30 days after year-end to be available and susceptible to accrual as revenues of the current year. The following major revenues are considered susceptible to accrual: intergovernmental revenue, charges for services, and interest earned. However, intergovernmental revenue, consisting of a cost reimbursement grant, is recognized as revenue as the related expenditures are incurred.

Measurement Focus

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. The General Fund is accounted for on a spending or “financial flow” measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. General Fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of “available spendable resources” during a period.

Budgets and Budgetary Accounting

Expenditures are controlled by appropriations in accordance with the budget requirements set forth in the Florida Statutes. Budgets are adopted for the General Fund and for the Non-Major Governmental Funds. The Radio Communications Fund and the Inmate Welfare Fund expenditures are restricted by statute; therefore, these budgets are not approved by the Board.

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY SHERIFF**

The Sheriff follows these procedures in establishing the budgetary data reflected in the fund financial statements:

Sections 129.03 and 30.49 of the Florida Statutes require the Sheriff to establish an annual budget reflecting resources available and functions for which funds are to be expended.

- The proposed budget is filed with the Board by May 1 preceding the fiscal year of the budget. Prior to October 1, the budget is legally enacted by approval of the Board subject to the notice and hearing requirements of Section 200.065 of the Florida Statutes.
- The Sheriff's budget can be amended by the Board as necessary during the year. Line item expenditures in excess of appropriations are authorized to the extent that total expenditures by category do not exceed total appropriations by category.
- Formal budgetary integration is employed as a management control device during the year for the Sheriff's General Fund. Appropriations lapse at the close of the fiscal year to the extent they have not been expended.
- The budget for the Sheriff's General Fund is adopted on a basis consistent with accounting principles generally accepted in the United States of America.

The budgeted revenues and expenditures in the accompanying statement of revenues, expenditures, and changes in fund balances - budget and actual reflect the Sheriff's original adopted budget and the final budget with all amendments approved by the Sheriff and the Board.

Capital Assets

The Sheriff is accountable for, and thus maintains, capital asset records pertaining to the equipment used in his operations. Real property used by the Sheriff is accounted for by the Board, as the Board holds legal title and is accountable for such assets under Florida law.

Capital assets purchased in the Governmental Funds costing \$1,000 or more and having a useful life in excess of one year are recorded as expenditures (capital outlay) at the time of purchase.

Capital assets acquired under capital leases are recorded at the net present value of future minimum lease payments as capital outlay expenditures and other financing sources at inception of the capital lease. The tangible personal property used by the Sheriff is reported as capital assets, at cost, in the statement of net position as part of the government-wide financial statements of the County. Donated and confiscated fixed assets are recorded in the County's statement of net position at fair value at the time received. Capital assets are depreciated using the straight-line method over three to seven years. The depreciation expense is recorded in the statement of activities as part of the government-wide financial statements of the County.

Liability for Compensated Absences

Employees accrue vacation leave based on their employment date and length of employment. They may accrue from 12 to 18 days of vacation per year. Annual leave in excess of 30 days is forfeited on December 31. Employees are generally not paid for vacation leave in lieu of taking a vacation except that an employee may be paid for earned vacation leave upon separation, and annual additional benefit

NOTES TO FINANCIAL STATEMENTS GADSDEN COUNTY SHERIFF

payments of accumulated annual leave in excess of 240 hours (at a designated, across-the-board percentage of hourly pay) can be paid prior to the end of each fiscal year as declared by General Order in the event of funds availability.

Employees earn one day of sick leave for each month of employment. Sick leave can be carried forward from year-to-year. An employee with five years of service or more may be paid for 25% of accrued sick leave upon separation. An employee with twenty years of service or more who is retiring under the Florida Retirement System may be paid for 50% of accrued sick leave.

The Sheriff uses the vesting method to calculate the liability for compensated absences. The Sheriff does not, nor is he legally required to, accumulate expendable available financial resources to liquidate these obligations. Accordingly, the liability for compensated absences is not reported in the General Fund, but is included in the statement of net position in the government-wide financial statements of the County.

Transfers In and Out

The Board funds primarily all of the operating budget of the Sheriff's General Fund. The payments by the Board to fund the operations of the Sheriff are recorded as transfers out on the financial statements of the Board and as transfers in on the financial statements of the Sheriff. Section 218.36, Florida Statutes, requires the Sheriff to distribute all General Fund revenues in excess of expenditures to the Board within 31 days following the end of the fiscal year. Accordingly, such amounts are recorded as a liability and as transfers out on the financial statements of the Sheriff and as an asset and as transfers in on the financial statements of the Board.

Related Organizations - Service Fees and Common Expenses

Certain expenses, which are common to the Board and all Constitutional Officers, are reported as expenses of the Board and, therefore, are not budgeted by or allocated to the Sheriff. These expenses paid by the Board relating to the Sheriff's operations are:

- Occupancy Costs
- Property and Workers' Compensation Insurance
- Employees' Health and Life Insurance

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make use of estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Fund Balance Reporting

Fund balance is reported in five components – non-spendable, restricted, committed, assigned, and unassigned.

- **Non-Spendable**—This component of fund balance consists of amounts that cannot be spent because: (a) they are not expected to be converted to cash, or (b) they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund.

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY SHERIFF**

- **Restricted**—This component of fund balance consists of amounts that are constrained either: (a) externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments), or (b) by law through constitutional provisions or enabling legislation.
- **Committed**—This component of fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (e.g., ordinance or resolution) of the County’s Governing Board. These committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (e.g., ordinance or resolution) it employed previously to constrain those amounts.
- **Assigned**—This component of fund balance consists of amounts that are constrained by a less-than-formal action of the Sheriff, or by an individual or body to whom the Sheriff has delegated this responsibility. By definition, fund balances are also assigned to the extent that they are needed to finance a subsequent year’s budget deficit.
- **Unassigned**—This classification is used for: (a) negative unrestricted fund balances in any governmental fund, or (b) fund balances within the General Fund that are not restricted, committed, or assigned.

When both restricted and unrestricted resources are available for use, it is the Sheriff’s policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use, it is the Sheriff’s policy to use committed resources first, then assigned, and then unassigned as needed.

Note 2 - Cash

As of September 30, 2020, the Sheriff had the following in cash:

	Carrying Amount
Cash and Cash Equivalents	\$ 1,249,002
Total Cash	\$ 1,249,002

Credit Risk

The Sheriff’s investment practices are governed by Section 218.415 (17), Florida Statutes, and include the following investments:

- The Florida PRIME (formerly the Local Government Surplus Trust Fund) administered by the State Board of Administration.
- Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating from a nationally-recognized rating agency.
- Interest-bearing time deposits or savings accounts in qualified public depositories.
- Direct obligations of the U.S. Treasury.

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY SHERIFF**

The Sheriff has no investment policy that would further limit its investment choices.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it.

Qualified public depositories of public funds are required to provide collateral each month pursuant to Section 280.04, Florida Statutes. The collateral is held by the Florida Division of Treasury or other custodian with full legal rights maintained by the Florida Division of Treasury to transfer ownership. Any loss not covered by the pledged securities and deposit insurance would be assessed by the Florida Division of Treasury and paid by the other public depositories. The Sheriff's deposits are all held in a qualified public depository and are, therefore, considered fully insured or collateralized. Bank balances at September 30, 2020, were \$933,978.

Note 3 - Capital Assets

A summary of the changes in capital assets for the year ended September 30, 2020, follows:

	<u>Balance</u> <u>October 1, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>September 30, 2020</u>
Vehicles, Furniture, and Equipment	\$ 3,163,885	\$ 620,924	\$ (380,038)	\$ 3,404,771
(Accumulated Depreciation)	(2,593,796)	(314,002)	345,139	(2,562,659)
Capital Assets, Net	<u>\$ 570,089</u>	<u>\$ 306,922</u>	<u>\$ (34,899)</u>	<u>\$ 842,112</u>

Depreciation expense for the Sheriff's assets was recorded in the County's government-wide financial statements in the amount of \$314,002.

Note 4 - Long-Term Liabilities

A summary of the changes in the long-term liabilities of the Sheriff is as follows:

	<u>Balance</u> <u>October 1, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>September 30, 2020</u>
Capital Leases	\$ 293,885	\$ 544,318	\$ (184,251)	\$ 653,952
Liability for Compensated Absences	517,916	408,585	(425,946)	500,555
Total	<u>\$ 811,801</u>	<u>\$ 952,903</u>	<u>\$ (610,197)</u>	<u>\$ 1,154,507</u>

Of the \$500,555 liability for accrued compensated absences, management estimates that \$216,013 will be due and payable within one year. Of the \$653,952 capital lease liability, the estimated principal amount due and payable within one year totaled \$211,204. Capital lease retirements consist of \$151,369 of principal paid on capital leases and \$32,882 of early lease retirements. The long-term liabilities presented above are not reported in the financial statements of the Sheriff since they are not payable from expendable available resources at September 30, 2020.

