

Gulf County, Florida

**Annual Financial Statements
September 30, 2020**

Vance CPA, LLC

Certified Public Accountant

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**GULF COUNTY, FLORIDA
SEPTEMBER 30, 2020
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INDEPENDENT AUDITORS' REPORT

Honorable Members of the
Board of County Commissioners
Gulf County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Gulf 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 the accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Gulf County, Florida, as of September 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the general fund, general grants fund, construction and acquisition fund, and the

public improvement fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules of funding progress, share of net pension liability, retirement contributions, and employees contribution for retiree's health insurance other post employment benefits plan be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statement, 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

The accompanying schedule of expenditures of federal awards and state financial assistance, as required by 2 CFR Part 200, *Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, Chapter 10.550 *Rule of the Auditor General of the State of Florida*, and the combining nonmajor fund financial statements are presented for purposes of additional analysis and is also not a required part of the financial statements. Such 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. The 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 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 our report dated June 18, 2021, on our consideration of the Gulf County, Florida'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 Gulf County, Florida's internal control over financial reporting and compliance.

Vance CPA LLC

Vance CPA LLC
June 18, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

The Management of the Board of County Commissioners of Gulf County (County) has prepared the following discussion and analysis to (a) assist the reader in focusing on significant financial issues, (b) provide an overview and analysis of the County's financial activities, (c) identify changes in the County's financial position, (d) identify material deviations from the financial plan (approved budget), and (e) highlight significant issues in individual funds. Because the information contained in the Management's Discussion and Analysis (MD&A) is intended to highlight significant transactions, events and conditions, it should be considered in conjunction with the County's financial statements.

The information presented in this financial statement is perhaps best understood when it is considered in the broader perspective of the environment in which the County operates.

General Information

Gulf County was incorporated in 1925 and is located in northwest Florida on the Gulf of Mexico. With an area of 557 square miles and based on the Florida Legislature Office of Economic and Demographic Research has a population of approximately 16,600. Gulf County is a sparse, low density county. Gulf County is a non charter county governed by the Board of County Commissioners.

The Board of County Commissioners (Board) is the legislative and policy making body of the County. Each of the five commissioners is elected from a separate district. Annually, the Board elects a chairman that serves as the presiding officer. Elections are held every two years for staggered four year terms. The Board employs the County Administrator to implement the policies of the Board, provide organizational leadership and direct business and administrative procedures.

Gulf County provides a broad range of services, including law enforcement; fire protection; rescue; emergency medical services; maintenance of streets, highways, bridges and traffic signals; parks; libraries; and certain other community and human services.

Financial Highlights

- The County's total government-wide net position increased 7.6% or \$4,508,219 from September 30, 2019, to September 30, 2020. This increase was due to grant activity.
- During the year ended September 30, 2020, the County's general fund revenues exceeded expenditures by \$1,230,097.
- For the year ended September 30, 2020, the County's capital assets net of accumulated depreciation increased by approximately \$3.9 million, or by 6.7%.

Non-Financial Highlights

Hurricane Michael

On October 10, 2018, Hurricane Michael made landfall less than twenty miles from Port St. Joe (Gulf County seat) between Mexico Beach and Tyndall Airforce Base in the Florida panhandle. The National Oceanic and Atmospheric Administration (NOAA) rated Hurricane Michael a Category 5 with 155 mph sustained winds; the strongest hurricane on record to affect the Florida Panhandle. FEMA categorized Gulf County's damage as catastrophic. Although great progress has been made in the cleanup and recovery, efforts continue to the rebuilding of Gulf County's infrastructure and economy.

It should be noted that the population of Gulf County has changed due to residents relocating in the aftermath of Hurricane Michael. In addition, Hurricane Michael also caused substantial damage to Gulf County Correctional facility in Wewahitchka. Inmates housed at this facility were relocated to other State facilities. The Department of Corrections continues to repair the damaged buildings with hopes of returning to full capacity over time. It is important to note that inmates are counted as residents for the Federal Census taken in 2020 and it is still unknown what affect Hurricane Michael will have on the Census.

In the first quarter of 2020 the world experienced a global pandemic that has continued into 2021. The onset of COVID-19 and its infectious results caused global shortages on goods and services. Businesses and its employees were unable to work and meet the supply demand and unemployment rates began to soar. Gulf County government and court facilities closed on March 19, 2020, providing only essential services with minimal staff. Government and Court facilities reopened with limited services and controlled access on May 14, 2020. The local and global effects on the economy are still being determined.

Given the property damage caused by Hurricane Michael, the Countywide valuation of the taxable property values decreased from \$1.74 billion for 2018-2019 to \$1.63 billion in 2019-2020. The Triumph Board funded a \$4,271,683 grant for loss of revenues to Gulf County with \$2,168,232 be retained by the County and the remainder to be distributed to the Cities of Port St. Joe and Wewahitchka, as well as the School Board. In response, the County Commission continued their commitment to give property owners relief by voting to maintain the same millage rate of 7.1000. The original operating budget for fiscal year 2019-2020 was \$56,105,329. For fiscal year 2019-2020 countywide ad valorem revenue received was \$11,130,326.99, a 7% decrease over the prior fiscal year.

In addition to ad valorem taxes the county relied on grants and other revenues to meet the budget needs. Below are some of the revenues received during fiscal year 2019-2020:

- County entered into a lease agreement with FEMA to provide temporary housing for displaced residents behind Beacon Hill Park for one year. FEMA provided the infrastructure for the sites with an option to allow the County to leave the infrastructure in place for its use or FEMA would return the property to its previous condition. The lease revenue received in 2019-2020 was \$403,603.60 and the lease was terminated in October 2020. These funds are designated for the repair and maintenance of County parks.
- County continued to receive tipping fees from the reopening of the Five Points Landfill to accept vegetation and concrete debris. The new transfer station was also opened to the public in July 2020 and moved from a 3rd party operating agreement to an in-house operation.
- Building permit revenue of \$545,024.06 decreased 6%, but was still elevated compared to pre-Hurricane Michael permit revenues due to the increased demand for permits for property repairs and new construction. In addition, mobile home license tax increase by 100% during the year as many property owners replaced damaged homes with mobile or modular homes.
- State shared revenues decreased by approximately 15% from the prior fiscal year due to the impacts of Hurricane Michael and the COVID-19 pandemic. The TDC local option bed tax was impacted, but rebounded with an increase of 33% from the prior fiscal year once the ban on vacation rentals was lifted.
- Insurance settlement claims, primarily related to Hurricane Michael, were received in the amount of \$1,791,303.64. Additional claims are expected to be settle during fiscal year 2020-2021.
- The County owned Golf Course brought in \$580,617.18 in revenues with its first full year of operation in 2019-2020. This is in addition to the \$100,000 inter-fund transfer.

The County received both Federal and State grants during the Fiscal year 2019-2020 the following is a sampling of the grants received and their uses. See the Statement of State and Federal Assistance included in the financial statements for additional information.

- With the use of Restore Act and Department of Environmental Protection's Beach Management grant funding, the County expended \$6,980,910.64 on beach restoration projects. This is in addition to the beach restoration project cost funded by 2016 bond proceeds.
- Road widening and resurfacing projects utilized funds from SCOP and SCRAP grants in the amount of \$3,638,199.10.
- The Hurricane Housing Recovery Program expended \$2,261,100.62 in grant funds to assist residents with repairs and purchase assistance in response to Hurricane Michael.
- The Emergency Watershed Protection Program funded \$2,207,988.62 in debris removal related to Hurricane Michael effecting our ditches and waterways.
- \$2,000,000 was received from the Hurricane Michael State Recovery Grant Program for revenue loss and operating deficits.
- The Eastern Ship Building floating dry dock expenditures for professional fees of \$1,306,975.13 were funded by the Department of Transportation's Sea Port grant program.
- Public works continued work on the new transfer station and scale house at the Five Points Landfill; added facility backup generators to radio towers and fire stations; and improved parking at Salinas Park with grant funds from Division of Housing and Community Development. The total grant amount is \$900,000 and expenditures during 2019-2020 totaling \$764,814.11.
- The County was awarded a total of \$2,517,575 in Coronavirus Relief Funds, which was used to meet the various needs of the County as it worked to mitigate and respond to the COVID-19 public health crisis. A total of \$626,310.54 was reported for expenditures during 2019-2020, with the remaining funds being reported in 2020-2021.

In July 2019 just prior to the previous 2018-2019 fiscal year end, the County purchased the St Joe Bay Golf Club (SJBGC) from private owners for \$380,937. The assessed value of the SJBGC was \$1,724,816 as of 2018. The SJBGC is an 18-hole Gulf Course located near Port St. Joe consisting of approximately 173 acres. The club offers a driving range, putting green, pool, clubhouse. The full service restaurant located inside the clubhouse is leased to a third party which operates the kitchen, bar, and dining area. A professional golf club manager was hired to manage the day to day operations. Club membership is open the public.

Sacred Heart Hospital on the Gulf, part of the Sacred Heart Health System, opened in March 2010. The County adopted by ordinance in 2005 a discretionary ½ cent small county surtax to help fund the construction of the hospital. An inter-local agreement was entered into with the City of Wewahitchka and the City of Port St. Joe whereby the County will receive all funds generated from the small county surtax and such funds will be used as set forth in the agreement. The additional tax was effective January 1, 2006. The receipts on the Small County Surtax decreased 2% in fiscal year 2019-2020.

The County did not issue any new debt during the Fiscal year 2019-2020. The County issued two bonds during the fiscal year 2016-2017. The County issued \$3,440,000 in Limited Ad Valorem Tax Bonds, Series 2016. The bonds a limited obligation of the County, the principal and interest on the bonds are payable from and secured by a pledge of the ad valorem taxing power of the County within its three Cape San Blas Municipal Taxing Units, named Bayside, Gulfside Beachfront and Gulfside Interior. At the time of bond issuance, the County estimated that, based on the 2016 tax rolls, the initial levy necessary to comply with the requirements of the bonds, will be 1.1052 mills in the Bayside, 1.3139 mills in the Gulf Beachfront, and 1.1549 mills in the Gulfside Interior. Based on the current tax rolls the millage rates for the MSTU were reduced to 0.9016 mills in the Bayside, 1.1547 mills in the Gulf Beachfront, and 0.8664 mills in the Gulfside Interior. The County additionally issued \$4,000,000 non-ad valorem Revenue Bonds, Series 2016. The principal and interest payments of these bonds will be paid from the general non-committed and non-restricted revenues of the County. The County has signed a Resolution to appropriate in its annual budget to pay all debt obligations for the Bond issuance. Proceeds from the sale of the Bonds will be applied for the renourishment and reconstruction of the beachfront at Cape San Blas in Gulf County. Grant funding has allowed the County to reduce the non-ad valorem revenue bond to a principal balance of \$690,000 as of 9/30/2020.

Overview of the Financial Statements

Management's discussion and analysis serves as an introduction to the County's basic financial statements. The basic financial statements consist of three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements

In addition, this report presents certain required supplementary information.

Government-wide Financial Statements

The government-wide financial statements provide both short-term and long-term information about the County's overall financial condition in a manner similar to those of a private-sector business.

These statements combine and consolidate governmental fund's current financial resources (short-term expendable resources) with capital assets and long-term obligations. They include a *statement of net position* and a *statement of activities* that are designed to provide consolidated financial information about the governmental activities of the County presented on the accrual basis of accounting.

- The *statement of net position* provides information about the government's financial position, its assets and liabilities, using an economic resources measurement focus. The difference between the assets and liabilities, the net position, is a measure of the financial health of the County.
- The *statement of activities* presents information showing how the County's net position changed during the 2020 fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes earned, and earned but unused vacation leave). This statement is intended to summarize and simplify the user's analysis of cost of various governmental services. An increase or decrease in net position is an indication of whether the County's financial health is improving or deteriorating.

Both of these financial statements present the functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public health and safety, physical environment, transportation, economic environment, human services, culture and recreation, and court related activities. The business-type activities of the County include separate water and sewer systems which are not currently operational, and the County is reporting the residual assets associated with these activities.

Over a period of time, changes in the County's net position are an indication of improving or deteriorating financial condition. This information should be evaluated in conjunction with other nonfinancial factors, such as changes in the County's property tax base and the condition of the County's capital assets including infrastructure assets.

Fund Financial Statements

Fund financial statements are one of the components of the basic financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and prudent fiscal management. Certain funds are established by law while others are created by legal agreements, such as bond covenants. Fund financial statements provide more detailed information about the County's financial activities, focusing on its most significant or major funds rather than fund types. This is in contrast to the entity-wide perspective contained in the government-wide statements. All of the County's funds may be classified in the broad category of *governmental funds*, *proprietary funds*, and *fiduciary (agency) funds* as discussed below.

- Governmental funds – these funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental funds utilize a spendable financial resources measurement focus rather than the economic resources measurement focus found in the government-wide financial statements. This financial resources measurement focus allows the governmental fund statements to provide information on near-term inflows and outflows of spendable resources as well as balances of spendable resources available at the end of the fiscal year. Consequently, the governmental fund statements provide a detailed short-term view that may be used to evaluate the County's near-term financing requirements. This short-term view is useful when compared to the long-term view presented as governmental activities in the government-wide financial statements. To facilitate this comparison, both the governmental balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation of governmental funds to governmental activities.
- Proprietary funds – the County maintains one type of proprietary funds which is the enterprise funds. These funds are used to report business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the fiscal activities relating to water and sewer systems in Gulf County. The proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.
- Fiduciary (agency) funds – fiduciary funds are used to report assets held in a trustee or fiduciary capacity for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide statements because the resources are not available to support the County's programs. In its fiduciary capacity, the County is responsible for ensuring that the assets reported in these funds are used only for their intended purposes.

Infrastructure Assets

Generally a government's largest group of assets (infrastructure – roads, bridges, traffic signals, and underground pipes not associated with a utility, etc.) are not reported nor depreciated in governmental fund financial statements. GASB Statement No. 34 requires these assets be valued and reported in the governmental column of the government-wide statements. Additionally, the government must elect to either (a) depreciate these assets over their estimated useful life or (b) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government elects the asset management (the modified approach), which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its costs of maintenance in lieu of depreciation. The County has elected to depreciate its infrastructure assets.

Government-wide Financial Analysis

Statement of Net Position

Net position may serve over time as a useful indicator of a government's financial position. County's assets exceeded liabilities (governmental and business-type activities) by approximately \$64 million at the close of the fiscal year ended September 30, 2020, and \$59 million at September 30, 2019.

Net Position						
September 30,	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current assets	\$44,258,970	\$45,693,156	\$ 128,329	\$ 160,260	\$ 44,387,299	\$ 45,853,416
Capital assets, net	<u>61,589,163</u>	<u>58,079,088</u>	<u>1,000,905</u>	<u>581,826</u>	<u>62,590,068</u>	<u>58,660,914</u>
Total assets	<u>105,848,133</u>	<u>103,772,244</u>	<u>1,129,234</u>	<u>742,086</u>	<u>106,977,367</u>	<u>104,514,330</u>
Deferred Outflows	<u>7,191,795</u>	<u>6,310,069</u>	<u>—</u>	<u>—</u>	<u>7,191,795</u>	<u>6,310,069</u>
Current liabilities	4,972,696	7,627,972	54,289	26,340	5,026,985	7,654,312
Long-term liabilities	<u>39,735,871</u>	<u>39,244,791</u>	<u>244,315</u>	<u>—</u>	<u>39,980,186</u>	<u>39,244,791</u>
Total liabilities	<u>44,708,567</u>	<u>46,872,763</u>	<u>298,604</u>	<u>26,340</u>	<u>45,007,171</u>	<u>46,899,103</u>
Deferred inflows	<u>4,993,120</u>	<u>4,264,644</u>	<u>—</u>	<u>—</u>	<u>4,993,120</u>	<u>4,264,644</u>
Net investment in capital assets	44,767,990	37,598,016	719,095	581,826	45,487,085	38,179,842
Net position - Restricted	15,037,708	22,464,591	—	110,466	15,037,708	22,575,057
Net position - Unrestricted	<u>3,532,543</u>	<u>(1,117,701)</u>	<u>111,535</u>	<u>23,454</u>	<u>3,644,078</u>	<u>(1,094,247)</u>
Total net position	<u>\$63,338,241</u>	<u>\$ 58,944,906</u>	<u>\$ 830,630</u>	<u>\$ 715,746</u>	<u>\$ 64,168,871</u>	<u>\$ 59,660,652</u>

Statement of Activities

The following schedule summarizes revenues and expenses for years ended September 30, 2020 and 2019:

Changes in Net Position						
Year Ended September 30,	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Program Revenues -						
Charges for services	\$ 4,190,921	\$ 5,928,520	\$ 580,617	\$ 125,519	\$ 4,771,538	\$ 6,054,039
Operating grants and contributions	11,581,163	5,478,316	—	—	11,581,163	5,478,316
Capital grants and contributions	12,098,281	7,388,392	—	—	12,098,281	7,388,392
General Revenues -						
Property taxes	12,134,500	13,072,730	—	—	12,134,500	13,072,730
Sales taxes	5,680,791	5,146,146	—	—	5,680,791	5,146,146
State shared revenue	2,776,411	3,355,247	—	—	2,776,411	3,355,247
Investment earnings	593,784	563,644	—	—	593,784	563,644
Other	<u>2,076,610</u>	<u>4,883,359</u>	<u>—</u>	<u>—</u>	<u>2,076,610</u>	<u>4,883,359</u>
Total revenues	<u>51,132,461</u>	<u>45,816,354</u>	<u>580,617</u>	<u>125,519</u>	<u>51,713,078</u>	<u>45,941,873</u>
Expenses						
General government	8,714,200	11,360,095	—	—	8,714,200	11,360,095
Public safety	12,448,134	11,232,938	—	—	12,448,134	11,232,938
Physical environment	13,128,253	3,265,706	—	—	13,128,253	3,265,706
Transportation	4,759,132	5,897,343	—	—	4,759,132	5,897,343
Economic environment	4,259,339	2,418,913	—	—	4,259,339	2,418,913
Human services	1,891,228	1,859,990	—	—	1,891,228	1,859,990
Culture and recreation	595,004	554,143	—	—	595,004	554,143
Court related	843,836	728,765	—	—	843,836	728,765
Business type	<u>—</u>	<u>—</u>	<u>565,733</u>	<u>132,002</u>	<u>565,733</u>	<u>132,002</u>
Total expenditures	<u>46,639,126</u>	<u>37,317,893</u>	<u>565,733</u>	<u>132,002</u>	<u>47,204,859</u>	<u>37,449,895</u>
Excess (deficiency) before transfers (net)	4,493,335	8,498,461	14,884	(6,483)	4,508,219	8,491,978
Transfers	<u>(100,000)</u>	<u>(480,938)</u>	<u>100,000</u>	<u>480,938</u>	<u>—</u>	<u>—</u>
Change in net position	<u>\$ 4,393,335</u>	<u>\$ 8,017,523</u>	<u>\$ 114,884</u>	<u>\$ 474,455</u>	<u>\$ 4,508,219</u>	<u>\$ 8,491,978</u>

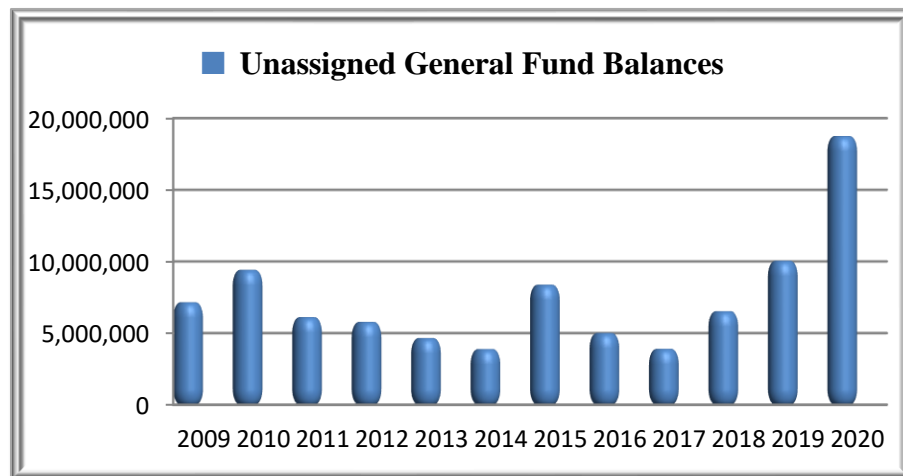
Financial Analysis of Individual Funds

This section provides an analysis of the balances and transactions of individual funds. The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

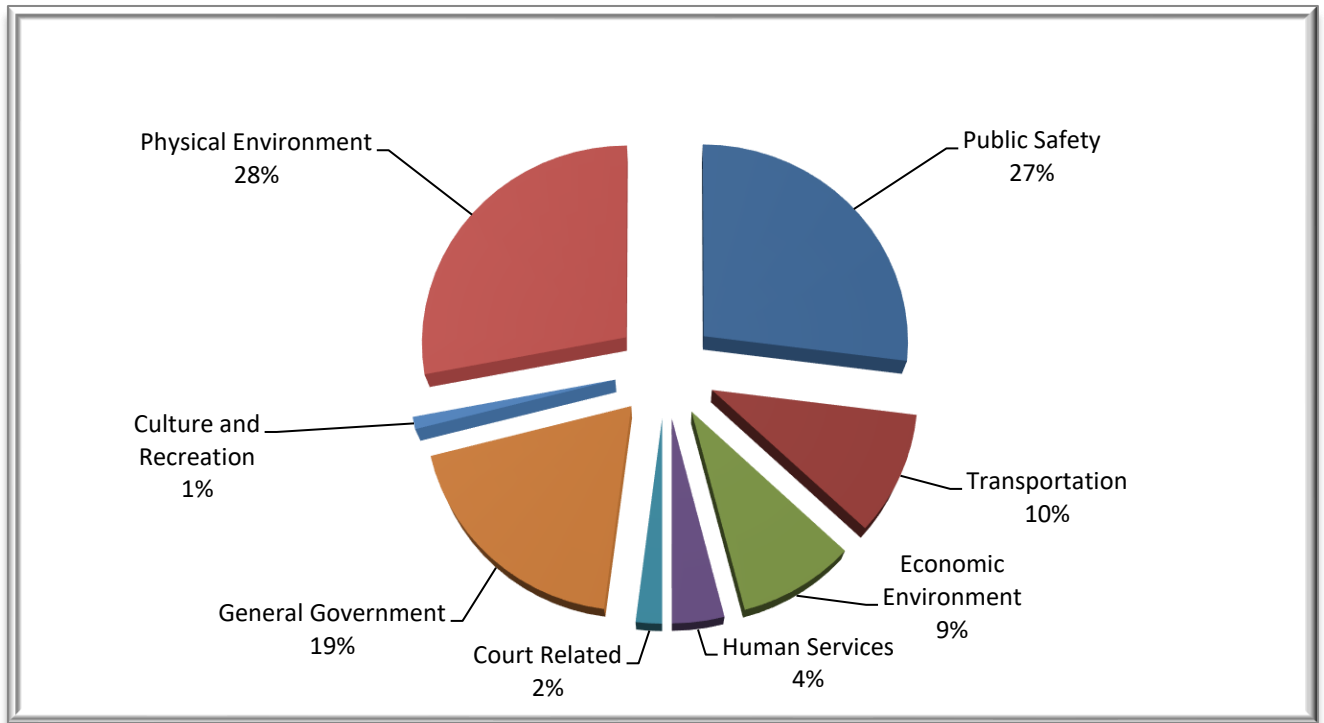
Governmental Funds

The primary purpose of the County's *governmental funds* is to provide information on near-term inflows, outflow, and balances of *spendable resources*. Such information is useful in assessing the County's financing requirements. In particular, *unassigned fund balance* may serve as useful measure of a government's net resources, available for spending, at the end of the current and prior fiscal year. As of September 30, 2020 Gulf County governmental funds reported combined fund balances of \$36,422,952 a decrease of \$363,864 when compared to prior year combined fund balances. The governmental funds had non-spendable fund balances of \$1,621,103. The restricted fund balance was \$15,037,708 and consists of monies whose expenditure is externally constrained by grantors, creditors, binding law or enabling legislation. Of the remaining \$19,832,258 in fund balance, \$1,025,690 is classified as committed, \$10,057,607 is classified as assigned and \$8,680,844 is recorded as unassigned.

- **General Fund Unrestricted/Undesignated Fund Balance.** As depicted in the following graph, the unassigned fund balance of the Board's general fund (the general operating fund of the County) increased over the past year.



- **Governmental Activities Expenses by Functions.** The following graph depicts the County's total governmental activities expenses by function for the fiscal year ending September 30, 2020.



Major Funds

Governmental Funds

The general, fines and forfeitures, construction and acquisition, beach renourishment, and debt service public improvement funds are reported as major governmental funds.

- The general fund is the general operating fund of the County. All general tax revenues and other receipts that are not required either legally or by generally accepted accounting principles to be accounted for in other funds are accounted for in the general fund.

General operating funds of the Clerk of the Circuit Court, Property Appraiser, Sheriff, Tax Collector, and Supervisor of Elections represent funds included in the County's general fund that are held and accounted for individually, but presented with the balance of the Board of County Commissioners' operating funds.

- The Hospital Fund accounts for the local option discretionary sales tax that fund operations at the local hospital.

- The Hurricane Housing Recovery Fund is used to account for grant and other funds used to aid in the housing recovery from Hurricane Michael.
- The Capital Projects Fund is used to account for capital construction.
- The Tourist Development fund accounts for the 5% local option tourist development tax.
- The General Grants Fund accounts for the activity of various grants.
- BP Restore Act Fund accounts for resources used to account for the accumulation of resources for and the payment of expenditures allowable by the BP Restore Act.

Proprietary Funds

The County owns the two remaining water systems, Williamsburg/Methodist Hill and Oak Grove. The City of Wewahitchka operates the Williamsburg/Methodist Hill Water System. Although there is not an active inter-local agreement this water system continues to be operated by the City of Wewahitchka under the terms of the 1993 inter-local agreement which terminated in 1994. The City of Port St. Joe operates the Oak Grove Water System. Neither one of these water systems brings any revenue to the County. The only expense to the County for either of these two water systems is depreciation. During 2019 the County purchased a golf course.

Budget Variances in Major Funds

The following budget variances occurred in the major funds during the year ended September 30, 2020.

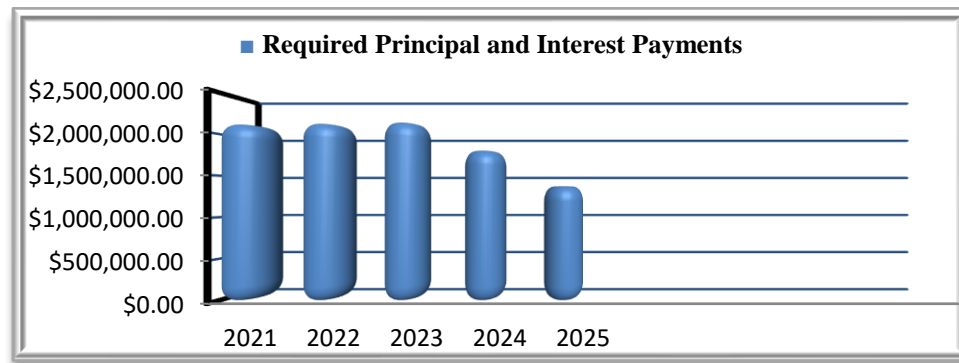
- Intergovernmental revenue (federal, state, and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes) is \$392,737 less than budgeted in the general fund. Several grants were neither completed nor started in the 2019-2020 fiscal year as originally anticipated therefore actual revenues are less than budgeted.
- General Fund charges for services include County officer fees, ambulance fees, and tipping fees. The positive variance of \$390,739 is partly due to increased fees.
- General Fund License revenue shows a positive variance of \$238,996. This positive variance is from a combination of rent, and contributions not originally anticipated.
- Public Safety expenditures had a \$666,734 positive variance.

Other variances disclosed on the major fund budget and actual statements and not noted herein are within expected ranges.

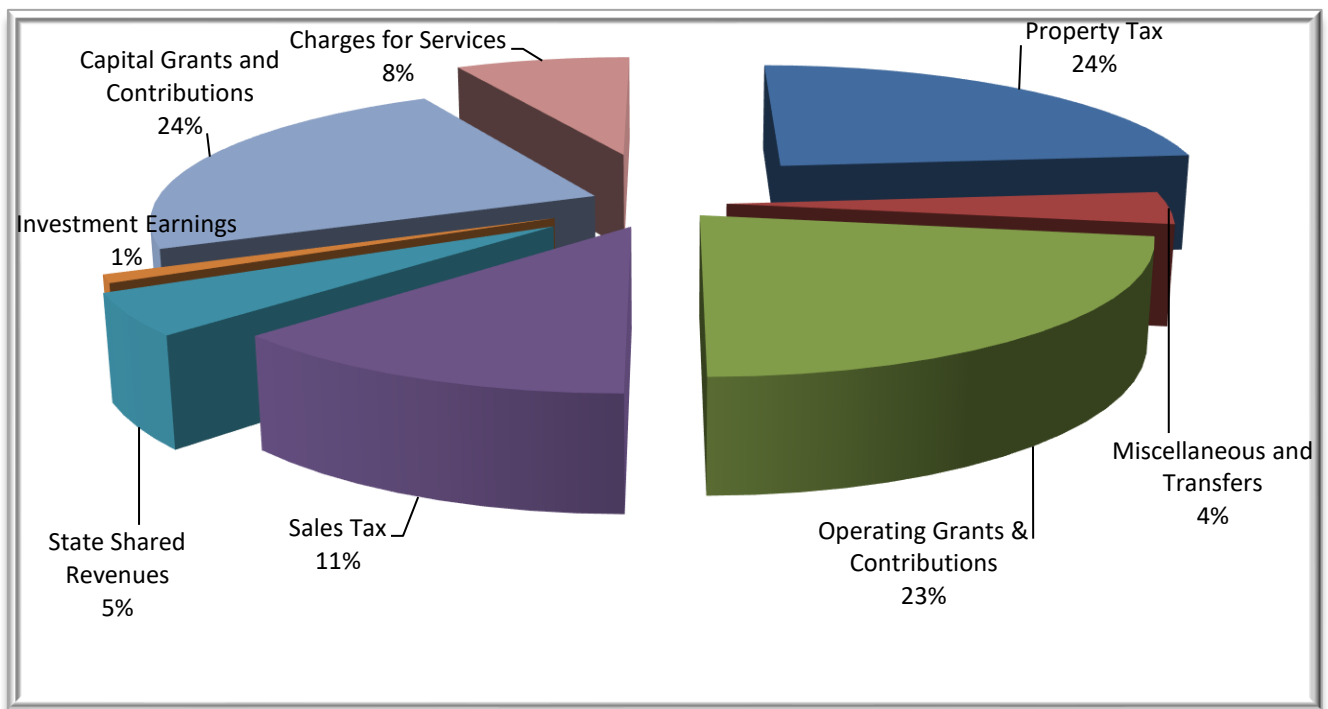
It should be noted that budget expenditure variances shown on the individual major funds are favorable in total.

Capital Assets and Long-Term Debt

- **Governmental Funds Outstanding Debt.** The following graph depicts future principal and interest payments required to be paid by the County from governmental fund resources on outstanding debt as of September 30, 2020. *Not shown on this graph are existing scheduled debt repayments for years 2026 through 2035.*



- **Governmental Activities Revenues by Source.** The following graph depicts the County's total governmental activities revenue by source for the fiscal year.

