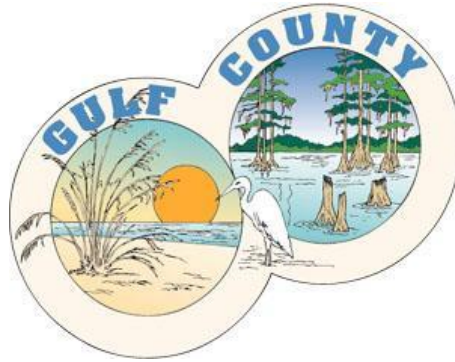




Gulf County, Florida

**Annual Financial Statements
September 30, 2021**

Vance CPA, LLC

Certified Public Accountant

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BOARD OF COUNTY COMMISSIONERS

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SUPERVISOR OF ELECTIONS

John M. Hanlon

COUNTY ADMINISTRATOR

Michael Hammond

COUNTY ATTORNEY

Jeremy Novak

GULF COUNTY, FLORIDA
SEPTEMBER 30, 2021
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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, 2021, 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, 2021, 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, budgetary comparisons, 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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

The Management of the Board of County Commissioners of Gulf 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 in northwest Florida on the Gulf of Mexico. With an area of 557 square miles, 2020 Federal Census data shows Gulf County has a population of approximately 14,200. Gulf County is a sparse, low-density county. Gulf County is a non-charter county governed by a 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; drinking water; and certain other community and human services.

Financial Highlights

- The County's total government-wide net position increased 29% or \$18,470,373 from September 30, 2020, to September 30, 2021. This increase was due to grant activity.
- During the year ended September 30, 2021, the County's general fund revenues exceeded expenditures by \$3,287,700.
- For the year ended September 30, 2021, the County's capital assets net of accumulated depreciation increased by approximately \$13.2 million, or by 21%.

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 as 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 infrastructure and economy.

Population Changes

It should be noted that the population of Gulf County has changed due to residents relocating in the aftermath of Hurricane Michael. Federal Census data from the 2010 and 2020 censuses shows that the population of Gulf County changed from 15,863 to 14,192, a decrease of 1,671 or 10.6%. In addition, Hurricane Michael also caused substantial damage to Gulf Correctional Institution in Wewahitchka. Inmates housed at this facility were relocated to other State facilities. Population in the facility has changed from 3,328 in 2010 to 1,129 in 2020, a decrease of 2,199 or 66.1%. 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.

Corona Virus (COVID-19)

The global novel corona virus (COVID-19) pandemic has continued to have unprecedented economic, operational and financial impact through 2021. As the crisis in Gulf County has stabilized, COVID-19 and its infectious results continue to cause global shortages on goods and services. Businesses and its employees have returned to work. Gulf County government and court facilities closed on March 19, 2020, providing only essential services with minimal staff. Government and Court facilities reopened on May 14, 2020, and now provide full government services.

Employment

With the population decrease resulting from Hurricane Michael and the return to the new normal of the corona virus pandemic, unemployment rates have fallen. The Gulf County unemployment rate in September 2021 was 4.0%. The State of Florida unemployment rate was 4.9%. Expectations are that the numbers of unemployed persons will continue to decline. Public and private employers are unable to find needed persons to fill available job openings.

Revenue

The County wide valuation of the taxable property values increased from \$1.63 billion for 2019-2020 to \$1.79 billion in 2020-2021. The Board of County Commissioners voted to maintain the same millage rate of 7.1000. The original operating budget for fiscal year 2020-2021 was \$55,876,780. For fiscal year 2020-2021 countywide ad valorem revenue received was \$12,311,964 an increase of 10.6% over the prior fiscal year.

In addition to ad valorem taxes, the county relies on other revenue and grants to meet the budget requirements and needs. The following highlights are some of the relevant revenues and changes in revenue received during fiscal year 2020-2021:

- ❖ The new Five Points Transfer Station generated \$1,569,131 of revenue during the first year of operations. The landfill continued to accept vegetation, concrete debris and other debris. The County opened the new transfer station to the public in July 2020 and moved from a 3rd party operating agreement to an in-house operation on October 1, 2020. After the destruction of the old facility by Hurricane Michael, the facility was rebuilt with a \$750,000 grant from the Florida Department of Economic Opportunity, Division of Community Development.
- ❖ The St Joe Bay Golf Club (SJBGC) which the County acquired in July 2019 generated \$762,744 in revenues for its second year of operation. This is in addition to the \$100,000 inter-fund transfer. The County purchased the SJBGC from private owners for \$380,937. The assessed value of the SJBGC was \$1,724,816 on January 1, 2018. The SJBGC is an 18-hole Golf Course located near Port St. Joe with approximately 173 acres. In addition to the 18-hole course, SJBGC offers a driving range, putting green,

pool and 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 is employed to manage the day-to-day operations. The SJBGC is open the public for daily play. Annual and monthly memberships are available.

- ❖ Building permit revenue was \$730,101 an increase of 33.9% reflecting new construction in the county.
- ❖ Planning and zoning fees increased 101.5% over prior year revenue, further reflecting new construction in the county.

- ❖ The Tourist Development Council (TDC) local option bed tax has rebounded from the impacts of Hurricane Michael and the COVID-19 pandemic. Revenues increased 69.6% from the prior fiscal year after the ban on vacation rentals was lifted.
- ❖ The Small County Surtax collections were \$1,492,921, an increase 29.0% for FY2020-2021. Ascension Sacred Heart Gulf Hospital, part of the Ascension Sacred Heart Health System, opened in March 2010. The County adopted by ordinance in 2005 providing for 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.
- ❖ State shared revenues increased to \$343,313, an increase of 14.4% from the prior fiscal year. This increase returns the revenue to levels to prior to the impacts of Hurricane Michael and the COVID-19 pandemic.

- ❖ Sale of sand and soils from the Honeyville Borrow Pit generated \$1,420,038 of revenue for the Gulf County Community Development Fund. The revenues are used by the County for public works, roads, drainage and other projects.
- ❖ Park facilities rental revenues decreased to \$15,430 from \$403,604 due to the termination of the lease with FEMA to use an area behind Beacon Hill Park to provide temporary housing for one year for residents displaced by Hurricane Michael. The lease was terminated in October 2020. FEMA returned the property to its previous condition as required by the agreement.
- ❖ No further insurance settlement claims related to Hurricane Michael were received during fiscal year 2020-2021. The County has engaged an independent public insurance adjuster to pursue additional settlements. Claims are expected to be settle during fiscal year 2021-2022.
- ❖ The county involvement in public utilities has increased with the growth of population and infrastructure in District V. In 2020, the County determined that to further public health and safety as well as economic growth and development interests in District V, the Gulf County should purchase assets and operations from Lighthouse Utilities Company, Inc. (LUCI) The county completed the purchase on 11/30/2020 for \$3,028,412. The County established a new proprietary fund, the Gulf County Water System, which operates the system to provide water to south Gulf County including Cape San Blas and Indian Pass.

Bonds

In November 2020, the County issued \$4,500,000 in new Capital Improvement Revenue Bonds, Series 2020. The funds from these bonds were used for the purchase the assets of LUCI. Additional funds from this bond issue will be used for improvements to the Gulf County Water System.

Previously, the County issued two bonds during FY2016-2017. The County issued \$3,440,000 in Limited Ad Valorem Tax Bonds, Series 2016. These bonds are 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 of 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, were 1.1052 mills for the Bayside, 1.3139 mills for the Gulfside Beachfront, and 1.1549 mills in the Gulfside Interior. For the 2020-2021 fiscal Year, per the current tax rolls, the County reduced the millage rates from 0.9016 mills to 0.8175 mills for Bayside, 1.1547 mills to 1.0232 for Gulfside Beachfront, and 0.8664 mills to 0.7785 mills for Gulfside Interior. The County also issued \$4,000,000 non-ad valorem Revenue Bonds, Series 2016. The principal and interest payments of these bonds are paid from the general non-committed and non-restricted revenues of the County. These Bonds will be applied for the renourishment and reconstruction of the beachfront at Cape San Blas. Grant funding allowed the County to reduce the non-ad valorem revenue bond to a principal balance of \$690,000 as of 9/30/2020.

Grants

The County received both Federal and State grants during the Fiscal year 2020-2021. 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 National Fish and Wildlife Foundation and Florida Department of Environmental Protection's Beach Management grant funding, the County expended \$4,234,077 on beach and dune restoration projects.
- ❖ Road widening and resurfacing projects utilized funds from Florida Department of Transportation SCOP and SCRAP grants in the amount of \$9,390,511.
- ❖ The Hurricane Housing Recovery Program expended \$1,852,823 in grant funds to assist residents with repairs and purchase assistance in response to Hurricane Michael.
- ❖ The Emergency Watershed Protection Program funded an additional \$331,160 in FY2020-2021. Total funding for this project was \$2,539,149 for debris removal related to Hurricane Michael effecting our ditches and waterways.
- ❖ The Eastern Ship Building floating dry dock expenditures for professional fees of \$766,557 were funded by the Department of Transportation's Sea Port grant program.
- ❖ The County expended a total of \$1,985,737 in Coronavirus Related Grants, 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.
- ❖ The County received \$1,324,608 in funding from American Recovery Plan. This amount is one-half of the appropriated funds. The other half will be received in FY2021-2022.

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 related to the overall financial condition of the County similarly to those of a private-sector business.

These statements combine and consolidate the governmental fund 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 financial position of the County 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 2021 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 financial health of the County is improving or deteriorating.

These two 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 the golf course, the transfer station and water system. Separate water and sewer systems, which are not currently operational, are reported as residual assets associated with those activities.

Over time, changes in the net position of the County 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 contrasts with the entity-wide perspective contained in the government-wide statements. All 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 resource 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 Balance Sheet – Governmental Funds and the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds provide a reconciliation of governmental funds to governmental activities.
- ❖ Proprietary funds – the County maintains proprietary funds which are 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 (Gulf County Water System), the St. Joseph Bay Golf Club and the Five Points Transfer Station. 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 County 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, sidewalks, 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 \$83 million at the close of the fiscal year ended September 30, 2021, and \$64 million on September 30, 2020.

Net Position						
September 30,	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current assets	\$54,329,706	\$44,258,970	\$ 1,784,510	\$ 128,329	\$ 56,114,216	\$ 44,387,299
Capital assets, net	<u>69,326,667</u>	<u>61,589,163</u>	<u>6,205,575</u>	<u>1,000,905</u>	<u>75,532,242</u>	<u>62,590,068</u>
Total assets	<u>123,656,373</u>	<u>105,848,133</u>	<u>7,990,085</u>	<u>1,129,234</u>	<u>131,646,458</u>	<u>106,977,367</u>
Deferred Outflows	<u>5,391,700</u>	<u>7,191,795</u>	<u>—</u>	<u>—</u>	<u>5,391,700</u>	<u>7,191,795</u>
Current liabilities	7,010,672	4,972,696	578,863	54,289	7,589,535	5,026,985
Long-term liabilities	<u>24,496,593</u>	<u>39,735,871</u>	<u>4,984,634</u>	<u>244,315</u>	<u>29,481,277</u>	<u>39,980,186</u>
Total liabilities	<u>31,507,265</u>	<u>44,708,567</u>	<u>5,563,497</u>	<u>298,604</u>	<u>37,070,762</u>	<u>45,007,171</u>
Deferred inflows	<u>17,328,152</u>	<u>4,993,120</u>	<u>—</u>	<u>—</u>	<u>17,328,152</u>	<u>4,993,120</u>
Net investment in capital assets	32,421,955	44,767,990	1,049,183	719,095	33,471,138	45,487,085
Net position - Restricted	18,546,443	15,037,708	—	—	18,546,443	15,037,708
Net position - Unrestricted	<u>29,244,258</u>	<u>3,532,543</u>	<u>1,377,405</u>	<u>111,535</u>	<u>30,621,663</u>	<u>3,644,078</u>
Total net position	<u>\$80,212,656</u>	<u>\$ 63,338,241</u>	<u>\$ 2,426,588</u>	<u>\$ 830,630</u>	<u>\$ 82,639,244</u>	<u>\$ 64,168,87</u>

Statement of Activities

The following schedule summarizes revenues and expenses for years ended September 30, 2021 and 2020:

Changes in Net Position						
Year Ended September 30,	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2019
Program Revenues -						
Charges for services	\$ 5,363,684	\$ 4,190,921	\$ 3,376,970	\$ 580,617	\$ 8,740,654	\$ 4,771,538
Operating grants and contributions	11,824,734	11,581,163	—	—	11,824,734	11,581,163
Capital grants and contributions	9,862,294	12,098,281	—	—	9,862,294	12,098,281
General Revenues -						
Property taxes	13,382,037	12,134,500	—	—	13,382,037	12,134,500
Sales taxes	8,066,741	5,680,791	—	—	8,066,741	5,680,791
State shared revenue	3,436,742	2,776,411	—	—	3,436,742	2,776,411
Investment earnings	81,149	593,784	—	—	81,149	593,784
Other	<u>1,093,967</u>	<u>2,076,610</u>	<u>—</u>	<u>—</u>	<u>1,093,967</u>	<u>2,076,610</u>
Total revenues	<u>53,111,348</u>	<u>51,132,461</u>	<u>3,376,970</u>	<u>580,617</u>	<u>56,488,318</u>	<u>51,713,078</u>
Expenses						
General government	9,861,289	8,714,200	—	—	9,861,289	8,714,200
Public safety	11,885,208	12,448,134	—	—	11,885,208	12,448,134
Physical environment	6,217,163	13,128,253	—	—	6,217,163	13,128,253
Transportation	3,634,945	4,759,132	—	—	3,634,945	4,759,132
Economic environment	81,572	4,259,339	—	—	81,572	4,259,339
Human services	1,821,760	1,891,228	—	—	1,821,760	1,891,228
Culture and recreation	1,019,025	595,004	—	—	1,019,025	595,004
Court related	757,405	843,836	—	—	757,405	843,836
Business type	<u>—</u>	<u>—</u>	<u>2,739,578</u>	<u>565,733</u>	<u>2,739,578</u>	<u>565,733</u>
Total expenditures	<u>35,278,367</u>	<u>46,639,126</u>	<u>2,739,578</u>	<u>565,733</u>	<u>38,017,945</u>	<u>47,204,859</u>
Excess (deficiency) before transfers (net)	17,832,981	4,493,335	637,392	14,884	18,470,373	4,508,219
Transfers	<u>(958,566)</u>	<u>(100,000)</u>	<u>1,148,737</u>	<u>100,000</u>	<u>—</u>	<u>—</u>
Change in net position	<u>\$ 16,874,415</u>	<u>\$ 4,393,335</u>	<u>\$ 1,786,129</u>	<u>\$ 114,884</u>	<u>\$ 18,470,373</u>	<u>\$ 4,508,219</u>