The long-term liabilities shown above are reported in the statement of net position in the government-wide financial statements of the County.

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY SHERIFF**

Note 5 - Lease Obligations

Capital Leases

The Sheriff has commitments under various capital lease agreements as described below. Annual payments under the leases are reported as debt service principal and interest expenditures.

The Sheriff has entered into a Master Equity Lease Agreement with Enterprise Fleet Management for purchase of vehicles. The lease agreement calls for monthly payments ranging from 36 to 48 months of varying amounts, including interest, with varying terms beginning in July of 2018 and ending in June 2024. The net present value of the capital lease payments were computed utilizing interest rates of ranging from 4.00% to 5.35%.

At September 30, 2020, aggregate future minimum lease payments are as follows:

September 30,	Amount
2021	\$ 240,008
2022	237,009
2023	162,216
2024	70,341
Total Future Minimum Lease Payments	709,574
(Less Amount Representing Interest)	(55,622)
Present Value of Net Minimum Lease Payments	\$ 653,952

Operating Lease

The Sheriff also has vehicle leases with Enterprise Fleet Management that, due to their shorter term, do not qualify as capital leases. There are four leases, each with a 19 month term, which require monthly payments ranging from \$641 to \$648 each. The future minimum lease payments under these operating leases consist of payments in fiscal year 2021 totaling \$12,890.

Note 6 - Interfund Receivables and Payables

Interfund receivables and payables at September 30, 2020, are as follows:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 203,512	\$ 1,065
Special Revenue Funds		
Radio Communications	1,065	-
Emergency Management	-	63,352
VOCA	-	10,051
E-911	-	41,897
Justice Assistance Program Income	-	3,200
DEM Federal	-	44,224
DJJ Restoring Families	-	26,729
DJJ Teen Success Academy Grant	-	14,059
Total	\$ 204,577	\$ 204,577

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY SHERIFF**

Interfund receivables and payables result from temporary loans for cash flow needs associated with the time lag between when goods and services are provided and when they are ultimately reimbursed from granting agencies or the Board of County Commissioners.

Note 7 - Pension and Postemployment Benefits Other Than Pension Benefits

Florida Retirement System (FRS) Pension Benefits

The Sheriff participates in the FRS to provide benefits to his employees. A detailed plan description and any liability for employees of the Sheriff are included in the financial statements of the County.

Postemployment Benefits Other than Pensions

The Sheriff participates in the plan established by the Board to provide other postemployment benefits to retirees of the Board and Constitutional Officers. A detailed plan description and any liability for employees of the Sheriff are included in the financial statements of the County.

Note 8 - Risk Management

Professional Liability

The Sheriff is currently a member of the Florida Sheriff's Association and participates in the Florida Sheriffs' Self-Insurance Fund. The Self-Insurance Fund administers insurance activities related to professional liability and covers compensatory damages (except back pay), employment benefits, punitive damages, attorney fees or costs awarded to a prevailing plaintiff, and all legal fees involved in defense of the Sheriff. The contribution required for the year ended September 30, 2020, was \$138,084.

The limits of the Self-Insurance Fund for the above-mentioned damages, fees, and defense costs are \$3,200,000 per claim and \$3,500,000 in aggregate for the policy year. Settled claims did not exceed this coverage in the current year.

Automobile Coverage

The Sheriff participates in the Florida Municipal Insurance Trust, which is sponsored by the Florida League of Cities for automobile coverage. The contribution required for the year ended September 30, 2020, was \$43,844.

Workers' Compensation

The Sheriff participates in the Florida Municipal Insurance Trust for workers' compensation coverage, which provides for coverage of risks of loss related to workers' compensation claims. The Sheriff makes payments to the fund based upon payroll exposure in the amounts needed to pay prior and current year claims. The net amount paid for the year ended September 30, 2020 was \$120,603.

Note 9 - Contingencies

Various claims and legal actions arising in the normal course of the Sheriff's operations were pending against the Sheriff at September 30, 2020. These claims are covered through the Sheriff's participation in the Florida Sheriff's Self-Insurance Fund. In the opinion of the Sheriff's legal counsel, the liabilities, which may arise from such actions, would be adequately covered by the Self-Insurance Fund. Accordingly, no provision has been made in the financial statements for such contingencies.

OTHER FINANCIAL INFORMATION

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2020
GADSDEN COUNTY SHERIFF**

	<u>VOCA</u>	<u>Emergency Management</u>	<u>E-911</u>	<u>Justice Asst. Prog Income</u>	<u>Teen Court</u>	<u>Victims Special</u>
Assets						
Cash	\$ -	\$ -	\$ -	\$ -	\$ 6,866	\$ 17,695
Due from Board of County Commissioners	-	63,352	41,897	-	-	-
Due from Other Governments	10,051	-	-	3,200	-	-
Total Assets	<u>10,051</u>	<u>63,352</u>	<u>41,897</u>	<u>3,200</u>	<u>6,866</u>	<u>17,695</u>
Liabilities and Fund Balances						
Liabilities						
Due to Other Funds	10,051	63,352	41,897	3,200	-	-
Unearned Revenues	-	-	-	-	-	17,695
Total Liabilities	<u>10,051</u>	<u>63,352</u>	<u>41,897</u>	<u>3,200</u>	<u>-</u>	<u>17,695</u>
Fund Balances						
Committed:						
Teen Court	-	-	-	-	6,866	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,866</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 10,051</u>	<u>\$ 63,352</u>	<u>\$ 41,897</u>	<u>\$ 3,200</u>	<u>\$ 6,866</u>	<u>\$ 17,695</u>

<u>DEM Federal</u>	<u>Towing and Impound</u>	<u>DJJ Teen Success Academy</u>	<u>DJJ Restoring Families</u>	<u>Guardian Training</u>	<u>DCF Mental Health</u>	<u>Total Other Governmental Funds</u>
\$ -	\$ 136	\$ -	\$ -	\$ -	\$ -	\$ 24,697
44,225	-	-	-	-	-	149,474
-	-	14,059	26,729	-	-	54,039
<u>44,225</u>	<u>136</u>	<u>14,059</u>	<u>26,729</u>	<u>-</u>	<u>-</u>	<u>228,210</u>
44,225	-	14,059	26,729	-	-	203,513
-	136	-	-	-	-	17,831
<u>44,225</u>	<u>136</u>	<u>14,059</u>	<u>26,729</u>	<u>-</u>	<u>-</u>	<u>221,344</u>
-	-	-	-	-	-	6,866
-	-	-	-	-	-	6,866
<u>\$ 44,225</u>	<u>\$ 136</u>	<u>\$ 14,059</u>	<u>\$ 26,729</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 228,210</u>

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020
GADSDEN COUNTY SHERIFF**

	<u>VOCA</u>	<u>Emergency Management</u>	<u>E-911</u>	<u>Justice Asst. Prog Income</u>	<u>Teen Court</u>	<u>Victims Special</u>
Revenues						
Intergovernmental Revenue	\$ 57,701	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	10,616	-
Total Revenues	<u>57,701</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,616</u>	<u>-</u>
Expenditures						
Public Safety:						
Personnel Services	57,701	88,322	64,140	-	3,936	-
Operating	-	18,181	553	-	-	-
Capital Outlay	-	-	12,996	-	-	-
(Total Expenditures)	<u>(57,701)</u>	<u>(106,503)</u>	<u>(77,689)</u>	<u>-</u>	<u>(3,936)</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(106,503)</u>	<u>(77,689)</u>	<u>-</u>	<u>6,680</u>	<u>-</u>
Other Financing Sources						
Transfers from Board of County Commissioners	-	106,503	77,689	-	-	-
Total Other Financing Sources	<u>-</u>	<u>106,503</u>	<u>77,689</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,680</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>186</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ 6,866</u>	<u>\$ -</u>

<u>DEM Federal</u>	<u>Towing and Impound</u>	<u>DJJ Teen Success Academy</u>	<u>DJJ Restoring Families</u>	<u>Guardian Training</u>	<u>DCF Mental Health</u>	<u>Total Other Governmental Funds</u>
\$ -	\$ -	\$ 71,316	\$ 138,259	\$ 201,835	\$ 74,051	\$ 543,162
-	-	-	-	-	-	10,616
-	-	71,316	138,259	201,835	74,051	553,778
-	-	-	-	153,444	-	367,543
18,055	-	71,316	138,259	48,391	74,051	368,806
26,170	-	-	-	-	-	39,166
(44,225)	-	(71,316)	(138,259)	(201,835)	(74,051)	(775,515)
(44,225)	-	-	-	-	-	(221,737)
44,225	-	-	-	-	-	228,417
44,225	-	-	-	-	-	228,417
-	-	-	-	-	-	6,680
-	-	-	-	-	-	186
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,866</u>