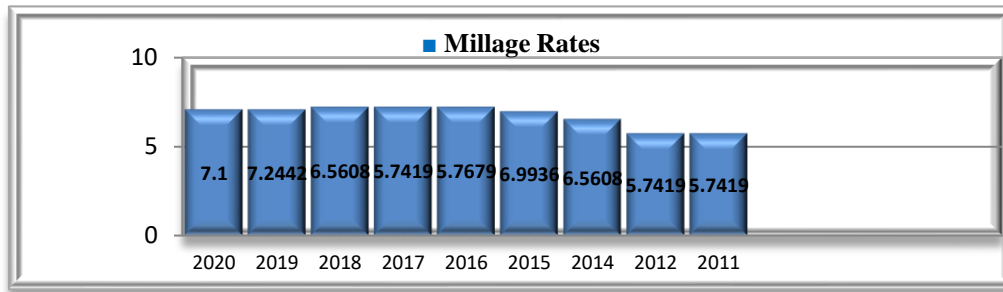
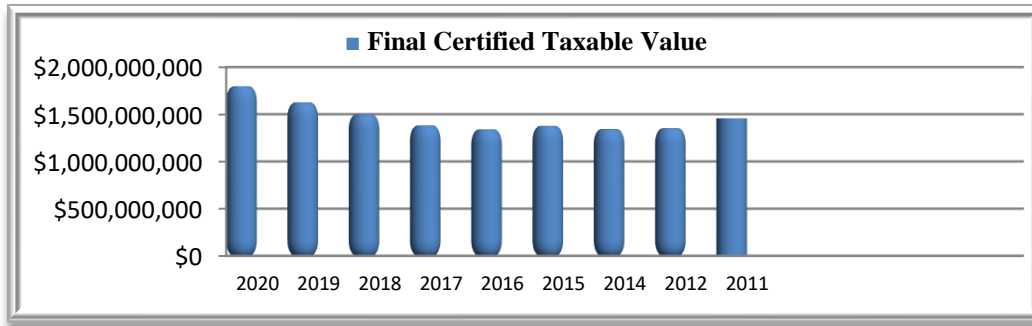


Significant Economic Factors

Taxable Value of Property and Millage Rates

During the year ended September 30, 2020 Gulf County calculated \$12,755,774 in property taxes based on the certified taxable value of property in Gulf County

Certified Taxable Value by Tax Year



Requests for Information

This report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of the County's finances and to demonstrate compliance and accountability for its resources. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Rebecca L. Norris, Clerk of Circuit Court of Gulf County
1000 Cecil G. Costin, Sr. Blvd., Room 148
Port St. Joe, Florida 32456

BASIC FINANCIAL STATEMENTS

GULF COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 35,004,331	\$ 87,057	\$ 35,091,388
Receivables (net):			
Accounts	832,169	11,508	843,677
Notes receivable	344,729	—	344,729
Prepaid expenses	1,621,103	1,760	1,622,863
Internal balances	81,509	(500)	81,009
Due from other governments	6,375,129	—	6,375,129
Inventory	—	28,504	28,504
Total Current Assets	44,258,970	128,329	44,387,299
Noncurrent assets			
Restricted cash and cash equivalents	101,173	—	101,173
Capital assets: Nondepreciable	18,554,201	335,338	18,889,539
Depreciable (net)	42,933,789	665,567	43,599,356
Total Noncurrent Assets	61,589,163	1,000,905	62,590,068
Total Assets	105,848,133	1,129,234	106,977,367
DEFERRED OUTFLOWS			
Employee Pension Contributions	6,851,990	—	6,851,990
OPEB related	339,805	—	339,805
Total Deferred outflows	7,191,795	—	7,191,795
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	2,738,314	17,531	2,824,623
Due to other governments	99,606	—	99,606
Total Current Liabilities	2,837,920	17,531	2,924,229
Noncurrent liabilities			
Due in less than one year			
Compensated absences	594,776	—	594,776
Installment contracts and notes payable	1,540,000	—	1,540,000
Capital lease payable	—	36,758	36,758
Due in more than one year			
Compensated absences	1,784,327	—	1,784,327
Capital lease payable	—	244,315	244,315
Bonds payable	15,180,000	—	15,180,000
Net pension liability	21,054,661	—	21,054,661
Other postemployment benefits	927,937	—	927,937
Landfill closure liability	788,946	—	788,946
Total Noncurrent Liabilities	41,870,647	281,073	42,151,720
Total Liabilities	44,708,567	298,604	45,007,171

See accompanying notes to the basic financial statements

GULF COUNTY, FLORIDA
STATEMENT OF NET POSITION – Continued
SEPTEMBER 30, 2020

DEFERRED INFLOWS

Unearned exchange transactions	4,440,909	—	4,440,909
Pension earnings	<u>552,211</u>	<u>—</u>	<u>552,211</u>

Total Deferred Inflows	<u>4,993,120</u>	<u>—</u>	<u>4,993,120</u>
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NET POSITION

Net investment in capital assets	44,767,990	719,095	45,487,085
Restricted	15,037,708	—	15,037,708
Unrestricted	<u>3,532,543</u>	<u>111,535</u>	<u>3,644,078</u>

Total Net Position	<u>\$ 63,338,241</u>	<u>\$ 830,630</u>	<u>\$ 64,168,871</u>
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See accompanying notes to the basic financial statements

GULF COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2020

		Net (Expense) Revenue and Changes in Net Position					
		Program Revenues			Primary Government		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
Primary government							
Governmental activities							
General government	\$ 8,714,200	\$ 1,612,156	\$ 2,274,929	\$ —	\$ (4,827,115)	\$ —	\$ (4,827,115)
Public safety	12,448,134	1,173,717	1,282,430	81,882	(9,910,105)	—	(9,910,105)
Physical environment	13,128,253	822,308	10,985,773	230,526	(1,089,646)	—	(1,089,646)
Transportation	4,759,132	61,876	1,311,975	3,638,199	252,918	—	252,918
Economic environment	4,259,339	—	2,515,550	738,818	(1,004,971)	—	(1,004,971)
Human services	1,891,228	—	—	34,497	(1,856,731)	—	(1,856,731)
Culture and recreation	595,004	38,600	89,805	157,452	(309,147)	—	(309,147)
Court related	843,836	482,264	337,608	—	(23,964)	—	(23,964)
Total Governmental Activities	46,639,126	4,190,921	18,798,070	4,881,374	(18,768,761)	—	(18,768,761)
Business-Type Activities							
Water	14,300	—	—	—	—	(14,300)	(14,300)
Golf Course	551,433	580,617	—	—	—	29,184	29,184
Total Business-Type Activities	565,733	580,617	—	—	—	14,884	14,884
Total Primary Government	\$ 47,204,859	\$ 4,771,538	\$ 18,798,070	\$ 4,881,374	(18,768,761)	14,884	(18,753,877)
General Revenues:							
Taxes:							
Property tax					12,134,500	—	12,134,500
Sales tax					5,680,791	—	5,680,791
State shared revenues					2,776,411	—	2,776,411
Investment earnings					593,784	—	593,784
Miscellaneous					2,076,610	—	2,076,610
Transfers					(100,000)	100,000	—
Total General Revenues					23,162,096	100,000	23,262,096
Changes in Net Position					4,393,335	114,884	4,508,219
Net Position – Beginning of Year					58,944,906	715,746	59,660,652
Net Position – End of Year					<u>\$63,338,241</u>	<u>\$ 830,630</u>	<u>\$ 64,168,871</u>

See accompanying notes to the basic financial statements

GULF COUNTY, FLORIDA
BALANCE SHEET – GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	<u>General Fund</u>	<u>Hospital</u>	<u>Hurricane Housing Recovery</u>	<u>Tourist Development</u>	<u>BP Restore Act</u>
ASSETS					
Cash and cash equivalents	\$ 19,453,999	\$ 2,526,217	\$3,726,033	\$ 3,300,559	\$ 160,221
Due from other funds	455,323	—	—	—	—
Due from other governments	668,140	152,361	—	258,682	21,500
Prepaid expense	538,358	—	—	4,704	—
Accounts receivable (net)	762,340	—	—	—	—
Notes receivable	—	—	—	—	—
Restricted assets					
Cash and cash equivalents	<u>101,173</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Assets	<u>21,979,333</u>	<u>2,678,578</u>	<u>3,726,033</u>	<u>3,563,945</u>	<u>181,721</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE					
Liabilities					
Cash deficit	—	—	—	—	—
Vouchers payable	1,127,852	—	44,979	70,217	6,825
Due to other funds	389,042	—	—	104,206	—
Due to other governments	<u>99,606</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Liabilities	<u>1,616,499</u>	<u>—</u>	<u>44,979</u>	<u>174,423</u>	<u>6,825</u>
Deferred Inflows					
Unearned exchanged transactions	<u>321,897</u>	<u>—</u>	<u>3,681,054</u>	<u>1,630</u>	<u>—</u>
Total Deferred Inflows	<u>321,897</u>	<u>—</u>	<u>3,681,054</u>	<u>1,630</u>	<u>—</u>
Fund Balance					
Nonspendable	538,358	—	—	4,704	—
Restricted	491,062	2,678,578	—	3,383,188	174,896
Committed	273,066	—	—	—	—
Assigned	10,057,607	—	—	—	—
Unassigned	<u>8,680,844</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total fund balance	<u>20,040,937</u>	<u>2,678,578</u>	<u>—</u>	<u>3,387,892</u>	<u>174,896</u>
Total Liabilities Deferred Inflows & Fund Balance	<u>\$ 21,979,333</u>	<u>\$ 2,678,578</u>	<u>\$ 3,726,033</u>	<u>\$ 3,563,945</u>	<u>\$ 181,721</u>

(continued)

See accompanying notes to the basic financial statements

GULF COUNTY, FLORIDA
BALANCE SHEET – GOVERNMENTAL FUNDS (Continued)
YEAR ENDED SEPTEMBER 30, 2020

	<u>General Grants</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ —	\$ 2,650,435	\$ 7,224,480	\$39,041,944
Due from other funds	—	—	135,017	590,340
Due from other governments	4,862,726	—	411,720	6,375,129
Prepaid expense	—	—	1,078,041	1,621,103
Accounts receivable (net)	—	—	69,829	832,169
Notes receivable	—	—	344,729	344,729
Restricted assets				
Cash and cash equivalents	—	—	—	101,173
Total Assets	<u>4,862,726</u>	<u>2,650,435</u>	<u>9,263,816</u>	<u>48,906,587</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE				
Liabilities				
Cash deficit	4,037,613	—	—	4,037,613
Vouchers payable	810,113	508,611	169,717	2,738,314
Due to other funds	—	—	15,584	508,831
Due to other governments	—	—	—	99,606
Total Liabilities	<u>4,847,726</u>	<u>508,611</u>	<u>185,301</u>	<u>7,384,364</u>
Deferred Inflows				
Unearned exchanged transactions	<u>15,000</u>	<u>—</u>	<u>1,079,690</u>	<u>5,099,271</u>
Total Deferred Inflows	<u>15,000</u>	<u>—</u>	<u>1,079,690</u>	<u>5,099,271</u>
Fund Balance				
Nonspendable	—	—	1,078,041	1,621,103
Restricted	—	2,141,824	6,168,160	15,037,708
Committed	—	—	752,624	1,025,690
Assigned	—	—	—	10,057,607
Unassigned	—	—	—	8,680,844
Total fund balance	<u>—</u>	<u>2,141,824</u>	<u>7,998,825</u>	<u>36,422,952</u>
Total Liabilities Deferred Inflows & Fund Balance	<u>\$ 4,862,726</u>	<u>\$ 2,650,435</u>	<u>\$ 9,263,816</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 61,487,990

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. (35,231,063)

Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds. 658,362

Net position of governmental activities **\$ 63,338,241**

See accompanying notes to the basic financial statements

GULF COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	General Fund	Hospital	Hurricane Housing Recovery	Tourist Development	BP Restore Fund
REVENUES					
Taxes	\$ 11,982,318	\$ 1,051,073	\$ —	\$ 2,327,106	\$ —
Licenses and permits	749,496	—	—	900	—
Intergovernmental	3,048,512	—	2,233,946	—	3,124,660
Charges for services	3,176,644	—	—	32,880	—
Fines and forfeitures	77,747	—	—	—	—
Investment earnings and other	<u>154,343</u>	<u>2,253</u>	<u>27,154</u>	<u>2,736</u>	<u>—</u>
Total Revenues	<u>19,189,070</u>	<u>1,053,326</u>	<u>2,261,100</u>	<u>2,363,622</u>	<u>3,124,660</u>
EXPENDITURES					
Current					
General government	6,701,121	—	—	—	7,208
Public safety	7,912,954	—	—	—	38,500
Physical environment	401,492	—	—	219,186	917,927
Economic environment	370,725	—	2,261,100	962,107	—
Transportation	717,927	—	—	—	—
Court related	713,622	—	—	—	—
Human services	705,656	735,788	—	—	—
Culture and recreation	104,288	—	—	211,670	—
Capital outlay	331,180	—	—	38,157	—
Debt service	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Expenditures	<u>17,958,973</u>	<u>735,788</u>	<u>2,261,100</u>	<u>1,431,120</u>	<u>963,635</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,230,097</u>	<u>317,538</u>	<u>—</u>	<u>932,502</u>	<u>2,161,025</u>
Other financing sources (uses)					
Transfers out	(570,987)	(150,000)	—	(332,671)	(2,168,233)
Transfer in	3,542,796	—	—	—	—
Sale of equipment	<u>17,100</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total other financing sources (uses)	<u>2,988,909</u>	<u>(150,000)</u>	<u>—</u>	<u>(332,671)</u>	<u>(2,168,233)</u>
Net change in Fund Balance	4,219,006	167,538	—	599,831	(7,208)
Fund balance - beginning	<u>15,821,931</u>	<u>2,511,040</u>	<u>—</u>	<u>2,788,061</u>	<u>182,104</u>
Fund balance - ending	<u>\$20,040,937</u>	<u>\$ 2,678,578</u>	<u>\$ —</u>	<u>\$ 3,387,892</u>	<u>\$ 174,896</u>

(continued)

See accompanying notes to the basic financial statements

GULF COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS (Continued)
YEAR ENDED SEPTEMBER 30, 2020

	General Grants	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ —	\$ —	\$ 1,478,559	\$16,839,056
Licenses and permits	—	—	—	750,396
Intergovernmental	16,446,091	—	2,519,436	27,372,645
Charges for services	—	—	122,102	3,331,626
Fines and forfeitures	—	—	—	77,747
Investment earnings and other	<u>1,500</u>	<u>1,764,647</u>	<u>768,552</u>	<u>2,721,195</u>
Total Revenues	<u>16,447,591</u>	<u>1,764,647</u>	<u>4,888,649</u>	<u>51,092,665</u>
EXPENDITURES				
Current				
General government	—	602,576	413,890	7,724,803
Public safety	162,315	1,215,573	1,077,591	10,406,933
Physical environment	8,940,057	—	3,213,901	13,692,563
Economic environment	27,496	—	338,306	3,959,734
Transportation	1,311,975	8,675	181,331	2,219,908
Court related	—	2,980	21,931	738,533
Human services	—	—	20,142	1,461,586
Culture and recreation	89,706	11,063	109,942	526,665
Capital outlay	4,788,256	525,693	652,273	6,335,559
Debt service	<u>—</u>	<u>—</u>	<u>4,307,341</u>	<u>4,307,341</u>
Total Expenditures	<u>15,319,805</u>	<u>2,366,560</u>	<u>10,336,648</u>	<u>51,373,629</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,127,786</u>	<u>(601,913)</u>	<u>(5,447,999)</u>	<u>(280,964)</u>
Other financing sources (uses)				
Transfers out	(1,127,786)	—	(2,516,841)	(6,866,518)
Transfer in	—	540,324	2,683,398	6,766,518
Sale of equipment	<u>—</u>	<u>—</u>	<u>—</u>	<u>17,100</u>
Total other financing sources (uses)	<u>(1,127,786)</u>	<u>540,324</u>	<u>166,557</u>	<u>(82,900)</u>
Net change in Fund Balance	—	(61,589)	(5,281,442)	(363,864)
Fund balance - beginning	<u>—</u>	<u>2,203,413</u>	<u>13,280,267</u>	<u>36,786,816</u>
Fund balance - ending	<u>\$ —</u>	<u>\$ 2,141,824</u>	<u>\$ 7,998,825</u>	<u>\$36,422,952</u>

See accompanying notes to the basic financial statements

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

Amounts reported for governmental activities in the statement of activities
are different because:

Net change in fund balances – total governmental funds (page 24)	\$ (363,864)
Capital outlay, reported as expenditures in governmental funds, are shown as capital assets in the statement of activities net of accumulated depreciation. Donated assets are not reported in the funds but are recognized in the statement of activities.	3,509,975
Debt proceeds are shown as revenue in the funds. Repayment of long-term debt is reported as an expenditure in governmental funds but the net as a reduction or increase of long-term liabilities in the statement of net position.	3,660,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(2,519,472)
Certain revenues not considered available are not recognized in the governmental funds but are included in the statement of activities.	<u>106,696</u>
Change in net position of governmental activities (page 20)	<u>\$ 4,393,335</u>

GULF COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2020

	Budget Amounts		Actual	Variance with Final
	Original	Final	Amounts	Budget Positive (Negative)
Revenues:				
Taxes	\$12,418,013	\$12,418,013	\$11,982,318	\$ (435,695)
Licenses and permits	510,500	510,500	749,496	238,996
Intergovernmental	3,321,794	3,424,486	3,048,512	(375,974)
Fines and forfeitures	55,550	81,068	77,747	(3,321)
Charges for services	2,660,470	2,789,212	3,176,644	387,432
Investment earning & other	54,850	201,307	154,353	(46,954)
Total revenues	<u>19,021,177</u>	<u>19,424,586</u>	<u>19,189,070</u>	<u>(235,516)</u>
Expenditures:				
Current				
General government	7,188,024	8,698,073	6,701,329	1,996,744
Public safety	8,367,578	8,587,343	7,912,954	674,389
Physical environment	344,515	493,695	401,492	92,203
Transportation	1,320,020	1,288,226	717,927	570,299
Economic environment	442,675	442,178	370,725	71,453
Human services	901,410	904,435	705,656	198,779
Culture and recreation	122,720	122,720	104,288	18,432
Court related	718,830	659,657	713,622	(53,965)
Debt service	—	4,987	—	4,987
Capital outlay	395,651	484,893	331,180	153,713
Total expenditures	<u>19,801,423</u>	<u>21,686,207</u>	<u>17,959,173</u>	<u>3,727,034</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(780,246)</u>	<u>(2,261,621)</u>	<u>1,229,897</u>	<u>3,491,518</u>
Other financing sources (uses)				
Transfers in	4,004,010	5,131,796	3,542,796	(1,589,000)
Transfers out	(2,473,129)	(2,473,129)	(570,787)	1,902,342
Sale of equipment	—	10,000	17,100	7,100
Total other financing Sources (uses)	<u>1,530,881</u>	<u>2,668,667</u>	<u>2,989,109</u>	<u>320,442</u>
Net change in fund balance	750,635	407,046	4,219,006	3,811,960
Fund balance - beginning	<u>15,821,931</u>	<u>15,821,931</u>	<u>15,821,931</u>	<u>—</u>
Fund balance – ending	<u>\$16,572,566</u>	<u>\$16,228,977</u>	<u>\$ 20,040,937</u>	<u>\$ 3,811,960</u>

See accompanying notes to the basic financial statements

GULF COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – HOSPITAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budget Amounts		Actual	Variance with Final
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Budget Positive</u> <u>(Negative)</u>
Revenues:				
Taxes	\$ 1,156,602	\$ 1,156,602	\$ 1,051,073	\$ (105,529)
Miscellaneous	<u>1,500</u>	<u>1,500</u>	<u>2,253</u>	<u>753</u>
Total revenues	<u>1,158,102</u>	<u>1,158,102</u>	<u>1,053,326</u>	<u>(104,776)</u>
Excess (deficiency) of revenues				
over (under) expenditures	<u>1,158,102</u>	<u>1,158,102</u>	<u>1,053,326</u>	<u>(104,776)</u>
Other financing sources (uses)				
Transfers out	<u>(885,790)</u>	<u>(885,790)</u>	<u>(885,790)</u>	<u>—</u>
Total other financing				
Sources (uses)	<u>(885,790)</u>	<u>(885,790)</u>	<u>(885,790)</u>	<u>—</u>
Net change in fund balance	272,312	272,312	167,536	(104,776)
Fund balance - beginning	<u>2,511,040</u>	<u>2,511,040</u>	<u>2,511,040</u>	<u>—</u>
Fund balance - ending	<u>\$ 2,783,352</u>	<u>\$ 2,783,352</u>	<u>\$ 2,678,576</u>	<u>\$ (104,776)</u>

See accompanying notes to the basic financial statements

GULF COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – HURRICANE HOUSING RECOVERY
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budget Amounts		Actual	Variance with Final
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Budget Positive</u> <u>(Negative)</u>
Revenues:				
Intergovernmental	\$ 190,000	\$ 2,237,150	\$ 2,233,946	\$ (3,204)
Miscellaneous	\$ —	\$ 27,155	\$ 27,154	\$ (1)
Total revenues	<u>190,000</u>	<u>2,264,305</u>	<u>2,261,100</u>	<u>(3,205)</u>
Expenditures:				
Current				
Economic environment	<u>190,000</u>	<u>2,264,305</u>	<u>2,261,100</u>	<u>3,205</u>
Total expenditures	<u>190,000</u>	<u>2,264,305</u>	<u>2,261,100</u>	<u>3,205</u>
Excess (deficiency) or revenues				
Over expenditures	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balance	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balances - beginning	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balances - ending	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>

See accompanying notes to the basic financial statements

GULF COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – TOURIST DEVELOPMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budget Amounts		Actual	Variance with Final
	Original	Final	Amounts	Budget Positive (Negative)
Revenues:				
Taxes	\$ 1,673,140	\$ 1,673,140	\$ 2,327,106	\$ 653,966
License and permits	—	—	900	900
Charges for services	—	32,880	32,880	—
Miscellaneous	<u>2,000</u>	<u>2,000</u>	<u>2,736</u>	<u>736</u>
Total revenues	<u>1,675,140</u>	<u>1,708,020</u>	<u>2,363,622</u>	<u>655,602</u>
Expenditures:				
Current				
Physical environment	160,213	219,263	219,186	77
Economic environment	1,305,105	1,331,505	962,107	369,398
Culture and recreation	302,135	308,835	211,670	97,165
Capital outlay	<u>324,196</u>	<u>323,976</u>	<u>38,157</u>	<u>285,819</u>
Total expenditures	<u>2,091,649</u>	<u>2,183,579</u>	<u>1,431,120</u>	<u>752,459</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(416,509)</u>	<u>(475,559)</u>	<u>932,502</u>	<u>1,408,061</u>
Other financing sources (uses)				
Transfers out	<u>(267,314)</u>	<u>(332,672)</u>	<u>(332,672)</u>	<u>—</u>
Total other financing Sources (uses)	<u>(267,314)</u>	<u>(332,672)</u>	<u>(332,672)</u>	<u>—</u>
Net change in fund balance	<u>(683,823)</u>	<u>(808,231)</u>	<u>599,830</u>	<u>1,408,061</u>
Fund balance - beginning	<u>2,788,061</u>	<u>2,788,061</u>	<u>2,788,061</u>	<u>—</u>
Fund balance - ending	<u>\$ 2,104,238</u>	<u>\$ 1,979,830</u>	<u>\$ 3,387,891</u>	<u>\$ 1,408,061</u>

See accompanying notes to the basic financial statements

GULF COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – BP RESTORE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budget Amounts		Actual	Variance with Final
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Budget Positive</u> <u>(Negative)</u>
Revenues:				
Intergovernmental	\$ 1,000,000	\$ 3,129,402	\$ 3,124,660	\$ (4,742)
Total revenues	<u>1,000,000</u>	<u>3,129,402</u>	<u>3,124,660</u>	<u>(4,742)</u>
Expenditures:				
Current				
General government	70,000	70,000	7,208	62,792
Public safety	—	38,500	38,500	—
Physical environment	<u>—</u>	<u>922,669</u>	<u>917,927</u>	<u>4,742</u>
Total expenditures	<u>70,000</u>	<u>1,031,169</u>	<u>963,635</u>	<u>67,534</u>
Excess (deficiency) of revenues				
over (under) expenditures	<u>930,000</u>	<u>2,098,233</u>	<u>2,161,025</u>	<u>62,792</u>
Other financing sources (uses)				
Transfers out	<u>(1,030,000)</u>	<u>(2,198,233)</u>	<u>(2,168,233)</u>	<u>30,000</u>
Total other financing				
Sources (uses)	<u>(1,030,000)</u>	<u>(2,198,233)</u>	<u>(2,168,233)</u>	<u>30,000</u>
Net change in fund balance	<u>(100,000)</u>	<u>(100,000)</u>	<u>(7,208)</u>	<u>92,792</u>
Fund balance - beginning	<u>182,104</u>	<u>182,104</u>	<u>182,104</u>	<u>—</u>
Fund balance - ending	<u>\$ 82,104</u>	<u>\$ 82,104</u>	<u>\$ 174,896</u>	<u>\$ 92,792</u>

See accompanying notes to the basic financial statements

GULF COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – GENERAL GRANTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budget Amounts		Actual	Variance with Final
	Original	Final	Amounts	Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 1,400,832	\$ 16,556,972	\$16,446,091	\$ (110,881)
Miscellaneous	—	1,500	1,500	—
Total revenues	<u>1,400,832</u>	<u>16,558,472</u>	<u>16,447,591</u>	<u>(110,881)</u>
Expenditures:				
Current				
Public safety	160,641	162,314	162,315	(1)
Physical environment	—	8,940,060	8,940,057	3
Transportation	—	1,343,369	1,311,975	31,394
Economic environment	—	1,500	27,496	(25,996)
Culture and recreation	49,282	91,023	89,706	1,317
Capital Outlay	<u>1,190,909</u>	<u>4,892,420</u>	<u>4,788,256</u>	<u>104,164</u>
Total expenditures	<u>1,400,832</u>	<u>15,430,686</u>	<u>15,319,805</u>	<u>110,881</u>
Excess (deficiency) of revenues over (under) expenditures	<u>—</u>	<u>1,127,786</u>	<u>1,127,786</u>	<u>—</u>
Other financing sources (uses)				
Transfers out	<u>—</u>	<u>(1,127,786)</u>	<u>(1,127,786)</u>	<u>—</u>
Total other financing Sources (uses)	<u>—</u>	<u>(1,127,786)</u>	<u>(1,127,786)</u>	<u>—</u>
Net change in fund balance	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balance - beginning	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balance - ending	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>

See accompanying notes to the basic financial statements

GULF COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budget Amounts		Actual	Variance with Final
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Budget Positive</u> <u>(Negative)</u>
Revenues:				
Miscellaneous	\$ —	\$ 1,737,287	\$ 1,764,647	\$ 27,360
Total revenues	<u>—</u>	<u>1,737,287</u>	<u>1,764,647</u>	<u>27,360</u>
Expenditures:				
Current				
General government	11,000	604,037	602,576	1,461
Public safety	—	1,215,574	1,215,573	1
Transportation	—	8,676	8,675	1
Culture and recreation	—	10,866	11,063	(197)
Court	—	—	2,980	(2,980)
Capital Outlay	<u>883,484</u>	<u>717,487</u>	<u>525,693</u>	<u>191,794</u>
Total expenditures	<u>894,484</u>	<u>2,556,640</u>	<u>2,366,560</u>	<u>190,080</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(894,484)</u>	<u>(819,353)</u>	<u>(601,913)</u>	<u>217,440</u>
Other financing sources (uses)				
Transfers in	<u>540,324</u>	<u>540,324</u>	<u>540,324</u>	<u>—</u>
Total other financing Sources (uses)	<u>540,324</u>	<u>540,324</u>	<u>540,324</u>	<u>—</u>
Net change in fund balance	<u>(354,160)</u>	<u>(279,029)</u>	<u>(61,589)</u>	<u>217,440</u>
Fund balance - beginning	<u>2,203,413</u>	<u>2,203,413</u>	<u>2,203,413</u>	<u>—</u>
Fund balance - ending	<u>\$ 1,849,253</u>	<u>\$ 1,924,384</u>	<u>\$ 2,141,824</u>	<u>\$ 217,440</u>

See accompanying notes to the basic financial statements

GULF COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2020

	Business-type Activities/Enterprise Funds				
	County Golf Course	Oak Grove	Williamsburg and Methodist Hill	Solid Waste Fund	Total Business-type Funds
Assets					
Current assets					
Cash	\$ 60,465	\$ 26,092	\$ —	\$ 500	\$ 87,057
Inventory	28,504	—	—	—	28,504
Accounts receivable	11,508	—	—	—	11,508
Prepaid expenses	1,760	—	—	—	1,760
Total current assets	<u>102,237</u>	<u>26,092</u>	<u>—</u>	<u>500</u>	<u>128,829</u>
Noncurrent assets					
Capital assets					
Land	334,601	737	—	—	335,338
Buildings and utility system	46,337	269,453	571,925	—	887,715
Infrastructure	178,996	—	—	—	178,996
Machinery and equipment	292,238	—	—	—	
Less allowance for depreciation	(37,855)	(269,453)	(386,074)	—	(693,382)
Total noncurrent assets	<u>814,317</u>	<u>737</u>	<u>185,851</u>	<u>—</u>	<u>1,000,905</u>
Total assets	<u>916,554</u>	<u>26,829</u>	<u>185,851</u>	<u>500</u>	<u>1,129,734</u>
Liabilities					
Current liabilities					
Accounts payable	17,531	—	—	—	17,531
Due to other fund	—	—	—	500	500
Current portion of note payable	36,758	—	—	—	36,758
Total current liabilities	<u>54,289</u>	<u>—</u>	<u>—</u>	<u>500</u>	<u>54,789</u>
Long-term liabilities					
Note payable	244,315	—	—	—	244,315
Total long-term liabilities	<u>244,315</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>244,315</u>
Total Liabilities	<u>298,604</u>	<u>—</u>	<u>—</u>	<u>500</u>	<u>299,104</u>
Net position					
Net investment in capital assets	533,244	—	185,851	—	719,095
Unrestricted	84,706	26,829	—	—	111,535
Total net position	<u>\$ 617,950</u>	<u>\$ 26,829</u>	<u>\$ 185,851</u>	<u>\$ —</u>	<u>\$ 830,630</u>

See accompanying notes to the basic financial statements

GULF COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	Business-type Activities/Enterprise Funds				
	County Golf Course	Oak Grove	Williamsburg and Methodist Hill	Solid Waste Fund	Total Business-type Funds
Operating revenues					
Charges for services	\$ 478,396	\$ —	\$ —	\$ —	\$ 478,396
Merchandise sales	68,249	—	—	—	68,249
Other revenue	33,972	—	—	—	33,972
Total operating revenues	<u>580,617</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>580,617</u>
Operating expenses					
Payroll expenses	57,661	—	—	—	57,661
Professional	95,867	—	—	—	95,867
Contract services	41,099	—	—	—	41,099
Communications	6,548	—	—	—	6,548
Utilities	46,983	—	—	—	46,983
Rent	39,622	—	—	—	39,622
Repairs and maintenance	131,459	—	—	—	131,459
Advertising	7,911	—	—	—	7,911
Office Supplies	5,325	—	—	—	5,325
Operating supplies	47,283	—	—	—	47,283
Cost of goods sold	30,227	—	—	—	30,227
Other	3,593	—	—	—	3,593
Depreciation	37,855	—	14,300	—	52,155
Total operating expenses	<u>551,433</u>	<u>—</u>	<u>14,300</u>	<u>—</u>	<u>565,733</u>
Net income before transfers	29,184	—	(14,300)	—	14,884
Transfers in	<u>100,000</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>100,000</u>
Increase (Decreases) in net position	129,184	—	(14,300)	—	114,884
Net position - beginning	<u>488,766</u>	<u>26,829</u>	<u>200,151</u>	<u>—</u>	<u>715,746</u>
Net position - ending	<u><u>\$ 617,950</u></u>	<u><u>\$ 26,829</u></u>	<u><u>\$ 185,851</u></u>	<u><u>\$ —</u></u>	<u><u>\$ 830,630</u></u>

See accompanying notes to the basic financial statements

GULF COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2020

	Business-type Activities/Enterprise Funds				
	County Golf Course	Oak Grove	Williamsburg and Methodist Hill	Solid Waste Fund	Total Business-type Funds
Cash flow from operating activities					
Receipts from customers	\$ 579,301	\$ —	\$ —	\$ —	\$ 579,301
Payments to suppliers	(492,309)	—	—	—	(492,309)
Payments to employees	(57,661)	—	—	—	(57,661)
Net cash provided (used) by operating activities	<u>29,331</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>29,331</u>
Cash flow from capital and Related financial activities					
Acquisition of capital assets	(471,234)	—	—	—	(471,234)
Debt proceeds	281,073	—	—	500	281,573
Net cash provided (used) by operating activities	<u>(190,161)</u>	<u>—</u>	<u>—</u>	<u>500</u>	<u>(189,661)</u>
Cash flow from non-capital financial related activities					
Transfer In	100,000	—	—	—	100,000
Net cash provided (used) by non-capital financial related activities	<u>100,000</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>100,000</u>
Net increase in cash and cash equivalents	(60,830)	—	—	500	(60,330)
Cash and cash equivalents – beginning	<u>121,295</u>	<u>26,092</u>	<u>—</u>	<u>—</u>	<u>147,387</u>
Cash and cash equivalents – ending	<u><u>\$ 60,465</u></u>	<u><u>\$ 26,092</u></u>	<u><u>\$ —</u></u>	<u><u>\$ 500</u></u>	<u><u>\$ 87,057</u></u>

(continued)

See accompanying notes to the basic financial statements

GULF COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (continued)
YEAR ENDED SEPTEMBER 30, 2020

	Business-type Activities/Enterprise Funds				
	County Golf Course	Oak Grove	Williamsburg and Methodist Hill	Solid Waste Fund	Total Business-type Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	\$ 29,184	\$ —	\$ (14,300)	\$ —	\$ 14,884
Adjustments to reconcile Operating income (loss) To net cash provided By (used in) operating					
Depreciation	37,855	—	14,300	—	52,155
Changes in assets and liabilities:					
Inventory	(24,504)	—	—	—	(24,504)
Accounts receivable	(1,316)	—	—	—	(1,316)
Prepaid expenses	(1,760)	—	—	—	(1,760)
Accounts payable	(8,809)	—	—	—	(8,809)
Due to other funds	(1,319)	—	—	—	(1,319)
Total adjustments	147	—	14,300	—	14,447
Net cash provided by (used in) operating activities	\$ 29,331	\$ —	\$ —	\$ —	\$ 29,331

See accompanying notes to the basic financial statements

GULF COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2020

	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ 654,993
Accounts receivable (net)	1,410
Due from other funds	<u>378</u>
Total Assets	<u>656,781</u>
Liabilities	
Due to individuals	544,939
Due to other funds	43,467
Due to other governments	30,455
Due to Board of County Commissioners	<u>37,920</u>
Total Liabilities	<u>\$ 656,781</u>

See accompanying notes to the basic financial statements

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Gulf County, Florida (County) located in Northwest Florida, is a political subdivision of the State of Florida and provides services to approximately 16,000 residents in many areas including general government, public safety, physical environment, transportation, economic environment, human services, and culture and recreation. The County is governed by a five-member elected Board of County Commissioners (Board), which derives its authority from Florida Statutes and regulations. In addition to the members of the Board, there are five elected constitutional officers: Clerk of the Circuit Court, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections.