Financial Analysis of Individual Funds

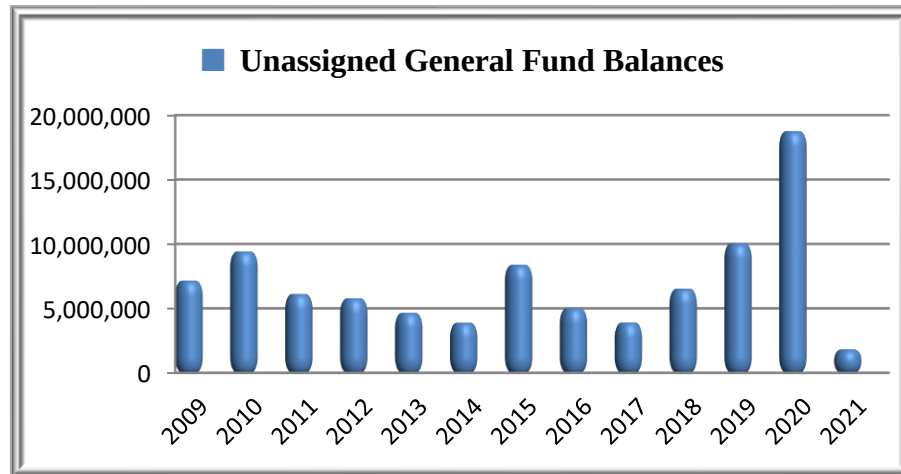
This section provides an analysis of the balances and transactions of individual funds. The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

❖ Governmental Funds

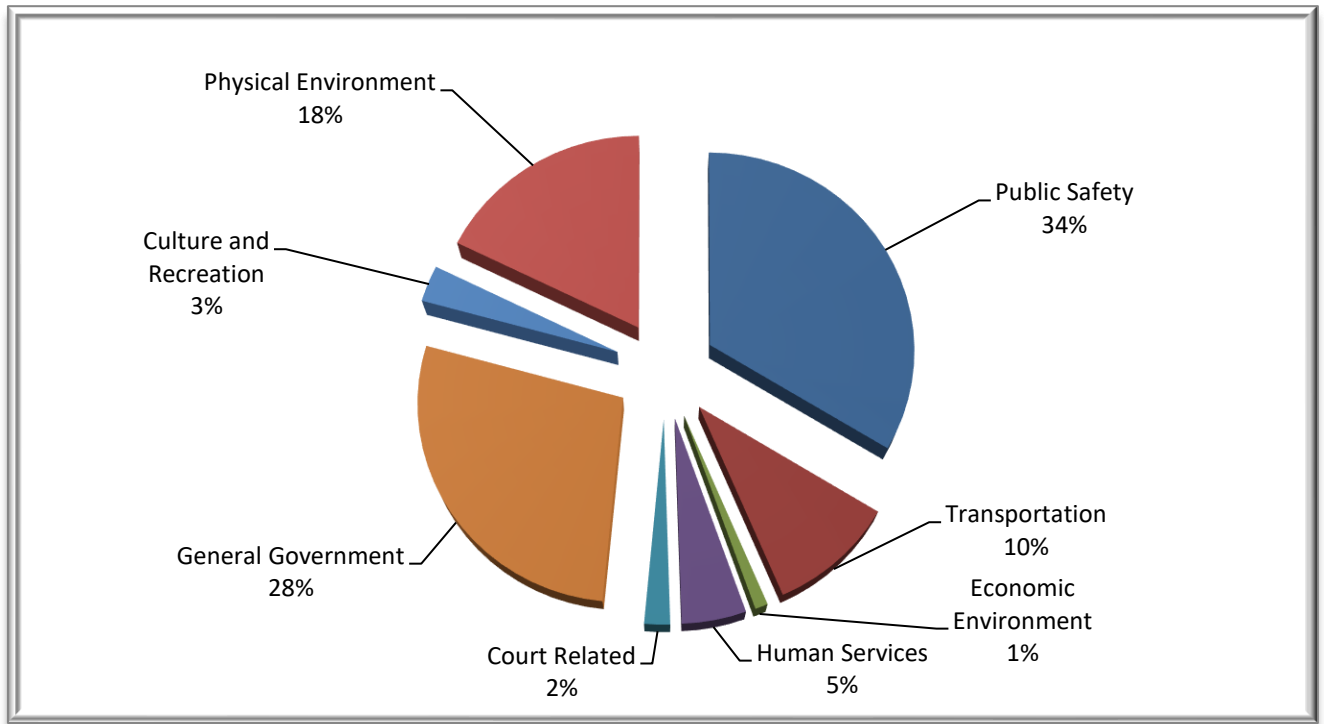
The primary purpose of the County's the Balance Sheet – Governmental Funds and the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds is to provide information on near-term inflows, outflow, and balances of *spendable resources*. Such information is useful in assessing the County's financing requirements. 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, 2021, Gulf County governmental funds reported combined fund balances of \$42,534,445 an increase of \$6,111,489 when compared to prior year combined fund balances. The governmental funds had non-spendable fund balances of \$1,567,039. The restricted fund balance was \$18,546,443 and consists of monies whose expenditure is externally constrained by grantors, creditors, binding law or enabling legislation. Of the remaining \$21,129,145 in fund balance, \$1,291,818 is classified as committed, \$19,311,084 is classified as assigned and \$1,818,061 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) decreased 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, 2021.



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 are presented with the balance of the Board of County Commissioner operating funds.
- ❖ The Hospital Fund accounts for the local option discretionary sales tax that funds 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 damages caused by Hurricane Michael.

- ❖ The Capital Projects Fund is used to account for capital construction.
- ❖ The Tourist Development Fund are revenues generated from a 5% local option tourist development tax. The tax is a charge which is collected on all leases or rentals of any living quarters or accommodations with a term of less than six months. Funds are used to promote tourism in the County.
- ❖ 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 uses enterprise funds to account for the fiscal activities relating to water and sewer systems, the St. Joseph Bay Golf Club and the Five Points Transfer Station. 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.

Budget Variances in Major Funds

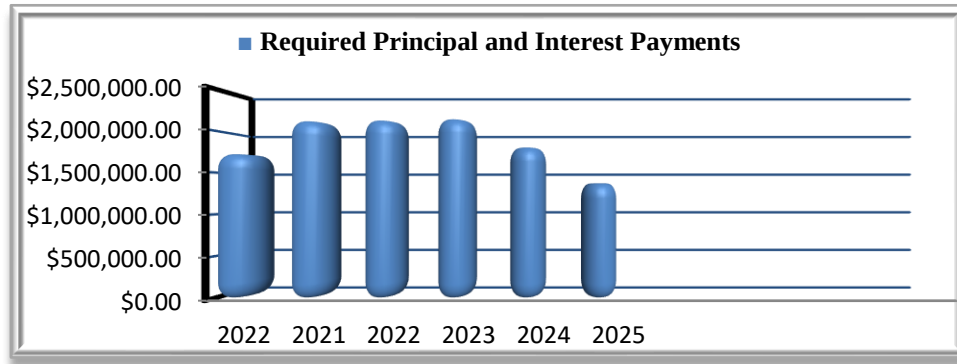
The following budget variances occurred in the major funds during the year ended September 30, 2021.

- ❖ Intergovernmental revenue (federal, state, and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes) is \$528,062 more than budgeted in the general fund. Several grants were completed or started in the 2020-2021 fiscal year as originally anticipated therefore actual revenues are more than budgeted.
- ❖ General Fund charges for services include County officer fees, ambulance fees, and tipping fees. The negative variance of \$110,790 is partly due to decreased fees.
- ❖ General Fund License revenue shows a positive variance of \$475,390. This positive variance is from a combination of rent, and contributions not originally anticipated.
- ❖ Public Safety expenditures had a \$59,228 positive variance.

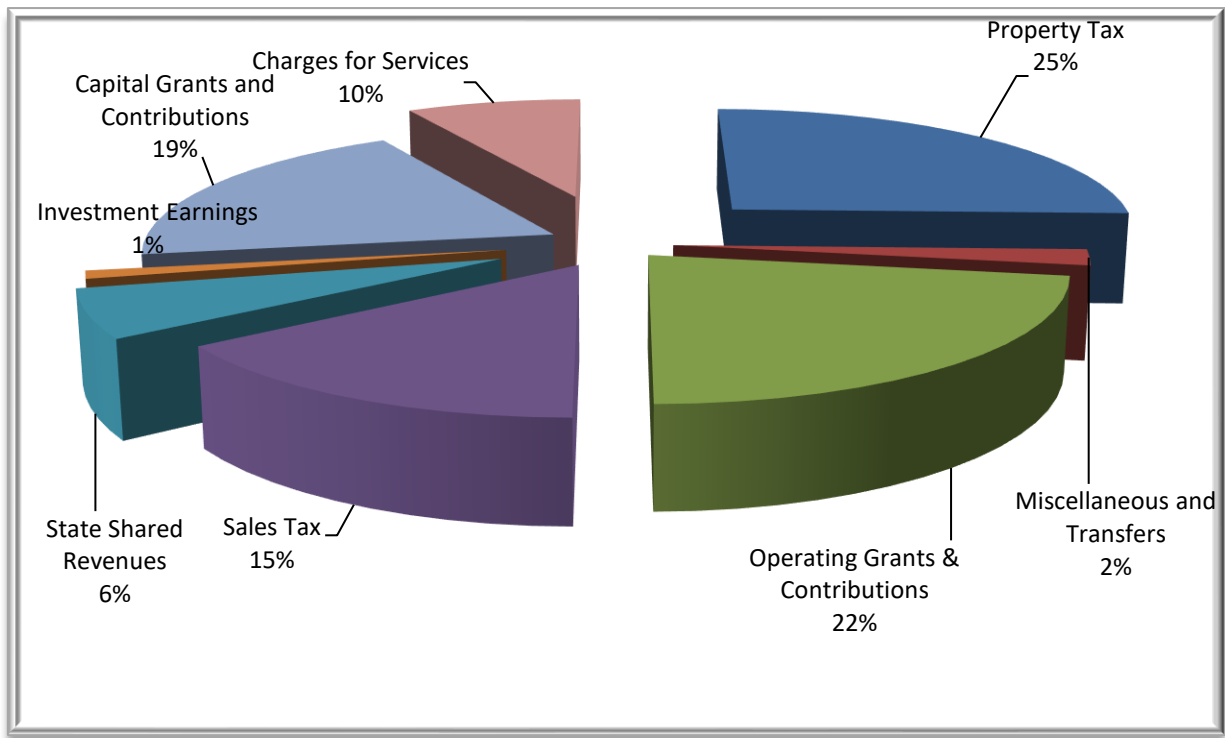
Other variances disclosed on the major fund budget and actual statements and not noted herein are within expected ranges. It should be noted that budget expenditure variances shown on the individual major funds are favorable in total.

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, 2021. *Not shown on this graph are existing scheduled debt repayments for years 2026 through 2035.*



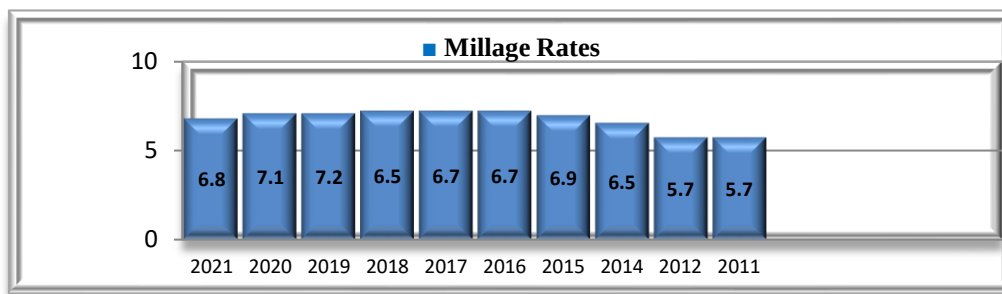
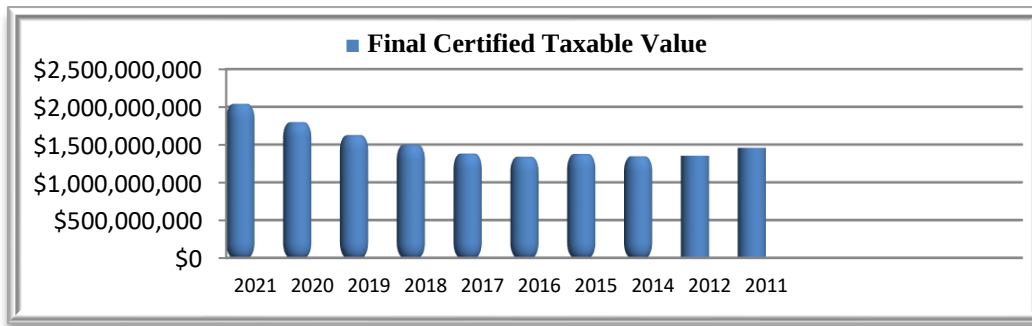
- ❖ **Governmental Activities Revenues by Source.** The following graph depicts the County's total governmental activities revenue by source for the fiscal year.



Taxable Value of Property and Millage Rates

For the year ended September 30, 2021, Gulf County calculated estimate of \$13,873,181 in property taxes based on the certified taxable value of property of \$2,040,173,700.

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, 2021

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 44,321,408	\$ 1,495,884	\$ 45,817,292
Receivables (net):			
Accounts	524,123	249,666	773,789
Notes receivable	374,287	—	374,287
Prepaid expenses	1,567,039	411	1,567,450
Internal balances	(20,982)	20,982	—
Due from other governments	7,563,831	342	7,564,173
Inventory	—	17,225	17,225
Total Current Assets	54,329,706	1,784,510	56,114,216
Noncurrent assets			
Capital assets: Nondepreciable	24,727,533	2,111,875	26,839,408
Depreciable (net)	44,599,134	4,093,700	48,692,834
Total Noncurrent Assets	69,326,667	6,205,575	75,532,242
Total Assets	123,656,373	7,990,085	131,646,458
DEFERRED OUTFLOWS			
Employee Pension Contributions	4,034,736	—	4,034,736
OPEB related	307,076	—	307,076
Construction deferrals	1,049,888	—	1,049,888
Total Deferred outflows	5,391,700	—	5,391,700
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	5,234,837	336,555	5,571,392
Due to other governments	146,725	—	146,725
Accrued interest payable	—	70,550	70,550
Total Current Liabilities	5,381,562	407,105	5,788,667
Noncurrent liabilities			
Due in less than one year			
Compensated absences	444,110	—	444,110
Installment contracts and notes payable	1,185,000	135,000	1,320,000
Capital lease payable	—	36,758	36,758
Due in more than one year			
Compensated absences	1,703,306	—	1,703,306
Retainage payable	1,049,888	—	1,049,888
Capital lease payable	—	244,315	244,315
Bonds payable	14,385,000	4,740,319	19,125,319
Net pension liability	6,099,244	—	6,099,244
Other postemployment benefits	490,313	—	490,313
Landfill closure liability	768,842	—	768,842
Total Noncurrent Liabilities	26,125,703	5,156,392	31,282,095
Total Liabilities	31,507,265	5,563,497	37,070,762

See accompanying notes to the basic financial statements

GULF COUNTY, FLORIDA
STATEMENT OF NET POSITION – Continued
SEPTEMBER 30, 2021

DEFERRED INFLOWS

OPEB related	439,150	—	439,150
Unearned exchange transactions	5,657,443	—	5,657,443
Pension earnings	<u>11,231,559</u>	<u>—</u>	<u>11,231,559</u>

Total Deferred Inflows	<u>17,328,152</u>	<u>—</u>	<u>17,328,152</u>
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NET POSITION

Net investment in capital assets	32,421,955	1,049,183	33,471,138
Restricted	18,546,443	—	18,546,443
Unrestricted	<u>29,244,258</u>	<u>1,377,405</u>	<u>30,621,663</u>

Total Net Position	<u>\$ 80,212,656</u>	<u>\$ 2,426,588</u>	<u>\$ 82,639,244</u>
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See accompanying notes to the basic financial statements