**COMBINING STATEMENT OF FIDUCIARY
NET POSITION
ALL AGENCY FUNDS
SEPTEMBER 30, 2020
GADSDEN COUNTY SHERIFF**

	<u>Confiscated Funds</u>	<u>Civil Account</u>	<u>Inmate Commissary</u>	<u>Totals</u>
Assets				
Cash	\$ 12,733	\$ 12,063	\$ 20,769	\$ 45,565
Total Assets	<u>12,733</u>	<u>12,063</u>	<u>20,769</u>	<u>45,565</u>
Liabilities				
Accounts Payable	-	-	9,339	9,339
Assets Held for Others	12,733	12,063	11,430	36,226
Total Liabilities	<u>\$ 12,733</u>	<u>\$ 12,063</u>	<u>\$ 20,769</u>	<u>\$ 45,565</u>

OTHER REPORTS

**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**

The Honorable Morris A. Young
Gadsden County Sheriff
Gadsden County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of each major fund and the aggregate remaining fund information of the Gadsden County, Florida, Sheriff (the Sheriff) as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statement, which collectively comprise the Sheriff's basic financial statements, and have issued our report thereon dated June 7, 2021 which was modified to state that the financial statements are not intended to be a complete presentation of Gadsden County, Florida as a whole.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Sheriff's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control. Accordingly, we do not express an opinion on the effectiveness of the Sheriff's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Sheriff'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 significant deficiencies or material weaknesses. However, material weaknesses may exist that have not been identified.

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The Honorable Morris A. Young
Gadsden County Sheriff
Gadsden County, Florida

**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***

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted a certain matter that we have reported to management of the Sheriff in a separate letter dated June 7, 2021.

Response to Finding

The Sheriff's response to the findings identified in our audit is included in the accompanying Management's Response on pages 30-31. The Sheriff's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Sheriff'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 Sheriff's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



June 7, 2021
Tallahassee, Florida

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES – INVESTMENT OF PUBLIC FUNDS

The Honorable Morris A. Young
Gadsden County Sheriff
Gadsden County, Florida

We have examined the Gadsden County, Florida, Sheriff's (the Sheriff) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, as of and for the fiscal year ended September 30, 2020, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Sheriff's compliance with those requirements. Our responsibility is to express an opinion on the Sheriff's compliance based on our examination.

Our examination was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Sheriff has complied with the requirements of Section 218.415, Florida Statutes, in all material respects. An examination involves performing procedures to obtain evidence about management's compliance with the stated requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of non-compliance with the requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the Sheriff complied, in all material respects, with the aforementioned requirements during the fiscal year ended September 30, 2020.

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



June 7, 2021
Tallahassee, Florida

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MANAGEMENT LETTER

Honorable Morris A. Young
Gadsden County Sheriff
Gadsden County, Florida

Report on the Financial Statements

We have audited the financial statements of each major fund and the aggregate remaining fund information of the Gadsden County, Florida, Sheriff (the Sheriff) as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated June 7, 2021.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *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 7, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings 2016-1 – Financial Statement Close, and 2017-1 – Confiscated Funds, disclosed in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires 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 note of the financial statements. The Sheriff was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Sheriff.

Financial Management

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we offer the following recommendation.

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Honorable Morris A. Young
Gadsden County Sheriff
Gadsden County, Florida

MANAGEMENT LETTER

■ **2020-1 – Capital Assets and Leases**

Criteria

Florida Statutes, Section 274, provide guidance related to the proper acquisition, recording, supervision, and disposal of tangible personal property owned by local governments. Among other requirements, this Section requires:

- 1) Requirements for recording and periodic review of property is to be established by rule by the Chief Financial Officer.
- 2) The governmental unit is primarily responsible for the supervision and control of its property.

As such, the Sheriff's Office has established policies and procedures related to the acquisition, recording, supervision, and disposal of tangible personal property and is expected to adhere to these internally-developed policies.

Condition

For the fiscal year ended September 30, 2020, it was noted that no physical inventory of the Sheriff's Office's capital assets and leased vehicles occurred as required by the Sheriff's Office's internal policies, and no reconciliation of fixed assets and leased vehicles in the custody of the Sheriff's Office to the related control accounts was performed.

Cause and Effect

Annual physical inventory and reconciliation procedures are not being performed consistently as required by Sheriff's Office General Order 17.1, Section 8 – Inventory. As a result, various capital asset and capital lease acquisitions and disposals which occurred during the fiscal year ended September 30, 2020, were not properly accounted for in the Sheriff's Office's financial records. Because no reconciliation of assets held to the financial records was performed, there was a significant variance noted between actual capital assets on hand and capital leases in effect, which necessitated material adjustments to the financial records. Lack of reconciliation of assets held to the financial records for significant account balances could result in unreconciled differences between the balances, which could cause a material misstatement of the financial statements as a whole if not detected and corrected in a timely manner.

Recommendation

We recommend that management perform periodic (at least annual) physical inventories of owned and leased capital assets on hand and reconcile the results of the physical inventory to the underlying accounting records, as required by the internally-generated policies of the Sheriff's Office related to assets.

Additional Matters

Section 10.554(1)(i)3., *Rules of Auditor General*, requires us to communicate non-compliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Honorable Morris A. Young
Gadsden County Sheriff
Gadsden County, Florida

MANAGEMENT LETTER

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Sheriff and its management, and the Board of County Commissioners of Gadsden County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



June 7, 2021
Tallahassee, Florida



June 2, 2021

Ms. Sherrill F. Norman, CPA
Auditor General of the State of Florida
111 West Madison Street
Tallahassee, Florida 32399

Dear Ms. Norman:

After reviewing the management response letter for the audit performed by Purvis, Gray & Company, LLP for the fiscal year ending September 30, 2020, we would like to respond as follows:

Prior Year Findings and Recommendations

All Prior Year Internal Control over Financial Reporting findings were corrected for the Fiscal Year ending September 30, 2020.

Current Year Findings and Recommendations

- 2020-1 – Capital Assets and Leases

Condition

For the fiscal year ended September 30, 2020, it was noted that no physical inventory of the Sheriff's Office's capital assets and leased vehicles occurred as required by the Sheriff's Office's internal policies, and no reconciliation of fixed assets and leased vehicles in the custody of the Sheriff's Office to the related control accounts was performed.

Recommendation

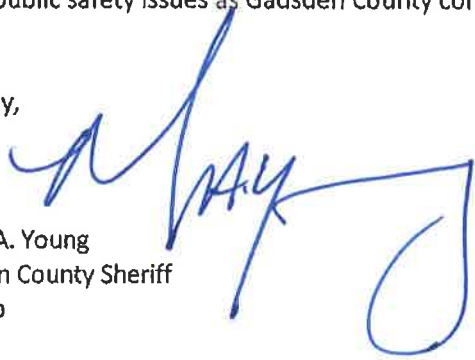
We recommend that management perform periodic (at least annual) physical inventories of owned and leased capital assets on hand and reconcile the results of the physical inventory to the underlying accounting records, as required by the internally-generated policies of the Sheriff's Office related to assets.

Management Response:

- We concur. We normally perform our annual Inventories in June of each fiscal year. However, due to the recent Coronavirus pandemic and with the approval by the Sheriff for limited and restricted staffing during this time, we didn't conduct our annual physical Inventory for Fiscal Year 2019-20. We will perform our annual Physical Inventory as required for the current fiscal year 2020-21

Again, I'm committed to the continued improvement of the operations and reporting functions of this office. The Gadsden County Sheriff's Finance Department has established and will continue to improve upon a financial system that not only has accountability on all levels, but also enables planning for future public safety issues as Gadsden County continues to grow.

Sincerely,

A handwritten signature in blue ink, appearing to read 'MAY', with a large, stylized flourish extending to the right.

Morris A. Young
Gadsden County Sheriff

MAY: kp

2020

Gadsden County Tax Collector

Financial Statements and
Independent Auditor's Report

September 30, 2020

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

**GADSDEN COUNTY TAX COLLECTOR
GADSDEN COUNTY, FLORIDA**

SEPTEMBER 30, 2020

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INDEPENDENT AUDITOR'S REPORT

The Honorable W. Dale Summerford
Gadsden County Tax Collector
Gadsden County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the general fund and the aggregate remaining fund information of the Gadsden County, Florida, Tax Collector (the Tax Collector) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Tax Collector's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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The Honorable W. Dale Summerford
Gadsden County Tax Collector
Gadsden County, Florida

INDEPENDENT AUDITOR'S REPORT

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund and the aggregate remaining fund information of the Tax Collector as of September 30, 2020, and the respective changes in financial position and budgetary comparison for the general fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* (the Rules) of the State Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position, changes in financial position, and budgetary comparisons of each major fund, and the aggregate remaining fund information, where applicable, only for that portion of the aggregate remaining fund information of Gadsden County, Florida, that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of Gadsden County, Florida, as of September 30, 2020, and the changes in its financial position and budgetary comparisons, or cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 1, 2021 on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Tax Collector's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tax Collector's internal control over financial reporting and compliance.