The elected offices of the Clerk of the Circuit Court, Sheriff, Tax Collector, Property Appraiser, and Supervisor of Elections are operated as separate County agencies in accordance with applicable provisions of Florida Statutes. These constitutional officers operate on a budget system whereby County-appropriated funds are received from the Board and unexpended funds are returned to the Board. The Clerk of the Circuit Court operates as a fee officer by retaining various fees collected by this office and billing the Board for certain services provided. Separate accounting records and budgets are maintained by each individual office.

As required by Governmental Accounting Standards Board (GASB) Statement No. 14, *The Reporting Entity*, the financial reporting entity consists of the primary government (composed of the Board of County Commissioners and Constitutional Officers) and the County's 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 outlined in GASB Statement No. 14 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's fiscal dependency on the primary government. The dependent special districts, Howard Creek Fire Control, Overstreet Fire Control, St. Joe Fire Control, Tupelo Fire Control, and Highland View Water and Sewer District are considered component units, and are blended in the financial statements of the County as part of the enterprise funds and the special revenue funds. There are no other entities for which there were positive responses to specific criteria used for establishing oversight responsibility that were excluded from the County's financial statements.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The County was established by the constitution of the State of Florida, Article VIII, Section 1 (e). Dependent special districts were created as follows: Highland View Water and Sewer District, Laws of Florida Chapter 61-2212; Howard Creek Fire District, Laws of Florida Chapter 79-467; Overstreet Fire District, Laws of Florida Chapter 78-513; St. Joe Fire District, Laws of Florida Chapter 47-24541; and Tupelo Fire District, Laws of Florida Chapter 70-696.

All fire Districts were conformed and re-established by County Ordinance #1996-12.

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

B. 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 of the nonfiduciary 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. Likewise, the primary government is reported separately from certain legally separate component units, if any, for which the primary government is financially accountable.

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.

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The County reports six major governmental funds:

- General Fund – The general fund is the County’s primary operating fund. It is used to account for all resources traditionally associated with governmental activities except those required to be accounted for in other funds.
- Hurricane Housing Recovery Program – This fund is used to account for the Hurricane Housing Recovery Program activity.
- Hospital – This fund accounts for local option discretionary sales surtax that fund operations at the local hospital.
- Tourist Development – This fund accounts for the 5% local option tourist development tax.
- General Grants – This fund accounts for various grant activity.
- Capital Projects Fund – This fund accounts for various capital projects being performed by the County.
- BP Restore Act – This fund accounts for the BP Restore Act revenue and expenditures.

The County reports each of the enterprise funds as major funds. Each fund is used to account for activity of the utility for area served.

The County reports one type of fiduciary fund, agency funds, which are used to account for the collection and disbursement of funds by the County on behalf of other governments and individuals.

C. 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 proprietary fund and 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 the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collectible 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 60 days of the end of the current fiscal period. 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 are recorded only when payment is due.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The County's enterprise activities are operated and maintained by local cities. The County receives the amounts billed to customers for the required debt service and bond payments. The terms of these interlocal agreements are described in note 18.

D. Enterprise Activities

For enterprise activities, the County applies all applicable GASB pronouncements.

E. Budgets and Budgetary Accounting

General governmental revenue and expenditures accounted for in budgetary funds are controlled by a budgetary accounting system in accordance with various legal requirements which govern the County's operations. Budgets are monitored at varying levels of classification detail; however, expenditures cannot legally exceed total appropriations at the individual fund level. All budget changes that affect the total of a fund's budget must be approved by the Board.

The budgetary information presented for the general fund and any major governmental funds is prepared on the modified accrual basis. Encumbrances are not recorded. Unexpended items at year-end must be reappropriated in the subsequent year.

F. Cash and Cash Equivalents

Cash and cash equivalents consist of those deposits made locally in commercial banks and investments purchased through the Florida Local Government Investment Trust. All deposits in commercial banks are with qualified public depositories authorized by Chapter 280, Florida Statutes. The deposits are insured through FDIC and Florida's multiple financial institution collateral pool. The Florida Local Government Investment Trust deposits are maintained in investment pools which invest primarily in highly liquid commercial paper, repurchase agreements, bankers' acceptance notes and United States Government obligations. The County follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, in reporting on investments owned. Generally, this statement requires various investments be reported at fair value, including debt securities and open-ended mutual funds.

G. Accounts Receivable

The County's and its component units accounts receivable, other than ambulance service accounts receivable as described in note 12, are deemed to be entirely collectible. Therefore, an allowance for uncollectible accounts receivable has not been recorded.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. 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.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances” when applicable.

I. Inventories

Inventory items of materials and supplies, which are not significant in amount, are considered expenditures when purchased in the governmental funds. The balance of physical inventory on hand at fiscal year-end has not been recorded because the amount is not considered material.

J. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, right of ways, stormwater system, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Machinery and equipment with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year are recorded as capital assets. Buildings, roads, bridges, and sidewalks are capitalized when their initial costs exceed \$25,000 and possess estimated useful lives of more than one year. Capital assets are recorded at historical cost when purchased or constructed or estimated historical cost if actual cost is unknown. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend its useful life is expenses as incurred.

Property, plant and equipment are depreciated using the straight-line method over the estimated useful lives of the assets, which are generally as follows:

Buildings	50 years
Improvements	50 years
Machinery and equipment	5-20 years
Infrastructure	15-25 years

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Deferred Inflows

Deferred inflows reported in the government-wide financial statements represent unearned revenues. The deferred inflows will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of accounting. Deferred inflows reported in governmental fund financial statements represent unearned revenues or revenues which are measurable but not available, and in accordance with the modified accrual basis of accounting, are reported as deferred revenues.

L. Compensated Absences

The County maintains a policy that permits employees to accumulate earned but unused vacation and sick pay benefits that will be paid to employees upon separation from County service if certain criteria are met. These benefits, plus their related tax and retirement costs are classified as compensated absences. Employees may be paid for unused vacation hours accrued up to a maximum amount. Payment of unused sick leave, upon termination, is also provided for up to varying amounts.

Both the current and long-term portion of compensated absences are accrued and reported in the government-wide financial statements. No expenditure is reported in the government fund level statements for these amounts until payment is made. Compensated absences liability is based on current rates of pay. This is accounted for pursuant to GASB Statement No.16, *Accounting for Compensated Absences*.

M. 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 statewide. Florida Statutes permit counties to levy property taxes at a rate of up to 10 mills for general operations. The 2020 tax year millage rate assessed by the County was 7.1 mills.

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 millage rates into the total tax levy, which includes the various municipalities, the county school board, and other taxing authorities.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

N. Use of Estimates

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

O. Use of Restricted Assets

It is generally the practice of the County to utilize restricted net position before unrestricted net assets when possible.

P. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods and services which are chargeable to an appropriation and for which a part of the appropriation is reserved. Encumbrances do not represent expenditures or liabilities. Encumbrances outstanding at year end lapse and are reappropriated in the subsequent year.

Q. Long-Term Obligations

In the government-wide financial statements and the proprietary funds in the fund financial statement, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

R. Subsequent Events

The County evaluated subsequent events through June 18, 2021, the date which the financial statements were available to be issued. The County did not have any subsequent events requiring disclosure or recording in these financial statements, other than the item following.

Subsequent to the date of September 30, 2019, the World Health Organization, declared a health emergency on January 30, 2020 response to Covid-19 coronavirus pandemic and on March 11, 2020 declared a global pandemic. As growing concerns about the virus and its affects on the health and wellbeing of citizens and the county's ability to respond and advisories from the state and federal levels of government. The Gulf County Board of County Commissioners elected to cease all county activities and access to all county offices effective March 19, 2020. The governor of the State of Florida issued executive orders closing restaurants, bars and short term rentals in the State in order to limit the spread of the virus and established a set of guidelines for reopening commerce. The Gulf County Board elected to reopen its County offices and resume activities effective May 4, 2020, while continuing to follow social distancing guidelines set forth by the Centers for Disease Control. The effects of the coronavirus and the subsequent closures are not known as of the date of the audited financial statements.

Implementation of New Governmental Accounting Standards Board Statements

The County adopted the following Governmental Accounting Standards Board (GASB) Statements during the fiscal year ended September 30, 2020:

1. Implementation of New Governmental Accounting Standards Board (GASB) Statements

The County implemented the following GASB Statement during the fiscal year ended September 30, 2020:

- GASB Statement No. 95, "*Postponement of the Effective Dates of Certain Authoritative Guidance.*" This Statement is effective immediately and postpones the effective dates of various standards and implementation guides, including Statements No. 84, 87, 90, 91, 92, and 93 discussed below. The effective dates presented below for these Statements are the extended effective dates in accordance with Statement No. 95.

2. Unadopted GASB Statements

GASB has also issued new statements effective in future years. Management has not completed its analysis of the effects, if any, of these GASB Statements on the financial statements of the County.

- GASB Statement No. 84, "*Fiduciary Activities*". This Statement provides guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and establishes criteria for identifying fiduciary activities of all state and local governments. This Statement is effective for the fiscal year ending September 30, 2021.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- GASB Statement No. 87, *“Leases”*. This Statement outlines new guidance that establishes a single approach to accounting for and reporting leases by state and local governments. The goal is to better align reporting these leases with their particular situations, as well as provide greater transparency and usefulness of financial statements. This Statement is effective for the fiscal year ending September 30, 2022.
- GASB Statement No. 89, *“Accounting for Interest Cost Incurred Before the End of a Construction Period.”* The primary objective of this Statement is to (1) enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period, and (2) simplify accounting for interest cost incurred before the end of a construction period. This Statement is effective for the fiscal year ending September 30, 2022.
- GASB Statement No. 90, *“Majority equity interests – An amendment of GASB Statements No. 14 and No 61”*. The primary objective of this Statement is to improve the consistency of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement is effective for the fiscal year ending September 30, 2021.
- GASB Statement No. 91, *“Conduit Debt Obligations”*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement is effective for the fiscal year ending September 30, 2023.
- GASB Statement No. 92, *“Omnibus 2020”*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement is effective for the fiscal year ending September 30, 2022.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- GASB Statement No. 93, “*Replacement of Interbank Offered Rates*”. The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve the consistency of authoritative literature by addressing the accounting and financial reporting implications that result from the replacement of an Interbank Offered Rate (IBOR) for agreements in which variable payments made or received depend on an IBOR. The requirements of this Statement related to the removal of LIBOR as an appropriate benchmark interest rate are effective for the fiscal year ending September 30, 2021.

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the governmental funds balance sheet and the government-wide statement of net position:

The governmental funds balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position of governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains, “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this (\$35,231,063) difference are as follows:

Net pension liabilities	\$ (21,054,661)
Deferred for retirement contributions	(552,211)
Deferred for payment to retirees	6,851,990
Bonds payable	(16,720,000)
Other Postemployment benefits	(588,132)
Landfill closure liabilities	(788,946)
Compensated absences	<u>(2,379,103)</u>
Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net position of governmental activities</i>	<u>\$ (35,231,063)</u>

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

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

Another element of that reconciliation states, “capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.” The details of the \$61,487,990 difference are as follows:

Cost of capital assets	\$ 106,700,319
Less: accumulated depreciation	<u>(45,212,329)</u>
Net adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net position of governmental activities</i>	<u>\$ 61,487,990</u>

Explanation of certain differences between the governmental funds statements of revenues, expenditures, and changes in fund balances and the government-wide statement of activities:

The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. “The details of this \$3,509,975 difference are as follows:

Capital outlay	\$ 7,571,442
Disposal of assets	(1,179,358)
Depreciation expense	<u>(2,882,109)</u>
Net adjustment to decrease <i>net change in fund balances – total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	<u>\$ 3,509,975</u>

Another element of that reconciliation states, “some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds” and “revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.” The details of this (\$2,519,472) difference are as follows:

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

NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

Increase in compensated absences	\$ (328,991)
Other Postemployment benefits	(78,610)
Landfill closure	626,921
Change in pension expense	<u>(2,738,792)</u>
Net adjustment to increase <i>net change in fund balances – total governmental funds</i> to arrive at <i>change in net position of governmental activities</i>	<u>\$ (2,519,472)</u>

NOTE 3 - DEPOSITS AND INVESTMENTS

Deposits Policies

The County's cash and cash equivalents include cash on hand, demand deposits, and short-term highly liquid debt instruments with original maturities of three months or less from the date of acquisition.

Investments Policies

Florida Statutes, Section 218.415, authorizes the County to invest surplus funds in the following:

The Local government Surplus Funds Trust Fund (State Board of Administration) or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided s.163.01.

Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency.

Interest – bearing time deposits or savings accounts in state-certified qualified public depositories as defined in s. 280.02.

Direct obligations of the United States Treasury.

Federal agencies and instrumentalities.

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

NOTE 3 - DEPOSITS AND INVESTMENTS (continued)

Securities of, or other interests in, any open-end or closed-end management-type investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C.ss. 80a-1 et. seq., as amended from time to time, provided that the portfolio of such investment company or investment trust is limited to obligations of the United States Government or any agency or instrumentality thereof and to repurchase agreements full collateralized by such United States Government obligations, and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian.

In addition, the County is authorized by law or by county ordinance to invest funds in the following securities:

Commercial Paper of U.S. Corporations having a rating of at least two of the following three ratings: A-1, P-1, and F-1, as rated by Standard & Poors, Moody's, and Fitch Investors Service rating services.

Bankers' Acceptances that are eligible for purchase by the Federal Reserve Banks and have a Letter of Credit rating of A or better.

Obligations, rated A+ or better, of the State of Florida and its various local governments, including Gulf County.

Overnight Repos (Repurchase Agreement) and Term Repos with maturities of less than 30 days.

Corporate Securities rated AA/Aa by Standard & Poors and Moody's.

Qualified Purchaser Funds (3(c)7)funds) securities of an open-end management type investment company or investment fund advised by a Registered Advisor under rule 3(c)(7) of the Federal Investment Company Act of 1940, provided that the funds investment guidelines state that the fund will seek to maintain a \$1 per share net position value.

Auction Rate Securities rate AAA/aaa.

Florida Statutes provide that funds awaiting clearing may be invested. Pursuant to an agreement with a local financial institution, cash on deposit, including the County's float, was invested overnight in United States Treasury Obligations per the repurchase agreement.

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

NOTE 3 - DEPOSITS AND INVESTMENTS (continued)

The Florida Local Government Investment Trust Fund (FLGIT) is a professionally managed fund available only to public entities in Florida. The investment policy of FLGIT restricts investments to direct obligations of or securities fully guaranteed by the United States; obligations of certain federal agencies, including collateralized obligations; repurchase agreements; and commercial paper.

As of September 30, 2020, the County's deposits consisted of the following:

	<u>Fair Value</u>	<u>Weighted Average Maturity (months)</u>
Florida Local Government Investment Trust	<u>\$5,781,715</u>	Demand
Total	<u>\$5,781,715</u>	

Custodial Credit Risk of Deposits

All cash resources of the County are placed in banks that are qualified public depositories, as required by law (Florida Security for Public Deposits Act). Every qualified public depository is required by this law to deposit with the State Treasurer eligible collateral equal to, or in excess of, an amount to be determined by the State Treasurer. The State Treasurer is required to ensure that the County's funds are entirely collateralized throughout the fiscal year. In the event of failure by a qualified public depository, losses in excess of federal depository insurance and proceeds from the sale of the securities pledged by the defaulting depository are assessed against the other qualified public depositories of the same type as the depository in default. When other qualified public depositories are assessed additional amounts, they are assessed on a pro-rata basis.

Interest Rate Risk

At September 30, 2020, the County did not hold any investments that were considered to be an interest rate risk.

Credit Risks

At September 30, 2020, the County did not hold any investments that were considered to be a credit risk.

Custodial Risk

For an investment, there is a risk that in the event of a failure of the counterparty to a transaction, the government will not be able to recover the value of its investments or collateralized securities that are in the possession of an outside party. The County's investments are excluded from the definition of custodial credit risk.

Concentration of Credit Risk

At September 30, 2020, the County did not hold any investments that were considered to be a concentration of credit risk.

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

NOTE 4 - INTERFUND RECEIVABLES AND PAYABLES

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

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General fund	\$ 455,323	\$ 398,891
Special revenue funds	135,017	109,940
Enterprise funds	—	500
Agency funds	<u>378</u>	<u>81,387</u>
Total	<u>\$ 590,718</u>	<u>\$ 590,718</u>

The general fund has amounts due to and from constitutional officers, which represent the return of excess appropriations due at the end of the fiscal year, from either budget or officers or fee officers.

All remaining balances resulted from 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.

NOTE 5 - INTERFUND TRANSFERS

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

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$3,542,796	\$ 570,987
Special Revenue Funds:		
Capital Projects Fund	540,324	—
County Development	17,463	—
Sheriff Special Revenue	13,000	—
Non-Advalorem Debt Service	2,652,935	—
Fines and Forfeitures	—	16,623
Disaster Fund	—	38,626
Administrative Order 86-12	—	41,328
Beach Renewal	—	2,420,264
Hospital Fund	—	150,000
Tourist Development	—	332,671
BP Restore Act	—	2,168,233
General Grants	—	1,127,786
Enterprise Fund		
Golf Course	<u>100,000</u>	<u>—</u>
Total	<u>\$6,866,518</u>	<u>\$6,866,518</u>

The transfers were for budgeted operations.

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

NOTE 6 - CAPITAL ASSETS

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

	September 30, 2019	Increases	Decreases	September 30, 2020
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 6,156,776	\$ 1,462,773	\$ —	\$ 7,619,549
Construction in progress	<u>6,898,970</u>	<u>4,897,906</u>	<u>(862,224)</u>	<u>10,934,651</u>
Total capital assets, not being depreciated	<u>13,055,746</u>	<u>6,360,679</u>	<u>(862,224)</u>	<u>18,554,201</u>
Capital assets being depreciated:				
Buildings and improvements	18,574,744	480,390	(41,872)	19,013,262
Machinery and equipment - BOCC	16,941,341	1,391,541	(883,729)	17,449,153
Machinery and equipment - Sheriff	1,707,908	201,056	(87,580)	1,821,384
Infrastructure	<u>50,307,320</u>	<u>—</u>	<u>(445,000)</u>	<u>49,862,320</u>
Total capital assets being depreciated	<u>87,531,313</u>	<u>2,072,987</u>	<u>(1,458,181)</u>	<u>88,146,119</u>
Less accumulated depreciation for:				
Buildings and improvements	(10,170,180)	(275,014)	—	(10,445,194)
Machinery	(13,297,159)	(1,278,322)	278,823	(14,296,658)
Infrastructure	<u>(19,141,704)</u>	<u>(1,328,773)</u>	<u>—</u>	<u>(20,470,477)</u>
Total accumulated depreciation	<u>(42,609,043)</u>	<u>(2,882,109)</u>	<u>278,823</u>	<u>(45,212,329)</u>
Total capital assets being depreciated, net	<u>44,922,270</u>	<u>(809,122)</u>	<u>(1,179,358)</u>	<u>42,933,789</u>
Total Governmental activities, capital assets, (net of accumulated depreciation)	<u>\$ 57,978,016</u>	<u>\$ 5,551,557</u>	<u>\$ (2,041,582)</u>	<u>\$ 61,487,990</u>

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

General Government	\$ 214,313
Public safety	641,951
Physical environment	8,062
Transportation	1,681,161
Economic environment	1,295
Human services	281,516
Culture and recreation	51,363
Court related	<u>2,447</u>
Total depreciation expense – governmental activities	<u>\$ 2,882,109</u>

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

NOTE 6 - CAPITAL ASSETS (continued)

	<u>September 30,</u> <u>2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>September 30,</u> <u>2020</u>
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 335,338	\$ —	\$ —	\$ 335,338
Total capital assets, not being depreciated	<u>335,338</u>	<u>—</u>	<u>—</u>	<u>335,338</u>
Capital assets being depreciated:				
Buildings and utility systems	887,715	—	—	887,715
Infrastructure	—	178,996	—	178,996
Machinery and equipment	—	292,238	—	292,238
Total capital assets being depreciated	<u>887,715</u>	<u>471,234</u>	<u>—</u>	<u>1,358,949</u>
Less accumulated depreciation	<u>(641,227)</u>	<u>(52,155)</u>	<u>—</u>	<u>(693,382)</u>
Total capital assets being depreciated, net	<u>246,488</u>	<u>419,079</u>	<u>—</u>	<u>665,567</u>
Total business-type activities', capital assets, (net of accumulated depreciation)	<u>\$ 581,826</u>	<u>\$ 419,079</u>	<u>\$ —</u>	<u>\$ 1,000,905</u>

Depreciation expense for the business-type activities for the year ended September 30, 2020 was \$52,155.

NOTE 7 - LONG - TERM DEBT

Long-term debt of the County at September 30, 2020, is as follows:

<u>Bonds Payable</u>	<u>Balance</u> <u>September 30,</u> <u>2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30,</u> <u>2020</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Board of County Commissioners					
Gas Tax Revenue Bonds					
Series 2015A Capital Improvement for Infrastructure	\$ 11,480,000	\$ —	\$ (615,000)	\$10,865,000	\$ 640,000
Gas Tax Revenue Bonds					
Series 2015B Refunding Bonds Series 2006	2,845,000	—	(170,000)	2,675,000	180,000
Gulf County CBA Non-Ad Valorem Revenue Bonds Series 2016	3,245,000	—	(2,555,000)	690,000	—
Gulf County MSTU Limited Ad Valorem Tax Bonds Series 2016	<u>2,810,000</u>	<u>—</u>	<u>(320,000)</u>	<u>2,490,000</u>	<u>330,000</u>
Total governmental activities bonds payable	<u>\$ 20,380,000</u>	<u>\$ —</u>	<u>\$ (3,660,000)</u>	<u>\$16,720,000</u>	<u>\$ 1,150,000</u>

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

NOTE 7 - LONG - TERM DEBT (continued)

	<u>Balance September 30, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2020</u>	<u>Due Within One Year</u>
Long-term landfill closure and postclosure liability (note 12)	\$ 1,415,867	\$ —	\$ (626,921)	\$ 788,946	\$ —
Other postemployment benefits	509,522	78,610	—	588,132	—
Liability for compensated absences	<u>2,050,112</u>	<u>328,991</u>	<u>—</u>	<u>2,379,103</u>	<u>594,776</u>
Total governmental activities bonds, notes, payable and other long-term debt	<u>\$ 24,355,501</u>	<u>\$ 407,601</u>	<u>\$ (4,286,921)</u>	<u>\$20,476,181</u>	<u>\$ 1,744,776</u>

	Series 2015A & B Capital Improvement & Refunding Bonds	
<u>Year Ending September 30, 2020</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 820,000	\$ 500,331
2022	850,000	467,831
2023	885,000	433,131
2024	920,000	397,031
2025	955,000	363,281
2026-2030	5,290,000	1,296,759
2031-2035	3,445,000	324,825
2036	<u>375,000</u>	<u>7,500</u>
Total	<u>\$ 13,540,000</u>	<u>\$ 3,790,689</u>

	MSTU Beach Renourishment	
<u>Year Ending September 30, 2020</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 330,000	\$ 65,588
2022	335,000	58,519
2023	345,000	49,575
2024	355,000	39,075
2025	365,000	28,275
2026 - 2027	<u>760,000</u>	<u>22,950</u>
Total	<u>\$ 2,490,000</u>	<u>\$ 263,982</u>

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

NOTE 7 - LONG - TERM DEBT (continued)

<u>Year Ending</u> <u>September 30, 2020</u>	<u>Gulf Non Ad Valorem</u> <u>Revenue Bonds Series 2016</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ —	\$ 14,920
2022	—	14,920
2023	—	14,920
2024	—	14,920
2025	—	14,920
2026-2027	690,000	16,920
Total	<u>\$ 690,000</u>	<u>\$ 91,520</u>

On June 30, 2015 the County issued \$13,210,000 Gas Tax Revenue Bonds, Series 2015A and \$3,175,000 Taxable Gas Tax Revenue Refunding Bonds, Series 2015B for a total of \$16,385,000. These bonds are special obligations of the County and are solely payable from and secured by a prior lien upon and pledge of Constitutional Gas Tax, the County Gas Tax and the Local Option Gas Tax. The purpose of the Series 2015 bonds is to provide sufficient funds to (i) acquire and construct certain roads with in the County, (ii) refund the County's Tax Revenue Refunding Bonds Series 2006, (iii) provide a Reserve Account for the repayment of the bonds and (iv) pay certain costs associated with the issuance of the Series (2015). The Series 2016 Bonds have interest rates from 2.00% to 5.00%.

The County issued two new bonds during the fiscal year 16-17. The County issued \$3,440,000 in Limited Ad Valorem Tax Bonds, Series 2016. The bonds a limited obligation of the County, the principal and interest on the bonds are payable from and secured by a pledge of the ad valorem taxing power of the County within its three Cape San Blas Municipal Taxing Units, named Bayside, Gulfside Beachfront and Gulfside Interior. At the time of issuance the County estimated that, based on the 2016 tax rolls, the initial levy necessary to comply with the requirements of the bonds, will be 1.1052 mills in the Bayside, 1.3139 mills in the Gulf Beachfront, and 1.1549 mills in the Gulfside Interior. The County additionally issued \$4,000,000 non-ad valorem Revenue Bonds, Series 2016. The principal and interest payments of these bonds will be paid from the general non-committed and non-restricted revenues of the County. The County has signed a Resolution to appropriate in its annual budget to pay all debt obligations for the Bond issuance. Proceeds from the sale of the Bonds will be applied for the renourishment and reconstruction of the beach front at Cape San Blas in Gulf County.

Lease Obligation – Enterprise Funds

The County has entered into a lease which is classified as a capital lease for accounting purpose.

Capital Leases

Capital leases are those which are determined to have passed substantially all of the risks and benefits of ownership to the lessee. There is one capital lease in the proprietary fund types.

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

NOTE 7 - LONG - TERM DEBT (continued)

Future minimum lease payments under capital leases as of September 30, 2020 are as follows:

<u>Fiscal Year</u>	<u>Governmental Funds</u>
2021	\$ 45,144
2022	60,188
2023	60,188
2024	60,188
2025	60,188
2026	<u>15,048</u>
Total minimum lease payments	300,944
Less: imputed interest	<u>(19,871)</u>
Present value of minimum lease payments	<u>\$ 281,073</u>

The following schedule shows the leased assets capitalized as of September 30, 2020, by major asset class.

	<u>Proprietary Funds</u> <u>Capital Assets</u>
Equipment	\$ 279,344
Less: accumulated depreciation for entity-wide	<u>(39,906)</u>
Carrying Value	<u>\$ 239,438</u>

NOTE 8 - EMPLOYEE BENEFITS

A. Florida Retirement System

Plan Description – The County contributes to the Florida Retirement System (the FRS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Administration, Division of Retirement. The FRS provides retirement, disability or death benefits to retirees or their designated beneficiaries along with an annual cost-of-living adjustment. Employees are classified in either the regular service class or the senior management service class. Currently, the active participants for Gulf County are 173 out of total of 514,629 active FRS participants.

The Florida Legislature created the Florida Retirement Investment Plan (the “investment Plan”), a defined contribution plan qualified under Section 401 (a) of the Internal Revenue Code. The Investment Plan is administered by the Department of Management Services and is an alternative available to members of the Florida Retirement System in lieu of participation in the defined benefit retirement plan (“the Pension Plan”). If the Investment Plan is elected, active membership in the Pension Plan is terminated. Eligible members of the Investment Plan are vested at one year of service and receive a contribution in an investment product with a third party administrator selected by the State Board of Administration.

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

NOTE 8 - EMPLOYEE BENEFITS (continued)

Chapter 121, *Florida Statutes*, establishes the authority for benefit provisions and contribution requirements. Changes to the law can only occur through an act of the Florida Legislature. There are uniform contribution rates as discussed on the following page that cover both the defined benefit and defined contribution plans. Information for the required employer contributions made to the Investment Plan were unavailable from FRS.

Additional Financial and Actuarial Information – Additional audited financial information supporting the Schedules of Employer Allocations and the Schedule of Pension Amounts by Employer is located in the Florida Comprehensive Annual Financial Report (CAFR) and in the Florida Retirement System Pension Plan, and Other State-Administered Systems CAFR.

See <http://www.myfloridacfo.com/Division/AA/Reports/default.htm> for an available copy of the Florida CAFR online.

The FRS CAFR and actuarial valuation reports as of July 1, 2019 are available online at http://www.dms.myflorida.com/workforce_operations/retirement/publications/annual_reports.

Reports may also be obtained by contacting the Division of Retirement at:

Department of Management Services
Division of Retirement
Bureau of Research and Member Communications
P O Box 9000
Tallahassee, Florida 32315-9000
850-488-4706 or toll free at 877-377-1737

Funding Policy – Prior to July 1, 2011, the FRS was employee noncontributory. Beginning July 1, 2011, employees who are not participating in the Deferred Retirement Option Plan (DROP) are required to contribute 3% of their salary to the FRS. The County is required to contribute at an actuarially-determined rate.

The FRS relies upon contributions from employees and employers, along with investment income, to meet the funding requirements of an actuarially determined accrued liability. As of July 1, 2020, the date of the latest valuation, the FRS funded ratio was 82% on the valuation funding basis and 80.7% on a Market Value of Assets basis.

The County also participates in the Retiree Health Insurance Subsidy (HIS) Program, a cost sharing, multiple-employer defined benefit pension plan established under Section 112.363, *Florida Statutes*. The benefit is a monthly cash payment to assist retirees of state-administered retirement systems in paying their health insurance costs.

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

NOTE 8 - EMPLOYEE BENEFITS (continued)

In addition to the above benefits, the FRS administers a Deferred Retirement Option Program (“DROP”). This program allows eligible employees to defer receipt of monthly retirement benefit payments while continuing employment with a Florida Retirement System employer for a period not to exceed 60 months after electing to participate. DROP benefits are held in the FRS Trust Fund and accrue interest.