GULF COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2021

		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	\$ 9,861,289	\$ 3,478,590	\$ —	\$ —	\$ (6,382,699)	\$ —	\$ (6,382,699)
Public safety	11,885,208	1,201,588	3,152,701	116,127	(7,414,792)	—	(7,414,792)
Physical environment	6,217,163	2,979	4,888,376	157,261	(1,168,547)	—	(1,168,547)
Transportation	3,634,945	88,679	818,984	9,390,511	6,663,229	—	6,663,229
Economic environment	81,572	—	2,257,376	—	2,175,804	—	2,175,804
Human services	1,821,760	—	—	51,960	(1,769,800)	—	(1,769,800)
Culture and recreation	1,019,025	38,604	261,557	146,435	(572,429)	—	(572,429)
Court related	<u>757,405</u>	<u>553,244</u>	<u>445,740</u>	<u>—</u>	<u>241,579</u>	<u>—</u>	<u>241,579</u>
Total Governmental Activities	<u>35,278,367</u>	<u>5,363,684</u>	<u>11,824,734</u>	<u>9,862,294</u>	<u>(8,227,655)</u>	<u>—</u>	<u>(8,227,655)</u>
Business-Type Activities							
Water	910,646	906,426	—	—	—	(4,220)	(4,220)
Solid Waste	1,083,233	1,591,618	—	—	—	508,385	508,385
Golf Course	<u>745,699</u>	<u>878,926</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>133,227</u>	<u>133,227</u>
Total Business-Type Activities	<u>2,739,578</u>	<u>3,376,970</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>637,392</u>	<u>637,392</u>
Total Primary Government	<u>\$ 38,017,945</u>	<u>\$8,740,654</u>	<u>\$11,824,734</u>	<u>\$ 9,862,294</u>	(8,227,655)	637,392	(7,590,263)
General Revenues:							
Taxes:							
Property tax					13,382,037	—	13,382,037
Sales tax					8,066,741	—	8,066,741
State shared revenues					3,436,742	—	3,436,742
Investment earnings					81,149	—	81,149
Miscellaneous					1,093,967	—	1,093,967
Transfers					<u>(958,566)</u>	<u>958,566</u>	<u>—</u>
Total General Revenues					<u>25,102,070</u>	<u>958,566</u>	<u>26,060,636</u>
Changes in Net Position					16,874,415	1,595,958	18,470,373
Net Position – Beginning of Year					<u>63,338,241</u>	<u>830,630</u>	<u>64,168,871</u>
Net Position – End of Year					<u>\$80,212,656</u>	<u>\$ 2,426,588</u>	<u>\$ 82,639,244</u>

See accompanying notes to the basic financial statements

GULF COUNTY, FLORIDA
BALANCE SHEET – GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	<u>General Fund</u>	<u>Hospital</u>	<u>Hurricane Housing Recovery</u>	<u>Tourist Development</u>	<u>General Grants</u>
ASSETS					
Cash and cash equivalents	\$ 22,526,037	\$ 3,069,338	\$3,773,698	\$ 4,807,123	\$ —
Due from other funds	113,728	—	—	220	—
Due from other governments	778,162	169,210	—	934,496	5,072,145
Prepaid expense	268,698	—	—	375	—
Accounts receivable (net)	465,130	—	—	326	—
Notes receivable	—	—	—	—	—
Restricted cash	<u>101,255</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Assets	<u>24,253,010</u>	<u>3,238,548</u>	<u>3,773,698</u>	<u>5,742,540</u>	<u>5,072,145</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE					
Liabilities					
Vouchers payable	1,098,221	—	2,386	79,630	3,718,650
Due to other funds	201,994	—	110,628	111,495	—
Due to other governments	<u>105,913</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>13,887</u>
Total Liabilities	<u>1,406,128</u>	<u>—</u>	<u>113,014</u>	<u>191,125</u>	<u>3,732,537</u>
Deferred Inflows					
Unearned exchanged transactions	<u>393,914</u>	<u>—</u>	<u>3,660,684</u>	<u>37,475</u>	<u>1,339,608</u>
Total Deferred Inflows	<u>393,914</u>	<u>—</u>	<u>3,660,684</u>	<u>37,475</u>	<u>1,339,608</u>
Fund Balance					
Nonspendable	268,698	—	—	375	—
Restricted	678,730	3,238,548	—	5,513,565	—
Committed	376,395	—	—	—	—
Assigned & Unassigned	<u>21,129,145</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total fund balance	<u>22,452,968</u>	<u>3,238,548</u>	<u>—</u>	<u>5,513,940</u>	<u>—</u>
Total Liabilities Deferred Inflows & Fund Balance	<u>\$ 24,253,010</u>	<u>\$ 3,238,548</u>	<u>\$ 3,773,698</u>	<u>\$ 5,742,540</u>	<u>\$ 5,072,145</u>

(continued)

See accompanying notes to the basic financial statements

GULF COUNTY, FLORIDA
BALANCE SHEET – GOVERNMENTAL FUNDS (Continued)
YEAR ENDED SEPTEMBER 30, 2021

	Other Funds	Total Governmental Funds
ASSETS		
Cash and cash equivalents	\$ 10,145,212	\$44,321,408
Due from other funds	289,687	403,635
Due from other governments	508,572	7,462,585
Prepaid expense	1,297,966	1,567,039
Accounts receivable (net)	58,667	524,123
Notes receivable	374,287	374,287
Restricted cash	—	101,255
Total Assets	<u>12,674,391</u>	<u>54,754,332</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE		
Liabilities		
Vouchers payable	335,950	5,234,837
Due to other funds	500	424,627
Due to other governments	26,935	146,725
Total Liabilities	<u>363,385</u>	<u>5,806,189</u>
Deferred Inflows		
Unearned exchanged transactions	982,017	6,413,698
Total Deferred Inflows	<u>982,017</u>	<u>6,413,698</u>
Fund Balance		
Nonspendable	1,297,966	1,567,039
Restricted	9,115,600	18,546,443
Committed	915,423	1,291,818
Assigned & Unassigned	—	21,129,145
Total fund balance	<u>11,328,989</u>	<u>42,534,445</u>
Total Liabilities Deferred Inflows & Fund Balance	<u>\$12,674,391</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.	69,326,667
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(32,404,712)
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.	756,255
Net position of governmental activities	<u>\$ 80,212,656</u>

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, 2021

	<u>General Fund</u>	<u>Hospital</u>	<u>Hurricane Housing Recovery</u>	<u>Tourist Development</u>	<u>General Grants</u>
REVENUES					
Taxes	\$ 13,419,826	\$ 1,509,770	\$ —	\$ 3,949,751	\$ —
Licenses and permits	1,050,890	—	—	1,100	—
Intergovernmental	3,630,161	—	1,840,370	—	15,836,574
Charges for services	2,737,410	—	—	19,583	—
Fines and forfeitures	89,645	—	—	—	—
Investment earnings and other	<u>1,098,118</u>	<u>2,452</u>	<u>12,453</u>	<u>73,911</u>	<u>—</u>
Total Revenues	<u>22,026,050</u>	<u>1,512,222</u>	<u>1,852,823</u>	<u>4,044,345</u>	<u>15,836,574</u>
EXPENDITURES					
Current					
General government	6,445,355	—	—	—	—
Public safety	8,569,788	—	—	—	147,532
Physical environment	375,289	—	—	11,557	4,565,237
Economic environment	570,368	—	1,823,714	1,041,011	198,183
Transportation	825,147	—	—	—	818,984
Court related	667,967	—	—	—	—
Human services	738,881	802,252	—	—	—
Culture and recreation	112,714	—	—	233,748	261,457
Capital outlay	432,841	—	29,109	138,878	9,834,273
Debt service	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Expenditures	<u>18,738,350</u>	<u>802,252</u>	<u>1,852,823</u>	<u>1,425,194</u>	<u>15,825,666</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,287,700</u>	<u>709,970</u>	<u>—</u>	<u>2,619,151</u>	<u>10,908</u>
Other financing sources (uses)					
Transfers out	(4,286,423)	(150,000)	—	(493,103)	(10,908)
Transfer in	3,432,602	—	—	—	—
Other external reversion	(54,648)	—	—	—	—
Sale of equipment	<u>32,800</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total other financing sources (uses)	<u>(875,669)</u>	<u>(150,000)</u>	<u>—</u>	<u>(493,103)</u>	<u>(10,908)</u>
Net change in Fund Balance	2,412,031	559,970	—	2,126,048	—
Fund balance - beginning	<u>20,040,937</u>	<u>2,678,578</u>	<u>—</u>	<u>3,387,892</u>	<u>—</u>
Fund balance - ending	<u>\$22,452,968</u>	<u>\$ 3,238,548</u>	<u>\$ —</u>	<u>\$ 5,513,940</u>	<u>\$ —</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, 2021

	<u>Other Funds</u>	<u>Total Governmental Funds</u>
REVENUES		
Taxes	\$ 4,049,215	\$ 22,928,562
Licenses and permits	—	1,051,990
Intergovernmental	2,205,883	23,512,988
Charges for services	182,331	2,939,324
Fines and forfeitures	—	89,645
Investment earnings and other	<u>1,502,359</u>	<u>2,689,293</u>
Total Revenues	<u>7,939,788</u>	<u>53,211,802</u>
EXPENDITURES		
Current		
General government	1,180,229	7,625,584
Public safety	1,964,059	10,681,379
Physical environment	780,317	5,732,400
Economic environment	380,381	4,013,657
Transportation	4,320	1,648,451
Court related	18,893	686,860
Human services	26,383	1,567,516
Culture and recreation	234,395	842,314
Capital outlay	2,314,603	12,749,704
Debt service	<u>1,785,375</u>	<u>1,785,375</u>
Total Expenditures	<u>8,688,955</u>	<u>47,333,240</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(749,167)</u>	<u>5,878,562</u>
Other financing sources (uses)		
Transfers out	(1,099,870)	(6,040,304)
Transfer in	2,862,477	6,295,079
Other external reversion	—	(54,648)
Sale of equipment	<u>—</u>	<u>32,800</u>
Total other financing sources (uses)	<u>1,762,607</u>	<u>232,927</u>
Net change in Fund Balance	1,013,440	6,111,489
Fund balance - beginning	<u>10,315,549</u>	<u>36,422,956</u>
Fund balance - ending	<u>\$11,328,989</u>	<u>\$42,534,445</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, 2021**

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

Net change in fund balances – total governmental funds (page 24)	\$ 6,111,489
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.	7,838,677
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.	1,150,000
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.	1,704,653
Certain revenues not considered available are not recognized in the governmental funds but are included in the statement of activities.	<u>69,596</u>
Change in net position of governmental activities (page 20)	<u>\$16,874,415</u>

GULF COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2021

	Business-type Activities/Enterprise Funds			
	Water	County Golf Course	Oak Grove	Williamsburg and Methodist Hill
Assets				
Current assets				
Cash	\$ 772,430	\$ 248,533	\$ 26,092	\$ —
Inventory	—	17,225	—	—
Accounts receivable	44,665	58,505	—	—
Due from other funds	1,210	768	—	—
Due from other governments	—	341	—	—
Prepaid expenses	—	411	—	—
Total current assets	<u>818,305</u>	<u>325,783</u>	<u>26,092</u>	<u>—</u>
Noncurrent assets				
Capital assets				
Land and construction in process	1,387,200	334,601	737	—
Buildings and utility system	101,240	47,978	269,453	571,925
Infrastructure	2,661,310	206,955	—	—
Machinery and equipment	—	304,997	—	—
Less allowance for depreciation	(172,152)	(50,809)	(269,453)	(400,375)
Total noncurrent assets	<u>3,977,598</u>	<u>843,722</u>	<u>737</u>	<u>171,550</u>
Total assets	<u>4,795,903</u>	<u>1,169,505</u>	<u>26,829</u>	<u>171,550</u>
Liabilities				
Current liabilities				
Accounts payable	194,724	37,112	—	—
Due to other fund	4	143	—	—
Accrued interest payable	70,550	—	—	—
Current portion of note payable	135,000	36,758	—	—
Total current liabilities	<u>400,278</u>	<u>74,013</u>	<u>—</u>	<u>—</u>
Long-term liabilities				
Note payable	4,740,319	244,315	—	—
Total long-term liabilities	<u>4,740,319</u>	<u>244,315</u>	<u>—</u>	<u>—</u>
Total Liabilities	<u>5,140,597</u>	<u>318,328</u>	<u>—</u>	<u>—</u>
Net position				
Net investment in capital assets	(897,721)	562,649	26,829	171,550
Unrestricted	553,027	288,528	—	—
Total net position	<u>\$ (344,694)</u>	<u>\$ 851,177</u>	<u>\$ 26,829</u>	<u>\$ 171,550</u>

(continued)

See accompanying notes to the basic financial statements

GULF COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (continued)
SEPTEMBER 30, 2021

	<u>Business-type Activities/Enterprise Funds</u>	
	<u>Solid Waste Fund</u>	<u>Total Business-type Funds</u>
Assets		
Current assets		
Cash	\$ 448,829	\$ 1,495,884
Inventory	—	17,225
Accounts receivable	146,496	249,666
Due from other funds	19,152	21,130
Due from other governments	—	341
Prepaid expenses	—	411
Total current assets	<u>614,477</u>	<u>1,784,657</u>
Noncurrent assets		
Capital assets		
Land and construction in process	389,337	2,111,875
Buildings and utility system	824,004	1,814,600
Infrastructure	—	2,868,265
Machinery and equipment	—	304,997
Less allowance for depreciation	(1,373)	(894,162)
Total noncurrent assets	<u>1,211,968</u>	<u>6,205,575</u>
Total assets	<u>1,826,445</u>	<u>7,990,232</u>
Liabilities		
Current liabilities		
Accounts payable	104,719	336,555
Due to other fund	—	147
Accrued interest payable	—	70,550
Current portion of note payable	—	171,758
Total current liabilities	<u>104,719</u>	<u>579,010</u>
Long-term liabilities		
Note payable	—	4,984,634
Total long-term liabilities	<u>—</u>	<u>4,984,634</u>
Total Liabilities	<u>104,719</u>	<u>5,563,644</u>
Net position		
Net investment in capital assets	1,211,968	1,048,446
Unrestricted	<u>509,758</u>	<u>1,378,142</u>
Total net position	<u>\$ 1,721,726</u>	<u>\$ 2,426,588</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, 2021

	Business-type Activities/Enterprise Funds			
	Water	County Golf Course	Oak Grove	Williamsburg and Methodist Hill
Operating revenues				
Charges for services	\$ 993,080	\$ 760,456	\$ —	\$ —
Merchandise sales	—	—	—	—
Other revenue	8,364	118,470	—	—
Total operating revenues	<u>1,001,444</u>	<u>878,926</u>	<u>—</u>	<u>—</u>
Operating expenses				
Payroll expenses	183,500	167,570	—	—
Professional	32,309	89,459	—	—
Contract services	171,600	79,421	—	—
Communications	5,889	5,970	—	—
Utilities	41,385	32,743	—	—
Rent	2,316	83,117	—	—
Repairs and maintenance	96,426	90,120	—	—
Advertising	393	5,813	—	—
Office Supplies	4,485	5,869	—	—
Operating supplies	28,852	54,228	—	—
Cost of goods sold	—	92,482	—	—
Other	8,612	25,953	—	—
Other debt issuance costs	192,648	—	—	—
Depreciation	172,152	12,954	—	14,301
Total operating expenses	<u>940,567</u>	<u>745,699</u>	<u>—</u>	<u>14,301</u>
Net income before transfers and interest expense	60,877	133,227	—	(14,301)
Interest expense	(50,796)	—	—	—
Transfers in	—	100,000	—	—
Transfers out	<u>(354,775)</u>	<u>—</u>	<u>—</u>	<u>—</u>
Increase (Decrease) in net position	(344,694)	233,227	—	(14,301)
Net position - beginning	<u>—</u>	<u>617,950</u>	<u>26,829</u>	<u>185,851</u>
Net position - ending	<u>\$ (344,694)</u>	<u>\$ 851,177</u>	<u>\$ 26,829</u>	<u>\$ 171,550</u>