June 1, 2021
Tallahassee, Florida

FINANCIAL STATEMENTS

**BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2020
GADSDEN COUNTY TAX COLLECTOR**

Assets	
Cash	\$ 95,270
Due from Others	278
Due from Other Funds	4,613
Total Assets	<u>100,161</u>
Liabilities and Fund Balance	
Liabilities	
Accounts Payable	16,568
Due to Other Governments	170
Due to Other Funds	533
Due to Board of County Commissioners	82,890
Total Liabilities	<u>100,161</u>
Fund Balance	<u>-</u>
Total Liabilities and Fund Equity	<u>\$ 100,161</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020
GADSDEN COUNTY TAX COLLECTOR**

Revenues	
Charges for Services	\$ 912,493
Miscellaneous	2,797
Total Revenues	<u>915,290</u>
 Expenditures	
Current:	
General Government:	
Personal Services	644,555
Operating	187,845
(Total Expenditures)	<u>(832,400)</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>82,890</u>
 Other Financing (Uses)	
Transfers (out) to Board of County Commissioners	(82,890)
Total Other Financing (Uses)	<u>(82,890)</u>
 Net Change in Fund Balance	 -
 Fund Balance, Beginning of Year	 <u>-</u>
 Fund Balance, End of Year	 <u>\$ -</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020
GADSDEN COUNTY TAX COLLECTOR**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$ 827,835	\$ 827,835	\$ 912,493	\$ 84,658
Miscellaneous	2,800	2,800	2,797	(3)
Total Revenues	<u>830,635</u>	<u>830,635</u>	<u>915,290</u>	<u>84,655</u>
Expenditures				
Current:				
General Government:				
Personal Services	658,307	658,307	644,555	13,752
Operating	193,850	193,850	187,845	6,005
(Total Expenditures)	<u>(852,157)</u>	<u>(852,157)</u>	<u>(832,400)</u>	<u>19,757</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(21,522)</u>	<u>(21,522)</u>	<u>82,890</u>	<u>104,412</u>
Other Financing (Uses)				
Transfers in from Board of County Commissioners	21,522	21,522	-	(21,522)
Transfers (out) to Board of County Commissioners	-	-	(82,890)	(82,890)
Total Other Financing Sources (Uses)	<u>21,522</u>	<u>21,522</u>	<u>(82,890)</u>	<u>(104,412)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUND
SEPTEMBER 30, 2020
GADSDEN COUNTY TAX COLLECTOR

Assets	
Cash	\$ 279,511
Due from Others	25,096
Due from Other Funds	<u>533</u>
Total Assets	<u><u>305,140</u></u>
 Liabilities	
Due to Others	1,070
Due to Other Funds	4,613
Due to Other Governments	74,397
Tag Renewal Deposits	15,014
Installment Tax Deposits	<u>210,046</u>
Total Liabilities	<u><u>\$ 305,140</u></u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY TAX COLLECTOR**

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

Gadsden County, Florida (the County) is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the Board) and an appointed County Administrator, as provided by Section 125.73, Florida Statutes. The County Administrator is responsible for the administration of all departments of which the Board has the authority to control pursuant to the general laws of Florida.

The Gadsden County, Florida, Tax Collector (the Tax Collector) is an elected official of the County pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d). The Tax Collector is a part of the primary government of the County. The Florida Department of Revenue approves the Tax Collector's operating budget, the Tax Collector is responsible for the administration and operation of the Tax Collector's office, and the Tax Collector's financial statements do not include the financial statements of the Board or the other Constitutional Officers of the County. There were no component units related to the Tax Collector.

The Tax Collector operates as a Fee Officer. Upon approval of the operating budget, revenues are collected from fees and from commissions earned for the collection of taxes for the County taxing authorities pursuant to Section 192.091(2), Florida Statutes. Any excess revenues received over expenditures made are remitted at year-end to the taxing districts.

For financial reporting purposes, the Tax Collector is deemed to be a part of the primary government of the County and, therefore, is included as such in the County's annual financial report.

Basis of Presentation

The accompanying financial statements include all funds and accounts of the Tax Collector's office, but are not intended to be a complete presentation of the County as a whole. Except for this matter, they are otherwise in conformity with accounting principles generally accepted in the United States of America (GAAP). The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(4), *Rules of the Auditor General—Local Governmental Entity Audits*.

The financial transactions of the Tax Collector are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. These funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The Tax Collector reports the following fund types:

■ **Governmental Fund Type**

● **Major Fund**

- ▶ **General Fund**—The General Fund is the general operating fund of the Tax Collector. This fund is used to account for all financial transactions not required to be accounted for in another fund.

NOTES TO FINANCIAL STATEMENTS GADSDEN COUNTY TAX COLLECTOR

■ **Fiduciary Fund Type**

- **Agency Fund**—The Agency Fund is used to account for assets held by the Tax Collector as an agent for individuals, private organizations, and/or other governmental units. These are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Such assets include receipts for property taxes, vehicle registrations and sales tax, and hunting and fishing licenses.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting refers to the timing of the measurements made, regardless of the measurement focus applied. All governmental funds and agency funds are accounted for using the modified accrual basis of accounting.

Under this method, revenues are recognized when they become both measurable and available to finance expenditures of the current period. The Tax Collector considers revenues to be available if they are collected within thirty days of the end of the current fiscal year. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for accumulated sick and vacation pay, which are not recorded until paid. Charges for services and investment revenue are recorded as earned.

Measurement Focus

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or “financial flow” measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of “available spendable resources” during a period.

Budgetary Requirement

The revenues and expenditures accounted for in the budgetary fund are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget is approved by the Florida Department of Revenue for the general fund. Budget to actual comparisons are provided in the financial statements for the general fund, where the Tax Collector has legally adopted an annual budget. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year.

Budgets are prepared on the modified accrual basis of accounting.

The Tax Collector’s annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year-end.

Capital Assets

Tangible personal property is recorded as expenditures in the general fund at the time an asset is acquired. Assets acquired by the Tax Collector are capitalized at cost in the capital asset accounts of the County. The Tax Collector maintains custodial responsibility for the capital assets used by the office.

NOTES TO FINANCIAL STATEMENTS GADSDEN COUNTY TAX COLLECTOR

The Tax Collector also utilizes certain computer equipment and software for vehicle and boat registrations, driver's license and identification card issuance, and various other services, which belongs to the Florida Department of Highway Safety and Motor Vehicles (DMV) and software licensed to the State of Florida Fish and Wildlife Conservation Commission (FWCC). The cost of this equipment is not recognized in the statement of net position of the County as title to the equipment is held by DMV and FWCC.

Accrued Compensated Absences

It is the Tax Collector's policy to grant all full-time employees annual and sick leave. Annual leave can be accumulated, but it is limited to an accumulation of 240 hours at the end of each calendar year. Excess annual leave at December 31 is converted to sick leave. There is no limitation on the accumulation of sick leave. Upon termination of employment, the employee can receive a cash benefit for certain balances of their annual and sick leave based upon the employee's current wage rate. After one year of employment upon termination, annual leave up to the maximum of 240 hours will be paid. After five years of employment upon termination, sick leave up to the maximum of 240 hours will be paid.

The liability for compensated absences is not reported in the Tax Collector's financial statements, but is included in the statement of net position in the County-wide financial statements.

Property Tax Collections

Chapter 197, Florida Statutes, governs property tax collections.

- *Current Taxes*—All property taxes become due and payable on November 1, and are delinquent on April 1 of the following year. Discounts of 4%, 3%, 2%, and 1% are allowed for early payment in November through February, respectively.
- *Unpaid Taxes - Sale of Tax Certificates*—The Tax Collector advertises, as required by Florida Statutes, then sells tax certificates on all real property for unpaid taxes. Certificates not purchased are issued to the County. Any person owning real property upon which a tax certificate has been sold may reacquire the real property by paying the Tax Collector the face amount of the tax certificate plus interest and other costs.
- *Tax Deeds*—The owner of a tax certificate may, after two years when the taxes have been delinquent (after April 1), file an application for tax deed sale. The County, as a certificate owner, may exercise similar procedures two years after taxes have been delinquent (after April 1). Tax deeds are issued to the highest bidder for the property, which is sold at public auction. The Clerk of the Circuit Court administers these sales.

Unearned Revenue

Unearned revenue represents the biennial service fees attributable to future years.

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make various estimates. Actual results could differ from those estimates.

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY TAX COLLECTOR**

Excess Revenues

The Tax Collector is considered a fee officer because operations are funded primarily by fees for services. No funds are received from the Board other than applicable fees. In accordance with Florida Statutes, the Tax Collector distributes all General Fund revenues in excess of expenditures to the Board of County Commissioners and other ad valorem taxing authorities on a pro-rata basis of fees collected, within 31 days following the end of the fiscal year. These excess fees are reported as a liability and as transfers out to the Board of County Commissioners or deducted from fees earned for amounts distributed to other governments.