The HIS Program is funded by required contributions from FRS participating employers as set by the State Legislature. Employer contributions are a percentage of gross compensation for all active FRS employees and are reported by employers with monthly payroll reports and included with the amount submitted for retirement contributions. For the fiscal year ended September 30, 2020, the contribution rate was 1.66% of payroll pursuant to Section 112.363, *Florida Statutes*.

The contributions required for the years ended September 30, 2020, 2019, and 2018 were \$1,539,721, \$1,529,004, and \$1,528,082, respectively, which is equal to 100% of the required contribution for each year.

The rates for 2020 fiscal year was as follows:

	FRS	HIS
Regular Class	10.0%	1.66%
Special Risk Class	24.45%	1.66%
Senior Management Service Class	27.29%	1.66%
Elected Officials	49.18%	1.66%
DROP	16.98%	1.66%

Net Pension Liability – At September 30, 2020, the County reported for its share of the FRS and HIS plans the amount for the net pension liability as shown below:

	<u>FRS</u>	<u>HIS</u>	<u>Total</u>
June 30, 2020	\$17,817,463	\$3,237,198	\$21,054,661
June 30, 2019	\$13,963,955	\$2,927,863	\$16,891,818

The net pension liability for each plan was determined by the plans’ actuary and reported in the plans’ valuations dated July 1, 2020 and July 1, 2019 for the net pension liability as of June 30, 2020 and 2019, respectively.

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

NOTE 8 - EMPLOYEE BENEFITS (continued)

At September 30, 2020, the County reported for its proportionate share of the employer portion for the FRS and HIS net pension liability the percentages below:

	<u>FRS</u>	<u>HIS</u>
June 30, 2020	0.041109499%	0.026513028%
June 30, 2019	0.040547385%	0.026167340%
Increase in Share for 2020	0.000562114%	0.000346688%

The County's proportionate share of the net pension liability was based on the County's 2019-2020 fiscal year contributions relative to the 2018-2019 fiscal year contributions of all participating members of FRS.

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2020, was determined by an actuarial valuation dated July 1, 2020, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	<u>FRS</u>	<u>HIS</u>
Inflation	2.40%	2.40%
Salary increases	3.25%	3.25%
Investment rate of return	6.80%	N/A
Discount rate	6.80%	2.21%

Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB.

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

The following changes in key actuarial assumptions occurred in 2020:

FRS: The long-term expected rate of return was decreased from 6.9% to 6.8%, and the active member mortality assumption was updated.

HIS: The municipal rate used to determine total pension liability was increased from 3.5% to 2.21%.

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

NOTE 8 - EMPLOYEE BENEFITS (continued)

The long-term expected investment rate of return was not based on historical returns, but instead was based on a forward-looking capital market economic model. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. For the FRS Pension Plan, the table below summarizes the target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class.

<u>Asset Class</u>	<u>Target Allocation (1)</u>	<u>Annual Arithmetic Return</u>	<u>Compound Annual (Geometric) Return</u>
Cash	1.00%	2.20%	2.20%
Fixed Income	19.00%	3.00%	2.90%
Global Equity	54.2%	8.00%	6.70%
Real Estate (Property)	10.30%	6.84%	5.80%
Private Equity	11.10%	10.80%	8.10%
Strategic Investments	<u>4.40%</u>	<u>5.50%</u>	<u>5.30%</u>
Total	<u>100.00%</u>		

Discount Rate

The discount rate used to measure the total pension liability for the FRS Pension Plan was 6.8%. FRS 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.

Because the HIS Program is essentially funded on a pay-as-you-go basis, a municipal bond rate of 2.21% was used to determine the total pension liability for the program. The Bond Buyer General Obligation Bond 20-Bond Municipal Bond Index was used as the applicable municipal bond index.

Sensitivity Analysis – the tables below represent the sensitivity of the net pension liability to changes in the discount rate for Gulf County. The sensitivity analysis shows the impact to the collective net pension liability of the participating employers if the discount rate shows as 1.00% higher or 1.00% lower than the current discounted rate at June 30, 2020.

<u>FRS Net Pension Liability</u>		
<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
<u>5.8%</u>	<u>6.8%</u>	<u>7.8%</u>
<u>\$28,451,494</u>	<u>\$17,817,463</u>	<u>\$ 8,935,874</u>

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

NOTE 8 - EMPLOYEE BENEFITS (continued)

HIS Net Pension Liability		
1% Decrease 1.21%	Current Discount Rate 2.21%	1% Increase 3.21%
<u>\$ 3,742,056</u>	<u>\$ 3,237,198</u>	<u>\$ 2,823,972</u>

Pension Expense and Deferred Outflows (Inflows) of Resources – In accordance with GASB 68, paragraph 71, changes in the net pension liability are recognized as pension expense in the current measurement period with the following exceptions shown below. For each of the following, a portion is recognized in pension expense in the current measurement period, and the balance is amortized as deferred outflows or inflows of resources using rational method over a time period, as defined below:

- Differences between expected and actual experience with regard to economic and demographic factors which are amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan, both active and inactive.
- Changes of Assumptions or other inputs which are amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan, both active and inactive.
- Differences between expected and actual earnings on pension plan investments are amortized over five years.

The average expected remaining service life of all employees provided with pensions through the pension plans at June 30, 2020 was 5.9 years for FRS and 7.2 for HIS. The components of collective pension expense reported in the pension allocation schedules for the year ended June 30, 2020 are presented for each plan.

Florida Retirement System

The Components of the collective pension expense reported in the pension allocation schedules by the Florida Retirement System for the year ended June 30, 2020 are presented below and are used to calculate Gulf County's share of the pension plan for 2020 which is 0.041109499%.

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

NOTE 8 - EMPLOYEE BENEFITS (continued)

For the fiscal year ended September 30, 2020, the County recognized pension expense of \$3,741,824 for the FRS plan. In addition the County reported deferred outflows of resources and deferred inflows of resources relate to pensions from the following sources:

Description	Deferred Outflows of Resources for the FRS Plan	Deferred Inflows of Resources for the FRS Plan
Differences between expected and actual experience	\$ 681,911	\$ —
Change of assumptions	3,225,531	—
Net difference between projected and actual earnings on FRS Plan investments	1,060,869	—
Changes in proportion and differences between County FRS Plan contributions and proportionate share of contributions	743,580	(277,895)
County FRS Plan contributions subsequent to the measurement date	<u>332,524</u>	<u>—</u>
Total	<u>\$ 6,044,415</u>	<u>\$ (277,895)</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Reporting Period Ending June 30	FRS Expense
2021	\$ 1,023,848
2022	1,594,582
2023	1,355,389
2024	810,257
2025	184,231
Thereafter	—

Health Insurance Subsidy

The components of the collective pension expense reported in the pension allocation schedules for the Florida Retirement System's Health Insurance Subsidy for the year ended June 30, 2020 are presented below and are used for to calculate Gulf County's share for 2020 which is 0.026513028%.

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

NOTE 8 - EMPLOYEE BENEFITS (continued)

For the fiscal year ended September 30, 2020, the County recognized pension expense of \$266,419 for the HIS plan. In addition the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources for the HIS Plan	Deferred Inflows of Resources for the HIS Plan
Differences between expected and actual experience	\$ 132,421	\$ (2,497)
Change of assumptions	348,089	(188,230)
Net difference between projected and actual earnings on HIS Plan investments	2,585	—
Changes in proportion and differences between County HIS Plan contributions and proportionate share of contributions	288,406	(83,589)
County HIS Plan contributions subsequent to the measurement date	<u>36,074</u>	<u>—</u>
Total	<u>\$ 807,575</u>	<u>\$ (274,316)</u>

Other amounts reported by the County as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Reporting Period Ending June 30	FRS Expense
2021	\$ 80,915
2022	60,021
2023	16,401
2024	38,084
2025	51,858
Thereafter	45,089

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

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (OPEB)

Effective in the 2009-2010 fiscal year, the County implemented Governmental Accounting Standards Board Statement 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions for retiree health insurance. The requirements of this Statement are being implemented prospectively, with the actuarially accrued liability for benefits \$354,000 at transition, amortized over 15 years. Accordingly, for financial reporting purposes, no liability is reported for the postemployment health care benefits liability at the date of implementation.

Plan Description

The County has established the Retiree's Health Insurance Other Post Employment Benefits Plan, a single employer plan. Pursuant to the provisions of Section 112.0801, Florida Statutes, employees who retire from the County and eligible dependents, may continue to participate in the group insurance plan. Retirees and their eligible dependents shall be offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. The County subsidizes the premium rates paid by the retirees by allowing them to participate in the plan at blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The County currently has approximately 189 total active and retired employees eligible to receive these benefits. No stand alone report is issued for this plan.

Eligibility

A participant is eligible to receive benefits from the plan upon retirement under the Florida Retirement System plan provisions. To be eligible for retiree benefits, the participant must be covered under the medical plan as an active immediately prior to retirement. Participants not eligible for retirement at the time of their termination are not eligible for immediate or future benefits from the plan.

Funding Policy

Although the contribution requirement is established by Statute, the contribution amount required by plan members and the government are established and may be amended by the Gulf County Board of County Commissioners. Currently, members receiving benefits pay the full costs (total premium) for medical coverage.

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

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

The County has not advance-funded or established a funding methodology for the annual Other Postemployment Benefit (OPEB) costs or the net OPEB obligation. Rather, the funding is based on a pay-as-you-go basis. During the fiscal year, the County provided contributions of \$0 toward the annual OPEB cost. A Schedule of Employer Contributions can be found in required supplementary information immediately following the notes.

Actuarial Methods and Assumptions

The actuarial assumptions used represent a reasonable long term expectation of future OPEB outcomes. As a national economic and County experience change over time, the assumptions will be tested for ongoing reasonableness and, if necessary updated. Significant methods and assumptions were as follows:

Actuarial Valuation Date	10/1/2019
Measurement Date	9/30/2020
Actuarial Cost Method	Entry age
Discount Rate	2.14%
Projected Cash Flows	Pay As You Go
Municipal Bond Rate	20-Year High Grade Index
Bond Rate Basis	AA/Aa or higher
Projected Salary Increases	3%
Healthcare Cost Trend Rate	7.0% initial; 5.0% ultimate

Changes in Total OPEB Liability and Related Ratios

Below are the details regarding the total OPEB liability for the period from October 1, 2019 to September 30, 2020:

Total OPEB Liability at 10/1/2019	\$ 685,110
Changes for the Fiscal Year	
Service Cost	76,040
Interest	15,744
Demographic Experience	171,063
Assumption Changes	31,113
Benefit Payments	(51,133)
Net Changes in Total OPEB	242,827
Total OPEB liability at 9/30/2020	\$ 927,937
Covered-Employee Payroll	7,944,561
TOL as a Percentage of Covered-Employee Payroll	11.61%

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

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

Sensitivity of the Total OPEB Liability

The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate.

	1% Decrease	Current	1% Increase
	1.14%	Discount Rate 2.14%	3.14%
Total OPEB Liability	\$ 1,013,476	\$ 927,937	\$ 851,713

Comparison of Net OPEB liability using alternative healthcare cost trend rates.

	1% Decrease	Current	1% Increase
		Trend Rate	
Total OPEB Liability	\$ 826,797	\$ 927,937	\$ 1,048,085

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At September 30, 2020, the county reported deferred outflows and deferred inflows of resources related to OPEB for the following sources :

	Deferred	Deferred
	Outflows of	Inflows of
	Resources	Resources
Balance at 9/30/2019	\$ 175,589	\$ —
Amortization Payments	(37,959)	—
Demographic Gain/Loss	171,063	—
Change of Assumptions	31,113	—
Balance at 9/30/2020	\$ 339,805	\$ —

Amounts recognized in the deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

Year ended September 30:

2021	\$ 301,846
2022	263,887
2023	225,928
2024	187,969
2025	150,010
Thereafter	—
Total	<u>\$1,129,640</u>

GULF COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
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/or the public; or damage to property of others. The County purchases commercial insurance to cover their risk of losses. The County determined that it was not economically justifiable to carry comprehensive coverage on certain vehicles and equipment after approximately five years of ownership. The County carries liability insurance on the aforementioned vehicles and equipment. Insurance against losses are provided for the following types of risk:

- Workers' compensation and employer's liability
- General and automobile liability
- Real and personal property damage
- Public officials' liability
- Accidental death and dismemberment

NOTE 10 - RISK MANAGEMENT (continued)

The County's coverage for workers' compensation is under a retrospectively rated policy. Premiums are accrued based on the ultimate cost to-date of the County's experience for this type of risk.

The Sheriff participates in the Florida Sheriff's Self-Insurance Fund Program, administered by the Florida Sheriff's Association. The program is considered a public entity risk pool which purchases insurance policies on behalf of its members. The pool's members are not obligated for risk associated with such coverage. Coverage under this program includes general liability, public officials' liability and public employees' blanket bond.

The funding agreements provide that the self-insurance fund will be self-sustaining through member premiums and that the Sheriff's liability fund will reinsure through commercial companies. Aggregate coverage provided by the liability fund is \$10,000,000 for professional liability and \$10,000,000 for public officials' coverage.

The Gulf County Sheriff determined that it was not economically justifiable to carry comprehensive coverage on all vehicles but the Gulf County Sheriff carries liability insurance on the aforementioned vehicles. The Gulf County Sheriff currently covers all claim settlements and judgments out of available operating resources.

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

NOTE 11 - AMBULANCE SERVICES

The County has financial responsibility for providing ambulance services throughout the County. Ambulance accounts receivable, and revenues and expenditures are included in the general fund of the accompanying financial statement. Accounts receivable for the ambulance service for the year ended September 30, 2020 was \$321,866 which is net of \$1,245,663 allowance for uncollectible accounts.

NOTE 12 - LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and federal laws and regulations require the County place a final cover on its landfill sites when it ceases accepting waste, and perform certain maintenance and monitoring functions at the site for thirty years after closure. Currently, the County monitors three closed landfills and operates a transfer station at the Five Point Landfill site to meet the solid waste service needs of the County.

Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the Board reports a portion of these costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$788,946 reported as landfill closure and postclosure care liability at September 30, 2020, represents the cumulative amount reported to date based on the use of 100% of the estimated capacity of the landfill cells placed in use. Actual costs may differ due to inflation, changes in technology, or changes in regulations.

The Board is required by state and federal laws to make annual contributions to an escrow account to finance a minimum of all closure costs. At September 30, 2020, the Board held deposits with a fair value of \$101,173 for these purposes that are reported as restricted assets on the balance sheet. This amount includes \$101,173 that is restricted for closing Five Points Landfill. The Board expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care costs are determined to be required, these costs may need to be covered by charges to future landfill users or from future tax revenue.

NOTE 13 - LEGAL PROCEEDINGS

The County is defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County's legal counsel that the ultimate resolution of these matters will not have a material adverse effect on the financial condition of the County.

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

NOTE 14 – NOTES RECEIVABLE

In July 2011 the County sold real estate to the Gulf Rifle and Pistol Club Inc. The County received a promissory note in the amount of \$30,000 to be repaid over a ten year period. Payment is due annually with principal of \$3,000 and zero interest. The first payment is due August 2012 with the last payment due August 2021. The mortgage is secured by the real estate transferred in the sale.

In May 2011 the County entered into a second mortgage agreement with the Port St. Joe Port Authority whereby the County made a loan in the amount of \$199,000 which is secured by real estate. In 2014 the County refinanced the debt advancing another \$60,000 plus accrued interest and loan costs to the Authority, securing the debt with a mortgage on real estate. The loan is to be repaid over a ten year period and has an annual interest rate of 3%. No payments will be made for the first two years. Thereafter a sum of \$10,000 per year will be paid on the outstanding balance with the first payment due on August 21, 2017. The note will balloon on July 21, 2024 at which time all accrued interest and remaining balance will be due.

At September 30, 2020, notes receivable consisted of the following

	<u>Balance September 30, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2020</u>
Gulf Rifle Note	\$ 6,000	\$ —	\$ (3,000)	\$ 3,000
Port Authority	289,000	—	(10,000)	279,000
	<u>\$ 295,000</u>	<u>\$ —</u>	<u>\$ (13,000)</u>	<u>\$ 282,000</u>

NOTE 15 - GRANTS

The County participates in several state and federal grant programs. These programs are subject to program compliance audits by grantors or their representatives. The audits of these programs for, or including, the year ended September 30, 2020, have not yet been accepted/approved by the grantors. Accordingly, the final determination of the County's compliance with applicable grant requirements will be established at a future date. The amount, if any, of expenditures which may be disallowed by granting agencies cannot be determined, although the County expects such amounts, if any, to be immaterial.

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

NOTE 16 - NET POSITION/FUND BALANCE CLASSIFICATION

Net position represents the difference between total assets and liabilities and are categorized as follows:

Net investment in capital assets: Total capital assets, net of debt issued in the acquisition of these assets and net of depreciation is reported separately in the net position section.

Restricted for growth related capital expansion: Impact fee and system development charges restricted for growth related capital expansion.

Restricted for transportation projects: Gas taxes and other revenues restricted for transportation improvements.

Restricted for tourist development: Tourist development tax proceeds are restricted for tourist related activities.

Restricted for Conservation: Various impact and other fees restricted to conservation projects and expenses.

Restricted for Public Safety: Grants and fees restricted for use in various areas of public safety.

Restricted for Court functions: Balances are restricted for use in the County Court System.

Restricted for debt service: Balances are restricted in conjunction with the issuance of bonds and have been funded by operating transfers from the appropriate funds. The use of monies in the sinking fund is restricted to the payment of principal and interest on long-term debt.

Restricted for Public Health: Restricted for use to Hospital and EMS function.

Unrestricted: Balances are not restricted for specific purposes.

Governmental funds report fund balances as either spendable or non-spendable. Spendable fund balances are further classified as restricted, committed, assigned or unassigned depending upon the extent to which there are external or internal constraints on the spending of these fund balances.

Non-spendable fund balance: Amounts that are not in spendable form or that are legally or contractually required to be maintained intact. Items that are not spendable also include inventories, prepaid amounts and long term portions of loans and notes receivable, as well as property held for resale.

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

NOTE 16 - NET POSITION/FUND BALANCE CLASSIFICATION (continued)

Spendable fund balance:

Restricted fund balance – Amounts that can be spent only for specific purposes through restrictions placed upon them by external resource providers such as creditors, grantors or contributors; or imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – Amounts that can be spent only for specific purposes determined by the County's highest decision making authority, the Board of County Commissioners. Commitments may be modified or removed only by the Board of County Commissioners through the same formal action that created the original commitment.

Assigned fund balance – Amounts that are intended to be spent for specific purposes as determined by the Board of County Commissioners, but that are neither restricted nor committed to the specific purpose.

Unassigned fund balance – Unassigned fund balance is the residual classification for the County's general fund. Amounts in this classification are spendable but have not been deemed restricted, committed or assigned. Unassigned fund balance may also include negative balances for any governmental fund whose expenditures have exceeded the amounts restricted, committed or assigned for those specific purposes.

When both restricted and unrestricted amounts are available the County spends the restricted amounts first, unless prohibited by law, grant agreements or other contractual arrangement. Further, when committed fund balance is available the County will use it first, followed by assigned fund balance and then unassigned fund balance for purposes in which any of the unrestricted fund balance classifications could be used.

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

NOTE 16 - NET POSITION/FUND BALANCE CLASSIFICATION (continued)

A detailed schedule of fund balances at September 30, 2020 is as follows:

<u>Fund Balances</u>	<u>Amount</u>
Nonspendable:	
General fund – prepaid expenses	\$ 538,358
Park Fund	125
Tourist development	4,704
Public improvement	<u>1,077,916</u>
Total Nonspendable Fund Balance	<u>1,621,103</u>
Restricted:	
General fund	491,062
Fines and forfeitures	1,016,424
Secondary road and bridge	615,010
Mosquito control	41,132
St Joe fire control	790,447
Tupelo fire control	209,236
Overstreet fire control	48,101
Howard fire control	48,342
CDBG	57
CDBG Raffield	79,246
Industrial park EDA	138,070
BP restore act	174,896
E911	203,520
Capital projects	2,141,824
Clerk Modernization	340,233
Administrative order	110,507
Construction acquisition	94,046
MSTU	809,905
Non-Advalorem	57,904
Hospital	2,678,578
Beach Renewal	1,040,343
Tourist Development	3,383,188
Public Improvement	<u>525,637</u>
Total Restricted Fund Balance	<u>15,037,708</u>
Committed:	
General fund	273,066
Disaster fund	113,279
Park fund	<u>639,345</u>
Total Committed Fund Balance	<u>1,025,690</u>
Assigned:	
General fund	<u>10,057,607</u>
Total Assigned Fund Balance	<u>10,057,607</u>
Total Unassigned Fund Balance	<u>8,680,844</u>
Total fund Balance	<u>\$ 36,422,952</u>

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

NOTE 17 – COMMITMENTS

The Gulf County Sheriff has an interlocal agreement with the City of Wewahitchka, whereby personnel from the Sheriff's office provide law enforcement services to the City of Wewahitchka. As consideration therefore, the Sheriff receives payments of \$38,600 annually from the City.

The Gulf County Sheriff entered into a service agreement with the City of Port St. Joe Police Department, whereby the Sheriff provides all dispatching services required within the City of Port St. Joe. The City of Port St. Joe pays the Gulf County Sheriff the sum of \$71,000 per year, in consideration for these services.

The Sheriff has an interlocal agreement with the Gulf County School Board (District), whereby the Sheriff provides School Resource Officers to the District. As consideration, the Sheriff received payments of \$30,000 per month from the District through June 2019 and \$31,250 per month from July through September 2020. The Sheriff received \$363,750 for the year ended September 30, 2020.

The Sheriff has an agreement with Big Bend Community Based Care, whereby the Sheriff provides officers to respond to children who are at risk of harming themselves or others. As consideration, the Sheriff received payments of \$4,333 per month from BBCBC. The Sheriff received \$52,000 in the year ended September 30, 2020.

NOTE 18 - WATER SYSTEM OPERATIONS

The County owns the two remaining water systems, Williamsburg/Methodist Hill and Oak Grove. The City of Wewahitchka operates the Williamsburg/Methodist Hill Water System. Although there is not an active inter-local agreement this water system continues to be operated by the City of Wewahitchka under the terms of the 1993 inter-local agreement which terminated in 1994. The City of Port St. Joe operates the Oak Grove Water System. Neither one of these water systems brings any revenue to the County. The only expense to the County for either of these two water systems is depreciation.

REQUIRED SUPPLEMENTARY INFORMATION

GULF COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2020

SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OTHER POST EMPLOYMENT BENEFITS
LIABILITY AND RELATED RATIOS (I)

Last Ten Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service Cost	\$ 76,040	\$ 54,053	\$ 46,688
Interest	15,744	17,522	16,224
Demographic gain/loss	171,063	17,668	—
Assumption Changes	31,113	528	—
Change in Deferreds	—	175,588	—
Benefit Payments	<u>(51,133)</u>	<u>(30,996)</u>	<u>(22,161)</u>
Net Change in Total OPEB Liability	242,827	234,363	40,751
Total OPEB Liability – Beginning	<u>685,110</u>	<u>450,747</u>	<u>409,996</u>
Total OPEB Liability – Ending	<u>927,937</u>	<u>685,110</u>	<u>450,747</u>
 Covered-Employee Payroll	 \$ 7,994,561	 \$ 9,320,933	 \$ 6,948,198
Total OPEB Liability as a Percentage of			
Covred-Employee Payroll	11.61%	7.35%	6.49%

(1) The amounts presented for each fiscal year were determines as of September 30th.

* This is a 10-year schedule; however the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

GULF COUNTY, FLORIDA
PROPORTIONATE SHARE OF NET PENSION LIABILITY
Last Ten Years*
SEPTEMBER 30, 2020

Florida Retirement System

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Gulf County, Florida's proportion of the net pension liability	0.041109499%	0.040547385%	0.037990199%	0.037446967%
Gulf County, Florida's proportionate share of the net pension liability	\$ 17,817,463	\$ 13,963,955	\$ 11,442,845	\$ 11,076,562
Gulf County, Florida's covered-employee payroll	\$ 9,662,629	\$ 9,320,933	\$ 8,004,393	\$ 7,726,462
Gulf County, Florida's proportionate share of the net pension liability as a percentage of its covered-employee payroll	196.6%	149.81%	142.96%	143.36%
Plan fiduciary net position as a percentage of the total pension liability	90.2%	86.30%	84.26%	83.89%

Health Insurance Subsidy Programs

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Gulf County, Florida's proportion of the net pension liability	0.026513028%	0.02616734%	0.024391362%	0.023937927%
Gulf County, Florida's proportionate share of the net pension liability	\$ 3,237,198	\$ 2,927,863	\$ 2,581,609	\$ 2,559,554
Gulf County, Florida's covered-employee payroll	\$ 9,062,629	\$ 9,320,933	\$ 8,004,393	\$ 7,726,462
Gulf County, Florida's proportionate share of the net pension liability as a percentage of its covered-employee payroll	35.72%	31.41%	32.25%	33.13%
Plan fiduciary net position as a percentage of the total pension liability	2.04%	2.03%	2.15%	1.64%

(continued)

GULF COUNTY, FLORIDA
PROPORTIONATE SHARE OF NET PENSION LIABILITY
Last Ten Years* (continued)
SEPTEMBER 30, 2020

Florida Retirement System

	<u>2016</u>	<u>2015</u>
Gulf County, Florida's proportion of the net pension liability	0.040338331%	0.037324372%
Gulf County, Florida's proportionate share of the net pension liability	\$ 10,185,460	\$ 4,820,943
Gulf County, Florida's covered-employee payroll	\$ 8,251,636	\$ 7,169,067
Gulf County, Florida's proportionate share of the net pension liability as a percentage of its covered-employee payroll	123.44%	67.25%
Plan fiduciary net position as a percentage of the total pension liability	84.94%	92.00%

Health Insurance Subsidy Programs

	<u>2015</u>	<u>2015</u>
Gulf County, Florida's proportion of the net pension liability	0.25283010%	0.023177466%
Gulf County, Florida's proportionate share of the net pension liability	\$ 2,946,630	\$ 2,363,737
Gulf County, Florida's covered-employee payroll	\$ 8,251,636	\$ 7,169,067
Gulf County, Florida's proportionate share of the net pension liability as a percentage of its covered-employee payroll	35.71%	32.97%
Plan fiduciary net position as a percentage of the total pension liability	0.97%	0.50%

Notes to schedules:

*The amounts presented for each fiscal year were determined as of the measurement date, which was June 30th of the current fiscal year
 *GASB Statement No. 68 was implemented in 2016. Until a full 10-year trend is compiled, information for those years for which it is available will be presented.

**Covered employee payroll includes defined benefit plan actives, investment plan members, and members in DROP for the measurement period ending June 30, 2020.

GULF COUNTY, FLORIDA
SCHEDULE OF CONTRIBUTIONS
Last Ten Fiscal Years*
SEPTEMBER 30, 2020

Florida Retirement System

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 1,368,812	\$ 1,363,656	\$ 1,363,656	\$ 1,231,413
Contributions in relation to the				
Contractually required contribution	<u>(1,368,812)</u>	<u>(1,363,656)</u>	<u>(1,363,656)</u>	<u>(1,231,413)</u>
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Gulf County, Florida's covered-				
employee payroll	\$ 9,062,629	\$ 8,004,393	\$ 8,004,393	\$ 7,726,462
Contribution as a percentage of covered-				
employee payroll	12.52%	17.04%	17.04%	15.94%

Health Insurance Subsidy Programs

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 170,909	\$ 169,011	\$ 164,426	\$ 157,639
Contributions in relation to the				
contractually required contribution	<u>(170,909)</u>	<u>(169,011)</u>	<u>(164,426)</u>	<u>(157,639)</u>
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Gulf County, Florida's covered-				
employee payroll	\$ 9,062,629	\$ 9,320,933	\$ 8,004,393	\$ 7,726,462
Contribution as a percentage of covered-				
employee payroll	1.89%	1.81%	2.05%	2.04%

(continued)

GULF COUNTY, FLORIDA
SCHEDULE OF CONTRIBUTIONS
Last Ten Fiscal Years* (continued)
SEPTEMBER 30, 2020

Florida Retirement System

	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,216,635	\$ 1,147,124
Contributions in relation to the		
Contractually required contribution	<u>(1,216,635)</u>	<u>(1,147,124)</u>
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>
Gulf County, Florida's covered-		
employee payroll	\$ 8,251,636	\$ 7,169,067
Contribution as a percentage of covered-		
employee payroll	14.74%	16.00%

Health Insurance Subsidy Programs

	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 159,109	\$ 119,837
Contributions in relation to the		
contractually required contribution	<u>(159,109)</u>	<u>(119,837)</u>
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>
Gulf County, Florida's covered-		
employee payroll	\$ 8,251,636	\$ 7,169,067
Contribution as a percentage of covered-		
employee payroll	1.93%	1.67%

Notes to schedules:

*Covered employee payroll includes defined benefit plan actives, investment plan members, and members in DROP for the fiscal year ended September 30, 2020.

*The amounts presented for each fiscal year were determined as of 6/30 except for the covered payroll determined as of 9/30. The schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

GULF COUNTY, FLORIDA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED SEPTEMBER 30, 2020

NOTE 1 – OPEB INFORMATION

The county did not have plan assets accumulated in a trust. For the measurement date of September 30, 2020, the actuarial valuation used a discount rate of 3.58% as of October 1, 2019, and 2.14% as of September 30, 2020. The discount rate will be updated annually to reflect market conditions as of the measurement date.

NOTE 2 – PENSION INFORMATION

The discount rate used to measure the pension liability of the Pension Plan at June 30, 2019 was decreased from 6.9% to 6.8%. The FRS Actuarial Assumption Conference is responsible for setting the assumptions used in the valuations of the defined benefit pension plans pursuant to Section 216.136(10), Florida Statutes. The 6.80% rate of return assumption used in the June 30, 2020 calculations was determined by the Plan's consulting actuary to be reasonable and appropriate per Actuarial Standard of Practice No. 27 (ASOP 27) for accounting purposes which differs from the rate used for funding purposes which is used to establish the contribution rates of the Pension Plan.

COMBINING FINANCIAL STATEMENTS

Nonmajor Governmental Funds

Special Revenue Funds

SECONDARY ROAD AND BRIDGE – To account for fuel taxes, not obligated for debt repayment, and certain expenditures for road and bridge construction and maintenance.

FINES AND FORFEITURES – To account for fines earmarked for law enforcement and corrections.

SHERIFF – To account for funds received associated with the public safety impact for the Gulf County Community.

CLERK MODERNIZATION TRUST – To account for the statutory surcharge on recording documents paid to the Clerk of the Circuit Court for the modernization of the Clerk's official records management system and for funding court-related technology needs of the Clerk.

ADMINISTRATIVE ORDER 86-12 – To account for additional court costs of traffic infractions used for administering traffic violations.

HUD CDBG – The Community Development Block Grant program provides resources to aid in affordable housing and create jobs through the expansion and retention of businesses.

FIRE CONTROL DISTRICTS – To account for property taxes levied within the following dependent special districts for fire prevention and control:

Howard Creek
Tupelo

St. Joe
Overstreet

DISASTER CONTINGENCY – To account for cash committed to pay overtime during disasters.

WIRELESS 911 – To account for grants awarded from the State of Florida E911 Board for enhancement of the E911 system.

E911 – To account for fees levied on each communications service subscriber for funding certain costs of the County associated with the E911 system.

MOSQUITO CONTROL – To account for the receipt and expenditure of state grant funds used for mosquito control.

EMERGENCY MEDICAL SERVICES – To account for the receipt and expenditure of grants awarded by the Florida Department of Health. The funds must be used to improve and expand emergency medical services.

Nonmajor Governmental Funds

Special Revenue Funds (continued)

INDUSTRIAL PARK EDA – To account for the receipt and expenditure of Economic Development Administration Funds. The funds are to be used to develop working programs that benefit the economy of the County.

STATE HOUSING INITIATIVE PARTNERSHIP – To account for activity relating to the programs revenues and expenses.

COMMUNITY DEVELOPMENT BLOCK GRANT – To account for community development grant activity.

PARK FUND – To account for the receipt and expenditure of Park activities.

COUNTY DEVELOPMENT – To account for funds committed for county development.

CONSTRUCTION ACQUISITION – To account for restricted funds designated for construction acquisition.