(continued)

See accompanying notes to the basic financial statements

GULF COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS (continued)
YEAR ENDED SEPTEMBER 30, 2021

	<u>Business-type Activities/Enterprise Funds</u>	
	<u>Solid Waste Fund</u>	<u>Total Business-type Funds</u>
Operating revenues		
Charges for services	\$ 1,569,131	\$ 3,322,667
Merchandise sales	—	—
Other revenue	22,487	149,321
Total operating revenues	<u>1,591,618</u>	<u>3,471,988</u>
Operating expenses		
Payroll expenses	182,270	533,340
Professional	539	122,307
Contract services	844,084	1,095,105
Communications	490	12,349
Utilities	4,985	79,113
Rent	846	86,279
Repairs and maintenance	17,873	204,419
Advertising	—	6,206
Office Supplies	360	10,714
Operating supplies	25,082	108,162
Cost of goods sold	—	92,482
Other	5,331	39,896
Other debt issuance costs	—	192,648
Depreciation	<u>1,373</u>	<u>200,780</u>
Total operating expenses	<u>1,083,233</u>	<u>2,783,800</u>
Net income before transfers	508,385	688,188
Interest expense	—	(50,796)
Transfers in	1,213,341	1,313,341
Transfers out	<u>—</u>	<u>(354,775)</u>
Increase (Decrease) in net position	1,721,726	1,595,958
Net position - beginning	<u>—</u>	<u>830,630</u>
Net position - ending	<u>\$ 1,721,726</u>	<u>\$ 2,426,588</u>

See accompanying notes to the basic financial statements

GULF COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	Business-type Activities/Enterprise Funds			
	Water	County Golf Course	Oak Grove	Williamsburg and Methodist Hill
Cash flow from				
operating activities				
Receipts from customers	\$ 956,779	\$ 831,929	\$ —	\$ —
Payments to suppliers	(320,847)	(533,932)	—	—
Payments to employees	(183,500)	(167,570)	—	—
Net cash provided (used) by				
operating activities	<u>452,432</u>	<u>130,427</u>	<u>—</u>	<u>—</u>
Cash flow from capital and				
Related financial activities				
Acquisition of capital assets	(4,149,750)	(42,359)	—	—
Debt service	(70,550)	—	—	—
Debt proceeds	4,895,073	—	—	—
Net cash provided (used) by				
operating activities	<u>674,773</u>	<u>(42,359)</u>	<u>—</u>	<u>—</u>
Cash flow from non-capital				
financial related activities				
Transfer In	—	100,000	—	—
Transfer Out	(354,775)	—	—	—
Net cash provided (used) by				
non-capital financial				
related activities	<u>(354,775)</u>	<u>100,000</u>	<u>—</u>	<u>—</u>
Net increase in cash				
and cash equivalents	772,430	188,068	—	—
Cash and cash equivalents				
– beginning	<u>—</u>	<u>60,465</u>	<u>26,092</u>	<u>—</u>
Cash and cash equivalents				
– ending	<u><u>\$ 772,430</u></u>	<u><u>\$ 248,533</u></u>	<u><u>\$ 26,092</u></u>	<u><u>\$ —</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, 2021

	<u>Business-type Activities/Enterprise Funds</u>	
	<u>Solid Waste Fund</u>	<u>Total Business-type Funds</u>
Cash flow from		
operating activities		
Receipts from customers	\$ 1,445,122	\$ 3,233,830
Payments to suppliers	(814,523)	(1,669,302)
Payments to employees	<u>(182,270)</u>	<u>(533,340)</u>
Net cash provided (used) by		
operating activities	<u>448,329</u>	<u>1,031,188</u>
Cash flow from capital and		
Related financial activities		
Acquisition of capital assets	(1,213,341)	(5,405,450)
Debt service	—	(70,550)
Debt proceeds	<u>—</u>	<u>4,895,073</u>
Net cash provided (used) by		
operating activities	<u>(1,213,341)</u>	<u>(580,927)</u>
Cash flow from non-capital		
financial related activities		
Transfer In	1,213,341	1,313,341
Transfer Out	<u>—</u>	<u>(354,775)</u>
Net cash provided (used) by		
non-capital financial		
related activities	<u>1,213,341</u>	<u>958,566</u>
Net increase in cash		
and cash equivalents	448,329	1,408,827
Cash and cash equivalents		
– beginning	<u>500</u>	<u>87,057</u>
Cash and cash equivalents		
– ending	<u><u>\$ 448,829</u></u>	<u><u>\$ 1,495,884</u></u>

See accompanying notes to the basic financial statements

GULF COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	Business-type Activities/Enterprise Funds			
	Water	County Golf Course	Oak Grove	Williamsburg and Methodist Hill
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ 60,877	\$ 133,227	\$ —	\$ —
Adjustments to reconcile Operating income (loss) To net cash provided By (used in) operating				
Depreciation	172,152	12,954	—	—
Changes in assets and liabilities:				
Inventory	—	11,279	—	—
Accounts receivable	(45,875)	(48,106)	—	—
Prepaid expenses	—	1,349	—	—
Accounts payable	194,724	19,581	—	—
Accrued expenses	70,550	19,581	—	—
Due to other funds	4	143	—	—
Total adjustments	391,555	(2,800)	—	—
Net cash provided by (used in) operating activities	\$ 452,432	\$ 130,427	\$ —	\$ —

(continued)

See accompanying notes to the basic financial statements

GULF COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (continued)
YEAR ENDED SEPTEMBER 30, 2021

	<u>Business-type Activities/Enterprise Funds</u>	
	<u>Solid Waste Fund</u>	<u>Total Business-type Funds</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities		
Operating income (loss)	\$ 508,385	\$ 702,489
Adjustments to reconcile Operating income (loss) To net cash provided By (used in) operating		
Depreciation	1,373	186,479
Changes in assets and liabilities:		
Inventory	—	11,279
Accounts receivable	(146,496)	(240,477)
Prepaid expenses	—	1,349
Accounts payable	104,219	318,524
Accrued expenses	—	70,550
Due to other funds	<u>(19,152)</u>	<u>(19,005)</u>
Total adjustments	<u>(60,056)</u>	<u>328,699</u>
Net cash provided by (used in) operating activities	<u>\$ 448,329</u>	<u>\$ 1,031,188</u>

See accompanying notes to the basic financial statements

GULF COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2021

	<u>Custodial Funds</u>
Assets	
Cash and Cash Equivalents	\$ 749,250
Accounts receivable (net)	1,713
Due from other funds	<u>5</u>
Total Assets	<u>750,968</u>
Liabilities	
Due to individuals	388,894
Due to other funds	44,593
Due to other governments	116,359
Due to BOCC	<u>13,554</u>
Total Liabilities	563,400
Net Position	
Restricted for:	
Other individuals and organizations	<u>187,568</u>
Total Net Position	<u>\$ 187,568</u>

See accompanying notes to the basic financial statements

GULF COUNTY, FLORIDA
STATEMENT OF CHANGES FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2021

	<u>Custodial Funds</u>
Additions:	
Tax related	\$31,113,140
Permits, fees and special assessments	3,064,461
Deposits/escrow/surplus	134,731
Service charges/general government	6,252,637
Court related	<u>836,247</u>
Total Additions	41,401,216
Deductions:	
Payment to individuals	1,603,637
Court related	865,351
Service charges/DT others	6,230,994
Payment to other governments	18,926,160
Payment to BOCC	13,785,982
Payment to Constitutional Officers	<u>7,119</u>
Total Deductions	41,419,243
Net change in fiduciary net position	(18,027)
Net position, beginning	<u>205,595</u>
Net position, ending	<u>\$ 187,568</u>

See accompanying notes to the basic financial statements

GULF COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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, 2021

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, 2021

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.

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, custodial 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.

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.

GULF COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2021

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, 2021

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 2021 tax year millage rate assessed by the County was 6.8 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, 2021

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, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

R. Subsequent Events

The County evaluated subsequent events through June 1, 2022, 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, 2021:

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

The County implemented the following GASB Statement during the fiscal year ended September 30, 2021:

- 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, 2021

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, 2021

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 (\$32,404,712) difference are as follows:

Net pension liabilities	\$ (6,099,244)
Deferred for retirement contributions	(11,231,559)
Deferred for payment to retirees	4,034,736
Bonds payable	(15,570,000)
Other Postemployment benefits	(622,387)
Landfill closure liabilities	(768,842)
Compensated absences	<u>(2,147,416)</u>
Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net position of governmental activities</i>	<u>\$ (32,404,712)</u>

GULF COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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 \$69,326,667 difference are as follows:

Cost of capital assets	\$ 116,656,136
Less: accumulated depreciation	<u>(47,329,469)</u>
Net adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net position of governmental activities</i>	<u>\$ 69,326,667</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 \$7,838,677 difference are as follows:

Capital outlay	\$ 11,003,826
Disposal of assets	(302,829)
Depreciation expense	<u>(2,862,320)</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>\$ 7,838,677</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 \$1,704,653 difference are as follows:

GULF COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

Decrease (Increase) in compensated absences	\$	231,687
Other Postemployment benefits		34,255
Landfill closure		(20,104)
Change in pension expense		<u>1,458,815</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>1,704,653</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, 2021

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, 2021

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, 2021, the County's deposits consisted of the following:

	<u>Fair Value</u>	<u>Weighted Average Maturity (months)</u>
Florida Local Government Investment Trust	<u>\$5,786,090</u>	Demand
Total	<u>\$5,786,090</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, 2021, the County did not hold any investments that were considered to be an interest rate risk.

Credit Risks

At September 30, 2021, 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, 2021, 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, 2021

NOTE 4 - INTERFUND RECEIVABLES AND PAYABLES

Internal balances at September 30, 2021, consisted of the following:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General fund	\$ 113,728	\$ 201,994
Special revenue funds	289,906	222,622
Enterprise funds	21,129	147
Custodial funds	—	—
Total	<u>\$ 424,763</u>	<u>\$ 424,763</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, 2021, consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$3,432,602	\$4,476,594
Special Revenue Funds:		
Capital Projects Fund	1,040,000	9,177
County Development	26,499	—
Non-Advalorem Debt Service	747,878	—
Fines and Forfeitures	—	435
Disaster Fund	1,048,100	—
Beach Renewal	—	648,100
Hospital Fund	—	150,000
Tourist Development	—	493,103
General Grants	—	10,908
St Joe Fire Control	—	33,094
Tupelo Fire Control	—	5,059
Overstreet Fire	—	2,529
Howard Fire Control	—	1,476
Park	—	400,00
Enterprise Fund		
Golf Course	290,171	—
Water	—	354,775
Total	<u>\$6,585,250</u>	<u>\$6,585,250</u>

The transfers were for budgeted operations.

GULF COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2021, was as follows:

	September 30, 2020	Increases	Decreases	September 30, 2021
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 7,619,549	\$ 1,702,904	\$ (1,568,347)	\$ 7,754,106
Construction in progress	<u>10,934,651</u>	<u>14,062,357</u>	<u>(8,023,581)</u>	<u>16,973,427</u>
Total capital assets, not being depreciated	<u>18,554,200</u>	<u>15,765,261</u>	<u>(9,591,928)</u>	<u>24,727,533</u>
Capital assets being depreciated:				
Buildings and improvements	19,013,262	444,914	—	19,458,176
Machinery and equipment - BOCC	17,449,153	1,439,532	(1,048,009)	17,840,676
Machinery and equipment - Sheriff	1,821,384	—	—	1,821,384
Infrastructure	<u>49,862,320</u>	<u>2,946,047</u>	<u>—</u>	<u>52,808,367</u>
Total capital assets being depreciated	<u>88,146,119</u>	<u>4,830,493</u>	<u>(1,048,009)</u>	<u>91,928,603</u>
Less accumulated depreciation for:				
Buildings and improvements	(10,445,194)	(329,972)	—	(10,775,166)
Machinery	(14,296,658)	(1,231,726)	745,180	(14,783,204)
Infrastructure	<u>(20,470,477)</u>	<u>(1,300,622)</u>	<u>—</u>	<u>(21,771,099)</u>
Total accumulated depreciation	<u>(45,212,329)</u>	<u>(2,862,320)</u>	<u>745,180</u>	<u>(47,329,469)</u>
Total capital assets being depreciated, net	<u>42,933,790</u>	<u>1,968,173</u>	<u>(302,829)</u>	<u>44,599,134</u>
Total Governmental activities, capital assets, (net of accumulated depreciation)	<u>\$ 61,487,990</u>	<u>\$ 17,733,434</u>	<u>\$ (9,894,757)</u>	<u>\$ 69,326,667</u>

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

General Government	\$ 184,597
Public safety	583,032
Physical environment	438,834
Transportation	1,258,078
Economic environment	31,385
Human services	164,360
Culture and recreation	170,242
Court related	<u>31,792</u>
Total depreciation expense – governmental activities	<u>\$ 2,862,320</u>

GULF COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 6 - CAPITAL ASSETS (continued)

	<u>September 30,</u> <u>2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>September 30,</u> <u>2021</u>
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 335,338	\$ 630,787	\$ —	\$ 966,125
Construction in progress	—	186,169	—	186,169
Total capital assets, not being depreciated	<u>335,338</u>	<u>816,956</u>	<u>—</u>	<u>1,152,294</u>
Capital assets being depreciated:				
Buildings and utility systems	887,715	2,076,635	—	2,964,350
Infrastructure	178,996	2,689,272	—	2,868,268
Machinery and equipment	<u>292,238</u>	<u>12,758</u>	<u>—</u>	<u>304,996</u>
Total capital assets being depreciated	<u>1,358,949</u>	<u>4,778,665</u>	<u>—</u>	<u>6,137,614</u>
Less accumulated depreciation	<u>(693,382)</u>	<u>(200,780)</u>	<u>—</u>	<u>(894,162)</u>
Total capital assets being depreciated, net	<u>665,567</u>	<u>4,577,885</u>	<u>—</u>	<u>5,243,452</u>
Total business-type activities', capital assets, (net of accumulated depreciation)	<u>\$ 1,000,905</u>	<u>\$ 5,394,841</u>	<u>\$ —</u>	<u>\$ 6,395,746</u>

Depreciation expense for the business-type activities for the year ended September 30, 2021 was \$200,780.