Related Organizations - Service Fees and Common Expenses

The Tax Collector’s charges for services included approximately \$462,194 received from the Board as fees for real and tangible property tax collections.

Certain expenses, which are common to the Board and all Constitutional Officers, are reported as expenses of the Board and, therefore, are not budgeted by or allocated to the Tax Collector.

These expenses paid by the Board relating to the Tax Collector’s operations are:

- Occupancy Costs
- Janitorial Service
- Utilities (Except Telephone)
- Property and Workers’ Compensation Insurance
- Employees’ Health and Life Insurance

Note 2 - Cash

As of September 30, 2020, the Tax Collector had the following cash on hand and on deposit:

	Carrying Amount
Cash on Hand	\$ 2,070
Deposits in Qualified Public Depositories	372,711
Total Cash	\$ 374,781

Credit Risk

Section 218.415(17), Florida Statutes, stipulates the State-approved investment policy for all governmental entities and includes the following investments:

- The Local Government Surplus Funds Trust Fund, administered by the State Board of Administration.
- Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating from a nationally-recognized rating agency.
- Interest-bearing time deposits or savings accounts in qualified public depositories.
- Direct obligations of the U.S. Treasury.

The Tax Collector has no investment policy that would further limit its investment choices.

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY TAX COLLECTOR**

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the government’s deposits may not be returned to it.

Qualified public depositories of public funds are required to provide collateral each month pursuant to Section 280.04, Florida Statutes. The collateral is held by the Florida Division of Treasury or other custodian with full legal rights maintained by the Florida Division of Treasury to transfer ownership. Any loss not covered by the pledged securities and deposit insurance would be assessed by the Florida Division of Treasury and paid by the other public depositories. The Tax Collector’s deposits are therefore considered fully insured or collateralized. Bank balances at September 30, 2020, were \$456,376.

Tax Collector funds are maintained in an interest-bearing demand deposit account, which is collateralized pursuant to Section 280.04, Florida Statutes.

Note 3 - Risk Management

The Tax Collector is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees and/or the public; or damage to property of others. The Tax Collector participates in the risk management program through the Board, which uses commercial insurance and a public entity risk pool to cover certain risks from loss.

The Board obtained commercial insurance against losses for the following types of risk:

- Real and Personal Property Damage
- Public Employees’ Bond
- Workers’ Compensation
- Automobile Liability

The Board participates in the Florida Association of Counties Trust (FACT), a public entity risk pool for risks related to comprehensive general liability. The agreement provides that the financial liability for each participating county is limited to premiums and surplus contributions paid or obligations made to FACT. Aggregate coverage provided is limited to \$1,000,000 for each claim.

Note 4 - Long-Term Liability for Compensated Absences

The Tax Collector’s long-term liability for compensated absences is as follows:

	Balance October 1, 2019	Additions	Retirements	Balance September 30, 2020
Liability for Compensated Absences	\$ 55,917	\$ 20,732	\$ (19,875)	\$ 56,774

Of the \$56,774 liability for accrued compensated absences, management estimates that \$13,663 will be due and payable within one year. The liability is not reported in the financial statements of the Tax Collector since it is not payable from available resources at September 30, 2020. As discussed in Note 1, the liability is reported on the statement of net position in the County-wide financial statements.

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY TAX COLLECTOR**

Note 5 - Pension and Postemployment Benefits Other Than Pension Benefits

Florida Retirement System (FRS) Pension Benefits

The Tax Collector participates in the Florida Retirement System to provide benefits to his employees. A detailed plan description and any liability for employees of the Tax Collector are included in the financial statements of the County.

Postemployment Benefits Other than Pensions

The Tax Collector participates in the plan established by the Board of County Commissioners to provide other postemployment benefits to retirees of the Board and Constitutional Officers. A detailed plan description and any liability for employees of the Tax Collector are included in the financial statements of the County.

Note 6 - Interfund Receivables and Payables

Interfund receivables and payables at September 30, 2020, are as follows:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 4,613	\$ 533
Fiduciary:		
Agency Fund	533	4,613
Totals	\$ 5,146	\$ 5,146

Note 7 - Operating Leases

In December 2015, the Tax Collector entered into a 60-month operating lease for a Folder/Inserter machine. The lease is billed quarterly in arrears. This lease concludes during the fiscal year ending September 30, 2021.

In November 2017, the Tax Collector entered into 36-month operating lease agreements for two copiers. Both of these leases are billed monthly in arrears. These lease agreements conclude during the fiscal year ending September 30, 2021.

In October 2019, the Tax Collector entered into a 60-month operating lease for a letter opener machine. The lease is billed quarterly in arrears. This lease concludes during the fiscal year ending September 30, 2024.

During the fiscal year ended September 30, 2020, the lease payments on all operating leases amounted to \$5,799. The future minimum lease payments are as follows:

Year Ending September 30,	Amount
2021	\$ 1,614
2022	699
2023	699
2024	699
Total	\$ 3,711

OTHER REPORTS

**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**

The Honorable W. Dale Summerford
Gadsden County Tax Collector
Gadsden County, Florida

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the general fund and the aggregate remaining fund information of the Gadsden County, Florida, Tax Collector (the Tax Collector) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Tax Collector's financial statements, and have issued our report thereon dated June 1, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Tax Collector's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Tax Collector's internal control. Accordingly, we do not express an opinion on the effectiveness of the Tax Collector's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Tax Collector'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.

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The Honorable W. Dale Summerford
Gadsden County Tax Collector
Gadsden County, Florida

**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***

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tax Collector's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance 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 our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance 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 Tax Collector's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tax Collector's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



June 1, 2021
Tallahassee, Florida

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

The Honorable W. Dale Summerford
Gadsden County Tax Collector
Gadsden County, Florida

We have examined Gadsden County Tax Collector's (the Tax Collector) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, during the year ended September 30, 2020. Management of the Tax Collector is responsible for the Tax Collector's compliance with the specified requirements. Our responsibility is to express an opinion on the Tax Collector's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Tax Collector complied, in all material respects, with the specified requirements above. An examination involves performing procedures to obtain evidence about whether the Tax Collector complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the Tax Collector complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2020.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Tax Collector, his management team, and the Board of County Commissioners of Gadsden County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.



June 1, 2021
Tallahassee, Florida

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MANAGEMENT LETTER

The Honorable W. Dale Summerford
Gadsden County Tax Collector
Gadsden County, Florida

Report on the Financial Statements

We have audited the financial statements of the Gadsden County Tax Collector (the Tax Collector), as of and for the year ended September 30, 2020, and have issued our report thereon dated June 1, 2021.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of 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 1, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Tax Collector was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Tax Collector.

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The Honorable W. Dale Summerford
Gadsden County Tax Collector
Gadsden County, Florida

MANAGEMENT LETTER

Financial Management

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

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Tax Collector, his management team, and the Board of County Commissioners of Gadsden County, Florida and is not intended to be, and should not be, used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



June 1, 2021
Tallahassee, Florida

2020

Gadsden County Property Appraiser

Financial Statements and
Independent Auditor's Report

September 30, 2020

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR’S REPORT**

**GADSDEN COUNTY PROPERTY APPRAISER
GADSDEN COUNTY, FLORIDA**

SEPTEMBER 30, 2020

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INDEPENDENT AUDITOR'S REPORT

The Honorable Reginald A. Cunningham
Gadsden County Property Appraiser
Gadsden County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the general fund of the Gadsden County, Florida, Property Appraiser (the Property Appraiser) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Property Appraiser's financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 Property Appraiser's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Property Appraiser's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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The Honorable Reginald A. Cunningham
Gadsden County Property Appraiser
Gadsden County, Florida

INDEPENDENT AUDITOR'S REPORT

Opinions

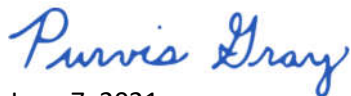
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund of the Property Appraiser as of September 30, 2020, and the respective changes in financial position and budgetary comparisons for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with *Rules of the Auditor General* of the State of Florida (the Rules). In conformity with the Rules, the accompanying financial statements are intended to present the financial position, changes in financial position, and budgetary comparisons of the general fund, only for that portion of the major funds of Gadsden County, Florida, that is attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Gadsden County, Florida, as of September 30, 2019, the changes in its financial position and budgetary comparisons for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Property Appraiser's internal control over financial reporting and compliance.