BEACH RESTORATION – This fund is used to account for the beach renewal activity

Debt Service Funds

PUBLIC IMPROVEMENT FUND – To account for debt service of the 2015 A & B capital improvement and refunding bonds.

MSTU FUND – To account for debt service of the MTSU beach renourishment bonds.

NON-ADVALOREM OPERATIONS – To account for debt service of the series 2016 gulf non-advalorem revenue bonds.

GULF COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	Special Revenue					
	Fines and Forfeitures	Secondary Road and Bridge	Mosquito Control	St. Joe Fire Control	Tupelo Fire Control	Overstreet Fire Control
Assets						
Cash and cash equivalents	\$ 1,035,291	\$ 615,010	\$ 51,239	\$ 804,744	\$ 211,339	\$ 48,523
Due from other funds	—	—	—	—	—	—
Due from other governments	—	—	—	—	—	—
Prepaid expense	—	—	—	—	—	—
Accounts receivable (net)	—	—	—	—	—	—
Notes receivable	—	—	—	—	—	—
Total assets	<u>1,035,291</u>	<u>615,010</u>	<u>51,239</u>	<u>804,744</u>	<u>211,339</u>	<u>48,523</u>
Liabilities Deferred Inflows and fund balances						
Liabilities						
Vouchers payable	5,102	—	10,107	14,297	2,103	422
Due to other funds	13,765	—	—	—	—	—
Due to other governments	—	—	—	—	—	—
Total liabilities	<u>18,867</u>	<u>—</u>	<u>10,107</u>	<u>14,297</u>	<u>2,103</u>	<u>422</u>
Deferred inflows	—	—	—	—	—	—
Total deferred inflows	—	—	—	—	—	—
Fund balances						
Nonspendable	—	—	—	—	—	—
Restricted	1,016,424	615,010	41,132	790,447	209,236	48,101
Committed	—	—	—	—	—	—
Total fund balances	<u>1,016,424</u>	<u>615,010</u>	<u>41,132</u>	<u>790,447</u>	<u>209,236</u>	<u>48,101</u>
Total Liabilities, Deferred Revenue and Fund Balances	<u>\$ 1,035,291</u>	<u>\$ 615,010</u>	<u>\$ 51,239</u>	<u>\$ 804,744</u>	<u>\$ 211,339</u>	<u>\$ 48,523</u>

(Continued)

GULF COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (continued)
SEPTEMBER 30, 2020

	Special Revenue					
	Howard Creek Fire Control	EMS Grant	SHIP	CDBG	CDBG Ratfield	Industrial Park EDA
Assets						
Cash and cash equivalents	\$ 48,505	\$ 8,939	\$ 736,018	\$ 57	\$ 40,172	\$ 127,921
Due from other funds	—	—	—	—	—	—
Due from other governments	—	—	—	—	—	—
Prepaid expense	—	—	—	—	—	—
Accounts receivable (net)	—	—	—	—	39,074	389
Notes receivable	—	—	55,866	—	159,000	129,863
Total assets	<u>48,505</u>	<u>8,939</u>	<u>791,884</u>	<u>57</u>	<u>238,246</u>	<u>258,173</u>
Liabilities Deferred Inflows and fund balances						
Liabilities						
Vouchers payable	163	2,500	697	—	—	103
Due to other funds	—	—	19	—	—	—
Due to other governments	—	—	—	—	—	—
Total liabilities	<u>163</u>	<u>2,500</u>	<u>716</u>	<u>—</u>	<u>—</u>	<u>103</u>
Deferred inflows	—	6,439	791,168	—	159,000	120,000
Total deferred inflows	—	6,439	791,168	—	159,000	120,000
Fund balances						
Nonspendable	—	—	—	—	—	—
Restricted	48,342	—	—	57	79,246	138,070
Committed	—	—	—	—	—	—
Total fund balances	<u>48,342</u>	<u>—</u>	<u>—</u>	<u>57</u>	<u>79,246</u>	<u>138,070</u>
Total Liabilities, Deferred Revenues and Fund Balances	<u>\$ 48,505</u>	<u>\$ 8,939</u>	<u>\$ 791,884</u>	<u>\$ 57</u>	<u>\$ 238,246</u>	<u>\$ 258,173</u>

(Continued)

GULF COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (continued)
SEPTEMBER 30, 2020

	Special Revenue					
	County Development	E911 Wireless	E911 Services	Disaster Fund	Park Fund	Clerk Modernization Fund
Assets						
Cash and cash equivalents	\$ (30,366)	\$ (37,293)	\$ 197,125	\$ (7,886)	\$ 633,901	\$ 340,233
Due from other funds	—	—	11,051	—	—	—
Due from other governments	—	37,293	—	251,059	10,000	—
Prepaid expense	—	—	—	—	125	—
Accounts receivable (net)	30,366	—	—	—	—	—
Notes receivable	—	—	—	—	—	—
Total assets	<u>—</u>	<u>—</u>	<u>208,176</u>	<u>243,173</u>	<u>644,026</u>	<u>340,233</u>
Liabilities Deferred Inflows and fund balances						
Liabilities						
Vouchers payable	—	—	4,656	125,011	4,556	—
Due to other funds	—	—	—	1,800	—	—
Due to other governments	—	—	—	—	—	—
Total liabilities	<u>—</u>	<u>—</u>	<u>4,656</u>	<u>126,811</u>	<u>4,556</u>	<u>—</u>
Deferred inflows	—	—	—	3,083	—	—
Total deferred inflows	<u>—</u>	<u>—</u>	<u>—</u>	<u>3,083</u>	<u>—</u>	<u>—</u>
Fund balances						
Nonspendable	—	—	—	—	125	—
Restricted	—	—	203,520	—	—	340,233
Committed	—	—	—	113,279	639,345	—
Total fund balances	<u>—</u>	<u>—</u>	<u>203,520</u>	<u>113,279</u>	<u>639,470</u>	<u>340,233</u>
Total Liabilities, Deferred Revenues and Fund Balances	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 208,176</u>	<u>\$ 243,173</u>	<u>\$ 644,026</u>	<u>\$ 340,233</u>

(Continued)

GULF COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (continued)
SEPTEMBER 30, 2020

Special Revenue				
	Administrative Order 86-12	Sheriff Special Revenue	Construction Acquisition	Beach Restoration
Assets				
Cash and cash equivalents	\$ 110,507	\$ —	\$ 94,046	\$ 1,040,343
Due from other funds	—	—	—	—
Due from other governments	—	—	—	—
Prepaid expense	—	—	—	—
Accounts receivable (net)	—	—	—	—
Notes receivable	—	—	—	—
Total assets	<u>110,507</u>	<u>—</u>	<u>94,046</u>	<u>1,040,343</u>
Liabilities Deferred Inflows and fund balances				
Liabilities				
Vouchers payable	—	—	—	—
Due to other funds	—	—	—	—
Due to other governments	—	—	—	—
Total liabilities	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Deferred inflows	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total deferred inflows	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balances				
Nonspendable	—	—	—	—
Restricted	110,507	—	94,046	1,040,343
Committed	—	—	—	—
Total fund balances	<u>110,507</u>	<u>—</u>	<u>94,046</u>	<u>1,040,343</u>
Total Liabilities, Deferred Revenues and Fund Balances	<u>\$ 110,507</u>	<u>\$ —</u>	<u>\$ 94,046</u>	<u>\$ 1,040,343</u>

GULF COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (continued)
SEPTEMBER 30, 2020

Debt Service Fund				Total
	Pub		Non-Advalorem	Nonmajor
	Improvement	MSTU	Operations	Governmental
				Funds
Assets				
Cash and cash equivalents	\$ 363,556	\$ 809,905	\$ (17,349)	\$ 7,224,480
Due from other funds	48,713	—	75,253	135,017
Due from other governments	113,368	—	—	411,720
Prepaid expense	1,077,916	—	—	1,078,041
Accounts receivable (net)	—	—	—	69,829
Notes receivable	—	—	—	344,729
Total assets	<u>1,603,553</u>	<u>809,905</u>	<u>57,904</u>	<u>9,263,816</u>
Liabilities Deferred Inflows				
and fund balances				
Liabilities				
Vouchers payable	—	—	—	169,717
Due to other funds	—	—	—	15,584
Due to other governments	—	—	—	—
Total liabilities	—	—	—	185,301
Deferred inflows	—	—	—	1,079,690
Total deferred inflows	—	—	—	1,079,690
Fund balances				
Nonspendable	1,077,916	—	—	1,078,041
Restricted	525,637	809,905	57,904	6,168,160
Committed	—	—	—	752,623
Total fund balances	<u>1,603,553</u>	<u>809,905</u>	<u>57,904</u>	<u>7,998,825</u>
Total Liabilities, Deferred				
Revenues and Fund				
Balances	<u>\$ 1,603,553</u>	<u>\$ 809,905</u>	<u>\$ 57,904</u>	<u>\$ 9,263,816</u>

GULF COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2020

			Special Revenue			
	Fines and Forfeitures	Secondary Road and Bridge	Mosquito Control	St. Joe Fire Control	Tupelo Fire Control	Overstreet Fire Control
Revenues						
Taxes	\$ —	\$ 73,804	\$ —	\$ 521,845	\$ 53,562	\$ 25,105
Intergovernmental	—	—	34,497	33,213	5,018	2,922
Charges for services	63,956	—	—	—	—	—
Investment earnings/other	473	61,395	92	—	—	—
Total revenues	<u>64,429</u>	<u>135,199</u>	<u>34,589</u>	<u>555,058</u>	<u>58,580</u>	<u>28,027</u>
Expenditures						
Current						
General government	—	—	—	—	—	—
Public safety	988	—	—	334,479	31,353	36,230
Economic environment	—	—	—	—	—	—
Physical environment	—	—	—	—	—	—
Transportation	—	23,200	—	—	—	—
Court related	6,404	—	—	—	—	—
Human services	—	—	7,336	—	—	—
Culture and recreation	—	—	—	—	—	—
Capital outlay	2,750	11,350	40,201	288,929	14,696	—
Debt Service	—	—	—	—	—	—
Total expenditures	<u>10,142</u>	<u>34,550</u>	<u>47,537</u>	<u>623,408</u>	<u>46,049</u>	<u>36,230</u>
Excess (deficiency) of revenues over (under) expenditures	<u>54,287</u>	<u>100,649</u>	<u>(12,948)</u>	<u>(68,350)</u>	<u>12,531</u>	<u>(8,203)</u>
Other financing sources (uses)						
Transfers out	(16,623)	—	—	—	—	—
Transfers in	—	—	—	—	—	—
Total other financing Sources (uses)	<u>(16,623)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	37,664	100,649	(12,948)	(68,350)	12,531	(8,203)
Fund balances - beginning	<u>978,760</u>	<u>514,361</u>	<u>54,080</u>	<u>858,797</u>	<u>196,705</u>	<u>56,304</u>
Fund balances - ending	<u>\$ 1,016,424</u>	<u>\$ 615,010</u>	<u>\$ 41,132</u>	<u>\$ 790,447</u>	<u>\$ 209,236</u>	<u>\$ 48,101</u>

(Continued)

GULF COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (continued)
YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue					
	Howard Creek Fire Control	EMS Grant	SHIP	CDBG	CDBG Ratfield	Industrial Park EDA
Revenues						
Taxes	\$ 17,216	\$ —	\$ —	\$ —	\$ —	\$ —
Intergovernmental	1,440	3,987	254,108	—	—	—
Charges for services	—	—	—	—	—	—
Investment earnings/other	—	9	34,730	—	10,000	26,516
Total revenues	<u>18,656</u>	<u>3,996</u>	<u>288,838</u>	<u>—</u>	<u>10,000</u>	<u>26,516</u>
Expenditures						
Current						
General government	—	—	—	—	—	—
Public safety	4,663	3,996	—	—	—	—
Physical environment	—	—	—	—	—	—
Economic environment	—	—	288,838	—	—	7,589
Transportation	—	—	—	—	—	—
Court related	—	—	—	—	—	—
Human services	—	—	—	—	—	—
Culture and recreation	—	—	—	—	—	—
Capital outlay	—	—	—	—	—	—
Debt service	—	—	—	—	—	—
Total expenditures	<u>4,663</u>	<u>3,996</u>	<u>288,838</u>	<u>—</u>	<u>—</u>	<u>7,589</u>
Excess (deficiency) of revenues over (under) expenditures	<u>13,993</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>10,000</u>	<u>18,927</u>
Other financing sources (uses)						
Transfers out	—	—	—	—	—	—
Transfers in	—	—	—	—	—	—
Total other financing Sources (uses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	13,993	—	—	—	10,000	18,927
Fund balances - beginning	<u>34,349</u>	<u>—</u>	<u>—</u>	<u>57</u>	<u>69,246</u>	<u>119,143</u>
Fund balances - ending	<u>\$ 48,342</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 57</u>	<u>\$ 79,246</u>	<u>\$ 138,070</u>

(Continued)

GULF COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (continued)
YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue				
	County Development	E911 Wireless	E911 Services	Disaster Fund	Park Fund
Revenues					
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —
Intergovernmental	—	37,293	159,534	1,001,348	—
Charges for services	—	—	—	—	2,217
Investment earnings/other	<u>224,720</u>	<u>—</u>	<u>562</u>	<u>—</u>	<u>403,704</u>
Total revenues	<u>224,720</u>	<u>37,293</u>	<u>160,096</u>	<u>1,001,348</u>	<u>405,921</u>
Expenditures					
Current					
General government	234,727	—	—	167,142	—
Public safety	—	37,293	129,818	485,771	—
Physical environment	—	—	—	—	—
Economic environment	—	—	—	41,879	—
Transportation	—	—	—	71,009	—
Court related	—	—	—	—	—
Human service	—	—	—	12,806	—
Culture and recreation	—	—	—	18,333	91,609
Capital outlay	131,435	—	1,295	80,804	77,723
Debt service	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total expenditures	<u>366,162</u>	<u>37,293</u>	<u>131,113</u>	<u>877,744</u>	<u>169,332</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(141,442)</u>	<u>—</u>	<u>28,983</u>	<u>123,604</u>	<u>236,589</u>
Other financing sources (uses)					
Transfers out	—	—	—	(38,626)	—
Transfers in	<u>17,463</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total other financing Sources (uses)	<u>17,463</u>	<u>—</u>	<u>—</u>	<u>(38,626)</u>	<u>—</u>
Net change in fund balances	(123,979)	—	28,983	84,978	236,589
Fund balances - beginning	<u>123,979</u>	<u>—</u>	<u>174,537</u>	<u>28,301</u>	<u>402,881</u>
Fund balances - ending	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 203,520</u>	<u>\$ 113,279</u>	<u>\$ 639,470</u>

(Continued)

GULF COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (continued)
YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue				
	Clerk Modernization Fund	Administrative Order 86-12	Sheriff Special Revenue	Construction Acquisition	Beach Restoration
Revenues					
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —
Intergovernmental	—	—	—	—	—
Charges for services	55,929	—	—	—	—
Investment earnings/other	<u>341</u>	<u>154</u>	<u>—</u>	<u>142</u>	<u>3,415</u>
Total revenues	<u>56,270</u>	<u>154</u>	<u>—</u>	<u>142</u>	<u>3,415</u>
Expenditures					
Current					
General government	12,021	—	—	—	—
Public safety	—	—	13,000	—	—
Physical environment	—	—	—	—	3,213,901
Economic environment	—	—	—	—	—
Transportation	—	—	—	87,122	—
Court related	15,527	—	—	—	—
Human service	—	—	—	—	—
Culture and recreation	—	—	—	—	—
Capital outlay	—	—	—	3,090	—
Debt service	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total expenditures	<u>27,548</u>	<u>—</u>	<u>13,000</u>	<u>90,212</u>	<u>3,213,901</u>
Excess (deficiency) of revenues over (under) expenditures	<u>28,722</u>	<u>154</u>	<u>(13,000)</u>	<u>(90,070)</u>	<u>(3,210,486)</u>
Other financing sources (uses)					
Transfers out	—	(41,328)	—	—	(2,420,264)
Transfers in	<u>—</u>	<u>—</u>	<u>13,000</u>	<u>—</u>	<u>—</u>
Total other financing Sources (uses)	<u>—</u>	<u>(41,328)</u>	<u>13,000</u>	<u>—</u>	<u>(2,420,264)</u>
Net change in fund balances	28,722	(41,174)	—	(90,070)	(5,630,750)
Fund balances - beginning	<u>311,511</u>	<u>151,681</u>	<u>—</u>	<u>184,116</u>	<u>6,671,093</u>
Fund balances - ending	<u>\$ 340,233</u>	<u>\$ 110,507</u>	<u>\$ —</u>	<u>\$ 94,046</u>	<u>\$ 1,040,343</u>

GULF COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (continued)
YEAR ENDED SEPTEMBER 30, 2020

	Debt Service Fund			Total
	Pub		Non-Advalorem	Nonmajor
	Improvement	MSTU	Operations	Governmental
				Funds
Revenues				
Taxes	\$ 400,582	\$ 386,445	\$ —	\$ 1,478,559
Intergovernmental	972,147	13,929	—	2,519,436
Charges for services	—	—	—	122,102
Investment earnings/other	<u>1,177</u>	<u>696</u>	<u>426</u>	<u>768,552</u>
Total revenues	<u>1,373,906</u>	<u>401,070</u>	<u>426</u>	<u>4,888,649</u>
Expenditures				
Current				
General government	—	—	—	413,890
Public safety	—	—	—	1,077,591
Physical environment	—	—	—	3,213,901
Economic environment	—	—	—	338,306
Transportation	—	—	—	181,331
Court related	—	—	—	21,931
Human service	—	—	—	20,142
Culture and recreation	—	—	—	109,942
Capital outlay	—	—	—	652,273
Debt service	<u>1,318,796</u>	<u>393,088</u>	<u>2,595,457</u>	<u>4,307,341</u>
Total expenditures	<u>1,318,796</u>	<u>393,088</u>	<u>2,595,457</u>	<u>10,336,648</u>
Excess (deficiency) of				
revenues over (under)				
expenditures	<u>55,110</u>	<u>7,982</u>	<u>(2,595,031)</u>	<u>(5,447,999)</u>
Other financing sources (uses)				
Transfers out	—	—	—	(2,516,841)
Transfers in	<u>—</u>	<u>—</u>	<u>2,652,935</u>	<u>2,683,398</u>
Total other financing				
Sources (uses)	<u>—</u>	<u>—</u>	<u>2,652,935</u>	<u>166,557</u>
Net change in fund balances	55,110	7,982	57,904	(5,281,442)
Fund balances - beginning	<u>1,548,443</u>	<u>801,923</u>	<u>—</u>	<u>13,280,267</u>
Fund balances - ending	<u>\$ 1,603,553</u>	<u>\$ 809,905</u>	<u>\$ 57,904</u>	<u>\$ 7,998,825</u>

**GULF COUNTY, FLORIDA
COMBINING BALANCE SHEET
AGENCY FUNDS
SEPTEMBER 30, 2020**

	Agency Funds – Clerk						
	Fee Trust	Article V Trust	Jury & Witness	Registry of Court	Tax Deed Holdings	Child Support	Bond
Assets							
Cash and cash equivalents	\$ 35,027	\$ 126,244	\$ 4,581	\$ 65,694	\$ 10,957	\$ 3,552	\$ 18,750
Due from other funds	378	—	—	—	—	—	—
Accounts receivable/net	—	—	—	—	—	—	—
Total Assets	<u>35,405</u>	<u>126,244</u>	<u>4,581</u>	<u>65,694</u>	<u>10,957</u>	<u>3,552</u>	<u>18,750</u>
Liabilities							
Due to individuals	—	90,071	—	65,694	10,957	—	18,750
Due to other funds	21,132	17,312	1,501	—	—	3,522	—
Due to other governments	8,999	13,254	3,080	—	—	30	—
Due to Board of County Commissioners	<u>5,274</u>	<u>5,607</u>	—	—	—	—	—
Total Liabilities	<u>\$ 35,405</u>	<u>\$ 126,244</u>	<u>4,581</u>	<u>\$ 65,694</u>	<u>\$ 10,957</u>	<u>\$ 3,552</u>	<u>\$ 18,750</u>

**GULF COUNTY, FLORIDA
COMBINING BALANCE SHEET
AGENCY FUNDS
SEPTEMBER 30, 2020**

	Agency Funds <u>Sheriff</u> <u>Individual</u> <u>Depository</u>	Agency Funds <u>Tax Collector</u> <u>Taxes</u> <u>Fund</u>	<u>Totals</u>
Assets			
Cash and cash equivalents	\$ 666	\$ 389,522	\$ 654,993
Due from other funds	—	—	378
Accounts receivable/net	<u>1,410</u>	<u>—</u>	<u>1,410</u>
Total Assets	<u>2,076</u>	<u>389,522</u>	<u>656,781</u>
Liabilities			
Due to individuals	616	358,851	544,939
Due to other funds	—	—	43,467
Due to other governments	—	5,092	30,455
Due to Board of County Commissioners	<u>1,460</u>	<u>25,579</u>	<u>37,920</u>
Total Liabilities	<u>\$ 2,076</u>	<u>\$ 389,522</u>	<u>\$ 656,781</u>

COMPLIANCE SECTION

Vance CPA, LLC

Certified Public Accountant

219-B Avenue E

Apalachicola, FL 32320

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INDEPENDENT AUDITOR'S REPORT ON EXAMINATION OF COMPLIANCE REQUIREMENTS IN ACCORDANCE WITH CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

Honorable Members of the
Board of County Commissioners
Gulf County, Florida

We have examined Gulf County, Florida's (the County) compliance with Section 218.415, Florida Statutes, regarding the investment of public funds and Section 365.172(10) and 365.173(2)(d), Florida Statutes, regarding emergency communications number E911 system fund 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 and, accordingly, included 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 examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the County's compliance with specified requirements.

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

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

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

Vance CPA LLC

Vance CPA LLC

June 18, 2021

Vance CPA, LLC

Certified Public Accountant

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INDEPENDENT AUDITOR'S MANAGEMENT LETTER

Honorable Members of the
Board of County Commissioners
Gulf County, Florida

Report on the Financial Statements

We have audited the financial statements of each major fund and the aggregate remaining fund information of Gulf, County, Florida, Board of County Commissioners, (hereinafter referred to as the "Board"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, and have issued our report thereon dated June 18, 2021.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosure in those reports and schedule, which are dated June 18, 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 and recommendations made in the preceding annual financial report to the extent considered necessary by the County, except as repeated under the heading current year findings and recommendations. See also Summary Schedule of Prior Year Audit Findings.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in

the management letter, unless disclosed in the notes to the financial statements. Gulf County, Florida was established by the Constitution of the State of Florida, Article VIII, Section 1(e). The name or official title and legal authority for the primary government and each component unit of the reporting entity are disclosed in note 1 of the notes to the financial statements.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 219.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Gulf County, Florida did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b., and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the County's financial condition, and our financial condition assessments as based in part on representations made by management and the review of financial information provided by same.

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

Additional Matters

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

Purpose of this Letter

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

Vance CPA LLC

Vance CPA LLC

June 18, 2021

Vance CPA, LLC

Certified Public Accountant

219-B Avenue E

Apalachicola, FL 32320

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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 Members of the
Board of County Commissioners
Gulf 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 governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Gulf County, Florida, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Gulf County Florida's basic financial statements and have issued our report thereon dated June 18, 2021.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Gulf County Florida's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Vance CPA LLC

Vance CPA LLC

June 18, 2021

Vance CPA, LLC

Certified Public Accountant

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS FOR EACH MAJOR PROGRAM AND STATE PROJECT, REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND AUDITOR GENERAL OF THE STATE OF FLORIDA, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550 RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Honorable Members of the
Board of County Commissioners
Gulf County, Florida

Report on Compliance for Each Major Federal and State Program

We have audited Gulf County, Florida's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the requirements described 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 auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulation, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs and state programs 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 and contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 and 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 noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program and 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 Gulf County, Florida's compliance.

Opinion on Each Major Federal Program and State Project

In our opinion, Gulf County, Florida 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 maintain 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, noncompliance with a type of compliance requirement of a federal program or 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 noncompliance 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 all deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Report on Schedule of Expenditures of Federal Award and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Gulf County, Florida, as of and for the year ended September 30, 2020, and the notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated June 28, 2019, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance is presented for the purposes of additional analysis as required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, and is not a required part of the basic financial statements. Such 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.

The 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 Schedule of Expenditures of Federal Awards and State Financial Assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

Vance CPA LLC

Vance CPA LLC
June 18, 2021

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

Federal /Awards Program	CFDA #	Contract/Grant Number	Expenditures
U.S. Department of Agriculture			
<i>Passed through Florida Dept of Agriculture and Consumer Services Florida Forest Service</i>			
NRCS Emergency Watershed Protection Program			
Hurricane Michael Ditches	10.923	NR204209XXXXC001	<u>2,207,989</u>
Total U.S. Department of Agriculture			<u>2,207,989</u>
U.S. Department of Interior/U.S. Fish & Wildlife Service			
<i>Pass through Florida Fish and Wildlife Conservation Commission</i>			
National Park Service Rivers Trail & Cons-HM Salinas Park	15.921	Salinas Plan Hurr Michael	<u>18,683</u>
Total Florida U.S. Department of Interior/ U.S. Fish & Wildlife Service			<u>18,683</u>
U.S. Department of Justice			
<i>Pass through Florida Department of Law Enforcement</i>			
2019-2020 EB Memorial JAG – Mobile Message Board	16.738	2020-JAGC-GULF-2-Y5-131	<u>22,901</u>
Total Florida U.S. Department of Justice			<u>22,901</u>
Federal Highway Administration			
<i>Pass through Florida Department of Environmental Protection</i>			
Recreational Trail Program -Port City Trail	20.219	T1722	<u>19,200</u>
Total Federal Highway Administration			<u>19,200</u>
U.S. Department of the Treasury			
Direct Component – St. Joseph Peninsula Beach Restoration	21.015	RDCGR100069-01-00	917,927
Direct Component – Public Safety Building	21.015	RDCGR100080-01-00	<u>38,500</u>
Total CFDA 21.015			<u>956,427</u>
<i>Pass through Florida Division of Emergency Management</i>			
Coronavirus Relief Funds (County Assistance)	21.019	Y2309	626,311
<i>Pass through Florida Dept of Housing Corp</i>			
Coronavirus Relief Funds (Rental Assistance)	21.019	056-2020	<u>7,777</u>
Total CFDA 21.019			<u>634,088</u>
Total U.S. Department of the Treasury			<u>1,590,515</u>
U.S. Department of Health & Human Services, Agency for Children & Families, Office of Child Support Enforcement			
<i>Pass through Florida Department of Revenue</i>			
Child Support Enforcement Title IV – D Service of Process	93.563	CST23	1,007
Child Support Enforcement Title IV – D Services Reimbursement	93.563	COC23	<u>156,258</u>
Total U.S. Department of Health & Human Services			<u>157,265</u>

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

State Financial Assistance Projects	CFSA #	Contract/Grant Number	Expenditures
U.S. Department of Homeland Security/Federal Emergency Management Agency			
<i>Pass through Florida Division of Emergency Management</i>			
FEMA Public Assistance Hurricane Michael 2018 4339DR	97.036	Z0841 (Multiple PW's)	<u>375,037</u>
Total CFDA 97.036			<u>375,037</u>
Emergency Mgmt Performance Grant 2019-2020	97.042	G0023	41,933
Emergency Mgmt Performance Grant 2020-2021	97.042	G0167	<u>13,684</u>
Total CFDA 97.042			<u>55,617</u>
Total U.S. Department of Homeland Security			<u>430,654</u>
Total Expenditure of Federal Awards			<u>\$ 4,447,207</u>

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

State Financial Assistance Projects	CSFA #	Contract/Grant Number	Expenditures
Executive Office of the Governor –			
Division of Emergency Management			
Emergency Mgmt Preparedness and Assistance Grant 2019-2020	31.063	A0017	80,388
Emergency Mgmt Preparedness and Assistance Grant 2020-2021	31.063	A00115	<u>26,669</u>
Total CSFA 31.063			<u>107,057</u>
Hurricane Michael State Recovery Grant Program-Rev Loss/Oper Def	31.070	F0045	<u>2,000,000</u>
Total CSFA 31.070			<u>2,000,000</u>
Total Executive Office of the Governor			
Division of Emergency Management			<u>2,107,057</u>
Florida Department Environmental Protection			
St Joseph Peninsuala Beach Restore – Construction	37.003	18GU1	3,295,396
St Joseph Peninsuala Beach Restore – Construction	37.003	19GU2	2,746,099
St Joseph Peninsuala Beach Restore – Design/Monitor	37.003	19GU1	<u>21,489</u>
Total CSFA 37.003			<u>6,062,984</u>
Small County Solid Waste Grant 2019-2020	37.012	SC012	<u>27,399</u>
Total CSFA 37.012			<u>27,399</u>
Total Florida Environmental Protection			<u>6,090,383</u>
Florida Department Economic Opportunity			
Div of Housing & Comm Dev – Hurricane Michael	40.038	DL014	<u>764,814</u>
Total CSFA 40.038			<u>764,814</u>
Total Florida Department of Economic Opportunity			<u>764,814</u>
Florida Housing Finance Corporation			
SHIP & Program Income	40.901	SFY1718 TO SFY1920	113,143
SHIP Disaster Housing – Hurricane Michael Recover	40.901	FY1819 DST2-GULF	<u>167,918</u>
Total CSFA 40.901			<u>281,061</u>
Hurricane Housing Recovery Program & Program Income-Hurricane Michael	40.902	SFY1920 TO SFY2122	<u>2,261,101</u>
Total CSFA 40.901			<u>2,261,101</u>
Total Florida Housing Finance Corporation			<u>2,542,162</u>

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

State Financial Assistance Projects	CFSA #	Contract/Grant Number	Expenditures
Florida Department of Agriculture & Consumer Services			
Anthropod Control Mosquito Control State Aid and Program Income	42.003	2018-2019 #025504	<u>47,537</u>
Total Florida Department of Agriculture & Consumer Services			<u>47,537</u>
Florida Department of State			
Operating and Equalization State Aid Grants 2019-2020	45.030	20-ST-43	<u>51,650</u>
Total Florida Department of State			<u>51,650</u>
Florida Department of Transportation			
Florida Hwy Beautification Council Grant Beacon Hill Landscaping GOT72	55.003	442787-1-74-01 441496-1-94-01 & 441496	<u>5,000</u>
Total CSFA 55.003			<u>5,000</u>
Seaport Grant Program – Floating Dry Dock & Dredging GOT15	55.005	2-94-01 GOT15	<u>1,306,975</u>
Total CSFA 55.005			<u>1,306,975</u>
Small County Outreach Program – CR386 Resurfacing G0E04	55.009	413202-3-54-01	1,719,021
Small County Outreach Program CR382 Resurfacing G0S49	55.009	436845-1-54-01	<u>1,313,102</u>
Total CSFA 55.009			<u>3,032,123</u>
Small County Road Assistance Program – Resurfacing Pineda G1H74	55.016	446705-1-54-01	220,448
Small County Road Assistance Program – CR387 Widening & Resurfacing G1000	55.016	438299-1-54-01	290,288
Small County Road Assistance Program – Pleasant Rest G1G60	55.016	442427-1-34-01	<u>95,341</u>
Total CSFA 55.016			<u>606,077</u>
Total Department of Transportation			<u>4,950,175</u>
Florida Department of Health			
Bureau of Emergency Medical Services County Grant 2019-2020	64.005	C8023 & Interest	<u>3,996</u>
Total Florida Department of Health			<u>3,996</u>

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

State Financial Assistance Projects	CFSA #	Contract/Grant Number	Expenditures
Florida E911 Board			
Rural County E911 Grant Program – Spring 2020	72.001	20-04-10	<u>37,293</u>
Total Florida E911 Board			<u>37,293</u>
Florida Department of Highway Safety & Motor Vehicles			
Florida Arts License Plates Project 2018-2019	76.041	2018-2019	76
Florida Arts License Plates Project 2019-2020	76.041	2019-2020	<u>96</u>
Total CSFA 76.041			<u>172</u>
Total Department of Highway Safety & Motor Vehicles			<u>172</u>
Florida Fish and Wildlife Conservation Commission			
Florida Boating Improvement Program – Odena Landing	77.006	18073	151,496
Florida Boating Improvement Program – White City Boat Ramp	77.006	18074	<u>5,957</u>
Total CSFA 77.006			<u>157,453</u>
Total Florida Fish and Wildlife			<u>157,453</u>
Total State of Florida Financial Assistance			<u>\$16,752,692</u>

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

Note 1 – Basis of Accounting

The supplementary schedule of expenditures of federal awards and state financial assistance includes the federal and state grant activity of the County. Expenditures are presented on the modified accrual basis of accounting.