NOTE 7 - LONG - TERM DEBT

Long-term debt of the County at September 30, 2021, is as follows:

	<u>Balance</u> <u>September 30,</u> <u>2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30,</u> <u>2021</u>	<u>Due</u> <u>Within</u> <u>One Year</u>
Bonds Payable					
Board of County Commissioners					
Gas Tax Revenue Bonds					
Series 2015A Capital Improvement for Infrastructure	\$ 10,865,000	\$ —	\$ (640,000)	\$10,225,000	\$ 665,000
Gas Tax Revenue Bonds					
Series 2015B Refunding Bonds Series 2006	2,675,000	—	(180,000)	2,495,000	185,000
Gulf County CBA Non-Ad Valorem Revenue Bonds Series 2016	690,000	—	—	690,000	—
Capital Improvements Revenue Bonds Series 2020	—	4,500,000	—	4,500,000	135,000
Gulf County MSTU Limited Ad Valorem Tax Bonds Series 2016	<u>2,490,000</u>	<u>—</u>	<u>(330,000)</u>	<u>2,160,000</u>	<u>335,000</u>
Total governmental activities bonds payable	<u>\$ 16,720,000</u>	<u>\$ 4,500,000</u>	<u>\$ (1,150,000)</u>	<u>\$20,070,000</u>	<u>\$ 1,320,000</u>

GULF COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 7 - LONG - TERM DEBT (continued)

	<u>Balance September 30, 2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2021</u>	<u>Due Within One Year</u>
Long-term landfill closure and postclosure liability (note 12)	\$ 788,946	\$ —	\$ (20,104)	\$ 768,842	\$ —
Other postemployment benefits	588,132	34,255	—	622,387	—
Liability for compensated absences	<u>2,379,103</u>	<u>—</u>	<u>(231,687)</u>	<u>2,147,416</u>	<u>444,110</u>
Total governmental activities bonds, notes, payable and other long-term debt	<u>\$ 20,476,181</u>	<u>\$ 4,534,255</u>	<u>\$ (1,401,791)</u>	<u>\$23,608,645</u>	<u>\$ 1,764,110</u>

	Series 2015A & B Capital Improvement & Refunding Bonds	
<u>Year Ending September 30, 2021</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 850,000	\$ 467,831
2023	885,000	433,131
2024	920,000	397,031
2025	955,000	363,281
2026	990,000	332,006
2027-2030	4,300,000	964,753
2031-2035	3,445,000	324,825
2036	<u>375,000</u>	<u>7,500</u>
Total	<u>\$ 12,720,000</u>	<u>\$ 3,290,358</u>

	MSTU Beach Renourishment	
<u>Year Ending September 30, 2021</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 335,000	\$ 55,378
2023	—	54,750
2024	—	54,750
2025	—	54,750
2026 - 2027	<u>1,825,000</u>	<u>4,563</u>
Total	<u>\$ 2,160,000</u>	<u>\$ 224,191</u>

GULF COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 7 - LONG - TERM DEBT (continued)

<u>Year Ending</u> <u>September 30, 2021</u>	Series 2020 <u>Capital Improvement Revenue Bond</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 135,000	\$ 137,725
2023	170,000	130,100
2024	180,000	123,150
2026	185,000	117,675
2025	190,000	112,050
2027-2031	1,040,000	469,950
Thereafter	2,600,000	408,750
Total	<u>\$ 4,500,000</u>	<u>\$ 1,499,400</u>

<u>Year Ending</u> <u>September 30, 2021</u>	Gulf Non Ad Valorem <u>Revenue Bonds Series 2016</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ —	\$ 14,920
2023	—	14,920
2024	—	14,920
2025	—	14,920
2026	260,000	12,190
2027	430,000	4,730
Total	<u>\$ 690,000</u>	<u>\$ 76,600</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 within 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

GULF COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 7 - LONG - TERM DEBT (continued)

\$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.

On November 30, 2020 the County issued \$4,500,000 Capital Improvement Revenue Bonds, Series 2020. These bonds are special obligations of the County and secured by a covenant to budget and appropriate Non-Ad Valorem Revenues. The purpose of the Series 2020 bonds is to provide sufficient funds to finance capital improvements associated with the acquisition of a private utility system. The Series 2020 Bonds have interest rates from 2.00% to 5.00%.

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 benefit of ownership to the lessee. There is one capital lease in the proprietary fund types.

Future minimum lease payments under capital leases as of September 30, 2021 are as follows:

<u>Fiscal Year</u>	<u>Governmental Funds</u>
2022	\$ 60,188
2023	60,188
2024	60,188
2025	60,188
2026	<u>15,048</u>
Total minimum lease payments	255,800
Less: imputed interest	<u>(13,125)</u>
Present value of minimum lease payments	<u>\$ 242,675</u>

The following schedule shows the leased assets capitalized as of September 30, 2021, by major asset class.

	<u>Proprietary Funds</u> <u>Capital Assets</u>
Equipment	\$ 279,344
Less: accumulated depreciation for entity-wide	<u>(79,812)</u>
Carrying Value	<u>\$ 199,532</u>

GULF COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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 178 out of total of 635,266 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.

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.

GULF COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 8 - EMPLOYEE BENEFITS (continued)

The FRS CAFR and actuarial valuation reports as of July 1, 2019 are available online at http://ww.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 83.4% on the valuation funding basis and 96.4% 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.

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, 2021, the contribution rate was 1.66% of payroll pursuant to Section 112.363, *Florida Statutes*.

GULF COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 8 - EMPLOYEE BENEFITS (continued)

The contributions required for the years ended September 30, 2021, 2020, and 2019 were \$1,762,217, 1,539,721, and \$1,529,004, respectively, which is equal to 100% of the required contribution for each year.

The rates for 2021 fiscal year was as follows:

	<u>FRS</u>	<u>HIS</u>
Regular Class	10.82%	1.66%
Special Risk Class	25.89%	1.66%
Senior Management Service Class	29.01%	1.66%
Elected Officials	51.42%	1.66%
DROP	18.34%	1.66%

Net Pension Liability – At September 30, 2021, 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, 2021	\$ 2,831,533	\$3,267,711	\$ 6,099,244
June 30, 2020	\$17,817,463	\$3,237,198	\$21,054,661

The net pension liability for each plan was determined by the plans' actuary and reported in the plans' valuations dated July 1, 2021 and July 1, 2020 for the net pension liability as of June 30, 2021 and 2020, respectively.

At September 30, 2021, 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, 2021	0.037484566%	0.026639302%
June 30, 2020	0.041109499%	0.026513028%
Increase, (Decrease) in Share for 2021	(0.003624933%)	0.000126274%

The County's proportionate share of the net pension liability was based on the County's 2020-2021 fiscal year contributions relative to the 2019-2020 fiscal year contributions of all participating members of FRS.

GULF COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 8 - EMPLOYEE BENEFITS (continued)

Actuarial Assumptions

The total pension liability for each of the defined benefit plans, measured as of June 30, 2021, was determined by an actuarial valuation dated July 1, 2021, using the individual entry age normal actuarial cost method and the following significant actuarial assumptions:

	FRS	HIS
Inflation	2.40%	2.40%
Salary increases	3.25%	3.25%
Investment rate of return	6.80%	2.16%
Discount rate	6.80%	2.16%

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, 2021 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 2021:

FRS: The long-term expected rate of return remained at 6.8%, and the active member mortality assumption was updated.

HIS: The municipal rate used to determine total pension liability was decreased from 2.21% to 2.16%.

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%	2.10%	2.10%
Fixed Income	20.00%	3.80%	3.70%
Global Equity	54.2%	8.20%	6.70%
Real Estate (Property)	10.30%	7.10%	6.20%
Private Equity	10.80%	11.70%	8.50%
Strategic Investments	3.70%	5.70%	5.40%
Total	<u>100.00%</u>		

GULF COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 8 - EMPLOYEE BENEFITS (continued)

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.

FRS Net Pension Liability		
1% Decrease 5.8%	Current Discount Rate 6.8%	1% Increase 7.8%
<u>\$12,662,805</u>	<u>\$ 2,831,533</u>	<u>(\$ 5,386,308)</u>

HIS Net Pension Liability		
1% Decrease 1.16%	Current Discount Rate 2.16%	1% Increase 3.16%
<u>\$ 3,777,790</u>	<u>\$ 3,267,711</u>	<u>\$ 2,849,815</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.

GULF COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 8 - EMPLOYEE BENEFITS (continued)

- 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, 2021 was 5.7 years for FRS and 6.4 for HIS. The components of collective pension expense reported in the pension allocation schedules for the year ended June 30, 2021 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, 2021 are presented below and are used to calculate Gulf County's share of the pension plan for 2021 which is 0.037484566%.

For the fiscal year ended September 30, 2021, the County recognized pension expense of (\$67,197) 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	\$ 485,329	\$ —
Change of assumptions	1,937,475	—
Net difference between projected and actual earnings on FRS Plan investments	—	(9,878,507)
Changes in proportion and differences between County FRS Plan contributions and proportionate share of contributions	512,376	(1,113,414)
County FRS Plan contributions subsequent to the measurement date	<u>442,104</u>	<u>—</u>
Total	<u>\$ 3,357,284</u>	<u>\$ (10,991,921)</u>

GULF COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 8 - EMPLOYEE BENEFITS (continued)

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
2022	\$ (1,313,137)
2023	(1,531,239)
2024	(2,028,302)
2025	(2,599,127)
2026	16,102
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, 2021 are presented below and are used for to calculate Gulf County's share for 2021 which is 0.026639302%.

For the fiscal year ended September 30, 2021, the County recognized pension expense of \$289,972 for the HIS plan. In addition the County reported deferred outflows of resources and deferred in flows 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	\$ 109,346	\$ (1,369)
Change of assumptions	256,769	(134,638)
Net difference between projected and actual earnings on HIS Plan investments	3,407	—
Changes in proportion and differences between County HIS Plan contributions and proportionate share of contributions	264,429	(103,631)
County HIS Plan contributions subsequent to the measurement date	<u>43,501</u>	<u>—</u>
Total	<u>\$ 677,452</u>	<u>\$ (239,638)</u>

GULF COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (OPEB)

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:

<u>Reporting Period Ending June 30</u>	<u>FRS Expense</u>
2022	\$ 64,318
2023	20,480
2024	42,276
2025	56,116
2026	41,969
Thereafter	8,346

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 161 total active and retired employees eligible to receive these benefits. No stand alone report is issued for this plan.

GULF COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

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.

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	10/1/2020
Measurement Date	9/30/2021
Actuarial Cost Method	Entry age
Discount Rate	2.43%
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	7.5% initial; 5.0% ultimate

GULF COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

Changes in Total OPEB Liability and Related Ratios

Below are the details regarding the total OPEB liability for the period from October 1, 2020 to September 30, 2021:

Total OPEB Liability at 10/1/2020	\$ 927,937
Changes for the Fiscal Year	
Service Cost	51,813
Interest	23,461
Demographic Experience	(490,036)
Assumption Changes	5,836
Benefit Payments	(28,698)
<u>Net Changes in Total OPEB</u>	<u>437,624</u>
<u>Total OPEB liability at 9/30/2021</u>	<u>\$ 490,313</u>
Covered-Employee Payroll	6,300,313
TOL as a Percentage of Covered-Employee Payroll	7.78%

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 Discount Rate	1% Increase
	1.43%	2.43%	3.43%
Total OPEB Liability	\$ 535,937	\$ 490,313	\$ 449,569

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

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ 432,036	\$ 490,313	\$ 561,102

GULF COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

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

At September 30, 2021, the county reported deferred outflows and deferred inflows of resources related to OPEB for the following sources :

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance at 9/30/2020	\$ 339,805	\$ —
Amortization Payments	(38,565)	(50,886)
Demographic Gain/Loss	—	490,036
Change of Assumptions	<u>5,836</u>	<u>—</u>
Balance at 9/30/2021	\$ 307,076	\$ 439,150

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:

2022	\$ (119,753)
2023	(107,432)
2024	(95,111)
2025	(82,790)
2026	(70,469)
Thereafter	<u>—</u>
Total	<u>\$ 475,555</u>

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

GULF COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 10 - RISK MANAGEMENT (continued)

- Public officials' liability
- Accidental death and dismemberment

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.

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, 2021 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.

GULF COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 12 - LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS (continued)

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 \$768,842 reported as landfill closure and postclosure care liability at September 30, 2021, 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, 2021, the Board held deposits with a fair value of \$101,258 for these purposes that are reported as restricted assets on the balance sheet. This amount includes \$101,258 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.

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%.

GULF COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

NOTE 14 – NOTES RECEIVABLE (continued)

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, 2021, notes receivable consisted of the following

	<u>Balance September 30, 2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 2021</u>
Gulf Rifle Note	\$ 3,000	\$ —	\$ (3,000)	\$ —
Port Authority	279,000	—	(10,000)	269,000
	<u>\$ 282,000</u>	<u>\$ —</u>	<u>\$ (13,000)</u>	<u>\$ 269,000</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, 2021, 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.

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.

GULF COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

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.

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.

GULF COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

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.

A detailed schedule of fund balances at September 30, 2021 is as follows:

<u>Fund Balances</u>	<u>Amount</u>
Nonspendable:	
General fund	\$ 268,698
Park Fund	—
Tourist development	375
Public improvement	1,092,416
Non-Advalorem	205,550
Total Nonspendable Fund Balance	<u>1,567,039</u>
Restricted:	
General fund	678,730
Fines and forfeitures	1,098,248
Secondary road and bridge	675,910
Mosquito control	72,493
St Joe fire control	945,034
Tupelo fire control	216,561
Overstreet fire control	56,754
Howard fire control	56,556
CDBG	57
CDBG Raffield	89,246
Industrial park EDA	164,587
BP restore act	174,896
County Development	(1)
E911	220,433
Capital projects	2,378,770
Clerk Modernization	395,370
Administrative order	110,602
Construction acquisition	87,179
MSTU	840,358
Non-Advalorem	536,429
Hospital	3,238,548
Beach Renewal	390,477
Tourist Development	5,513,565
Public Improvement	605,641
Total Restricted Fund Balance	<u>18,546,443</u>

GULF COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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

<u>Fund Balances</u>	<u>Amount</u>
Committed:	
General fund	376,395
Disaster fund	608,272
Park fund	77,104
St Joe fire control	<u>230,047</u>
Total Committed Fund Balance	<u>1,291,818</u>
Assigned:	
General fund	<u>19,311,084</u>
Total Assigned Fund Balance	<u>19,311,084</u>
Total Unassigned Fund Balance	<u>1,818,061</u>
Total fund Balance	<u>\$ 42,534,445</u>

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 \$34,250 per month from the District through June 2021 and \$32,000 per month from July through September 2021. The Sheriff received \$377,250 for the year ended September 30, 2021.

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, 2021.

GULF COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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.

NOTE 19 – RESTATEMENT OF NET POSITION

For the fiscal year ended September 30, 2021, the Board implemented GASB Statement No. 84, *Fiduciary Activities*. Beginning net position in the custodial funds was restated from \$\$-0- to \$205,595, as a result of this implementation.