June 7, 2021
Tallahassee, Florida

FINANCIAL STATEMENTS

**BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2020
GADSDEN COUNTY PROPERTY APPRAISER**

Assets	
Cash	\$ 32,867
Prepaid Expense	10,685
Total Assets	<u>43,552</u>
Liabilities and Fund Balance	
Liabilities	
Accounts Payable	25,894
Accrued Wages Payable	17,658
Total Liabilities	<u>43,552</u>
Fund Balance	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 43,552</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020
GADSDEN COUNTY PROPERTY APPRAISER**

Revenues	
Charges for Services	\$ 2,072
Miscellaneous	1,808
Total Revenues	<u>3,880</u>
 Expenditures	
Current:	
General Government:	
Personal Services	797,175
Operating	178,043
Capital Outlay	20,783
(Total Expenditures)	<u>(996,001)</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>(992,121)</u>
 Other Financing Sources (Uses)	
Transfers in from Board of County Commissioners	1,049,729
Transfers (out) to Board of County Commissioners	(57,608)
Total Other Financing Sources (Uses)	<u>992,121</u>
 Net Change in Fund Balance	 -
 Fund Balance, Beginning of Year	 <u>-</u>
 Fund Balance, End of Year	 <u><u>\$ -</u></u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020
GADSDEN COUNTY PROPERTY APPRAISER**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues				
Charges for Services	\$ -	\$ -	\$ 2,072	\$ 2,072
Miscellaneous	-	-	1,808	1,808
Total Revenues	<u>-</u>	<u>-</u>	<u>3,880</u>	<u>3,880</u>
Expenditures				
Current:				
General Government:				
Personal Services	774,369	826,856	797,175	29,681
Operating	199,373	199,373	178,043	21,330
Capital Outlay	-	-	20,783	(20,783)
Contingency	23,500	23,500	-	23,500
(Total Expenditures)	<u>(997,242)</u>	<u>(1,049,729)</u>	<u>(996,001)</u>	<u>53,728</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(997,242)</u>	<u>(1,049,729)</u>	<u>(992,121)</u>	<u>57,608</u>
Other Financing Sources (Uses)				
Transfers in from Board of County Commissioners	997,242	1,049,729	1,049,729	-
Transfers (out) to Board of County Commissioners	-	-	(57,608)	(57,608)
Total Other Financing Sources (Uses)	<u>997,242</u>	<u>1,049,729</u>	<u>992,121</u>	<u>(57,608)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY PROPERTY APPRAISER**

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

Gadsden County, Florida, (the County) is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the Board) and an appointed County Administrator, as provided by Section 125.73, Florida Statutes. The County Administrator is responsible for the administration of all departments of which the Board has the authority to control pursuant to the general laws of Florida.

The Gadsden County, Florida Property Appraiser (the Property Appraiser) is an elected official of the County pursuant to the Constitution of the State of Florida, Article VIII, Section 1(d). The Property Appraiser is a part of the primary government of the County. The Florida Department of Revenue approves the Property Appraiser's total operating budget, and effective June 2011, the Clerk of Court was responsible for accounting for the Property Appraiser's transactions. The Property Appraiser is responsible for the administration and operation of the Property Appraiser's office, and the Property Appraiser's financial statements do not include the financial statements of the Board or the other Constitutional Officers of the County. There were no component units related to the Property Appraiser.

The operations of the Property Appraiser are funded by the Board and the Northwest Florida Water Management District. The receipts from the Board are recorded as other financing sources on the Property Appraiser's financial statements.

For financial reporting purposes, the Property Appraiser is deemed to be a part of the primary government of the County and, therefore, is included as such in the County's annual financial report.

Basis of Presentation

The accompanying financial statements include all funds and accounts of the Property Appraiser's office, but are not a complete presentation of the County as a whole. Except for this matter, they are otherwise in conformity with accounting principles generally accepted in the United States of America (GAAP). The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(4), *Rules of the Auditor General—Local Governmental Entity Audits*.

The financial transactions of the Property Appraiser are recorded in one individual fund. This fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures.

The Property Appraiser reports the following fund type:

■ **Governmental Fund Type**

● **Major Fund**

- ▶ **General Fund**—The General Fund is the general operating fund of the Property Appraiser. It is used to account for all financial resources, except for those required to be accounted for in another fund.

NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY PROPERTY APPRAISER

Basis of Accounting

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

The modified accrual basis of accounting is followed by the general fund. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available to finance expenditures of the current period. The Property Appraiser considers revenues to be available if they are collected within thirty days of the end of the current fiscal period. Expenditures are recorded when the liability is incurred, except for accumulated sick and vacation pay, which is not recorded until paid.

Measurement Focus

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. The General Fund is accounted for on a spending or "financial flow" measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. General Fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of "available spendable resources" during a period.

Budgetary Requirement

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget is approved by the Florida Department of Revenue for the general fund. Budget to actual comparisons are provided in the financial statements for the general fund, where the Property Appraiser has legally adopted an annual budget. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year.

Budgets are prepared on the modified accrual basis of accounting.

The Property Appraiser's annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year-end.

Capital Assets

Tangible personal property is recorded as expenditures in the general fund at the time an asset is acquired. Assets acquired by the Property Appraiser are capitalized at cost in the capital asset accounts of the County. The Property Appraiser maintains custodial responsibility for the capital assets used by his office.

Compensated Absences

Permanent full-time employees of the Property Appraiser are entitled to accrue annual leave time. At the time of termination, employees will be compensated for 100% of their accrued annual leave hours.

Sick leave is accumulated at the rate of four hours for each full calendar month of continuous employment during the first year and eight hours during each subsequent year. There is no limit on the amount of sick leave that can be accumulated. At the time of termination, employees will be compensated for 50% of their accrued sick leave hours.

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY PROPERTY APPRAISER**

The liability for compensated absences is not reported in the Property Appraiser's financial statements, but is included in the statement of net position in the County-wide financial statements.

Transfers In and Out

The Board funds primarily all the operating budget of the Property Appraiser. The payments by the Board to fund the operations of the Property Appraiser are recorded as transfers in on the financial statements of the Property Appraiser. In accordance with Florida Statutes, the Property Appraiser distributes all General Fund revenues in excess of expenditures to the Board within 31 days following the end of the fiscal year.

Related Organizations - Common Expenses

Certain expenses, which are common to the Board and all Constitutional Officers, are reported as expenses of the Board and, therefore, are not budgeted by or allocated to the Property Appraiser. These expenses paid by the Board relating to the Property Appraiser's operations are:

- Occupancy Costs
- Janitorial Service
- Utilities (Except Telephone)

Note 2 - Cash

As of September 30, 2020, the carrying amount of the Property Appraiser's deposits was \$32,867.

Credit Risk

Section 218.415(17), Florida Statutes, stipulates the State-approved investment policy for all governmental entities and includes the following investments:

- The Florida PRIME (formerly the Local Government Surplus Trust Fund), administered by the State Board of Administration.
- Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating from a nationally-recognized rating agency.
- Interest-bearing time deposits or savings accounts in qualified public depositories.
- Direct obligations of the U.S. Treasury.

The Property Appraiser does not have an investment policy that would further limit its investment choices.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it.

Qualified public depositories of public funds are required to provide collateral each month pursuant to Section 280.04, Florida Statutes. The collateral is held by the Florida Division of Treasury or other custodian with full legal rights maintained by the Florida Division of Treasury to transfer ownership. Any loss not covered by the pledged securities and deposit insurance would be assessed by the Florida Division of Treasury and paid by the other public depositories. The Property Appraiser's deposits are, therefore, considered fully insured or collateralized.

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY PROPERTY APPRAISER**

Note 3 - Risk Management

The Property Appraiser is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees and/or the public; or damage to property of others. The Property Appraiser participates in the risk management program through the Board, which uses commercial insurance and a public entity risk pool to cover certain risks from loss.

The Board obtained commercial insurance against losses for the following types of risk:

- Real and Personal Property Damage
- Public Employees' Bond
- Workers' Compensation
- Automobile Liability

The Board participates in the Florida Association of Counties Trust (FACT), a public entity risk pool for risks related to comprehensive general liability. The agreement provides that the financial liability for each participating county is limited to premiums and surplus contributions paid or obligations made to FACT. Aggregate coverage provided is limited to \$1,000,000 for each claim.

Note 4 - Long-Term Liability for Compensated Absences

The Property Appraiser's long-term liability for compensated absences is as follows:

	Balance October 1, 2019	Additions	Retirements	Balance September 30, 2020
Liability for Compensated Absences	\$ 30,543	\$ 44,780	\$ (32,256)	\$ 43,067

Of the \$43,067 liability for accrued compensated absences, management estimates that \$22,919 will be due and payable within one year. The liability is not reported in the financial statements of the Property Appraiser since it is not payable from available resources at September 30, 2020. As discussed in Note 1, this liability is reported on the statement of net position in the County-wide financial statements.

Note 5 - Pension and Postemployment Benefits Other Than Pension Benefits

Florida Retirement System (FRS) Pension Benefits

The Property Appraiser participates in the Florida Retirement System to provide benefits to his employees. A detailed plan description and any liability for employees of the Property Appraiser is included in the financial statements of the County.