Note 2 – Reporting Entity

For the purpose of the supplementary schedule of expenditures of federal awards and state financial assistance the County includes all the funds of the primary government as defined by GASB Statement No. 14, *The Financial Reporting Entity*.

Note 3 – Pass-Through Awards

The Board received certain federal awards from pass-through awards of the State of Florida. The total amount of such pass-through awards is included on the supplementary schedule of expenditures of federal awards and state financial assistance.

Note 4 – Indirect Cost Rate

The City did not elect to utilize the 10% de minimis indirect cost rate.

GULF COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2020

Section 1 – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued	Unmodified	
Internal control over financial reporting		
Material weakness(es) identified?	___yes	<u>X</u> no
Significant deficiency(ies) identified not considered to be material weaknesses?	___yes	<u>X</u> none reported
Noncompliance material to financial statements noted:	___yes	<u>X</u> no

Federal Awards and State Projects

Internal control over major programs		
material weakness(es) identified?	___yes	<u>X</u> no
Significant deficiency (ies) identified not considered to be material weaknesses?	___yes	<u>X</u> none Reported
Type of auditor’s report issued on compliance for major programs	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Rules of the Auditor General?	___yes	<u>X</u> no

Identification of major federal awards/state financial assistance projects:

<u>CFDA/CSFA Number</u>	<u>Name of Federal Award or State Financial Assistance Project</u>
10.923	NRCS Emergency Watershed Protection
21.015	Restore Act Direct Component Grant
21.019	Coronavirus Relief Funds
31.070	Hurricane Michael State Recovery Grant
37.003	St. Joseph Peninsula Beach Restoration
40.038	Division of Housing – Hurricane Michael Recovery
40.902	Hurricane Housing Recovery
55.005	Seaport Grant Program
55.009	Small County Outreach Program

(continued)

GULF COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES (continued)
YEAR ENDED SEPTEMBER 30, 2020

Dollar threshold used to distinguish
between Type A and Type B programs

\$750,000 Federal/\$750,000 State

Auditee qualified as low-risk auditee?

 X yes none

Section II – Financial Statement Findings

No Findings

Section III – Findings and Questioned Costs – Major Federal Award Programs

No findings or questioned costs in the current year.

Section IV – Findings and Questioned Costs – Major State Financial Assistance Projects

No findings or questioned costs in the current year.

Section V – Other Issues

No Corrective Action Plan is required because there were no findings required to be reported under the Single Audit Act.

GULF COUNTY, FLORIDA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
SEPTEMBER 30, 2020

None Noted

GULF COUNTY, FLORIDA
SUMMARY SCHEDULE OF CURRENT YEAR AUDIT FINDINGS
SEPTEMBER 30, 2020

None Noted.



**Gulf County, Florida
Clerk of the Circuit Court**

**Special-Purpose
Financial Statements
September 30, 2020**

Vance CPA, LLC

Certified Public Accountant
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**GULF COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
SEPTEMBER 30, 2020
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Certified Public Accountant

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INDEPENDENT AUDITORS' REPORT

To the Honorable Rebecca L. Norris
Gulf County Clerk of the Circuit Court
Gulf 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 Gulf County, Florida, Clerk of the Circuit Court, (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 fund 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.

Independent 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the 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 the respective budgetary comparison for the general fund, modernization trust fund and administrative order 86-12 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 have been prepared for the purpose of complying with Section 218.39, Florida Statutes and Section 10.557(3), the *Rules of the Auditor General for Local Government Entities*. 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 aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Gulf County, Florida that is attributable to the Clerk. They do not purport to, and do not, present fairly the financial position of Gulf County, Florida as of September 30, 2020, and the changes in its financial position for the fiscal 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***Required Supplementary Information***

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

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 combining statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining statements are the responsibility of management and were derived from and relate 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 combining statements are 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 our report dated May 1, 2021 and 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 under the heading "Independent Auditors' 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 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 Clerk's internal control over financial reporting and compliance.



Vance CPA LLC

May 1, 2021

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

**SPECIAL-PURPOSE BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	General Fund	State Court Operations Fund	Modernization Trust Fund	Administrative Order 86-12 Fund	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 211,841	\$ 35,939	\$ 340,233	\$ 110,507	\$ 698,520
Accounts receivable	977	—	—	—	977
Due from other funds	43,067	—	—	—	43,067
Due from other governments	11,785	25,528	—	—	37,313
Due from BOCC	3,962	—	—	—	3,962
Total Assets	<u>271,632</u>	<u>61,467</u>	<u>340,233</u>	<u>110,507</u>	<u>783,839</u>
Liabilities and Fund Balances:					
Liabilities					
Accounts payable and and accrued expenses	35,828	19,848	—	—	55,677
Due to other governments	53,247	41,588	—	—	94,865
Due to BOCC	182,557	—	—	—	182,557
Total Liabilities	<u>271,632</u>	<u>61,436</u>	<u>—</u>	<u>—</u>	<u>333,099</u>
Deferred Inflows:					
Unearned exchange transactions	—	31	—	—	31
Total Deferred Inflows	<u>—</u>	<u>31</u>	<u>—</u>	<u>—</u>	<u>31</u>
Fund Balance:					
Spendable - Restricted	—	—	340,233	110,507	450,740
Total Liabilities Deferred Inflows and Fund Balances	<u>\$ 271,632</u>	<u>\$ 61,467</u>	<u>\$ 340,233</u>	<u>\$ 110,507</u>	<u>\$ 783,839</u>

See accompanying notes to the basic financial statements

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

**SPECIAL-PURPOSE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN RESTRICTED FUND BALANCES
GOVERNMENTAL FUNDS**

YEAR ENDED SEPTEMBER 30, 2020

	<u>General Fund</u>	<u>State Court Operations Fund</u>	<u>Modernization Trust Fund</u>	<u>Administrative Order 86-12 Fund</u>	<u>Total Governmental Funds</u>
Revenues:					
Charges for services	\$ 127,254	\$ 162,048	\$ 55,929	\$ —	\$ 345,231
Intergovernmental revenue	88,385	248,216	—	—	336,601
Fines and forfeitures	—	68,567	—	—	68,567
Interest and other income	87,131	2,475	341	154	90,101
Total revenue	<u>302,770</u>	<u>481,306</u>	<u>56,270</u>	<u>154</u>	<u>840,500</u>
Expenditures:					
General government					
Personal services	570,104	—	—	—	570,104
Operating expenditures	111,828	—	12,021	—	123,849
Capital outlay	9,107	—	—	—	9,107
Court related					
Personal services	—	511,198	—	—	511,198
Operating expenditures	1,577	54,424	15,527	—	71,528
Total expenditures	<u>692,616</u>	<u>565,622</u>	<u>27,548</u>	<u>—</u>	<u>1,285,786</u>
Excess (deficit) of revenues over (Under) Expenditures	(389,846)	(84,316)	28,722	154	(445,286)
Other financing sources (uses)					
Transfers from BOCC	598,777	42,988	—	—	641,765
Transfers to BOCC	(208,931)	—	—	—	(208,931)
Interfund transfers	—	41,328	—	(41,328)	—
Total other financing Sources (uses)	<u>389,846</u>	<u>84,316</u>	<u>—</u>	<u>(41,328)</u>	<u>432,834</u>
Net change in fund balances	—	—	28,722	(41,174)	(12,452)
Fund balances - beginning	—	—	311,511	151,681	463,192
Fund balance - ending	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 340,233</u>	<u>\$ 110,507</u>	<u>\$ 450,740</u>

See accompanying notes to the basic financial statements

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

**SPECIAL-PURPOSE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – GENERAL FUND**

YEAR ENDED SEPTEMBER 30, 2020

	Budget Amounts		Actual	Variance with Final
	Original	Final	Amounts	Budget Positive (Negative)
Revenues:				
Intergovernmental revenue	\$ 101,500	\$ 127,254	\$ 127,254	\$ —
Charges for services	54,000	88,385	88,385	—
Interest and other income	4,950	87,131	87,131	—
Total revenues	<u>160,450</u>	<u>302,770</u>	<u>302,770</u>	<u>—</u>
Expenditures:				
General Government				
Personal services	573,073	570,104	570,104	—
Operating expenditures	136,880	113,405	113,405	—
Capital outlay	14,000	9,107	9,107	—
Court related				
Operating expenditures	2,300	—	—	—
Total expenditures	<u>726,253</u>	<u>692,616</u>	<u>692,616</u>	<u>2,111,485</u>
Excess (deficit) of revenues over (under) expenditures	<u>(565,803)</u>	<u>(389,846)</u>	<u>(389,846)</u>	<u>(1,345,495)</u>
Other financing sources (uses)				
Transfers from BOCC	565,803	598,777	598,777	—
Transfers to BOCC	—	(208,931)	(208,931)	—
Total other financing Sources (uses)	<u>565,803</u>	<u>389,846</u>	<u>389,846</u>	<u>1,345,495</u>
Net change in fund balances	—	—	—	—
Fund balances - beginning	—	—	—	—
Fund balances - ending	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

See accompanying notes to the basic financial statements

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

**SPECIAL-PURPOSE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – STATE COURT OPERATIONS FUND**

YEAR ENDED SEPTEMBER 30, 2020

	Budget Amounts		Actual	Variance with Final
	Original	Final	Amounts	Budget Positive (Negative)
Revenues:				
Charges for services	\$ 160,320	\$ 160,320	\$ 162,048	\$ 1,728
Intergovernmental	295,810	295,810	264,261	(31,549)
Fines and forfeitures	54,150	54,150	68,567	14,417
Interest and other income	60	60	2,475	2,415
Total revenues	<u>510,340</u>	<u>510,340</u>	<u>497,351</u>	<u>(12,989)</u>
Expenditures:				
Court related				
Personal services	494,490	494,490	511,198	(16,708)
Operating expenditures	47,850	47,850	51,897	(4,047)
Capital outlay	—	—	2,527	(2,527)
Total expenditures	<u>542,340</u>	<u>542,340</u>	<u>565,622</u>	<u>(23,282)</u>
Excess (deficit) of revenues over (under) expenditures	<u>(32,000)</u>	<u>(32,000)</u>	<u>(68,271)</u>	<u>(36,271)</u>
Other financing sources (uses)				
Transfers from BOCC	—	—	68,271	68,271
Transfers to BOCC	—	—	—	—
Interfund transfers	<u>32,000</u>	<u>32,000</u>	<u>—</u>	<u>(32,000)</u>
Total other financing Sources (uses)	<u>32,000</u>	<u>32,000</u>	<u>68,271</u>	<u>36,271</u>
Net change in fund balances	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balances - beginning	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balances - ending	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>

See accompanying notes to the basic financial statements

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

**SPECIAL-PURPOSE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN RESTRICTED FUND BALANCES
BUDGET AND ACTUAL – MODERNIZATION TRUST FUND**

YEAR ENDED SEPTEMBER 30, 2020

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Budget Positive</u>
				<u>(Negative)</u>
Revenues:				
Charges for services	\$ 4,000	\$ 4,000	\$ 55,929	\$ 51,929
Interest and other income	<u>150</u>	<u>150</u>	<u>341</u>	<u>191</u>
Total revenues	<u>4,150</u>	<u>4,150</u>	<u>56,270</u>	<u>52,120</u>
Expenditures:				
General Government				
Operating expenditures	—	—	12,021	—
Capital outlay	—	—	—	(12,021)
Court-related				
Operating expenditures	<u>—</u>	<u>—</u>	<u>15,527</u>	<u>(15,527)</u>
Total expenditures	<u>—</u>	<u>—</u>	<u>27,548</u>	<u>(27,548)</u>
Excess (deficit) of revenues over (under) expenditures	<u>4,150</u>	<u>4,150</u>	<u>28,722</u>	<u>24,572</u>
Other financing sources (uses)				
Interfund transfers	<u>(7,000)</u>	<u>(7,000)</u>	<u>—</u>	<u>7,000</u>
Total other financing Sources (uses)	<u>(7,000)</u>	<u>(7,000)</u>	<u>—</u>	<u>7,000</u>
Net change in fund balances	<u>(2,850)</u>	<u>(2,850)</u>	<u>28,722</u>	<u>31,572</u>
Fund balances - beginning	<u>311,511</u>	<u>311,511</u>	<u>311,511</u>	<u>—</u>
Fund balances - ending	<u>\$ 308,661</u>	<u>\$ 308,661</u>	<u>\$ 340,233</u>	<u>\$ 31,572</u>

See accompanying notes to the basic financial statements

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

**SPECIAL-PURPOSE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN RESTRICTED FUND BALANCES
BUDGET AND ACTUAL – ADMINISTRATIVE ORDER 86-12 FUND**

YEAR ENDED SEPTEMBER 30, 2020

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Budget Positive</u> <u>(Negative)</u>
Revenues:				
Interest and other income	\$ —	\$ —	\$ 154	\$ 154
Total revenues	<u>—</u>	<u>—</u>	<u>154</u>	<u>154</u>
Excess (deficit) of revenues over (under) expenditures	<u>—</u>	<u>—</u>	<u>154</u>	<u>154</u>
Other financing sources (uses)				
Interfund transfers	<u>(25,000)</u>	<u>(25,000)</u>	<u>(41,328)</u>	<u>(16,328)</u>
Total other financing Sources (uses)	<u>(25,000)</u>	<u>(25,000)</u>	<u>(41,328)</u>	<u>(16,328)</u>
Net change in fund balances	<u>(25,000)</u>	<u>(25,000)</u>	<u>(41,174)</u>	<u>(16,174)</u>
Fund balances - beginning	<u>151,681</u>	<u>151,681</u>	<u>151,681</u>	<u>—</u>
Fund balances - ending	<u>\$ 126,681</u>	<u>\$ 126,681</u>	<u>\$ 110,507</u>	<u>\$ (16,174)</u>

See accompanying notes to the basic financial statements

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

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS**

SEPTEMBER 30, 2020

ASSETS

Cash and Cash Equivalents	\$ 264,805
Accounts receivable (net)	<u>378</u>
Total Assets	<u>\$ 265,183</u>

LIABILITIES AND FUND BALANCES

Liabilities	
Due to other funds	43,467
Due to other governments	25,363
Due to Board of County Commissioners	10,881
Due to Individuals	<u>185,472</u>
Total Liabilities	<u>\$ 265,183</u>

See accompanying notes to the basic financial statements

**GULF COUNTY, FLORIDA - CLERK OF THE CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Clerk of the Circuit Court of Gulf County, Florida is an elected Constitutional Officer of Gulf 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 for by Chapter 218, Florida Statutes. The Clerk is considered to be a part of the primary government of Gulf County, Florida and the financial information is included in Gulf County's county-wide financial statements.

These special-purpose financial statements include only the balance and activity of the Clerk's office. They have been prepared for the purpose of complying with Section 218.39, Florida Statutes and Section 10.557, *Rules of the Auditor General for Local Government Entity Audits*, and are not intended to be a complete presentation of the financial position of the County, or the changes in financial position or where applicable, cash flows, thereof, in conformity with accounting principles generally accepted in the United States of America.

The Clerk funds operations as a court officer and a budget officer pursuant to Florida Statutes, Chapters 28, 218 and 129. As a court officer, the Clerk is funded through an appropriation from the State of Florida. These court appropriations are to be used exclusively for funding court-related operations of the clerk. As a budget officer, the operations as Clerk to the Board are approved and funded by the Board of County Commissioners. The budgeted receipts from the Board are recorded as other financing sources on the Clerk's financial statements and as other financing uses on the Board's financial statements. Excesses of revenues and other financing sources received over expenditures are remitted to the Board at year-end.

The accounting policies of the Clerk conform to accounting principles generally accepted in the United States of America, as applicable to governments.

B. Basis of Presentation – Fund Accounting

Accounts are organized on the basis of fund types, each of which is considered to be 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 balance, revenues and expenditures as appropriate. Government resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled.

**GULF COUNTY, FLORIDA - CLERK OF THE CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

These funds utilize a modified accrual basis of accounting. The measurement focus is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources rather than upon net income determination).

The Clerk reports the following major governmental funds:

Governmental Fund Types

General Fund – The general fund is the general operating fund of the Clerk. It is used to account for all financial resources, except for those required to be accounted for in other funds.

State Court Operations Fund – Used to account for state court operations.

Modernization Trust Fund – The modernization trust fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Administrative Order 86-12 Fund – This fund is used to account for additional court costs of traffic infractions to be used for administering traffic violations.

Fiduciary Fund Type

Agency Funds – The agency funds are used to account for assets held by the Clerk as an agent for individuals, private organizations, and other governments. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of changes in financial position.

C. Basis of Accounting

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

The accompanying financial statements have been prepared using the modified accrual basis of accounting for 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. Expenditures are recorded when the liability is incurred, if measurable, except for principal and interest on long-term obligations which is recorded when due.

The Clerk considers receivable collected within 60 days after year end to be available and susceptible to accrual as revenues of the current year. Charges for services and interest earned are susceptible to accrual.

**GULF COUNTY, FLORIDA - CLERK OF THE CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. 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.

E. Budgets and Budgetary Accounting

Expenditures, other than those for certain agency funds, are controlled by appropriations in accordance with the budget requirements set forth in Florida Statutes. Budgets are adopted for governmental and special revenue funds. Budgetary control is exercised at the fund level. Budgetary changes within the fund are made at the discretion of the Clerk. Appropriations lapse at the end of the fiscal year to the extent they have not been expended. The budgeted revenues and expenditures in the accompanying budgetary comparison statement reflect all approved amendments.

Florida Statutes Chapter 218.35 governs the preparation, adoption, and administration of the Clerk’s annual budget. The Clerk establishes an annual budget for the office which clearly reflects the revenues available to the office and the functions for which the money is to be expended.

The Clerk prepares the budget in three parts:

1. The budget relating to the requirements of the Clerk as the Ex Officio Clerk to the Board, County Auditor, County Recorder, and Custodian or Treasurer of all County funds and other county related duties, and for chapter 29 obligations;
2. The budget relating to the Florida court system, which is filed with the Clerk of Courts Operations Corporation (CCOC) by June 1 preceding the fiscal year of the budget, in the format required by the CCOC. Section 28.36, Florida Statutes, defines the maximum annual budget permitted; and
3. The budget for all other operations of the Clerk.

**GULF COUNTY, FLORIDA - CLERK OF THE CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The annual budgetary data reported for the governmental fund types are adopted on a basis consistent with accounting principles generally accepted in the United States and represent the Clerk's adopted budget, the original appropriation ordinance, and budget amendments approved by the Clerk or as adopted by the Board.

F. Cash and Cash Equivalents

The Clerk considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

G. Capital Assets

Capital assets purchased in the governmental fund type are recorded as expenditures (capital outlay) at the time of purchase. Assets acquired by the Clerk are reported as capital assets in the statement of net assets as part of the basic financial statement for Gulf County. The Clerk maintains custodial responsibility for the capital assets used by her office.

H. Liability for Compensated Absences

The Clerk accrues a liability for employees' rights to receive compensation for future absences when certain conditions are met. The Clerk does not, nor is legally required to, accumulate expendable available resources to liquidate this obligation. Accordingly, the liability for the compensated absences is not reported in the governmental fund. However, the current and long-term portion of the liability for compensated absences is reported at the county wide financial statement level.

I. Related Organizations – Common Expenses

Certain expenditures, 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 Clerk. These expenses relating to the Clerk's courthouse facilities are:

- Occupancy costs
- Janitorial services
- Utilities (except telephone)
- Property insurance

**GULF COUNTY, FLORIDA - CLERK OF THE CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Distribution of Excess Revenues

Florida Statutes require that the Clerk distribute any excess of revenues over expenditures within the general fund to the board within 31 days following the end of the fiscal year. Accordingly, the amount of excess revenues distributed to the Board at the end of the year is presented in the accompanying special-purpose financial statements as “other financing uses.”

K. Fund Balance Reporting and Governmental Fund-Type Definitions

The Clerk adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB Statement No. 54) effective October 1, 2010. This GASB Statement clarifies governmental fund balance classifications and fund-type definitions. Fund balances are classified either as non-spendable or as spendable. Spendable fund balances are further classified in a hierarchy based on the extent to which there are external and/or internal constraints in how fund balance amounts may be spent.

Non-spendable fund balances include amounts that cannot be spent because they are not in spendable form or are legally or contractually required to be maintained intact.

Spendable fund balances are classified based on a hierarchy of the Clerk’s ability to control the spending of these fund balances and are reported in the following categories: restricted, committed, assigned and unassigned. The Clerk’s fund balances for the Modernization Trust and Administrative Order 86-12 fall into this category.

The adoption of GASB Statement No. 54 did not have an impact on the Clerk’s general fund financial statements at September 30, 2020, since the Clerk does not maintain fund balances in the general fund. Fund balances maintained in the modernization trust fund and administrative 86-12 fund are restricted pursuant to certain Florida Statutes and have been presented, as restricted fund balances in the fund financial statements in accordance with GASB Statement No. 54.

**GULF COUNTY, FLORIDA - CLERK OF THE CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 estimates.

M. Subsequent Events

The Clerk of the Court evaluated subsequent events through May 1, 2021, the date which the financial statements were available to be issued. The Clerk of the Court did not have any subsequent events requiring disclosure or recording in these financial statements.

NOTE 2 - CASH AND INVESTMENTS

Cash Deposits

All Clerk depositories are banks designated by the State Treasurer as qualified public depositories. Chapter 280, Florida Statutes "Florida Security for Public Deposits Act" provides procedures for public depositories to insure monies in banks and savings and loans are collateralized with the Treasurer as an agent for the public entities. All Clerk cash consists of checking accounts and interest-bearing time deposits in a local bank.

Investments

The Clerk held no investments at September 30, 2020.

Interest Rate Risk

At September 30, 2020, the Clerk did not hold any investments that were considered to be an interest rate risk.

Credit Risk

At September 30, 2020 the Clerk did not hold any investments that were considered to be a credit risk.

**GULF COUNTY, FLORIDA - CLERK OF THE CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

NOTE 2 - CASH AND INVESTMENTS (continued)

Custodial Risk

At September 30, 2020 the Clerk did not hold any deposits or investments that were considered to be a custodial risk.

Concentration of Credit Risk

At September 30, 2020 the Clerk did not hold any deposits or investments that were considered to be a credit risk.

NOTE 3 – EMPLOYEE BENEFITS

RETIREMENT PLAN

The Florida Retirement System (FRS) was created by 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 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.

Essentially all regular employees of the Clerk are eligible to enroll as members of the State-administered FRS. Provisions relating to the 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 the two costs-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statement, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site (www.dms.myflorida.com)

**GULF COUNTY, FLORIDA - CLERK OF THE CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

NOTE 3 – EMPLOYEE BENEFITS (continued)

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- Regular Class – Members of the FRS who do not qualify for membership in the other classes.
- Elected County Officers 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 special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at 8 years of creditable 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 FRS 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. Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward creditable service. The FRS 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 FRS 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 FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating 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.

**GULF COUNTY, FLORIDA - CLERK OF THE CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

NOTE 3 – EMPLOYEE BENEFITS (continued)

Benefits Provided

Benefits under the FRS 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 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 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.

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 percent 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 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Detailed information about the County's proportionate share of FRS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

Plan Description

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided

For the fiscal year ended June 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

**GULF COUNTY, FLORIDA - CLERK OF THE CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

NOTE 3 – EMPLOYEE BENEFITS (continued)

Detailed information about the County's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

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. Clerk 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 Officer, 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. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 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 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 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 Clerk.

**GULF COUNTY, FLORIDA - CLERK OF THE CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

NOTE 3 – EMPLOYEE BENEFITS (continued)

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 operations. 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.

Participating employer contributions are based upon statewide rates established by the State of Florida. The Clerk's contributions made to the plans during the years ended September 30, 2020, 2019, and 2018 were \$97,232, \$87,695, and \$90,704 respectively, equal to the actuarially determined contribution requirements for each year. Additional information about pension plans can be found in the County's annual financial statements.

Post Employment Benefits Other than Pensions

In accordance with Florida Statutes Section 112.0801, the Clerk participates with Gulf County in offering retiring employees the opportunity to continue participating in the group insurance plan. Retirees who do not choose to continue participation lose eligibility to participate in the future.

Retirees and their eligible dependents shall be offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. The County subsidizes the premium rates paid by the retirees by allowing them to participate in the plan at blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. No stand alone report is issued for this plan.

The details of the plan, methodology, and costs are more fully described in the Gulf County Notes to the Financial Statements.

SEPTEMBER 30, 2020

Interfund receivable and payable at September 30, 2020 are as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Governmental funds		
General fund	43,067	—
Agency funds		
Article V trust	—	17,312
Fee trust	—	21,132
Jury and witness	—	1,501
Child support	—	3,122
Total	<u>\$ 43,067</u>	<u>\$ 43,067</u>

As disclosed in note 1, the liability associated with compensated absences is reported on the county wide financial statement level. The following is a summary of the changes in long-term obligations of the Clerk for the year ended September 30, 2020.

	<u>Balance</u> <u>9/30/2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>9/30/2020</u>
Accumulated compensated absences	\$ 27,575	\$ 12,586	\$ —	\$ 40,161

The current portion of compensated absences liability estimated to be paid during the next year is \$10,040.

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 Gulf County Board of County Commissioners, which uses commercial insurance to cover certain risks from loss.

**GULF COUNTY, FLORIDA - CLERK OF THE CIRCUIT COURT
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

NOTE 6 – RISK MANAGEMENT (continued)

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

- Real and personal property damage
- Public employee's bond
- Workers' compensation
- General and automobile liability

NOTE 7 – ENCUMBRANCES

Encumbrances represent commitments related to unperformed contracts for goods and services. They do not constitute expenditures or liabilities. The commitments will be honored in the subsequent year for those that expire at year end. The Clerk had no outstanding encumbrances at September 30, 2020.

COMBINING FINANCIAL STATEMENTS

**GULF COUNTY, FLORIDA - CLERK OF THE CIRCUIT COURT
COMBINING STATEMENT OF FIDUCIARY
ASSETS AND LIABILITIES
AGENCY FUNDS**

SEPTEMBER 30, 2020

	<u>Fee Trust Fund</u>	<u>Article V Trust Fund</u>	<u>Juror & Witness</u>	<u>Registry of Court</u>	<u>Tax Deed Holdings</u>
Assets:					
Cash and cash equivalents	\$ 35,027	\$ 126,244	\$ 4,581	\$ 65,694	\$ 10,957
Accounts receivable (net)	<u>378</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total assets	<u>35,405</u>	<u>126,244</u>	<u>4,581</u>	<u>65,694</u>	<u>10,957</u>
Liabilities					
Due to other funds	21,132	17,312	1,501	—	—
Due to other governments	8,999	13,254	3,080	—	—
Due to BOCC	5,274	5,607	—	—	—
Due to individuals	<u>—</u>	<u>90,071</u>	<u>—</u>	<u>65,694</u>	<u>10,957</u>
Total Liabilities	<u>\$ 35,405</u>	<u>\$ 126,244</u>	<u>\$ 4,581</u>	<u>\$ 65,694</u>	<u>\$ 10,957</u>

**GULF COUNTY, FLORIDA - CLERK OF THE CIRCUIT COURT
COMBINING STATEMENT OF FIDUCIARY
ASSETS AND LIABILITIES
AGENCY FUNDS (continued)**

SEPTEMBER 30, 2020

	Child Support	Bond	Total Agency Fund
Assets:			
Cash and cash equivalents	\$ 3,552	\$ 18,750	\$ 264,805
Accounts receivable (net)	<u>—</u>	<u>—</u>	<u>378</u>
Total assets	<u>3,552</u>	<u>18,750</u>	<u>265,183</u>
Liabilities			
Due to other funds	3,522	—	43,467
Due to other governments	30	—	25,363
Due to BOCC	—	—	10,881
Due to individuals	<u>—</u>	<u>18,750</u>	<u>185,472</u>
Total Liabilities	<u>\$ 3,552</u>	<u>\$ 18,750</u>	<u>\$ 265,183</u>

COMPLIANCE SECTION

Vance CPA, LLC

Certified Public Accountant

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

To the Honorable Rebecca L. Norris
Gulf County Clerk of the Circuit Court
Gulf 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 statements 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 ***Gulf County, Florida Clerk of Court*** (the “Clerk”), as of and for the year ended September 30, 2020, which collectively comprise the Clerk’s fund financial statements and have issued our report thereon dated May 1, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Clerk’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 opinions 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Pursuant to provisions of Chapter 10.550, *Rules of the Auditor General*, we reported certain matters to management of the Clerk in a separate management letter and Independent Accountant's Report dated May 1, 2021.

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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Vance CPA LLC

May 1, 2021

Vance CPA, LLC

Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT ON EXAMINATION OF COMPLIANCE REQUIREMENTS IN ACCORDANCE WITH CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

To the Honorable Rebecca L. Norris
Gulf County Clerk of the Circuit Court
Gulf County, Florida

We have examined the Office of the Clerk of the Circuit Court of Gulf County, Florida's (hereinafter referred to as the "Clerk") compliance with Florida Statute 218.415 in regards to investments, Section 61.181, Florida Statutes, regarding alimony and child support payments, and Florida Statutes 28.35 and 28.36 in regards to certain court-related functions for the year ended September 30, 2020.

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 and, accordingly, included examining, on a test basis, evidence about the Clerk's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Clerk's compliance with specified requirements.

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

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

Vance CPA LLC

Vance CPA LLC

May 1, 2021

Vance CPA, LLC

Certified Public Accountant

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INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Honorable Rebecca L. Norris
Gulf County Clerk of the Circuit Court
Gulf County, Florida

Report on the Financial Statements

We have audited the financial statements of the general fund of the Office of the Clerk of Circuit Court of Gulf, County, Florida (hereinafter referred to as the "Clerk"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, and have issued our report thereon dated May 1, 2021.

Auditors' Responsibility

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

Other Reports

We have issued our Independent Auditors' Report on Internal Control Over financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on Examination of Compliance Requirements in Accordance with AICPA Professional Standards, Section 601, regarding compliance requirement in accordance with Chapter 10.550 Rules of Auditor General. Disclosures in those reports, which are dated May 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. No recommendations were 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 the 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). The Clerk has no component units.

Other Matters

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

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

Purpose of this Letter

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

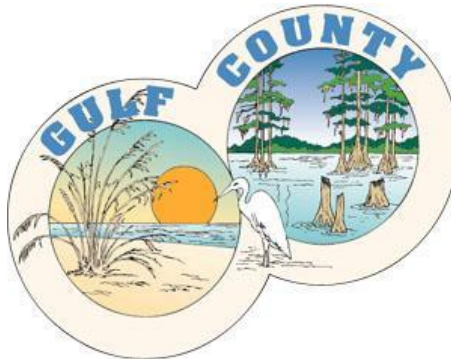


Vance CPA LLC
May 1, 2021

**GULF COUNTY, FLORIDA – CLERK OF THE CIRCUIT COURT
MANAGEMENT’S RESPONSE TO MANAGEMENT LETTER**

SEPTEMBER 30, 2020

There are no comments which require management’s written response.



Gulf County, Florida Sheriff

**Special-Purpose
Financial Statements
September 30, 2020**

Vance CPA, LLC

Certified Public Accountant

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**GULF COUNTY SHERIFF
SEPTEMBER 30, 2020**

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mike Harrison
Gulf County Sheriff
Gulf County, Florida

Report on the Financial Statements

We have audited the accompanying fund financial statements of the general fund and the aggregate remaining fund information of the Gulf County, Florida Sheriff (the "Sheriff"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Sheriff's fund 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.

Independent 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the general fund and the aggregate remaining fund information of the Sheriff as of September 30, 2020, and the respective changes in financial position and the respective 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 have been prepared for the purpose of complying with the Rules of the Auditor General, State of Florida. 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 aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Gulf County, Florida that is attributable to the Sheriff. They do not purport to, and do not, present fairly the financial position of Gulf County, Florida as of September 30, 2020, and the changes in its financial position for the fiscal 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 our report dated May 1, 2021 and 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 under the heading "Independent Auditors' 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 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 Sheriff's internal control over financial reporting and compliance.