REQUIRED SUPPLEMENTARY INFORMATION

GULF COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2021

	Budget Amounts		Actual	Variance with Final
	Original	Final	Amounts	Budget Positive (Negative)
Revenues:				
Taxes	\$13,578,374	\$13,578,374	\$13,419,826	\$ (158,548)
Licenses and permits	575,500	575,500	1,050,890	475,390
Intergovernmental	3,091,384	3,102,099	3,630,161	528,062
Fines and forfeitures	52,668	85,334	89,645	4,311
Charges for services	2,697,978	2,848,200	2,737,410	(110,790)
Investment earning & other	<u>158,289</u>	<u>178,235</u>	<u>1,098,118</u>	<u>919,883</u>
Total revenues	<u>20,154,193</u>	<u>20,367,742</u>	<u>22,026,050</u>	<u>1,658,308</u>
Expenditures:				
Current				
General government	8,118,480	7,980,685	6,456,145	1,524,540
Public safety	9,033,488	8,510,560	8,569,788	(59,228)
Physical environment	328,930	439,521	375,289	64,232
Transportation	1,312,580	1,201,989	825,147	376,842
Economic environment	620,297	593,797	570,368	23,429
Human services	886,037	903,037	738,881	164,156
Culture and recreation	102,720	112,715	112,714	1
Court related	772,901	719,831	667,967	51,864
Debt service	—	—	—	—
Capital outlay	<u>433,851</u>	<u>570,886</u>	<u>432,841</u>	<u>138,045</u>
Total expenditures	<u>21,609,284</u>	<u>21,033,021</u>	<u>18,749,140</u>	<u>2,283,881</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,455,091)</u>	<u>(665,279)</u>	<u>3,276,910</u>	<u>3,942,189</u>
Other financing sources (uses)				
Transfers in	8,959,076	8,468,848	3,432,602	(5,036,246)
Transfers out	(9,729,648)	(10,402,362)	(4,330,281)	6,072,081
Sale of equipment	<u>—</u>	<u>32,800</u>	<u>32,800</u>	<u>—</u>
Total other financing Sources (uses)	<u>(770,572)</u>	<u>(1,900,714)</u>	<u>(864,879)</u>	<u>1,035,835</u>
Net change in fund balance	<u>(2,225,663)</u>	<u>(2,565,993)</u>	<u>2,412,031</u>	<u>4,978,024</u>
Fund balance - beginning	<u>20,040,937</u>	<u>20,040,937</u>	<u>20,040,937</u>	<u>—</u>
Fund balance – ending	<u>\$17,815,274</u>	<u>\$17,474,944</u>	<u>\$ 22,452,968</u>	<u>\$ 4,978,024</u>

The accompanying note to schedule of revenues, expenditures, and changes in fund balance – budget to actual – general fund is an integral part of this schedule.

GULF COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – HOSPITAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budget Amounts		Actual	Variance with Final
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Budget Positive</u> <u>(Negative)</u>
Revenues				
Taxes	\$ 1,040,609	\$ 1,040,609	\$ 1,509,770	\$ 469,161
Miscellaneous	<u>1,500</u>	<u>1,500</u>	<u>2,452</u>	<u>952</u>
Total revenues	<u>1,042,109</u>	<u>1,042,109</u>	<u>1,512,222</u>	<u>470,113</u>
Expenditures				
Human Resources	<u>802,255</u>	<u>802,255</u>	<u>802,252</u>	<u>3</u>
Total expenses	<u>802,255</u>	<u>802,255</u>	<u>802,252</u>	<u>3</u>
Excess (deficiency) of revenues over (under) expenditures	<u>239,854</u>	<u>239,854</u>	<u>709,970</u>	<u>470,116</u>
Other financing sources (uses)				
Transfers out	<u>(150,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>	<u>—</u>
Total other financing Sources (uses)	<u>(150,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>	<u>—</u>
Net change in fund balance	89,854	89,854	559,970	470,116
Fund balance - beginning	<u>2,678,578</u>	<u>2,678,578</u>	<u>2,678,578</u>	<u>—</u>
Fund balance - ending	<u>\$ 2,768,432</u>	<u>\$ 2,768,432</u>	<u>\$ 3,238,548</u>	<u>\$ 470,116</u>

The accompanying note to schedule of revenues, expenditures, and changes in fund balance – budget to actual – general fund is an integral part of this schedule.

GULF COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – HURRICANE HOUSING RECOVERY
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budget Amounts		Actual	Variance with Final
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Budget Positive</u> <u>(Negative)</u>
Revenues				
Intergovernmental	\$ 2,920,000	\$ 2,920,000	\$ 1,840,370	\$(1,079,630)
Investment	<u>—</u>	<u>—</u>	<u>12,453</u>	<u>12,453</u>
Total revenues	<u>2,920,000</u>	<u>2,920,000</u>	<u>1,852,823</u>	<u>(1,067,177)</u>
Expenditures				
Current				
Economic environment	2,890,000	2,890,000	1,823,714	1,066,286
Capital outlay	<u>30,000</u>	<u>30,000</u>	<u>29,109</u>	<u>891</u>
Total expenditures	<u>2,920,000</u>	<u>2,920,000</u>	<u>1,852,823</u>	<u>1,067,177</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>

The accompanying note to schedule of revenues, expenditures, and changes in fund balance – budget to actual – general fund is an integral part of this schedule.

GULF COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – TOURIST DEVELOPMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budget Amounts		Actual	Variance with Final
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Budget Positive (Negative)</u>
Revenues:				
Taxes	\$ 1,775,000	\$ 1,775,000	\$ 3,949,751	\$ 2,174,751
License and permits	—	—	1,100	1,100
Charges for services	—	—	19,583	19,583
Interest	2,000	2,000	3,274	1,274
Miscellaneous	—	—	70,637	70,637
Total revenues	<u>1,777,000</u>	<u>1,777,000</u>	<u>4,044,345</u>	<u>2,267,345</u>
Expenditures:				
Current				
Physical environment	217,750	62,360	11,557	50,803
Economic environment	1,510,985	1,555,785	1,041,011	514,774
Culture and recreation	362,250	362,250	233,748	128,502
Capital outlay	<u>495,720</u>	<u>450,560</u>	<u>138,878</u>	<u>311,682</u>
Total expenditures	<u>2,586,705</u>	<u>2,430,955</u>	<u>1,425,194</u>	<u>1,005,761</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(809,705)</u>	<u>(653,955)</u>	<u>2,619,151</u>	<u>3,273,106</u>
Other financing sources (uses)				
Transfers out	<u>(275,000)</u>	<u>(493,103)</u>	<u>(493,103)</u>	<u>—</u>
Total other financing Sources (uses)	<u>(275,000)</u>	<u>(493,103)</u>	<u>(493,103)</u>	<u>—</u>
Net change in fund balance	<u>(1,084,705)</u>	<u>(1,147,058)</u>	<u>2,126,048</u>	<u>3,273,106</u>
Fund balance - beginning	<u>3,387,892</u>	<u>3,387,892</u>	<u>3,387,892</u>	<u>—</u>
Fund balance - ending	<u>\$ 2,303,187</u>	<u>\$ 2,240,834</u>	<u>\$ 5,513,940</u>	<u>\$ 3,273,106</u>

The accompanying note to schedule of revenues, expenditures, and changes in fund balance – budget to actual – general fund is an integral part of this schedule.

GULF COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – GENERAL GRANTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budget Amounts		Actual	Variance with Final
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Budget Positive</u> <u>(Negative)</u>
Revenues:				
Intergovernmental	\$ 1,794,966	\$ 16,010,060	\$15,836,574	\$ (173,486)
Total revenues	<u>1,794,966</u>	<u>16,010,060</u>	<u>15,836,574</u>	<u>(173,486)</u>
Expenditures:				
Current				
Public safety	156,834	159,351	147,532	11,819
Physical environment	—	4,565,239	4,565,237	2
Transportation	—	818,984	818,984	—
Economic environment	—	198,626	198,183	443
Culture and recreation	40,936	262,552	261,457	1,095
Capital Outlay	<u>1,597,196</u>	<u>9,994,400</u>	<u>9,834,273</u>	<u>160,127</u>
Total expenditures	<u>1,794,966</u>	<u>15,999,152</u>	<u>15,825,666</u>	<u>173,486</u>
Excess (deficiency) of revenues over (under) expenditures	<u>—</u>	<u>10,908</u>	<u>10,908</u>	<u>—</u>
Other financing sources (uses)				
Transfers out	<u>—</u>	<u>(10,908)</u>	<u>(10,908)</u>	<u>—</u>
Total other financing Sources (uses)	<u>—</u>	<u>(10,908)</u>	<u>(10,908)</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>

The accompanying note to schedule of revenues, expenditures, and changes in fund balance – budget to actual – general fund is an integral part of this schedule.

GULF COUNTY, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2021

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

Last Ten Fiscal Years*

Total OPEB Liability	2021	2020	2019	2018
Service Cost	\$ 51,813	\$ 76,040	\$ 54,053	\$ 46,688
Interest	23,461	15,744	17,522	16,224
Demographic gain/loss	(490,036)	171,063	17,668	—
Assumption Changes	5,836	31,113	528	—
Change in Deferreds	—	—	175,588	—
Benefit Payments	<u>(28,698)</u>	<u>(51,133)</u>	<u>(30,996)</u>	<u>(22,161)</u>
Net Change in Total OPEB Liability	437,624	242,827	234,363	40,751
Total OPEB Liability – Beginning	<u>927,937</u>	<u>685,110</u>	<u>450,747</u>	<u>409,996</u>
Total OPEB Liability – Ending	<u>490,313</u>	<u>927,937</u>	<u>685,110</u>	<u>450,747</u>
Covered-Employee Payroll	\$6,300,313	\$7,994,561	\$9,320,933	\$ 6,948,198
Total OPEB Liability as a Percentage of Covered-Employee Payroll	7.78%	11.61%	7.35%	6.49%

(1) The amounts presented for each fiscal year were determined 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, 2021

Florida Retirement System

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Gulf County, Florida's proportion of the net pension liability	0.037484566%	0.041109499%	0.040547385%	0.037990199%
Gulf County, Florida's proportionate share of the net pension liability	\$ 2,831,533	\$ 17,817,463	\$ 13,963,955	\$ 11,442,845
Gulf County, Florida's covered-employee payroll	\$ 9,894,665	\$ 9,662,629	\$ 9,320,933	\$ 8,004,393
Gulf County, Florida's proportionate share of the net pension liability as a percentage of its covered-employee payroll	28.6%	196.6%	149.81%	142.96%
Plan fiduciary net position as a percentage of the total pension liability	96.40%	90.2%	86.30%	84.26%

Health Insurance Subsidy Programs

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Gulf County, Florida's proportion of the net pension liability	0.0266393026%	0.026513028%	0.02616734%	0.024391362%
Gulf County, Florida's proportionate share of the net pension liability	\$ 3,267,711	\$ 3,237,198	\$ 2,927,863	\$ 2,581,609
Gulf County, Florida's covered-employee payroll	\$ 9,894,665	\$ 9,062,629	\$ 9,320,933	\$ 8,004,393
Gulf County, Florida's proportionate share of the net pension liability as a percentage of its covered-employee payroll	33.02%	35.72%	31.41%	32.25%
Plan fiduciary net position as a percentage of the total pension liability	3.56%	2.04%	2.03%	2.15%

(continued)

GULF COUNTY, FLORIDA
PROPORTIONATE SHARE OF NET PENSION LIABILITY
Last Ten Years* (continued)
SEPTEMBER 30, 2021

Florida Retirement System

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Gulf County, Florida's proportion of the net pension liability	0.037446967%	0.040338331%	0.037324372%
Gulf County, Florida's proportionate share of the net pension liability	\$ 11,076,562	\$ 10,185,460	\$ 4,820,943
Gulf County, Florida's covered-employee payroll	\$ 7,726,462	\$ 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	143.36%	123.44%	67.25%
Plan fiduciary net position as a percentage of the total pension liability	83.89%	84.94%	92.00%

Health Insurance Subsidy Programs

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Gulf County, Florida's proportion of the net pension liability	0.023937927%	0.25283010%	0.023177466%
Gulf County, Florida's proportionate share of the net pension liability	\$ 2,559,554	\$ 2,946,630	\$ 2,363,737
Gulf County, Florida's covered-employee payroll	\$ 7,726,462	\$ 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	33.13%	35.71%	32.97%
Plan fiduciary net position as a percentage of the total pension liability	1.64%	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, 2021.

GULF COUNTY, FLORIDA
SCHEDULE OF CONTRIBUTIONS
Last Ten Fiscal Years*
SEPTEMBER 30, 2021

Florida Retirement System

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 1,588,078	\$ 1,368,812	\$ 1,363,656	\$ 1,363,656
Contributions in relation to the				
Contractually required contribution	<u>(1,588,078)</u>	<u>(1,368,812)</u>	<u>(1,363,656)</u>	<u>(1,363,656)</u>
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Gulf County, Florida's covered- employee payroll	\$ 9,894,665	\$ 9,062,629	\$ 8,004,393	\$ 8,004,393
Contribution as a percentage of covered- employee payroll	16.05%	12.52%	17.04%	17.04%

Health Insurance Subsidy Programs

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 174,139	\$ 170,909	\$ 169,011	\$ 164,426
Contributions in relation to the				
contractually required contribution	<u>(174,139)</u>	<u>(170,909)</u>	<u>(169,011)</u>	<u>(164,426)</u>
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Gulf County, Florida's covered- employee payroll	\$ 9,894,665	\$ 9,062,629	\$ 9,320,933	\$ 8,004,393
Contribution as a percentage of covered- employee payroll	1.76%	1.89%	1.81%	2.05%

(continued)

GULF COUNTY, FLORIDA
SCHEDULE OF CONTRIBUTIONS
Last Ten Fiscal Years* (continued)
SEPTEMBER 30, 2021

Florida Retirement System

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,231,413	\$ 1,216,635	\$ 1,147,124
Contributions in relation to the			
Contractually required contribution	<u>(1,231,413)</u>	<u>(1,216,635)</u>	<u>(1,147,124)</u>
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Gulf County, Florida's covered-			
employee payroll	\$ 7,726,462	\$ 8,251,636	\$ 7,169,067
Contribution as a percentage of covered-			
employee payroll	15.94%	14.74%	16.00%

Health Insurance Subsidy Programs

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 157,639	\$ 159,109	\$ 119,837
Contributions in relation to the			
contractually required contribution	<u>(157,639)</u>	<u>(159,109)</u>	<u>(119,837)</u>
Contribution deficiency (excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Gulf County, Florida's covered-			
employee payroll	\$ 7,726,462	\$ 8,251,636	\$ 7,169,067
Contribution as a percentage of covered-			
employee payroll	2.04%	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, 2021.

*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, 2021

NOTE 1 – OPEB INFORMATION

The county did not have plan assets accumulated in a trust. For the measurement date of September 30, 2021, the actuarial valuation used a discount rate of 2.14% as of October 1, 2020, and 2.43% as of September 30, 2021. 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, 2020 remained at 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.

NOTE 3 – BUDGETARY INFORMATION

An annual budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general fund, All annual appropriations lapse at fiscal year-end.

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

- a) The preparation, adoption and amendment of the budgets are governed by Florida Statutes. Public hearings are conducted to obtain taxpayer comments.
- b) Budget excess expenditures over revenues are funded through appropriations from the Board of County Commissioners.
- c) Formal budgetary integration is employed as a management control device during the year. The legal level of budgetary control is the fund level.
- d) The budgets for the funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America

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.

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.