Postemployment Benefits Other than Pensions

The Property Appraiser participates in the plan established by the Board of County Commissioners to provide other postemployment benefits to retirees of the Board and Constitutional Officers. A detailed plan description and any liability for employees of the Property Appraiser is included in the financial statements of the County.

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY PROPERTY APPRAISER**

Note 6 - Operating Leases

In June 2017, the Property Appraiser entered into a lease agreement for a vehicle with monthly lease payments of \$337 for thirty-six months. In May 2019, the Property Appraiser also entered into lease agreements for four vehicles with monthly lease payments of \$337 each for thirty-six months. During fiscal year 2020, lease payments on all vehicles amounted to \$21,080. The remaining lease payments on these vehicles are as follows:

<u>Year Ending September 30,</u>	<u>Payments</u>
2021	\$ 14,816
2022	<u>9,429</u>
Total	<u><u>\$ 24,245</u></u>

OTHER REPORTS

**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**

The Honorable Reginald A. Cunningham
Gadsden County Property Appraiser
Gadsden County, Florida

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the general fund of the Gadsden County, Florida, Property Appraiser (the Property Appraiser) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Property Appraiser's special purpose financial statements, and have issued our report thereon dated June 7, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Property Appraiser's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Property Appraiser's internal control. Accordingly, we do not express an opinion on the effectiveness of the Property Appraiser's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Property Appraiser'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 would not necessarily identify all deficiencies in internal control over financial reporting 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.

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The Honorable Reginald A. Cunningham
Gadsden County Property Appraiser
Gadsden County, Florida

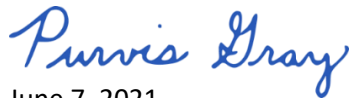
**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Property Appraiser's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



June 7, 2021
Tallahassee, Florida

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415 – INVESTMENT OF PUBLIC FUNDS

The Honorable Reginald A. Cunningham
Gadsden County Property Appraiser
Gadsden County, Florida

We have examined Gadsden County Property Appraiser's (the Property Appraiser) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, as of and for the year ended September 30, 2020, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Property Appraiser's compliance with those requirements. Our responsibility is to express an opinion on the Property Appraiser'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 Property Appraiser complied, in all material respects, with the specified requirements above. An examination involves performing procedures to obtain evidence about whether the Property Appraiser complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, the Property Appraiser complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2020.

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



June 7, 2021
Tallahassee, Florida

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MANAGEMENT LETTER

The Honorable Reginald A. Cunningham
Gadsden County Property Appraiser
Gadsden County, Florida

Report on the Financial Statements

We have audited the financial statements of the Gadsden County Property Appraiser (the Property Appraiser), as of and for the year ended September 30, 2020, and have issued our report thereon dated June 7, 2021.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of 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 7, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Property Appraiser was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Property Appraiser.

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The Honorable Reginald A. Cunningham
Gadsden County Property Appraiser
Gadsden County, Florida

MANAGEMENT LETTER

Financial Management

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

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Property Appraiser, his management team, and the Board of County Commissioners of Gadsden County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



June 7, 2021
Tallahassee, Florida

2020

Gadsden County Supervisor of Elections

Financial Statements and
Independent Auditor's Report

September 30, 2020

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

**GADSDEN COUNTY SUPERVISOR OF ELECTIONS
GADSDEN COUNTY, FLORIDA**

SEPTEMBER 30, 2020

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INDEPENDENT AUDITOR'S REPORT

The Honorable Shirley Green Knight
Gadsden County Supervisor of Elections
Gadsden County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the general fund of the Gadsden County, Florida, Supervisor of Elections (the Supervisor of Elections) as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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The Honorable Shirley Green Knight
Gadsden County Supervisor of Elections
Gadsden County, Florida

INDEPENDENT AUDITOR'S REPORT

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund of the Supervisor of Elections as of September 30, 2020, and the respective changes in financial position and budgetary comparison for the general fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the *Rules of the Auditor General* of the State of Florida (the Rules). In conformity with the Rules, the accompanying financial statements are intended to present the financial position, changes in financial position, and budgetary comparisons of the general fund, only for that portion of the major funds of Gadsden County, Florida, that is attributable to the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Gadsden County, Florida as of September 30, 2020, and the changes in its financial position and budgetary comparisons for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report on our consideration of the Supervisor of Elections' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Supervisor of Elections' internal control over financial reporting and compliance.



June 3, 2021
Tallahassee, Florida

FINANCIAL STATEMENTS

**BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2020
GADSDEN COUNTY SUPERVISOR OF ELECTIONS**

Assets	
Cash	\$ 41,122
Total Assets	<u>41,122</u>
Liabilities and Fund Balance	
Liabilities	
Accounts Payable	4,931
Due to Other Governments	5
Unearned Revenue	22,058
Accrued Wages and Benefits	14,128
Total Liabilities	<u>41,122</u>
Fund Balance	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 41,122</u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020
GADSDEN COUNTY SUPERVISOR OF ELECTIONS**

Revenues	
Intergovernmental Revenue	\$ 81,593
Total Revenues	<u>81,593</u>
Expenditures	
General Government:	
Personal Services	509,008
Operating Expenditures	336,811
Capital Outlay	<u>31,750</u>
(Total Expenditures)	<u>(877,569)</u>
Excess (Deficiency) of Expenditures Over (Under) Revenues	<u>(795,976)</u>
Other Financing Sources (Uses)	
Transfers in from Board of County Commissioners	
	798,439
Transfers (out) to Board of County Commissioners	
	<u>(2,463)</u>
Total Other Financing Sources (Uses)	<u>795,976</u>
Net Change in Fund Balance	-
Fund Balance, Beginning of Year	<u>-</u>
Fund Balance, End of Year	<u><u>\$ -</u></u>

See accompanying notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020
GADSDEN COUNTY SUPERVISOR OF ELECTIONS**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental Revenues	\$ -	\$ 113,303	\$ 81,593	\$ (31,710)
Total Revenues	<u>-</u>	<u>113,303</u>	<u>81,593</u>	<u>(31,710)</u>
Expenditures				
General Government:				
Personal Services	441,901	501,901	509,008	(7,107)
Operating Expenditures	274,627	314,942	336,811	(21,869)
Capital Outlay	<u>21,911</u>	<u>94,899</u>	<u>31,750</u>	<u>63,149</u>
(Total Expenditures)	<u>(738,439)</u>	<u>(911,742)</u>	<u>(877,569)</u>	<u>34,173</u>
Excess (Deficiency) of Expenditures Over (Under) Revenues	<u>(738,439)</u>	<u>(798,439)</u>	<u>(795,976)</u>	<u>2,463</u>
Other Financing Sources (Uses)				
Transfers in from Board of County Commissioners	738,439	798,439	798,439	-
Transfers (out) to Board of County Commissioners	<u>-</u>	<u>-</u>	<u>(2,463)</u>	<u>(2,463)</u>
Total Other Financing Sources (Uses)	<u>738,439</u>	<u>798,439</u>	<u>795,976</u>	<u>(2,463)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY SUPERVISOR OF ELECTIONS

Note 1 - Summary of Significant Accounting Policies

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

Reporting Entity

Gadsden County, Florida, (the County) is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the Board) and an appointed County Administrator, as provided by Section 125.73, Florida Statutes. The County Administrator is responsible for the administration of all departments of which the Board has the authority to control pursuant to the general laws of Florida.

The Gadsden County, Florida, Supervisor of Elections (the Supervisor of Elections) is an elected official of the County, pursuant to the *Constitution of the State of Florida*, Article VIII, Section 1(d) and is a part of the primary government of the County. The Board approves the Supervisor of Elections' total operating budget and the Clerk of Court is responsible for accounting for the Supervisor of Elections' transactions. The Supervisor of Elections is responsible for the administration and operation of the Supervisor of Elections' office, and the Supervisor of Elections' financial statements do not include the financial statements of the Board or the other Constitutional Officers of the County. There were no component units related to the Supervisor of Elections.

The operations of the Supervisor of Elections are funded by the Board. The receipts from the Board are recorded as other financing sources on the Supervisor of Elections' financial statements and as other financing uses on the Board's financial statements.

For financial reporting purposes, the Supervisor of Elections is deemed to be part of the primary government of the County and, therefore, is included as such in the County's annual financial report.

Basis of Presentation

The accompanying financial statements include all funds and accounts of the Supervisor of Elections' office, but are not a complete presentation of the County as a whole. Except for this matter, they are otherwise in conformity with accounting principles generally accepted in the United States of America (GAAP). The accompanying financial statements were prepared for the purpose of complying with Section 218.39, Florida Statutes, and Section 10.557(4), *Rules of the Auditor General—Local Governmental Entity Audits*.