Vance CPA LLC

Vance CPA LLC
May 1, 2021

**GULF COUNTY, FLORIDA
SHERIFF**

**SPECIAL-PURPOSE BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	General Fund	Forfeiture Fund	Total
ASSETS			
Cash and Cash Equivalents	\$ 114,375	\$ —	\$ 114,375
Due from Board of County Commissioners	68,278	—	68,278
Due from other Government	37,865	—	37,865
Total Assets	<u>220,518</u>	<u>—</u>	<u>220,518</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accrued expenses	202,131	—	202,131
Due to Board of County Commissioners	18,387	—	18,387
Total Liabilities	<u>220,518</u>	<u>—</u>	<u>220,518</u>
Fund Balances			
Restricted For:			
Public Safety	—	—	—
Total Fund Balances	<u>—</u>	<u>—</u>	<u>—</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 220,518</u>	<u>\$ —</u>	<u>\$ 220,518</u>

See accompanying notes to the basic financial statements

**GULF COUNTY, FLORIDA
SHERIFF**

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

YEAR ENDED SEPTEMBER 30, 2020

	General Fund	Forfeiture Fund	Total
REVENUES			
Charges for services	\$ 434,750	\$ —	\$ 434,750
Intergovernmental revenue	97,310	—	97,310
Interest and other miscellaneous income	2,267	—	2,267
Total Revenues	<u>534,327</u>	<u>—</u>	<u>534,327</u>
EXPENDITURES			
Public Safety			
Personal services	2,755,164	—	2,755,164
Operating expenditures	562,643	13,000	575,643
Capital outlay	201,056	—	201,056
Total Expenditures	<u>3,518,863</u>	<u>13,000</u>	<u>3,531,863</u>
Excess (deficit) of revenues over (under) expenditures	<u>(2,984,536)</u>	<u>(13,000)</u>	<u>(2,997,536)</u>
Other financing sources (uses)			
Sales of capital assets	10,000	—	10,000
Transfers from BOCC	2,988,463	—	2,988,463
Transfers in from other funds	—	13,000	13,000
Transfers to BOCC	(1,927)	—	(1,927)
Transfers out to other funds	(13,000)	—	(13,000)
Total Other Financing Sources (Uses)	<u>2,984,536</u>	<u>13,000</u>	<u>2,997,536</u>
Net change in fund balances	<u>—</u>	<u>—</u>	<u>—</u>
Fund balances - beginning	<u>—</u>	<u>—</u>	<u>—</u>
Fund balances - ending	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>

See accompanying notes to the basic financial statements

**GULF COUNTY, FLORIDA
SHERIFF**

**SPECIAL-PURPOSE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – GENERAL FUND**

YEAR ENDED SEPTEMBER 30, 2020

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Budget Positive</u> <u>(Negative)</u>
Revenues:				
Charges for services	\$ 431,000	\$ 434,750	\$ 434,750	\$ —
Intergovernmental revenue	52,000	97,310	97,310	—
Interest and other income	—	2,267	2,267	—
Total revenues	<u>483,000</u>	<u>534,327</u>	<u>534,327</u>	<u>—</u>
Expenditures:				
Public Safety				
Personal services	2,844,302	2,848,636	2,755,164	93,472
Operating expenditures	450,478	472,618	562,643	(90,025)
Capital outlay	129,226	199,536	201,056	(1,520)
Total expenditures	<u>3,424,006</u>	<u>3,520,790</u>	<u>3,518,863</u>	<u>1,927</u>
Excess (deficit) of revenues over (under) expenditures	<u>(2,941,006)</u>	<u>(2,986,463)</u>	<u>(2,984,936)</u>	<u>1,927</u>
Other financing sources (uses)				
Sale of capital assets	—	10,000	10,000	—
Transfers from BOCC	2,946,006	2,989,463	2,989,463	—
Transfers in from other funds	—	—	—	—
Issuance of debt	—	—	—	—
Transfers out to other funds	(5,000)	(13,000)	(13,000)	—
Transfers to BOCC	<u>—</u>	<u>—</u>	<u>(1,927)</u>	<u>(1,927)</u>
Total other financing Sources (uses)	<u>2,941,006</u>	<u>2,986,463</u>	<u>2,984,536</u>	<u>(1,927)</u>
Net change in fund balances	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

See accompanying notes to the basic financial statements

**GULF COUNTY, FLORIDA
SHERIFF**

**SPECIAL-PURPOSE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – FORFEITURE**

YEAR ENDED SEPTEMBER 30, 2020

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Budget Positive</u> <u>(Negative)</u>
Expenditures:				
Public Safety				
Operating expenditures	<u>5,000</u>	<u>13,000</u>	<u>13,000</u>	<u>—</u>
Total expenditures	<u>5,000</u>	<u>13,000</u>	<u>13,000</u>	<u>—</u>
Excess (deficit) of revenues over (under) expenditures	<u>(5,000)</u>	<u>(13,000)</u>	<u>(13,000)</u>	<u>—</u>
Other financing				
sources (uses)				
Transfer in from other funds	<u>5,000</u>	<u>13,000</u>	<u>13,000</u>	<u>—</u>
Total other financing				
Sources (uses)	<u>5,000</u>	<u>13,000</u>	<u>13,000</u>	<u>—</u>
Net change in fund balances	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>

See accompanying notes to the basic financial statements

**GULF COUNTY, FLORIDA
SHERIFF**

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUND**

SEPTEMBER 30, 2020

	<u>Individual Depository</u>
ASSETS	
Cash and Cash Equivalents	\$ 666
Accounts receivable (net)	<u>1,410</u>
Total Assets	<u>\$ 2,076</u>
LIABILITIES AND FUND BALANCES	
Liabilities	
Due to individuals	616
Due to Board of County Commissioners	<u>1,460</u>
Total Liabilities	<u>\$ 2,076</u>

See accompanying notes to the basic financial statements

GULF COUNTY, FLORIDA - SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Sheriff of Gulf County, Florida is an elected Constitutional Officer of Gulf County pursuant to Article VIII, Section (1) of the *Constitution of the State of Florida*. For financial statement and reporting purposes, the Sheriff is a separate constitutional officer as provided for by Chapter 218, Florida Statutes. The Sheriff is considered to be a part of the primary government of Gulf County, Florida and the financial information is included in Gulf County's county wide financial statements.

These special-purpose financial statements include only the balances and activity of the Sheriff's office. They have been prepared for the purpose of complying with Section 10.557, *Rules of the Auditor General for Local Government Entity Audits*, and are not intended to be a complete presentation of the financial position of the County, or the changes in financial position or where applicable, cash flows, thereof, in conformity with accounting principles generally accepted in the United States of America.

The Gulf County Board of County Commissioners (Board) funds a portion or, in certain instances, all of the operating budgets of the County's Constitutional Officers except obligations specified under Florida Statutes Chapter 29. The payments by the Board to fund the operations of the Constitutional Officers are recorded as transfers out on the financial statements of the Board and as transfers from the Board on the financial statements of the Constitutional Officers. Repayments to the Board are recorded as transfers out on the financial statements of the Constitutional Officers and as transfers in on the financial statements of the Board.

The accounting policies of the Sheriff conform to accounting principles generally accepted in the United States of America, as applicable to governments.

B. Basis of Presentation – Fund Accounting

Accounts are organized on the basis of fund types, each of which is considered to be 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 balance, revenues and expenditures as appropriate. Government resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The Sheriff utilizes the following fund types:

GULF COUNTY, FLORIDA - SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Fund Types

General Fund – The general fund is the general operating fund of the Sheriff. It is used to account for all financial resources, except those required to be accounted for in other 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 “Nonmajor-Fund.”

Forfeiture Fund - Used to account for revenues and expenditures relating to various forfeitures.

Fiduciary Fund Types

Agency Funds – The agency funds are used to account for assets held by the Sheriff as an agent for individuals, private organizations, and other governments. Agency funds are custodial in nature and do not involve measurement of changes in financial position.

C. Basis of Accounting

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

The accompanying financial statements have been prepared using the modified accrual basis of accounting for 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. Expenditures are recorded when the liability is incurred, if measurable, except for principal and interest on long-term obligations which is recorded when due.

The Sheriff considers receivables collected within 60 days after year end to be available and susceptible to accrual as revenues in the current year. Charges for services and interest are susceptible to accrual.

GULF COUNTY, FLORIDA - SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. 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. 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.

E. Budgets and Budgetary Accounting

Florida Statutes Chapter 30.49 governs the preparation, adoption, and administration of the Sheriff’s annual budget. Expenditures, other than those for certain agency funds, are controlled by appropriations in accordance with the budget requirements set forth in Florida Statutes. Budgets are adopted for governmental and special revenue funds. Budgetary control is exercised at the fund level. Budgetary changes within the fund are made at the discretion of the Sheriff. Appropriations lapse at the end of the fiscal year to the extent they have not been expended.

The annual budgetary data reported for governmental fund types are adopted on a basis consistent with accounting principles generally accepted in the United States of America and represent the Sheriff’s adopted budget, the original appropriation ordinance, and budget amendments approved by the Sheriff or as adopted by the Board.

F. Cash and Cash Equivalents

The Sheriff considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

G. Capital Assets

The Sheriff is accountable for maintaining capital asset records pertaining to machinery and equipment used in his operations. The Board holds legal title for real property used by the Sheriff and is therefore accountable for such assets under Florida Law.

**GULF COUNTY, FLORIDA - SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets purchased in the governmental fund types are recorded as expenditures (capital outlay) at the time of purchase. Assets acquired by the Sheriff are reported as capital assets in the statement of net assets as part of the basic financial statement for Gulf County. Donated and confiscated capital assets are recorded in the County's statement of net assets at fair value at the date of receipt. Capital assets are depreciated using the straight-line method of depreciation over the estimated useful lives of the assets, which is generally 5 to 7 years. Depreciation expense is recorded in the statement of activities in the government-wide financial statements of the County.

H. Liability for Compensated Absences

The Sheriff accrues a liability for employees' rights to receive a compensation for future absences when certain conditions are met. The Sheriff does not, nor is he legally required to, accumulate expendable available resources to liquidate this obligation. Accordingly the liability for the compensated absences is not reported in the governmental funds. However, the current and long-term portion of the liability for compensated absences is reported at the county wide financial statement level.

I. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make use of estimates that affect the reported amount 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 estimates.

J. Related Organizations – Common Expenses

Certain expenditures, 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 relating to the Sheriff's courthouse facilities are:

- Occupancy costs
- Janitorial services
- Utilities (except telephone)
- Property insurance

**GULF COUNTY, FLORIDA - SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Subsequent Events

The Sheriff evaluated subsequent events through May 1, 2021, the date which the financial statements were available to be issued. The Sheriff did not have any subsequent events requiring disclosure or recording in these financial statements.

L. Fund Balance

GASB Statement 54 – *Fund Balance Reporting and Governmental Funds Type Definitions* was implemented as of October 1, 2009. This Statement requires the fund balance for governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Categories for fund balance are as follows: nonspendable, restricted, committed, assigned, and unassigned. For more information, see the County-wide note on fund balance.

NOTE 2 - CASH AND INVESTMENTS

All Sheriff depositories are banks designated by the State Treasurer as qualified public depositories. Chapter 280, Florida Statutes “Florida Security for Public Deposits Act” provides procedures for public depositories to insure monies in banks and savings and loans are collateralized with the Treasurer as an agent for the public entities. All Sheriff cash consists of checking accounts and interest-bearing time deposits in a local bank.

The Sheriff held no investments at September 30, 2020.

Interest Rate Risk

At September 30, the Sheriff did not hold any investments that were considered to be an interest rate risk.

Credit Risk

At September 30, the Sheriff did not hold any investments that were considered to be a credit risk.

Custodial Risk

At September 30, the Sheriff did not hold any deposits or investment that was considered to be a custodial risk.

GULF COUNTY, FLORIDA - SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE 2 - CASH AND INVESTMENTS – (continued)

Concentration of Credit Risk

At September 30, 2020, the Sheriff did not hold any investments that were considered to be a concentration of credit risk.

NOTE 3 – CAPITAL ASSETS

The Sheriff maintains recordkeeping and custodial responsibility for certain tangible capital assets used by his office. These special-purpose financial statements do not include capital assets and the related depreciation in the governmental fund financial statements. The following information is reported as a component of the County's government-wide financial statements.

	<u>Balance</u> <u>9/30/2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>9/30/2020</u>
Vehicles, equipment and furniture \$	1,707,908	\$ 201,056	\$ (87,580)	\$ 1,821,384
Accumulated depreciation	<u>(1,130,510)</u>	<u>(228,030)</u>	<u>87,580</u>	<u>(1,270,960)</u>
Total	<u>\$ 577,398</u>	<u>\$ (26,974)</u>	<u>\$ —</u>	<u>\$ 550,424</u>

Depreciation expense for the year ended September 30, 2020 was \$228,030 computed on the straight-line method over the estimated useful lives of the assets, which is generally 3 to 7 years.

GULF COUNTY, FLORIDA - SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE 4 – EMPLOYEE BENEFITS

RETIREMENT PLAN

The Florida Retirement System (FRS) was created by 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 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.

Essentially all regular employees of the Sheriff are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Park 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 the two costs-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statement, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site (www.dms.myflorida.com)

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- Regular Class – Members of the FRS who do not qualify for membership in the other classes.
- Elected County Officers 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 special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

GULF COUNTY, FLORIDA - SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE 4 – EMPLOYEE BENEFITS (continued)

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at 8 years of creditable 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 FRS 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. Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward creditable service. The FRS 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 FRS 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 FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating 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.

Benefits Provided

Benefits under the FRS 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 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 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.

GULF COUNTY, FLORIDA - SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE 4 – EMPLOYEE BENEFITS (continued)

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 percent 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 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Detailed information about the County's proportionate share of FRS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

Plan Description

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided

For the fiscal year ended June 30, 2019, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Detailed information about the County's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

GULF COUNTY, FLORIDA - SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE 4 – EMPLOYEE BENEFITS (continued)

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. Sheriff 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 Officer, 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. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 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 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2019, 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 Sheriff.

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 operations. 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.

GULF COUNTY, FLORIDA - SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE 4 – EMPLOYEE BENEFITS (continued)

Participating employer contributions are based upon statewide rates established by the State of Florida. The Sheriff's contributions made to the plans during the years ended September 30, 2020, 2019, and 2018 were \$418,838, \$404,014, and \$337,477 respectively, equal to the actuarially determined contribution requirements for each year. Additional information about pension plans can be found in the County's annual financial statements.

NOTE 5 – CHANGES IN LONG-TERM OBLIGATIONS

	<u>Balance</u> <u>9/30/2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>9/30/2020</u>
Accrued compensated absences	335,124	258,279	(252,290)	341,113
Total long-term debt	\$ 335,124	\$ 258,279	\$ (252,290)	\$ 341,113

Accrued compensated absences represent the vested portion of accrued vacation, sick leave, and compensated time. See note 1 for a summary of the Sheriff's policy regarding compensated absences.

NOTE 6 – INTERLOCAL AGREEMENTS

The Sheriff has an interlocal agreement with the City of Wewahitchka, whereby personnel from the Gulf County Sheriff's office provide law enforcement services to the City of Wewahitchka. As consideration the Board of County Commission receives payments of \$38,600 annually from the City which is used by the Board to fund the Sheriff's annual budget.

The Gulf County Sheriff has a service agreement with the City of Port St. Joe Police Department, hereby the Gulf County Sheriff provides all dispatching services required within the City of Port St. Joe. The City of Port St. Joe pays the Gulf County Sheriff the sum of \$76,000 annually, in consideration of these services. The Sheriff received \$71,000 for the year ended September 30, 2020.

The Sheriff has an interlocal agreement with the Gulf County School Board (District), whereby the Sheriff provides School Resource Officers to the district. As consideration, the Sheriff received payments of \$30,000 per month from the district through June 2019 and \$31,250 per month from July through September 2020. The Sheriff received \$363,750 for the year ended September 30, 2020.

**GULF COUNTY, FLORIDA - SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

NOTE 7 – RISK MANAGEMENT

The Sheriff has an agreement with Big Bend Community Based Care, whereby the Sheriff provides officers to respond to children who are at risk of harming themselves or others. As consideration, the sheriff received payments of \$4333 per month from BBCBC. The Sheriff received \$52,000 in the year ended September 30, 2020.

The Sheriff participates in the Florida Sheriff Self-Insurance Fund, which is considered a public entity risk pool which purchases insurance policies on behalf of its members. The pool's members are not obligated for risk associated with such coverage. Coverage under these programs include; general liability, public employees blanket bond, automobiles and money and securities coverage.

The Sheriff provides for workers' compensation coverage under a retrospectively rated commercial insurance policy through the Board. Premiums are accrued based on the ultimate cost to – date of the Sheriff's experience for this type of risk.

The Sheriff has determined that it was not economically justifiable to carry comprehensive coverage on all vehicles. The Sheriff evaluates vehicles by age and condition to determine if comprehensive coverage is feasible, otherwise the Sheriff carries liability insurance on the aforementioned vehicles.

In addition, the Sheriff participates in the Florida Self-Insurance Fund for risks related to professional liability and public officials' coverage. The funding agreement provides that the liability fund will be self-sustaining through member premiums and that it will reinsure through commercial companies. Aggregate coverage provided by the liability fund is \$10,000,000 for professional liability and \$10,000,000 for public officials' coverage.

NOTE 8 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

In accordance with Florida Statutes Section 112.0801, the Sheriff participates with Gulf County in offering retiring employees the opportunity to continue participating in the group insurance plan. Retirees who do not choose to continue participation lose eligibility to participate in the future.

Retirees and their eligible dependents shall be offered the same health and hospitalization insurance coverage as is offered to active employees at a premium cost of no more than the premium cost applicable to active employees. The County subsidizes the premium rates paid by the retirees by allowing them to participate in the plan at blended group (implicitly subsidized) premium rates for both active and retired employees. These rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. No stand alone report is issued for this plan.

The details of the plan, methodology, and costs are more fully described in the Gulf County Notes to the Financial Statements.

GULF COUNTY, FLORIDA - SHERIFF
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Litigation – From time to time, the Sheriff is involved as a defendant or plaintiff in certain litigation and claims arising from the ordinary course of operations. It is reasonably possible that the liability for known and unknown claims existing at the balance sheet date may be material. However, the responsibility for such claims is with the County's Risk Management Program. Accordingly, no contingent liabilities have been accrued in the accompanying financial statements.

Grants – The Sheriff is the recipient of grants that are subject to special compliance requirements and audits by the grantor agencies that may result in disallowed expense amount. These amounts constitute a contingent liability of the Sheriff. The Sheriff does not believe any contingent liabilities, if any, to be material to the financial statements.

COMPLIANCE SECTION

Vance CPA, LLC

Certified Public Accountant

219-B Avenue E

Apalachicola, FL 32320

Tel. (706) 278-1221 • Fax (706) 272-1085

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

To the Honorable Mike Harrison
Gulf County Sheriff
Gulf 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 statements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the fund financial statements of the general fund and the aggregate remaining fund information of the **Gulf County, Florida Sheriff** (the "Sheriff"), as of and for the year ended September 30, 2020, which collectively comprise the Sheriff's fund financial statements and have issued our report thereon dated May 1, 2021.

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) to determine the 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Pursuant to provisions of Chapter 10.550, *Rules of the Auditor General*, we reported certain matters to management of the Sheriff in a separate management letter and Independent Accountant's Report dated May 1, 2021.

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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Vance CPA LLC
May 1, 2021

Vance CPA, LLC

Certified Public Accountant

219-B Avenue E

Apalachicola, FL 32320

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INDEPENDENT AUDITOR'S REPORT ON EXAMINATION OF COMPLIANCE REQUIREMENTS IN ACCORDANCE WITH CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

To the Honorable Mike Harrison
Gulf County Sheriff
Gulf County, Florida

We have examined the Office of the Sheriff of Gulf County, Florida's (hereinafter referred to as the "Sheriff") compliance with Florida Statute 218.415 in regards to investments for the year ended September 30, 2020.

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

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

Vance CPA LLC

Vance CPA LLC

May 1, 2021

Vance CPA, LLC

Certified Public Accountant

219-B Avenue E

Apalachicola, FL 32320

Tel. (706) 278-1221 • Fax (706) 272-1085

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Honorable Mike Harrison
Gulf County Sheriff
Gulf County, Florida

Report on the Financial Statements

We have audited the financial statements (hereinafter referred to as "financial statements") of the general fund and the aggregate remaining fund information of the Office of the Sheriff of Gulf County, Florida (hereinafter referred to as "Sheriff"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, and have issued our report thereon dated May 1, 2021.

Auditors' Responsibility

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

Other Reports

We have issued our Independent Auditors' Report on Internal Control Over financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on Examination of Compliance Requirements in Accordance with Chapter 10.550 Rules of Auditor General. Disclosures in those reports, which are dated May 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. Corrective actions have been taken to the extent considered necessary.

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 the management letter, unless disclosed in the notes to the financial statements. The Sheriff was established by the Constitution of the State of Florida, Article VIII, Section 1 (d). The Sheriff has no component units.

Other Matters

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

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

Purpose of this Letter

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

A handwritten signature in black ink that reads "Vance CPA LLC". The signature is written in a cursive, flowing style.

Vance CPA LLC
May 1, 2021

**GULF COUNTY, FLORIDA – SHERIFF
MANAGEMENT’S RESPONSE TO MANAGEMENT LETTER**

SEPTEMBER 30, 2020

There are no comments which require management’s written response.



Gulf County, Florida Tax Collector

**Special-Purpose
Financial Statements
September 30, 2020**

Vance CPA, LLC

Certified Public Accountant

219-B Avenue E • Apalachicola, FL 32320
Tel. (706) 278-1221 • Fax (706) 272-1085

**GULF COUNTY, FLORIDA
TAX COLLECTOR
SEPTEMBER 30, 2020**

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INDEPENDENT AUDITORS' REPORT

To the Honorable Shirley J. Jenkins
Gulf County Tax Collector
Gulf County, Florida

Report on the Financial Statements

We have audited the accompanying fund financial statements of the general fund and the aggregate remaining fund information of the Gulf 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 fund 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.

Independent 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the 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 the respective 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. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the general fund and tax fund of Gulf County that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of Gulf County as of September 30, 2020, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 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, regulations, contracts, and grant agreements and other matters under the heading "Independent Auditors' 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 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 Tax Collector's internal control over financial reporting and compliance.



Vance CPA LLC
May 1, 2021

**GULF COUNTY, FLORIDA
TAX COLLECTOR**

**SPECIAL-PURPOSE BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

	<u>General Fund</u>
ASSETS	
Due from TDC	<u>\$ 8,193</u>
Total Assets	<u>8,193</u>
LIABILITIES AND FUND BALANCES	
Liabilities	
Accounts payable	<u>8,193</u>
Total Liabilities	<u>8,193</u>
Fund Balances	<u>—</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 8,193</u>

See accompanying notes to the basic financial statements

**GULF COUNTY, FLORIDA
TAX COLLECTOR**

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

YEAR ENDED SEPTEMBER 30, 2020

	General Fund
REVENUES	
Interest and other income	\$ 72,153
Total Revenues	<u>72,153</u>
EXPENDITURES	
General government	
Personal services	465,282
Operating expenditures	<u>133,676</u>
Total Expenditures	<u>598,958</u>
Excess (deficit) of revenues over (under) expenditures	<u>(598,958)</u>
Other financing sources (uses)	
Transfers from BOCC	598,958
Transfers to BOCC	<u>—</u>
Total Other Financing Sources (Uses)	<u>598,958</u>
Net change in fund balances	<u>—</u>
Fund balances - beginning	<u>—</u>
Fund balances - ending	<u>\$ —</u>

See accompanying notes to the basic financial statements

**GULF COUNTY, FLORIDA
TAX COLLECTOR**

**SPECIAL-PURPOSE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – GENERAL FUND**

YEAR ENDED SEPTEMBER 30, 2020

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Budget Positive</u> <u>(Negative)</u>
Revenues:				
Interest and other income	—	—	—	—
Total revenues	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Expenditures:				
General Government				
Personal services	433,323	523,898	465,282	58,616
Operating expenditures	<u>135,138</u>	<u>151,377</u>	<u>133,676</u>	<u>17,701</u>
Total expenditures	<u>568,461</u>	<u>675,275</u>	<u>598,958</u>	<u>76,317</u>
Excess (deficit) of revenues over (under) expenditures	<u>(568,461)</u>	<u>(675,275)</u>	<u>(598,958)</u>	<u>76,317</u>
Other financing sources (uses)				
Transfers from BOCC	568,461	675,275	598,958	(76,317)
Transfers to BOCC	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total other financing Sources (uses)	<u>568,461</u>	<u>675,275</u>	<u>598,958</u>	<u>(76,317)</u>
Net change in fund balances	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balances - beginning	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balances - ending	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>

See accompanying notes to the basic financial statements

GULF COUNTY, FLORIDA - TAX COLLECTOR
ASSETS AND LIABILITIES
AGENCY FUNDS

SEPTEMBER 30, 2020

	<u>Taxes</u>	<u>Tag</u>	<u>Total Funds</u>
Assets:			
Cash and cash equivalents	<u>\$389,521</u>	<u>\$ —</u>	<u>\$389,521</u>
Total assets	<u>389,521</u>	<u>—</u>	<u>389,521</u>
Liabilities & Fund Balances:			
Liabilities:			
Due to individuals	383,322	—	383,322
Due to other governments	5,092	—	5,092
Due to BOCC	<u>1,108</u>	<u>—</u>	<u>1,108</u>
Total Liabilities	<u>\$389,521</u>	<u>\$ —</u>	<u>\$389,521</u>

See accompanying notes to the basic financial statements

GULF COUNTY, FLORIDA - TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Tax Collector of Gulf County, Florida is an elected Constitutional Officer of Gulf County pursuant to Article VIII, Section (1) of the *Constitution of the State of Florida*. For financial statement and reporting purposes, the Tax Collector is a separate constitutional officer as provided for by Chapter 218, Florida Statutes. The Tax Collector is considered to be a part of the primary government of Gulf County, Florida and the financial information is included in Gulf County's county-wide financial statements.

These special-purpose financial statements include only the balance and activity of the Tax Collector's office. They have been prepared for the purpose of complying with Section 10.557, *Rules of the Auditor General for Local Government Entity audits*, and are not intended to be a complete presentation of the financial position of the County, or the changes in financial position or where applicable, cash flows, thereof, in conformity with accounting principles generally accepted in the United States of America.

The operations of the Tax Collector are funded by the Gulf County Board of County Commissioners (Board). The receipts from the Board are recorded as other financing sources on the Tax Collector's financial statements and as other financing uses on the Board's financial statements. Any excess of revenue and other financial sources received over expenditures are remitted to the Board at year end. These excess fees are reported as a liability and as transfers out to the Board or deducted from fees earned for amounts distributed to other governments.

The accounting policies of the Tax Collector conform to accounting principles generally accepted in the United States of America, as applicable to governments.

B. Basis of Presentation – Fund Accounting

Accounts are organized on the basis of fund types, each of which is considered to be 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 balance, revenues and expenditures as appropriate. Government resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The Tax Collector utilizes the following fund types:

GULF COUNTY, FLORIDA - TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Fund Types

General Fund – The general fund is the general operating fund of the Tax Collector. It is used to account for all financial resources, except for those required to be accounted for in other funds.

Fiduciary Fund Type

Agency Funds – The agency funds are used to account for assets held by the Tax Collector as an agent for individuals, private organizations, and other governments. Agency funds are custodial in nature and do not involve measurement of changes in financial position.

C. Basis of Accounting

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

The accompanying financial statements have been prepared using the modified accrual basis of accounting for 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. Expenditures are recorded when the liability is incurred, if measurable, except for principal and interest on long-term obligations which is recorded when due.

The Tax Collector considers receivable collected within 60 days after year end to be available and susceptible to accrual as revenues of the current year. Charges for services and interest earned are susceptible to accrual.

D. 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.

GULF COUNTY, FLORIDA - TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budgetary Requirements

Florida Statutes, Chapter 195.087 govern the preparation, adoption and administration of the annual budget of the Tax Collector. The budget and subsequent budget amendments of the Tax Collector are submitted to the Florida Department of Revenue (FDOR) for approval. A copy of the budget is also provided to the Board.

Line item expenditures in excess of budget are authorized to the extent that total expenditures do not exceed the total budgeted expenditures. Budget transfers between appropriation categories (personal services, operating expenditures, capital outlay, and debt service) must be approved by FDOR. Transfers between expenditure items within the same appropriation category do not need approval by FDOR. The budget is prepared on the modified accrual basis of accounting. General fund appropriations lapse at the end of the fiscal year to the extent they have not been expended.

F. Capital Assets

Capital assets purchased in the governmental fund type in excess of \$1,000 are recorded as expenditures (capital outlay) at the time of purchase. Capital assets acquired are reported as capital assets in the statement of net assets as part of the basic financial statement for Gulf County. The Tax Collector maintains custodial responsibility for the capital assets used by the office.

The Tax Collector also utilizes certain computer equipment and software for vehicle and boat registrations and driver's license processing which belong to the State of Florida Department of Highway Safety and Motor Vehicles (DMV) and software licensed to the State of Florida Fish and Wildlife Conservation Commission (FFWCC). The cost of this equipment is not recognized in the statement of net assets of the County because ownership of the equipment and software is maintained by the DMV and FFWCC.

G. Liability for Compensated Absences

The Tax Collector accrues a liability for employees' rights to receive compensation for future absences when certain conditions are met. The Tax Collector does not, nor is legally required to, accumulate expendable available resources to liquidate this obligation. Accordingly, the liability for the compensated absences is not reported in the governmental fund. However, the current and long-term portion of the liability for compensated absences is reported at the county wide financial statement level.

GULF COUNTY, FLORIDA - TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Related Organizations – Common Expenses

Certain expenditures, 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 relating to the Tax Collector's courthouse facilities are:

- Occupancy costs
- Janitorial services
- Utilities (except telephone)
- Property insurance

I. Use of Estimates

The preparation of financial statements in conformity with U.S. 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 estimates.

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.

**GULF COUNTY, FLORIDA - TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

■ **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 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 Tax Collector of the Court administers these sales.

J. Subsequent Events

The Tax Collector evaluated subsequent events through May 1, 2021, the date which the financial statements were available to be issued. The Tax Collector did not have any subsequent events requiring disclosure or recording in these financial statements.

K. Net Assets and Fund Equity

GASB Statement 54 – *Fund Balance Reporting and Governmental Funds Type Definitions* was implemented as of October 1, 2009. This Statement requires the fund balance for governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Categories for fund balance are as follows: nonspendable, restricted, committed, assigned, and unassigned. For more information, see the County-wide note on fund balance.

NOTE 2 - CASH AND INVESTMENTS

All Tax Collector depositories are banks designated by the State Treasurer as qualified public depositories. Chapter 280, Florida Statutes “Florida Security for Public Deposits Act” provides procedures for public depositories to insure monies in banks and savings and loans are collateralized with the Treasurer as an agent for the public entities. All Tax Collector cash consists of checking accounts and interest-bearing time deposits in a local bank.

Investments

The Tax Collector held no investments at September 30, 2020.

GULF COUNTY, FLORIDA - TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE 2 - CASH AND INVESTMENTS (continued)

Interest Rate Risk

At September 30, 2020, the Tax Collector did not hold any investments that were considered to be an interest rate risk.

Credit Risk

At September 30, 2020 the Tax Collector did not hold any investments that were considered to be a credit risk.

Custodial Risk

At September 30, 2020 the Tax Collector did not hold any deposits or investments that were considered to be a custodial risk.

Concentration of Credit Risk

At September 30, 2020 the Tax Collector did not hold any deposits or investments that were considered to be a credit risk.

NOTE 3 – EMPLOYEE BENEFITS

RETIREMENT PLAN

The Florida Retirement System (FRS) was created by 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 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.

**GULF COUNTY, FLORIDA - TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

NOTE 3 – EMPLOYEE BENEFITS (continued)

Essentially all regular employees of the Tax Collector are eligible to enroll as members of the State-administered FRS. Provisions relating to the 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 the two costs-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statement, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site (www.dms.myflorida.com)

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- Regular Class – Members of the FRS who do not qualify for membership in the other classes.
- Elected County Officers 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 special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at 8 years of creditable 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 FRS 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

GULF COUNTY, FLORIDA - TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE 3 – EMPLOYEE BENEFITS (continued)

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. Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward creditable service. The FRS 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 FRS 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 FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating 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.