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, 2021**

	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	\$ 1,097,875	\$ 663,379	\$ 63,254	\$ 1,191,153	\$ 228,140	\$ 57,447
Due from other funds	—	—	—	—	—	—
Due from other governments	2,137	12,531	9,239	37	13	—
Prepaid expense	—	—	—	—	—	—
Accounts receivable (net)	2,074	—	—	59	74	—
Notes receivable	—	—	—	—	—	—
Total assets	<u>1,102,086</u>	<u>675,910</u>	<u>72,493</u>	<u>1,191,249</u>	<u>228,227</u>	<u>57,447</u>
Liabilities Deferred Inflows and fund balances						
Liabilities						
Vouchers payable	3,838	—	—	16,168	11,666	693
Due to other funds	—	—	—	—	—	—
Due to other governments	—	—	—	—	—	—
Total liabilities	<u>3,838</u>	<u>—</u>	<u>—</u>	<u>16,168</u>	<u>11,666</u>	<u>693</u>
Deferred inflows	—	—	—	—	—	—
Total deferred inflows	—	—	—	—	—	—
Fund balances						
Nonspendable	—	—	—	—	—	—
Restricted	1,098,248	675,910	72,493	945,034	216,561	56,754
Committed	—	—	—	230,047	—	—
Total fund balances	<u>1,098,248</u>	<u>675,910</u>	<u>72,493</u>	<u>1,175,081</u>	<u>216,561</u>	<u>56,754</u>
Total Liabilities, Deferred Revenue and Fund Balances	<u>\$ 1,102,086</u>	<u>\$ 675,910</u>	<u>\$ 72,493</u>	<u>\$ 1,191,249</u>	<u>\$ 228,227</u>	<u>\$ 57,447</u>

(Continued)

GULF COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (continued)
SEPTEMBER 30, 2021

	Special Revenue					
	Howard Creek Fire Control	EMS Grant	SHIP	CDBG	CDBG Ratfield	Industrial Park EDA
Assets						
Cash and cash equivalents	\$ 59,746	\$ 6,545	\$ 650,587	\$ 57	\$ 50,172	\$ 154,597
Due from other funds	—	—	19	—	—	—
Due from other governments	—	—	—	—	—	—
Prepaid expense	—	—	—	—	—	—
Accounts receivable (net)	—	—	—	—	—	—
Notes receivable	—	—	55,866	—	188,074	130,347
Total assets	<u>59,746</u>	<u>6,545</u>	<u>706,472</u>	<u>57</u>	<u>238,246</u>	<u>284,944</u>
Liabilities Deferred Inflows and fund balances						
Liabilities						
Vouchers payable	3,190	—	—	—	—	357
Due to other funds	—	—	—	—	—	—
Due to other governments	—	—	—	—	—	—
Total liabilities	<u>3,190</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>357</u>
Deferred inflows	—	6,545	706,472	—	149,000	120,000
Total deferred inflows	<u>—</u>	<u>6,545</u>	<u>706,472</u>	<u>—</u>	<u>149,000</u>	<u>120,000</u>
Fund balances						
Nonspendable	—	—	—	—	—	—
Restricted	56,556	—	—	57	89,246	164,587
Committed	—	—	—	—	—	—
Total fund balances	<u>56,556</u>	<u>—</u>	<u>—</u>	<u>57</u>	<u>89,246</u>	<u>164,587</u>
Total Liabilities, Deferred Revenues and Fund Balances	<u><u>\$ 59,746</u></u>	<u><u>\$ 6,545</u></u>	<u><u>\$ 706,472</u></u>	<u><u>\$ 57</u></u>	<u><u>\$ 238,246</u></u>	<u><u>\$ 284,944</u></u>

(Continued)

GULF COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (continued)
SEPTEMBER 30, 2021

	Special Revenue					
	County Development	E911 Wireless	E911 Services	Disaster Fund	Park Fund	Clerk Modernization Fund
Assets						
Cash and cash equivalents	\$ —	\$ —	\$ 190,673	\$ 554,835	\$ 98,940	\$ 399,039
Due from other funds	26,503	—	33,727	—	—	—
Due from other governments	—	96,280	—	53,437	—	—
Prepaid expense	—	—	—	—	—	—
Accounts receivable (net)	48,150	4,631	—	—	—	—
Notes receivable	—	—	—	—	—	—
Total assets	74,653	100,911	224,400	608,272	98,940	399,039
Liabilities Deferred Inflows and fund balances						
Liabilities						
Vouchers payable	74,654	100,911	3,967	—	21,836	3,669
Due to other funds	—	—	—	—	—	—
Due to other governments	—	—	—	—	—	—
Total liabilities	74,654	100,911	3,967	—	21,836	3,669
Deferred inflows	—	—	—	—	—	—
Total deferred inflows	—	—	—	—	—	—
Fund balances						
Nonspendable	—	—	—	—	—	—
Restricted	(1)	—	220,433	—	—	395,370
Committed	—	—	—	608,272	77,104	—
Total fund balances	(1)	—	220,433	608,272	77,104	395,370
Total Liabilities, Deferred Revenues and Fund Balances	\$ 22,989	\$ 53,866	\$ 224,400	\$ 608,272	\$ 98,940	\$ 399,039

(Continued)

GULF COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (continued)
SEPTEMBER 30, 2021

	Special Revenue				
	Administrative Order 86-12	Capital Projects Fund	Construction Acquisition	BP RestoreAct	121 Beach Renewal
Assets					
Cash and cash equivalents	\$ 110,602	\$ 2,442,263	\$ 87,179	\$ 145,094	\$ 390,477
Due from other funds	—	600	—	—	—
Due from other governments	—	—	—	83,966	—
Prepaid expense	—	—	—	—	—
Accounts receivable (net)	—	3,679	—	—	—
Notes receivable	—	—	—	—	—
Total assets	110,602	2,446,542	87,179	229,060	390,477
Liabilities Deferred Inflows and fund balances					
Liabilities					
Vouchers payable	—	40,837	—	54,164	—
Due to other funds	—	—	—	—	—
Due to other governments	—	26,935	—	—	—
Total liabilities	—	67,772	—	54,164	—
Deferred inflows	—	—	—	—	—
Total deferred inflows	—	—	—	—	—
Fund balances					
Nonspendable	—	—	—	—	—
Restricted	110,602	2,378,770	87,179	174,896	390,477
Committed	—	—	—	—	—
Total fund balances	110,602	2,378,770	87,179	174,896	390,477
Total Liabilities, Deferred Revenues and Fund Balances	\$ 110,602	\$ 2,446,542	\$ 87,179	\$ 229,060	\$ 390,477

GULF COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (continued)
SEPTEMBER 30, 2021

Debt Service Fund				
	Pub Improvement	MSTU	Non-Advalorem Operations	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 219,321	\$ 840,358	\$ 443,479	\$10,145,212
Due from other funds	135,388	—	93,450	289,687
Due from other governments	250,932	—	—	508,572
Prepaid expense	1,092,416	—	205,550	1,297,966
Accounts receivable (net)	—	—	—	58,667
Notes receivable	—	—	—	374,287
Total assets	<u>1,698,057</u>	<u>840,358</u>	<u>742,479</u>	<u>12,674,391</u>
Liabilities Deferred Inflows and fund balances				
Liabilities				
Vouchers payable	—	—	—	335,950
Due to other funds	—	—	500	500
Due to other governments	—	—	—	26,935
Total liabilities	—	—	500	363,385
Deferred inflows	—	—	—	982,017
Total deferred inflows	—	—	—	982,017
Fund balances				
Nonspendable	1,092,416	—	205,550	1,297,966
Restricted	605,641	840,358	536,429	9,115,600
Committed	—	—	—	915,423
Total fund balances	<u>1,698,057</u>	<u>840,358</u>	<u>741,979</u>	<u>11,328,989</u>
Total Liabilities, Deferred Revenues and Fund Balances	<u>\$ 1,698,057</u>	<u>\$ 840,358</u>	<u>\$ 742,479</u>	<u>\$12,674,391</u>

GULF COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue					
	Fines and Forfeitures	Secondary Road and Bridge	Mosquito Control	St. Joe Fire Control	Tupelo Fire Control	Overstreet Fire Control
Revenues						
Taxes	\$ —	\$ 77,418	\$ —	\$ 582,989	\$ 56,496	\$ 26,223
Intergovernmental	—	—	51,960	67,826	5,998	2,426
Charges for services	90,194	—	—	—	—	—
Investment earnings/other	<u>418</u>	<u>—</u>	<u>54</u>	<u>—</u>	<u>100</u>	<u>—</u>
Total revenues	<u>90,612</u>	<u>77,418</u>	<u>52,014</u>	<u>650,815</u>	<u>62,594</u>	<u>28,649</u>
Expenditures						
Current						
General government	—	—	—	—	—	—
Public safety	1,374	—	—	214,127	42,107	17,467
Economic environment	—	—	—	—	—	—
Physical environment	—	—	—	—	—	—
Transportation	—	—	—	—	—	—
Court related	3,365	—	—	—	—	—
Human services	—	—	20,653	—	—	—
Culture and recreation	—	—	—	—	—	—
Capital outlay	3,615	16,518	—	18,960	8,104	—
Debt Service	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total expenditures	<u>8,354</u>	<u>16,518</u>	<u>20,653</u>	<u>233,087</u>	<u>50,211</u>	<u>17,467</u>
Excess (deficiency) of revenues over (under) expenditures	<u>82,258</u>	<u>60,900</u>	<u>31,361</u>	<u>417,728</u>	<u>12,383</u>	<u>11,182</u>
Other financing sources (uses)						
Transfers out	(435)	—	—	(33,094)	(5,059)	(2,529)
Transfers in	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total other financing Sources (uses)	<u>(435)</u>	<u>—</u>	<u>—</u>	<u>(33,094)</u>	<u>(5,059)</u>	<u>(2,529)</u>
Net change in fund balances	81,823	60,900	31,361	384,634	7,324	8,653
Fund balances - beginning	<u>1,016,425</u>	<u>615,010</u>	<u>41,132</u>	<u>790,447</u>	<u>209,237</u>	<u>48,101</u>
Fund balances - ending	<u>\$ 1,098,248</u>	<u>\$ 675,910</u>	<u>\$ 72,493</u>	<u>\$ 1,175,081</u>	<u>\$ 216,561</u>	<u>\$ 56,754</u>

(Continued)

GULF COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (continued)
YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue					
	Howard Creek Fire Control	EMS Grant	SHIP	CDBG	CDBG Ratfield	Industrial Park EDA
Revenues						
Taxes	\$ 17,180	\$ —	\$ —	\$ —	\$ —	\$ —
Intergovernmental	1,120	87,331	308,250	—	—	—
Charges for services	—	—	—	—	—	—
Investment earnings/other	—	33	627	—	10,000	26,517
Total revenues	<u>18,300</u>	<u>87,364</u>	<u>308,877</u>	<u>—</u>	<u>10,000</u>	<u>26,517</u>
Expenditures						
Current						
General government	—	—	—	—	—	—
Public safety	4,042	10,245	—	—	—	—
Physical environment	—	—	—	—	—	—
Economic environment	—	—	308,877	—	—	—
Transportation	—	—	—	—	—	—
Court related	—	—	—	—	—	—
Human services	—	—	—	—	—	—
Culture and recreation	—	—	—	—	—	—
Capital outlay	4,568	77,119	—	—	—	—
Debt service	—	—	—	—	—	—
Total expenditures	<u>8,610</u>	<u>87,364</u>	<u>308,877</u>	<u>—</u>	<u>—</u>	<u>—</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,690</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>10,000</u>	<u>26,517</u>
Other financing sources (uses)						
Transfers out	(1,476)	—	—	—	—	—
Transfers in	—	—	—	—	—	—
Total other financing Sources (uses)	<u>(1,476)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	8,214	—	—	—	10,000	26,517
Fund balances - beginning	<u>48,342</u>	<u>—</u>	<u>—</u>	<u>57</u>	<u>79,246</u>	<u>138,070</u>
Fund balances - ending	<u>\$ 56,556</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 57</u>	<u>\$ 89,246</u>	<u>\$ 164,587</u>

(Continued)

GULF COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (continued)
YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue				
	County Development	E911 Wireless	E911 Services	Disaster Fund	Park Fund
Revenues					
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —
Intergovernmental	—	96,280	150,289	2,078,034	—
Charges for services	—	—	—	—	14,129
Investment earnings/other	<u>1,420,398</u>	<u>—</u>	<u>173</u>	<u>—</u>	<u>10,100</u>
Total revenues	<u>1,420,398</u>	<u>96,280</u>	<u>150,462</u>	<u>2,078,034</u>	<u>24,229</u>
Expenditures					
Current					
General government	1,057,561	—	—	4,570	—
Public safety	—	96,280	130,059	1,368,437	—
Physical environment	—	—	—	648,100	—
Economic environment	—	—	—	71,504	—
Transportation	—	—	—	4,320	—
Court related	—	—	—	—	—
Human service	—	—	—	5,730	—
Culture and recreation	—	—	—	8,346	147,585
Capital outlay	389,337	—	3,490	520,134	39,010
Debt service	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total expenditures	<u>1,446,898</u>	<u>96,280</u>	<u>133,549</u>	<u>2,631,141</u>	<u>186,595</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(26,500)</u>	<u>—</u>	<u>16,913</u>	<u>(553,107)</u>	<u>(162,366)</u>
Other financing sources (uses)					
Transfers out	—	—	—	—	(400,000)
Transfers in	<u>26,499</u>	<u>—</u>	<u>—</u>	<u>1,048,100</u>	<u>—</u>
Total other financing Sources (uses)	<u>26,499</u>	<u>—</u>	<u>—</u>	<u>1,048,100</u>	<u>(400,000)</u>
Net change in fund balances	(1)	—	16,913	494,993	(562,366)
Fund balances - beginning	<u>—</u>	<u>—</u>	<u>203,520</u>	<u>113,279</u>	<u>639,470</u>
Fund balances - ending	<u><u>\$ (1)</u></u>	<u><u>\$ —</u></u>	<u><u>\$ 220,433</u></u>	<u><u>\$ 608,272</u></u>	<u><u>\$ 77,104</u></u>

(Continued)

GULF COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (continued)
YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue					
	Clerk Modernization Fund	Administrative Order 86-12	Capital Projects Fund	Construction Acquisition	BP Restore Act	121 Beach Renewal
Revenues						
Taxes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Intergovernmental	—	—	—	—	800,582	—
Charges for services	78,008	—	—	—	—	—
Investment earnings/other	317	95	30,749	78	—	868
Total revenues	78,325	95	30,749	78	800,582	868
Expenditures						
Current						
General government	7,660	—	110,438	—	—	—
Public safety	—	—	79,921	—	—	—
Physical environment	—	—	—	—	129,582	2,635
Economic environment	—	—	—	—	—	—
Transportation	—	—	—	—	—	—
Court related	15,528	—	—	—	—	—
Human service	—	—	—	—	—	—
Culture and recreation	—	—	17,464	—	61,000	—
Capital outlay	—	—	616,803	6,945	610,000	—
Debt service	—	—	—	—	—	—
Total expenditures	23,188	—	824,626	6,945	800,582	2,635
Excess (deficiency) of revenues over (under) expenditures	55,137	95	(793,877)	(6,867)	—	(1,767)
Other financing sources (uses)						
Transfers out	—	—	(9,177)	—	—	(648,100)
Transfers in	—	—	1,040,000	—	—	—
Total other financing Sources (uses)	—	—	1,030,823	—	—	(648,100)
Net change in fund balances	55,137	95	236,946	(6,867)	—	(649,867)
Fund balances - beginning	340,233	110,507	2,141,824	94,046	174,896	1,040,344
Fund balances - ending	<u>\$ 395,370</u>	<u>\$ 110,602</u>	<u>\$ 2,378,770</u>	<u>\$ 87,179</u>	<u>\$ 174,896</u>	<u>\$ 390,477</u>

GULF COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (continued)
YEAR ENDED SEPTEMBER 30, 2021