The financial transactions of the Supervisor of Elections are recorded in one individual fund. This fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures.

The Supervisor of Elections reports the following fund type:

■ **Governmental Fund**

● **Major Fund**

- ▶ **General Fund**—The General Fund is the general operating fund of the Supervisor of Elections. It is used to account for all financial resources, except for those required to be accounted for in another fund.

NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY SUPERVISOR OF ELECTIONS

Basis of Accounting

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

The modified accrual basis of accounting is followed by the general fund. Under the modified accrual basis of accounting, revenues are recognized when they are received in cash or when they become both measurable and available to finance expenditures of the current period. Expenditures are recorded when the liability is incurred and/or will be paid from expendable available financial resources, except for accumulated sick and vacation pay, which are not recorded until paid.

The Supervisor of Elections considers receivables collected within 30 days after year-end to be available and susceptible to accrual as revenues of the current year. The following major revenue is considered susceptible to accrual - intergovernmental revenue.

Measurement Focus

The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. The general fund is accounted for on a spending or "financial flow" measurement focus. This means that generally, only current assets and current liabilities are included in the balance sheet. General fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of "available spendable resources" during a period.

Budgetary Requirement

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with the Florida Statutes. An annual budget is prepared by the Supervisor of Elections and adopted by the Board for the general fund.

The Supervisor of Elections' annual budget is monitored at varying levels of classification detail. However, for purposes of budgetary control, expenditures cannot legally exceed the total annual budget appropriations at the individual fund level. All appropriations lapse at year-end.

Budget to actual comparisons are provided in the financial statements for the general fund. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized amendments of the annual budget for the year. Budgets are prepared on the modified accrual basis of accounting.

Capital Assets

Tangible personal property is recorded as expenditures in the general fund at the time an asset is acquired. Assets acquired by the Supervisor of Elections are capitalized at cost in the capital asset accounts of the Board. The Supervisor of Elections maintains custodial responsibility for the capital assets used by her office.

NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY SUPERVISOR OF ELECTIONS

Unearned Revenues

Unearned revenue represents monies received from the CARES Act which had not been expended at fiscal year-end. Revenue will be recognized in subsequent years when all eligibility requirements have been met.

Compensated Absences

Permanent full-time employees of the Supervisor of Elections are entitled to accrue unlimited hours of sick leave and 240 hours of vacation time. Upon termination, employees can be paid up to 240 hours of vacation time and up to one-fourth of unused sick time, with the payment of one-fourth of unused sick time being subject to three years of consecutive employment.

The Supervisor of Elections' accrued compensated absences are reported in the statement of net position in the County-wide financial statements.

Transfers In and Out

The Board funds primarily the entire operating budget of the Supervisor of Elections. The payments by the Board to fund the operations of the Supervisor of Elections are recorded as transfers in on the financial statements of the Supervisor of Elections. In accordance with Florida Statutes, the Supervisor of Elections distributes all general fund revenues in excess of expenditures to the Board within 31 days following the end of the fiscal year.

Related Organizations—Common Expenses

Certain expenses, which are common to the Board and all Constitutional Officers, are reported as expenses of the Board and, therefore, are not budgeted by or allocated to the Supervisor of Elections. These expenses paid by the Board relating to the Supervisor of Elections operations are:

- Occupancy Costs
- Janitorial Service
- Utilities (Except Telephone)
- Property Insurance

Note 2 - Cash

As of September 30, 2020, the carrying amount of the Supervisor of Elections' deposits was \$41,122.

Credit Risk

Section 218.415(17), Florida Statutes, stipulates the State-approved investment policy for all governmental entities and includes the following investments:

- The Florida PRIME (formerly the Local Government Surplus Trust Fund), administered by the State Board of Administration.
- Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating from a nationally-recognized rating agency.
- Interest-bearing time deposits or savings accounts in qualified public depositories.
- Direct obligations of the U.S. Treasury.

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY SUPERVISOR OF ELECTIONS**

The Supervisor of Elections does not have an investment policy that would further limit its investment choices.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the government’s deposits may not be returned to it.

Qualified public depositories of public funds are required to provide collateral each month pursuant to Section 280.04, Florida Statutes. The collateral is held by the Florida Division of Treasury or other custodian with full legal rights maintained by the Florida Division of Treasury to transfer ownership. Any loss not covered by the pledged securities and deposit insurance would be assessed by the Florida Division of Treasury and paid by the other public depositories. The Supervisor of Elections’ deposits are therefore considered fully insured or collateralized.

Note 3 - Risk Management

The Supervisor of Elections is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees and/or the public; or damage to property of others. The Supervisor of Elections participates in the risk management program through the Board, which uses commercial insurance and a public entity risk pool to cover certain risks from loss.

The Board obtained commercial insurance against losses for the following types of risk:

- Real and Personal Property Damage
- Public Employees’ Bond
- Workers’ Compensation
- Automobile Liability

The Board participates in the Florida Association of Counties Trust (FACT), a public entity risk pool for risks related to comprehensive general liability. The agreement provides that the financial liability for each participating county is limited to premiums and surplus contributions paid or obligations made to FACT. Aggregate coverage provided is limited to \$1,000,000 for each claim.

Note 4 - Long-Term Liability for Compensated Absences

The Supervisor of Elections’ long-term liability for compensated absences is as follows:

	Balance October 1, 2019	Additions	Retirements	Balance September 30, 2020
Liability for Compensated Absences	\$ 6,341	\$ 15,458	\$ (11,296)	\$ 10,503

Of the \$10,503 liability for accrued compensated absences, management estimates that \$6,852 will be due and payable within one year. The liability is not reported in the financial statements of the Supervisor of Elections since it is not payable from available resources at September 30, 2020. As discussed in Note 1, the liability is reported on the statement of net position in the County-wide financial statements.

**NOTES TO FINANCIAL STATEMENTS
GADSDEN COUNTY SUPERVISOR OF ELECTIONS**

Note 5 - Pension and Postemployment Benefits Other Than Pension Benefits

Florida Retirement System (FRS) Pension Benefits

The Supervisor of Elections participates in the Florida Retirement System to provide benefits to her employees. A detailed plan description and any liability for employees of the Supervisor of Elections are included in the financial statements of the County.

Postemployment Benefits Other than Pensions

The Supervisor of Elections participates in the plan established by the Board of County Commissioners to provide other postemployment benefits to retirees of the Board and Constitutional Officers. A detailed plan description and any liability for employees of the Supervisor of Elections is included in the financial statements of the County.

OTHER REPORTS

**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**

The Honorable Shirley Green Knight
Gadsden County Supervisor of Elections
Gadsden County, Florida

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the general fund of the Gadsden County, Florida, Supervisor of Elections (the Supervisor of Elections) as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' special purpose financial statements, and have issued our report thereon dated June 3, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Supervisor of Elections' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Supervisor of Elections' internal control. Accordingly, we do not express an opinion on the effectiveness of the Supervisor of Elections' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Supervisor of Elections' financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

The Honorable Shirley Green Knight
Gadsden County Supervisor of Elections
Gadsden County, Florida

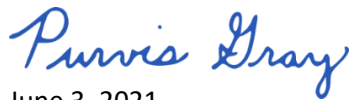
**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Supervisor of Elections' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance 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 non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



June 3, 2021
Tallahassee, Florida

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415 – INVESTMENT OF PUBLIC FUNDS

The Honorable Shirley Green Knight
Gadsden County Supervisor of Elections
Gadsden County, Florida

We have examined Gadsden County Supervisor of Elections' (the Supervisor of Elections) compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, as of and for the year ended September 30, 2020, as required by Section 10.556(10)(a), *Rules of the Auditor General*. Management is responsible for the Supervisor of Elections' compliance with those requirements. Our responsibility is to express an opinion on the Supervisor of Elections' 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 Supervisor of Elections complied, in all material respects, with the requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Supervisor of Elections complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material non-compliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Supervisor of Elections' compliance with specified requirements.

In our opinion, the Supervisor of Elections complied, in all material respects, with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies*, for the year ended September 30, 2020.

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



June 3, 2021
Tallahassee, Florida

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MANAGEMENT LETTER

The Honorable Shirley Green Knight
Gadsden County Supervisor of Elections
Gadsden County, Florida

Report on the Financial Statements

We have audited the financial statements of the Gadsden County Supervisor of Elections (the Supervisor of Elections), as of and for the fiscal year ended September 30, 2020 and have issued our report thereon dated June 3, 2021.

Auditor's Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of 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 3, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Supervisor of Elections was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Supervisor of Elections.

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Gadsden County, Florida

MANAGEMENT LETTER

Financial Management

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

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate non-compliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, the Supervisor of Elections, her management team, and the Board of County Commissioners of Gadsden County, Florida, and is not intended to be, and should not be, used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesies extended to us during the course of our audit. Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.



June 3, 2021
Tallahassee, Florida