Benefits Provided

Benefits under the FRS 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 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 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.

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 percent 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 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

GULF COUNTY, FLORIDA - TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE 3 – EMPLOYEE BENEFITS (continued)

Detailed information about the County's proportionate share of FRS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

Plan Description

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided

For the fiscal year ended June 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Detailed information about the County's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

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. Tax Collector 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

GULF COUNTY, FLORIDA - TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE 3 – EMPLOYEE BENEFITS (continued)

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 Officer, 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. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 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 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 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 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 Tax Collector.

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 operations. 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.

Participating employer contributions are based upon statewide rates established by the State of Florida. The Tax Collector's contributions made to the plans during the years ended September 30, 2020, 2019, and 2018 were \$38,555, \$35,256, and \$33,467 respectively, equal to the actuarially determined contribution requirements for each year. Additional information about pension plans can be found in the County's annual financial statements.

GULF COUNTY, FLORIDA - TAX COLLECTOR
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE 4 – CHANGES IN LONG-TERM OBLIGATIONS

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

	<u>Balance</u> <u>9/30/2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>9/30/2020</u>
Accumulated compensated absences	\$ 7,462	\$ 1,891	\$ —	\$ 9,353

Accrued compensated absences represent the vested portion of accrued vacation and sick leave. See note 1 for a summary of the Tax Collector's policy regarding compensated absences. Records kept for compensated absences relate only to hours earned, used and available. Accordingly, only the net changes in compensated absences are presented.

The portion of compensated absences liability estimated to be paid during the next year (current portion) is \$2,338.

NOTE 5 – 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 the public; or damage to property of others. The Tax Collector participates in the risk management program through the Gulf County Board of County Commissioners, which uses commercial insurance 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 employee's bond
- Workers' compensation
- General and automobile liability

COMPLIANCE SECTION

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

To the Honorable Shirley J. Jenkins
Gulf County Tax Collector
Gulf County, Florida

We have audited the accompanying special-purpose financial statements of the general fund of the Gulf County, Florida, Tax Collector, as of and for the year ended September 30, 2020, and have issued our report thereon dated May 1, 2021, which describes that such special-purpose financial statements have been prepared for the purpose of complying with section 218.39, *Florida Statutes*, and Chapter 10.577(3), *Rules of the Auditor General for Local Government Entity Audits*. 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.

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 opinions on the financial statements, but not for the purpose of expressing 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and other matters

As part of obtaining reasonable assurance about whether the Tax Collector's special-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of special-purpose 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 noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Pursuant to provisions of Chapter 10.550, *Rules of the Auditor General*, we reported certain matters to management of the Tax Collector in a separate management letter and Independent Accountant's Report dated May 1, 2021.

Purpose of this Report

This report is intended solely for the information and use of the Tax Collectors, management, the Board of County Commissioners and the State of Florida Office of the Auditor General, and appropriate federal and state awarding agencies entities and is not intended to be and should not be used by anyone other than these specified parties.

Vance CPA LLC

Vance CPA LLC
May 1, 2021

Vance CPA, LLC

Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT ON EXAMINATION OF COMPLIANCE REQUIREMENTS IN ACCORDANCE WITH CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

To the Honorable Shirley J. Jenkins
Gulf County Tax Collector
Gulf County, Florida

We have examined the Office of the Tax Collector of Gulf County, Florida's (hereinafter referred to as the "Tax Collector") compliance with Florida Statute 218.415 in regards to investments for the year ended September 30, 2020.

Management is responsible for the Tax Collector's compliance with those requirements. Our responsibility is to express an opinion on the Tax Collector's compliance based on our examination.

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

In our opinion, the Tax Collector complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

Vance CPA LLC

Vance CPA LLC

May 1, 2021

Vance CPA, LLC

Certified Public Accountant

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INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Honorable Shirley J. Jenkins
Gulf County Tax Collector
Gulf County, Florida

Report on the Financial Statements

We have audited the financial statements (hereinafter referred to as "financial statements") of the general fund and the tax fund of the Office of the Tax Collector of Gulf County, Florida (hereinafter referred to as "Tax Collector"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, and have issued our report thereon dated May 1, 2021.

Auditors' Responsibility

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

Other Reports

We have issued our Independent Auditors' Report on Internal Control Over financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on Examination of Compliance Requirements in Accordance with Chapter 10.550 Rules of Auditor General. Disclosures in those reports, which are dated May 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. Corrective actions have been taken to the extent considered necessary, other than for those comments repeated in the 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*.

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 the 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). The Tax Collector has no component units.

Other Matters

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

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

Purpose of this Letter

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



Vance CPA LLC

May 1, 2021

**GULF COUNTY, FLORIDA – TAX COLLECTOR
MANAGEMENT’S RESPONSE TO MANAGEMENT LETTER**

SEPTEMBER 30, 2020

There are no comments which require management’s written response.



Gulf County, Florida Property Appraiser

**Special-Purpose
Financial Statements
September 30, 2020**

Vance CPA, LLC

Certified Public Accountant

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**GULF COUNTY, FLORIDA
PROPERTY APPRAISER
SEPTEMBER 30, 2020**

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mitch Burke
Gulf County Property Appraiser
Gulf County, Florida

Report on the Financial Statements

We have audited the accompanying fund financial statements of the general fund of the Gulf County, Florida Property Appraiser (the "Appraiser"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Appraiser's fund 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.

Independent 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the general fund of the Property Appraiser as of September 30, 2020, and the respective changes in financial position and the respective 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. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of the general fund of the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Gulf County, Florida as of September 30, 2020, and the changes in its financial position for the fiscal 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 our report dated May 1, 2021 on our consideration of the 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 under the heading "Independent Auditors' 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 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 Appraiser's internal control over financial reporting and compliance.



Vance CPA LLC

May 1, 2021

**GULF COUNTY, FLORIDA
PROPERTY APPRAISER**

**SPECIAL-PURPOSE BALANCE SHEET
GOVERNMENTAL FUNDS**

SEPTEMBER 30, 2020

	<u>General Fund</u>
ASSETS	
Cash and Cash Equivalents	<u>\$ 65,132</u>
Total Assets	<u>65,132</u>
LIABILITIES AND FUND BALANCES	
Liabilities	
Due to Board of County Commissioners	30,314
Accounts payable	<u>34,818</u>
Total Liabilities	<u>65,132</u>
Fund Balances	<u>—</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 65,132</u>

See accompanying notes to the basic financial statements

**GULF COUNTY, FLORIDA
PROPERTY APPRAISER**

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

YEAR ENDED SEPTEMBER 30, 2020

	General Fund
REVENUES	
Interest and other income	\$ 1,359
Total Revenues	<u>1,359</u>
EXPENDITURES	
General government	
Personal services	497,898
Operating expenditures	99,222
Capital outlay	<u>7,400</u>
Total Expenditures	<u>604,520</u>
Excess (deficit) of revenues over (under) expenditures	<u>(603,161)</u>
Other financing sources (uses)	
Transfers from Board of County Commissioners	634,759
Transfers to Board of County Commissioners	<u>(31,598)</u>
Total Other Financing Sources (Uses)	<u>603,161</u>
Net change in fund balances	<u>—</u>
Fund balances - beginning	<u>—</u>
Fund balances - ending	<u>\$ —</u>

See accompanying notes to the basic financial statements

**GULF COUNTY, FLORIDA
PROPERTY APPRAISER**

**SPECIAL-PURPOSE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – GENERAL FUND**

YEAR ENDED SEPTEMBER 30, 2020

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with Final</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Budget Positive</u>
				<u>(Negative)</u>
Revenues:				
Interest and other income	\$ —	\$ —	\$ 1,359	\$ 1,359
Total revenues	<u>—</u>	<u>—</u>	<u>1,359</u>	<u>1,359</u>
Expenditures:				
General Government				
Personal services	499,004	508,601	497,898	10,903
Operating expenditures	105,964	97,644	99,222	(1,578)
Capital outlay	<u>19,750</u>	<u>19,750</u>	<u>7,400</u>	<u>12,350</u>
Total expenditures	<u>624,718</u>	<u>625,995</u>	<u>604,520</u>	<u>21,475</u>
Excess (deficit) of revenues over (under) expenditures	<u>(624,718)</u>	<u>(625,995)</u>	<u>(603,161)</u>	<u>22,834</u>
Other financing				
sources (uses)				
Transfers from BOCC	624,718	625,995	634,759	8,764
Transfers to BOCC	<u>—</u>	<u>—</u>	<u>(131,598)</u>	<u>(31,598)</u>
Total other financing				
Sources (uses)	<u>624,718</u>	<u>625,995</u>	<u>603,161</u>	<u>(22,834)</u>
Net change in fund balances	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balances - beginning	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balances - ending	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>	<u><u>\$ —</u></u>

See accompanying notes to the basic financial statements

**GULF COUNTY, FLORIDA - PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Property Appraiser of Gulf County, Florida is an elected Constitutional Officer of Gulf County pursuant to Article VIII, Section (1) of the *Constitution of the State of Florida*. For financial statement and reporting purposes, the Property Appraiser is a separate constitutional officer as provided for by Chapter 218, Florida Statutes. The Property Appraiser is considered to be a part of the primary government of Gulf County, Florida and the financial information is included in Gulf County's county-wide financial statements.

These special-purpose financial statements include only the balances and activity of the Property Appraiser's office. They have been prepared for the purpose of complying with Section 10.557, *Rules of the Auditor General for Local Government Entity audits*, and are not intended to be a complete presentation of the financial position of the County, or the changes in financial position or where applicable, cash flows, thereof, in conformity with accounting principles generally accepted in the United States of America.

The operations of the Property Appraiser are funded by the Gulf County Board of County Commissioners (Board). The receipts from the Board are recorded as other financing sources on the Property Appraiser's financial statements and as other financing uses on the Board's financial statements. Any excess of revenues and other financial sources received over expenditures are remitted to the Board at year end.

The accounting policies of the Property Appraiser conform to accounting principles generally accepted in the United States of America, as applicable to governments.

B. Basis of Presentation – Fund Accounting

Accounts are organized on the basis of fund types, each of which is considered to be 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 balance, revenues and expenditures as appropriate. Government resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The Property Appraiser utilizes the following fund types:

**GULF COUNTY, FLORIDA - PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Fund Types

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 other funds.

C. Basis of Accounting

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

The accompanying financial statements have been prepared using the modified accrual basis of accounting for 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. Expenditures are recorded when the liability is incurred, if measurable, except for principal and interest on long-term obligations which is recorded when due.

The Property Appraiser considers receivable collected within 60 days after year end to be available and susceptible to accrual as revenues of the current year. Charges for services and interest earned are susceptible to accrual.

D. 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.

E. Budgetary Requirements

Florida Statutes, Chapter 195.087 govern the preparation, adoption and administration of the annual budget of the Property Appraiser. The budget and subsequent budget amendments of the Property Appraiser are submitted to the Florida Department of Revenue (FDOR) for approval. A copy of the budget is also provided to the Board.

**GULF COUNTY, FLORIDA - PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Line item expenditures in excess of budget are authorized to the extent that total expenditures do not exceed the total budgeted expenditures. Budget transfers between appropriation categories (personal services, operating expenditures, capital outlay, and debt service) must be approved by FDOR. Transfers between expenditure items within the same appropriation category do not need approval by FDOR. The budget is prepared on the modified accrual basis of accounting. General fund appropriations lapse at the end of the fiscal year to the extent they have not been expended.

F. 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.

G. Liability for Compensated Absences

Permanent full-time employees of the Property Appraiser accrue sick leave based upon pay periods worked and earned vacation time related to length of employment with the Property Appraiser's office. The vacation and sick time must be taken during the year earned and no payment for vacation or sick leave is made at termination.

H. Related Organizations – Common Expenses

Certain expenditures, 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 relating to the Property Appraiser's courthouse facilities are:

- Occupancy costs
- Janitorial services
- Utilities (except telephone)
- Property insurance

I. Use of Estimates

The preparation of financial statements in conformity with U.S. 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 estimates.

**GULF COUNTY, FLORIDA - PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Subsequent Events

The Property Appraiser evaluated subsequent events through May 1, 2021, the date which the financial statements were available to be issued. The Property Appraiser did not have any subsequent events requiring disclosure or recording in these financial statements.

K. Fund Balance

GASB Statement 54 – *Fund Balance Reporting and Governmental Funds Type Definitions* was implemented as of October 1, 2009. This Statement requires the fund balance for governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Categories for fund balance are as follows; nonspendable, restricted, committed, assigned, and unassigned. For more information, see the County-wide note on fund balance.

NOTE 2 - CASH AND INVESTMENTS

All Property Appraiser depositories are banks designated by the State Treasurer as qualified public depositories. Chapter 280, Florida Statutes “Florida Security for Public Deposits Act” provides procedures for public depositories to insure monies in banks and savings and loans are collateralized with the Treasurer as an agent for the public entities. All Property Appraiser cash consists of checking accounts and interest-bearing time deposits in a local bank.

Investments

The Property Appraiser held no investments at September 30, 2020.

Interest Rate Risk

At September 30, 2020, the Property Appraiser did not hold any investments that were considered to be an interest rate risk.

Credit Risk

At September 30, 2020 the Property Appraiser did not hold any investments that were considered to be a credit risk.

Custodial Risk

At September 30, 2020 the Property Appraiser did not hold any deposits or investments that were considered to be a custodial risk.

**GULF COUNTY, FLORIDA - PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

NOTE 2 - CASH AND INVESTMENTS - continued

Concentration of Credit Risk

At September 30, 2020 the Property Appraiser did not hold any deposits or investments that were considered to be a credit risk.

NOTE 3 – EMPLOYEE BENEFITS

RETIREMENT PLAN

The Florida Retirement System (FRS) was created by 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 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.

Essentially all regular employees of the Property Appraiser are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Park 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 the two costs-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statement, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site (www.dms.myflorida.com)

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

**GULF COUNTY, FLORIDA - PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

NOTE 3 – EMPLOYEE BENEFITS (continued)

- Regular Class – Members of the FRS who do not qualify for membership in the other classes.
- Elected County Officers 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 special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at 8 years of creditable 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 FRS 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. Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward creditable service. The FRS 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 FRS 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 FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating 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.

**GULF COUNTY, FLORIDA - PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

NOTE 3 – EMPLOYEE BENEFITS (continued)

Benefits Provided

Benefits under the FRS 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 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 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.

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 percent 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 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Detailed information about the County's proportionate share of FRS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

Plan Description

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

**GULF COUNTY, FLORIDA - PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

NOTE 3 – EMPLOYEE BENEFITS (continued)

Benefits Provided

For the fiscal year ended June 30, 2018, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Detailed information about the County's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

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. Property Appraiser 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 Officer, 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. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 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 member

**GULF COUNTY, FLORIDA - PROPERTY APPRAISER
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

NOTE 3 – EMPLOYEE BENEFITS (continued)

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 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 30, 2019, 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 Property Appraiser.

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 operations. 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.

Participating employer contributions are based upon statewide rates established by the State of Florida. The Property Appraiser's contributions made to the plans during the years ended September 30, 2020, 2019, and 2018 were \$76,251, \$71,685, and \$67,342 respectively, equal to the actuarially determined contribution requirements for each year. Additional information about pension plans can be found in the County's annual financial statements.

NOTE 4 – 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 the public; or damage to property of others. The Property Appraiser participates in the risk management program through the Gulf County Board of County Commissioners, which uses commercial insurance 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 employee's bond
- Workers' compensation
- General and automobile liability

COMPLIANCE SECTION

Vance CPA, LLC

Certified Public Accountant

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

To the Honorable Mitch Burke
Gulf County Property Appraiser
Gulf County, Florida

We have audited the accompanying special-purpose financial statements of the general fund of the Gulf County, Florida, Property Appraiser, as of and for the year ended September 30, 2020, and have issued our report thereon dated May 1, 2021, which describes that such special-purpose financial statements have been prepared for the purpose of complying with section 218.39, *Florida Statutes*, and Chapter 10.577(3), *Rules of the Auditor General for Local Government Entity Audits*. 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.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Property Appraiser'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 opinions on the financial statements, but not for the purpose of expressing 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and other matters

As part of obtaining reasonable assurance about whether the Property Appraiser's special-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of special-purpose 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 noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Pursuant to provisions of Chapter 10.550, *Rules of the Auditor General*, we reported certain matters to management of the Property Appraiser in a separate management letter and Independent Accountant's Report dated May 1, 2021.

Purpose of this Report

This report is intended solely for the information and use of the Property Appraiser, management, the Board of County Commissioners and the State of Florida Office of the Auditor General, and appropriate federal and state awarding agencies entities and is not intended to be and should not be used by anyone other than these specified parties.

Vance CPA LLC

Vance CPA LLC

May 1, 2021

Vance CPA, LLC

Certified Public Accountant

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INDEPENDENT AUDITORS' REPORT ON EXAMINATION OF COMPLIANCE REQUIREMENTS IN ACCORDANCE WITH CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

To the Honorable Mitch Burke
Gulf County Property Appraiser
Gulf County, Florida

We have examined the Office of the Property Appraiser' of Gulf County, Florida's (hereinafter referred to as the "Property Appraiser") compliance with Florida Statute 218.415 in regards to investments for the year ended September 30, 2020.

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 and, accordingly, included examining, on a test basis, evidence about the Property Appraiser's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Property Appraiser's compliance with specified requirements.

In our opinion, the Property Appraiser complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

Vance CPA LLC

Vance CPA LLC

May 1, 2021

Vance CPA, LLC

Certified Public Accountant

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INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Honorable Mitch Burke
Gulf County Property Appraiser
Gulf County, Florida

Report on the Financial Statements

We have audited the financial statements of the general fund of the Office of the Property Appraiser of Gulf, County, Florida (hereinafter referred to as the "Property Appraiser"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, and have issued our report thereon dated May 1, 2021.

Auditors' Responsibility

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

Other Reports

We have issued our Independent Auditors' Report on Internal Control Over financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on Examination of Compliance Requirements in Accordance with Chapter 10.550 Rules of Auditor General. Disclosures in those reports, which are dated May 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. No recommendations were 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 the 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). The Property Appraiser has no component units.

Other Matters

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

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

Purpose of this Letter

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

A handwritten signature in black ink that reads "Vance CPA LLC". The script is cursive and fluid.

Vance CPA LLC
May 1, 2021

**GULF COUNTY, FLORIDA - PROPERTY APPRAISER
MANAGEMENT'S RESPONSE TO MANAGEMENT LETTER**

SEPTEMBER 30, 2020

There are no comments which require management's written response.



Gulf County, Florida Supervisor of Elections

**Special-Purpose
Financial Statements
September 30, 2020**

Vance CPA, LLC

Certified Public Accountant

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**GULF COUNTY SUPERVISOR OF ELECTIONS
SEPTEMBER 30, 2020**

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INDEPENDENT AUDITORS' REPORT

To the Honorable John M. Hanlon
Gulf County Supervisor of Elections
Gulf County, Florida

Report on the Financial Statements

We have audited the accompanying fund financial statements of the general fund of the Gulf County, Supervisor of Elections, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Supervisor of Election's fund 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.

Independent 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the general fund of the Supervisor of Elections as of September 30, 2020, and the respective changes in financial position and the respective 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 Matters

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. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of that portion of the general fund attributable solely to the operations of the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Gulf County, Florida, as of September 30, 2020, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 1, 2021 on our consideration of the Supervisor of Election'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 under the heading "Independent Auditors' 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 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 Election's internal control over financial reporting and compliance.



Vance CPA LLC
May 1, 2021

**GULF COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

**SPECIAL-PURPOSE BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2020**

	<u>General Fund</u>
ASSETS	
Cash and Cash Equivalents	\$ 41,234
Other current assets	<u>436</u>
Total Assets	<u>41,670</u>
LIABILITIES, DEFERRED REVENUE AND FUND BALANCES	
Liabilities	
Accounts Payable	5,500
Due to Board of County Commissioners	<u>36,170</u>
Total Liabilities	<u>41,670</u>
Fund Balances	<u>—</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 41,670</u>

See accompanying notes to the basic financial statements

**GULF COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

**SPECIAL-PURPOSE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GENERAL FUND**

YEAR ENDED SEPTEMBER 30, 2020

	<u>General Fund</u>
REVENUES	
Intergovernmental	\$ 33,103
Miscellaneous revenue	<u>380</u>
Total Revenues	<u>33,483</u>
EXPENDITURES	
General government	
Personal services	279,656
Operating expenditures	<u>64,792</u>
Total general government	344,448
Elections	
Personal services	26,233
Operating expenditures	<u>33,687</u>
Total elections	59,920
Total Expenditures	<u>404,368</u>
Excess (deficit) of revenues over (under) expenditures	<u>(370,885)</u>
Other financing sources (uses)	
Transfers from Board of County Commissioners	407,289
Transfers to Board of County Commissioners	<u>(36,404)</u>
Total Other Financing Sources (Uses)	<u>370,885</u>
Net change in fund balances	<u>—</u>
Fund balances - beginning	<u>—</u>
Fund balances - ending	<u><u>\$ —</u></u>

See accompanying notes to the basic financial statements

**GULF COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS**

**SPECIAL-PURPOSE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL – GENERAL FUND**

YEAR ENDED SEPTEMBER 30, 2020

	Budget Amounts		Actual	Variance with Final
	Original	Final	Amounts	Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ —	\$ —	\$ 33,103	\$ 33,103
Miscellaneous Revenue	—	—	380	380
Total revenues	—	—	33,483	33,483
Expenditures:				
General government				
Personal services	256,207	285,024	279,656	5,368
Operating expenditures	74,682	74,682	64,792	9,890
Total general government	330,889	359,706	344,448	15,258
Elections				
Personal services	41,000	41,000	26,233	14,767
Operating expenditures	35,400	35,400	33,687	1,713
Total elections	76,400	76,400	59,920	16,480
Total expenditures	407,289	436,106	404,368	31,738
Excess (deficit) of revenues over (under) expenditures	(407,289)	(436,106)	(370,885)	65,221
Other financing sources (uses)				
Transfers from Board of County Commissioners General Government	407,289	436,106	407,289	(28,817)
Transfers to Board of County Commissioners	—	—	(36,401)	(36,404)
Total other financing Sources (uses)	407,289	436,106	370,885	(65,221)
Net change in fund balances	—	—	—	—
Fund balances - beginning	—	—	—	—
Fund balances - ending	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

See accompanying notes to the basic financial statements

GULF COUNTY, FLORIDA - SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Supervisor of Elections of Gulf County, Florida is an elected Constitutional Officer of Gulf County pursuant to Article VIII, Section (1) of the *Constitution of the State of Florida*. For financial statement and reporting purposes, the Supervisor of Elections is a separate constitutional officer as provided for by Chapter 218, Florida Statutes. The Supervisor of Elections is considered to be a part of the primary government of Gulf County, Florida and her financial information is included in Gulf County's county-wide financial statements.

These special-purpose financial statements include only the balances and operations of the Supervisor of Elections office. They have been prepared for the purpose of complying with Section 10.557, *Rules of the Auditor General for Local Government Entity Audits*, and are not intended to be a complete presentation of the financial position of the County, or the changes in financial position or where applicable, cash flows, thereof, in conformity with accounting principles generally accepted in the United States of America.

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. Any excess of revenues and other financing sources received over expenditures are remitted to the Board at year end.

The accounting policies of the Supervisor of Elections conform to accounting principles generally accepted in the United States of America as applicable to governments.

B. Basis of Presentation

Accounts are organized on the basis of fund types, each of which is considered to be 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 balance, revenues and expenditures as appropriate. Government resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The Supervisor of Elections utilizes the following fund type:

GULF COUNTY, FLORIDA - SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Fund Type

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 those required to be accounted for in other funds.

C. Basis of Accounting

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

The accompanying financial statements have been prepared using the modified accrual basis of accounting for 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. Expenditures are recorded when the liability is incurred, if measurable, except for principal and interest on long-term obligations which is recorded when due.

The Supervisor of Elections considers receivables collected within 60 days after year end to be available and susceptible to accrual as revenues of the current year. Charges for services and interest earned are susceptible to accrual.

D. 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.

**GULF COUNTY, FLORIDA - SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budgets Requirements

General governmental revenue 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. Florida Statutes Chapter 129.201 governs the preparation, adoption, and administration of the Supervisor of election's annual budget.

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.

F. 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 County. The Supervisor of Elections maintains custodial responsibility for the capital assets used by the office.

G. Liability for Compensated Absences

Permanent full-time employees of the Supervisor of Elections accrue sick and annual leave based on pay period worked and must be taken during the fiscal year earned. No payment for vacation or sick leave is made at termination.

**GULF COUNTY, FLORIDA - SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 estimates.

I. Subsequent Events

Supervisor of Elections evaluated subsequent events through May 1, 2021, the date which the financial statements were available to be issued. The Supervisor of Elections did not have any subsequent events requiring disclosure or recording in these financial statements.

J. Fund Equity

GASB Statement 54 – *Fund Balance Reporting and Governmental Funds Type Definitions* was implemented as of October 1, 2009. This Statement requires the fund balance for governmental funds to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Categories for fund balance are as follows: nonspendable, restricted, committed, assigned, and unassigned. For more information, see the County-wide note on fund balance.

NOTE 2 - CASH AND INVESTMENTS

All Supervisor of Elections depositories are banks designated by the State Treasurer as qualified public depositories. Chapter 280, Florida Statutes “Florida Security for Public Deposits Act” provides procedures for public depositories to insure monies in banks and savings and loans are collateralized with the Treasurer as an agent for the public entities. All Supervisor of Elections cash consists of checking accounts and interest-bearing time deposits in a local bank.

The Supervisor of Elections held no investments at September 30, 2020.

Interest Rate Risk

At September 30, the Supervisor of Elections did not hold any investments that were considered to be an interest rate risk.

**GULF COUNTY, FLORIDA - SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

NOTE 2 - CASH AND INVESTMENTS (continued)

Credit Risk

At September 30, the Supervisor of Elections did not hold any investments that were considered to be a credit risk.

Custodial Risk

At September 30, the Supervisor of Elections did not hold any deposits or investment that were considered to be a custodial risk.

Concentration of Credit Risk

At September 30, 2020, the Supervisor of Elections did not hold any investments that were considered to be a concentration of credit risk.

NOTE 3 - EMPLOYEE BENEFITS

RETIREMENT PLAN

The Florida Retirement System (FRS) was created by 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 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.

Essentially all regular employees of the Supervisor of Elections are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Park 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,

**GULF COUNTY, FLORIDA - SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

NOTE 3 - EMPLOYEE BENEFITS (continued)

Division of Retirement, and consists of the two costs-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statement, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site (www.dms.myflorida.com)

Plan Description

The Florida Retirement System Pension Plan (FRS Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- Regular Class – Members of the FRS who do not qualify for membership in the other classes.
- Elected County Officers 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 special risk employees, such as law enforcement officers, meet the criteria to qualify for this class.

Employees enrolled in the FRS Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the FRS Plan on or after July 1, 2011, vest at 8 years of creditable 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 FRS 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. Employees enrolled in the FRS Plan may include up to 4 years of credit for military service toward creditable service. The FRS 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 FRS Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

**GULF COUNTY, FLORIDA - SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

NOTE 3 - EMPLOYEE BENEFITS (continued)

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the FRS Plan to defer receipt of monthly benefit payments while continuing employment with an FRS participating 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.

Benefits Provided

Benefits under the FRS 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 5 highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the 8 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.

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 percent 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 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. FRS Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

Detailed information about the County's proportionate share of FRS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

**GULF COUNTY, FLORIDA - SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

NOTE 3 - EMPLOYEE BENEFITS (continued)

Plan Description

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided

For the fiscal year ended June 30, 2020, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Detailed information about the County's proportionate share of HIS's net pension liability, deferred outflows/inflows of resources, and pension expense are reported in the government-wide statements of the County.

The Florida State Board of Administration (SBA) administers the defined contribution plan officially titled the FRS Investment Plan (Investment Plan). The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

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. Supervisor of Elections 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 Officer, etc.), as the

GULF COUNTY, FLORIDA - SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

SEPTEMBER 30, 2020

NOTE 3 - EMPLOYEE BENEFITS (continued)

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. Costs of administering plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.04 percent of payroll and by forfeited benefits of plan members.

For all membership classes, employees are immediately vested in their own contributions and are vested after 1 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 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 5 years. If the employee returns to FRS-covered employment within the 5-year period, the employee will regain control over their account. If the employee does not return within the 5-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended June 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 Supervisor of Elections.

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 operations. 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.

Participating employer contributions are based upon statewide rates established by the State of Florida. The Supervisor of Election's contributions made to the plans during the years ended September 30, 2020, 2019, and 2018 were \$58,781, \$55,242, and \$39,488 respectively, equal to the actuarially determined contribution requirements for each year. Additional information about pension plans can be found in the County's annual financial statements.

**GULF COUNTY, FLORIDA - SUPERVISOR OF ELECTIONS
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS**

SEPTEMBER 30, 2020

NOTE 4 – 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 Gulf County Board of County Commissioners which uses commercial insurance to cover certain risks from loss.

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

- Real and personal property
- Public employees' bond
- Workers' compensation
- General and automobile liability

COMPLIANCE SECTION

Vance CPA, LLC

Certified Public Accountant

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

To the Honorable John M. Hanlon
Gulf County Supervisor of Elections
Gulf County, Florida

We have audited the accompanying special-purpose financial statements of the general fund of the Gulf County, Florida, Supervisor of Elections, as of and for the year ended September 30, 2020, and have issued our report thereon dated May 1, 2021, which describes that such special-purpose financial statements have been prepared for the purpose of complying with section 218.39, *Florida Statutes*, and Chapter 10.577(3), *Rules of the Auditor General for Local Government Entity Audits*. 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.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Supervisor of Election'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Supervisor of Election's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and other matters

As part of obtaining reasonable assurance about whether the Supervisor of Election's special-purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of special-purpose 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 noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Pursuant to provisions of Chapter 10.550, *Rules of the Auditor General*, we reported certain matters to management of the Supervisor of Elections in a separate management letter and Independent Accountant's Report dated May 1, 2021.

Purpose of this Report

This report is intended solely for the information and use of the Supervisor of Elections, management, the Board of County Commissioners and the State of Florida Office of the Auditor General, and appropriate federal and state awarding agencies entities and is not intended to be and should not be used by anyone other than these specified parties.

Vance CPA LLC

Vance CPA LLC
May 1, 2021

Vance CPA, LLC

Certified Public Accountant

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INDEPENDENT AUDITORS' REPORT ON EXAMINATION OF COMPLIANCE REQUIREMENTS IN ACCORDANCE WITH CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

To the Honorable John M. Hanlon
Gulf County Supervisor of Elections
Gulf County, Florida

We have examined the Office of the Supervisor of Elections' of Gulf County, Florida's (hereinafter referred to as the "Supervisor of Elections") compliance with Florida Statute 218.415 in regards to investments for the year ended September 30, 2020.

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 and, accordingly, included examining, on a test basis, evidence about the Supervisor of Elections' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Supervisor of Elections' compliance with specified requirements.

In our opinion, the Supervisor of Elections complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2020.

Vance CPA LLC

Vance CPA LLC

May 1, 2021

Vance CPA, LLC

Certified Public Accountant

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INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Honorable John M. Hanlon
Gulf County Supervisor of Elections
Gulf County, Florida

Report on the Financial Statements

We have audited the financial statements of the general fund of the Office of the Supervisor of Elections of Gulf, County, Florida (hereinafter referred to as the "Supervisor of Elections"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, and have issued our report thereon dated May 1, 2021.

Auditors' Responsibility

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

Other Reports

We have issued our Independent Auditors' Report on Internal Control Over financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; and Independent Accountants' Report on Examination of Compliance Requirements in Accordance with Chapter 10.550 Rules of Auditor General. Disclosures in those reports, which are dated May 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. No recommendations were 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 the 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). The Supervisor of Elections has no component units.

Other Matters

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

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

Purpose of this Letter

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

A handwritten signature in black ink that reads "Vance CPA LLC". The script is cursive and fluid.

Vance CPA LLC
May 1, 2021

**GULF COUNTY, FLORIDA - SUPERVISOR OF ELECTIONS
MANAGEMENT'S RESPONSE TO MANAGEMENT LETTER**

SEPTEMBER 30, 2020

There are no comments which require management's written response.