	Debt Service Fund			Total
	Pub		Non-Advalorem	Nonmajor
	Improvement	MSTU	Operations	Governmental
				Funds
Revenues				
Taxes	\$ 428,109	\$ 387,185	\$ —	\$ 1,575,600
Intergovernmental	989,230	40,172	—	4,679,498
Charges for services	—	—	—	182,331
Investment earnings/other	<u>608</u>	<u>683</u>	<u>541</u>	<u>1,502,359</u>
Total revenues	<u>1,417,947</u>	<u>428,040</u>	<u>541</u>	<u>7,939,788</u>
Expenditures				
Current				
General government	—	—	—	1,180,229
Public safety	—	—	—	1,964,059
Physical environment	—	—	—	780,317
Economic environment	—	—	—	380,381
Transportation	—	—	—	4,320
Court related	—	—	—	18,893
Human service	—	—	—	26,383
Culture and recreation	—	—	—	234,395
Capital outlay	—	—	—	2,314,603
Debt service	<u>1,323,443</u>	<u>397,587</u>	<u>64,345</u>	<u>1,785,375</u>
Total expenditures	<u>1,323,443</u>	<u>397,587</u>	<u>64,345</u>	<u>8,688,955</u>
Excess (deficiency) of				
revenues over (under)				
expenditures	<u>94,504</u>	<u>30,453</u>	<u>(63,804)</u>	<u>(749,167)</u>
Other financing sources (uses)				
Transfers out	—	—	—	(1,099,870)
Transfers in	<u>—</u>	<u>—</u>	<u>747,878</u>	<u>2,862,477</u>
Total other financing				
Sources (uses)	<u>—</u>	<u>—</u>	<u>747,878</u>	<u>1,762,607</u>
Net change in fund balances	94,504	30,453	684,074	1,013,440
Fund balances - beginning	<u>1,603,553</u>	<u>809,905</u>	<u>57,905</u>	<u>10,315,549</u>
Fund balances - ending	<u>\$ 1,698,057</u>	<u>\$ 840,358</u>	<u>\$ 741,979</u>	<u>\$ 11,328,989</u>

GULF COUNTY, FLORIDA
CUSTODIAL SCHEDULE OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2021

	<u>Clerk of Court</u>	<u>Sheriff</u>	<u>Tax Collector</u>	<u>Total Custodial Funds</u>
Assets				
Cash and cash equivalents	\$ 343,956	\$ 576	\$ 404,718	\$ 749,250
Accounts receivable (net)	653	1,060	—	1,713
Due from other funds	<u>5</u>	<u>—</u>	<u>—</u>	<u>5</u>
Total assets	<u>344,614</u>	<u>1,636</u>	<u>404,718</u>	<u>750,968</u>
Liabilities				
Due to individuals	—	—	388,894	388,894
Due to other funds	41,916	—	2,677	44,593
Due to other governments	103,212	—	13,147	116,359
Due to BOCC	<u>12,494</u>	<u>1,060</u>	<u>—</u>	<u>13,554</u>
Total liabilities	<u>157,622</u>	<u>1,060</u>	<u>404,718</u>	<u>563,400</u>
Net Position				
Restricted for:				
Other individuals and organizations	<u>186,992</u>	<u>576</u>	<u>—</u>	<u>187,568</u>
Total Net Position	<u>\$ 186,992</u>	<u>\$ 576</u>	<u>\$ —</u>	<u>\$ 187,568</u>

GULF COUNTY, FLORIDA
CUSTODIAL SCHEDULE OF CHANGES FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2021

	<u>Clerk of Court</u>	<u>Sheriff</u>	<u>Tax Collector</u>	<u>Total Custodial Funds</u>
Additions				
Tax related	\$ —	\$ —	\$ 31,113,140	\$ 31,113,140
Permits, fees and special assessments	—	—	3,064,461	3,064,461
Deposits/escrow/surplus	134,731	—	—	134,731
Service charges/general govt.	6,252,637	—	—	6,252,637
Court related	<u>820,557</u>	<u>15,690</u>	<u>—</u>	<u>836,247</u>
Total Additions	<u>7,207,925</u>	<u>15,690</u>	<u>34,177,601</u>	<u>41,401,216</u>
Deductions				
Payment to individuals	125,965	50	1,477,622	1,603,637
Court related payments	865,351	—	—	865,351
Service charges/DT others	6,230,994	—	—	6,230,994
Payment to other governments	—	—	18,926,160	18,926,160
Payment to BOCC	—	15,680	13,770,302	13,785,982
Payment to constitutional officers	<u>—</u>	<u>—</u>	<u>7,119</u>	<u>7,119</u>
Total Deductions	<u>7,222,310</u>	<u>15,730</u>	<u>34,181,203</u>	<u>41,419,243</u>
Net change in fiduciary net position	(14,385)	(40)	(3,602)	(18,027)
Net position, beginning	<u>201,377</u>	<u>616</u>	<u>3,602</u>	<u>205,595</u>
Net position, ending	<u>\$ 186,992</u>	<u>\$ 576</u>	<u>\$ —</u>	<u>\$ 187,568</u>

COMPLIANCE SECTION

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

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, 2021. Management is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

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

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

Vance CPA LLC

Apalachicola, Florida
June 1, 2022

Vance CPA LLC

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, 2021, and the related notes to the financial statements, and have issued our report thereon dated June 1, 2022.

Auditors' Responsibility

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

Other 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*, AT-C Section 315, 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.

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

Apalachicola, Florida
June 1, 2022

Vance CPA LLC

Vance CPA, LLC

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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, 2021, 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

Apalachicola, Florida
June 1, 2022

Vance CPA LLC

Vance CPA, LLC

Certified Public Accountant

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND STATE PROJECT, 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, 2021. 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, 2021.

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, 2021, 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

Apalachicola, Florida
June 1, 2022

Vance CPA LLC

GULF COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2021

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	331,160
Total CFDA 10.923			331,160
Cooperative Forestry Assistance – Howards Creek	10.664	Howard Creek 2020	1,724
Total CFDA 10.664			1,724
Total U.S. Department of Agriculture			332,884
U.S. Department of Commerce			
Economic Adjustment Assistance Program			
Cessna Drive	11.307	04-79-07474	44,080
Total CFDA 11.307			44,080
National Fish and Wildlife Foundation	11.473	0318-19-066794	2,869,649
Total CFDA 11.473			2,869,649
Total U.S. Department of Commerce			2,913,729
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	1,317
Total Florida U.S. Department of Interior/ U.S. Fish & Wildlife Service			1,317
U.S. Department of Justice			
<i>Pass through Florida Department of Law Enforcement</i>			
Coronavirus Emergency Supplemental Funding	16.034	2021-CESF-GULF-1-C9-126	10,908
Total CFDA 16.034			10,908
2019-2020 EB Memorial JAG – Laptop Upgrade	16.738	2020-JAGC-GULF-4-5R-164	21,564
Total CFDA 16.738			21,564
Total Florida U.S. Department of Justice			32,472
Federal Highway Administration			
<i>Pass through Florida Department of Environmental Protection</i>			
Recreational Trails Program -Port City Trail	20.219	T1722	129,810
Total Federal Highway Administration			129,810
Joint Grant W/ Us Dept of Transportation			
National Hwy Traffic Safety Admin (NHTSA)			
And The Us Dept Of Commerce, National Telecom & Info Admin (NTIA)			
<i>Pass through Florida Department of Management Services</i>			
Summer 2020 Next Generation 911 Grant	20.615	S16-20-09-03	
(pass-thru State 911 CSFA72.003)		69N37619300000911/FLO/	39,500
Winter 2021 Next Generation 911 Grant	20.615	S17-21-02-18	
(pass-thru State 911 CSFA72.002)		69N37619300000911/FLO/	19,487
Total Joint Grant NHTSA and NTIA			58,987

GULF COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2021

Federal /Awards Program	CFDA #	Contract/Grant Number	Expenditures
U.S. Department of the Treasury			
Direct Component – St. Joseph Peninsula Beach Restoration	21.015	RDCGR100069-01-00	47,775
Direct Component – Howard Creek Lower Landing	21.015	RDCGR100134-01-00	671,000
Total CFDA 21.015			<u>718,775</u>
<i>Pass through Florida Division of Emergency Management</i>			
Coronavirus Relief Funds (County Assistance)	21.019	Y2309	1,891,264
<i>Pass through Florida Dept of Housing Corp</i>			
Coronavirus Relief Funds (Rental Assistance)	21.019	056-2020	40,777
Total CFDA 21.019			<u>1,932,041</u>
Total U.S. Department of the Treasury			<u>2,650,816</u>
Gulf Coast Ecosystems Restoration Council			
<i>Pass through The Gulf Consortium</i>			
Consortium 6-2 Erosion Control Breakwater Structures	87.052	GNSSP20FL0010-01 00/sub#200010062.01	81,807
Total Gulf Coast Ecosystems Restoration Council			<u>81,807</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	1,109
Child Support Enforcement Title IV – D Services Reimbursement FY2021	93.563	COC23	175,923
Child Support Enforcement Title IV – D Incentive Pay	93.563	CST23(INCENTIVE)	323
Total U.S. Department of Health & Human Services			<u>177,355</u>
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)	171,579
FEMA Public Assistance Hurricane Sally 2020 4564DR	97.036	Z2623 (Multiple PW's)	15,191
Total CFDA 97.036			<u>186,770</u>
Emergency Mgmt Performance Grant 2020-2021 Covid Supplemental	97.042	G0138	8,007
Emergency Mgmt Performance Grant 2020-2021	97.042	G0167	40,790
Emergency Mgmt Performance Grant 2021-2022	97.042	G0221	7,420
Total CFDA 97.042			<u>56,217</u>
Total U.S. Department of Homeland Security			<u>242,987</u>
US DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Health and Human Services	93.498	N/A	45,687
Total US Department of Health and Human Services			<u>45,687</u>
Total Expenditure of Federal Awards			<u>\$ 6,667,851</u>

GULF COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL
ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2021

State Financial Assistance Projects	CFSA #	Contract/Grant Number	Expenditures
Executive Office of the Governor –			
Division of Emergency Management			
Emergency Mgmt Preparedness and Assistance Grant 2020-2021	31.063	A00115	79,137
Emergency Mgmt Preparedness and Assistance Grant 2021-2022	31.063	A0165	17,717
Hurricane Loss Mitigation Program	31.063	DEM-HL00047	193,557
Total CSFA 31.063			<u>290,411</u>
Total Executive Office of the Governor Division of Emergency Management			<u>290,411</u>
Florida Department Environmental Protection			
St Joseph Peninsula Beach Restoration - Construction	37.003	18GU1	1,312,673
St Joseph Peninsula Beach Restoration - Design & Monitoring	37.003	19GU1	1,615
St Joseph Peninsula Beach Restoration	37.003	21GU1	50,140
Total CSFA 37.003			<u>1,364,428</u>
Small County Solid Waste Grant 2019-2020	37.012	SC012	59,204
Small County Solid Waste Grant 2020-2021	37.012	SC111	98,056
Total CSFA 37.012			<u>157,260</u>
Total Florida Environmental Protection			<u>1,521,688</u>
Florida Department Economic Opportunity			
Div of Housing & Comm Dev – Hurricane Michael	40.038	DL014	14,656
Div of Housing & Comm Dev – Cessna	40.038	D0175	11,020
Total CSFA 40.038			<u>25,676</u>
Total Florida Department of Economic Opportunity			<u>25,676</u>
Florida Housing Finance Corporation			
SHIP & Program Income	40.901	Funding thru SFY2122	268,100
Total CSFA 40.901			<u>268,100</u>
Hurricane Housing Recovery Program & Program Income-Hurricane Michael	40.902	SFY1920 TO HHRP#040-2019	1,852,823
Total CSFA 40.902			<u>1,852,823</u>
Total Florida Housing Finance Corporation			<u>2,120,923</u>

GULF COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL
ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2021

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>5,652</u>
Total Florida Department of Agriculture & Consumer Services			<u>5,652</u>
Florida Department of Financial Services			
Fire Decontamination Equipment Grant	43.013	FM577	<u>7,109</u>
Total Florida Department of State			<u>7,109</u>
Florida Department of State			
Operating and Equalization State Aid Grants 2020 - 2021	45.030	21-ST-43	<u>39,785</u>
Total Florida Department of State			<u>39,785</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>52,427</u>
Total CSFA 55.003			<u>52,427</u>
Seaport Grant Program – Floating Dry Dock & Dredging GOT15	55.005	2-94-01	<u>766,557</u>
Total CSFA 55.005			<u>766,557</u>
Small County Outreach Program – CR386 Resurfacing G0E04	55.009	413202-3-54-01	6,436,825
Small County Outreach Program CR30A Resurfacing G1P98	55.009	447906-1-54-01	<u>76,067</u>
Total CSFA 55.009			<u>6,512,892</u>
Small County Road Assistance Program – CR387 Widening & Resurfacing G1000	55.016	438299-1-54-01	2,716,927
Small County Road Assistance Program – Pleasant Rest G1G60	55.016	442427-1-34-01	13,273
Small County Road Assistance Program – Charles Ave & Stebel Dr G1U03	55.016	445283-2-34-01	<u>147,418</u>
Total CSFA 55.016			<u>2,877,618</u>
Total Department of Transportation			<u>10,209,494</u>

GULF COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL
ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2021

State Financial Assistance Projects	CFSA #	Contract/Grant Number	Expenditures
Florida Department of Health			
Bureau of Emergency Medical Services County Grant 2020-2021	64.005	C8023 & Interest Prior to FY2013 retained	<u>3,333</u>
Total CSFA 64.005			<u>3,333</u>
Bureau of Emergency Medical Services Matching Grant	64.003	M9065	<u>38,344</u>
Total CSFA 64.003			<u>38,344</u>
DOH Mosquito Control Funding (Purchase order process)	N/A	B758D7	<u>15,000</u>
Total CSFA N/A			<u>15,000</u>
Total Florida Department of Health			<u>56,677</u>
Florida E911 Board			
Rural County E911 Grant Program – Spring 2021	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 2020-2021	76.041	2020-2021	<u>58</u>
Total Department of Highway Safety & Motor Vehicles			<u>58</u>
Florida Fish and Wildlife Conservation Commission			
Derelict Vessel Removal Grant – Donna Kay	77.005	20341	<u>90,487</u>
Total CSFA 77.005			<u>90,487</u>
Florida Boating Improvement Program – Odena Landing	77.006	18073	<u>348</u>
Florida Boating Improvement Program – White City Boat Ramp	77.006	18074	<u>146,087</u>
Total CSFA 77.006			<u>146,435</u>
Total Florida Fish and Wildlife			<u>236,922</u>
Total State of Florida Financial Assistance			<u>\$14,551,688</u>

**GULF COUNTY, FLORIDA
NOTES TO SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
YEAR ENDED SEPTEMBER 30, 2021**

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, 2021

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>
11.473	National Fish and Wildlife Foundation
21.019	Coronavirus Relief Funds
37.003	St. Joseph Peninsula Beach Restoration
40.902	Hurricane Housing Recovery Program
55.009	Small County Outreach Program
55.016	Small County Road Assistance Program

(continued)

GULF COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND RESPONSES (continued)
YEAR ENDED SEPTEMBER 30, 2021

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, 2021**

None Noted

GULF COUNTY, FLORIDA
SUMMARY SCHEDULE OF CURRENT YEAR AUDIT FINDINGS
SEPTEMBER 30, 2021

None Noted.