

# 2021

Florida Agriculture Center and Horse Park Authority, Inc.

Financial Statements and  
Independent Auditor's Report

June 30, 2021

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

**FLORIDA AGRICULTURE CENTER AND  
HORSE PARK AUTHORITY, INC.  
OCALA, FLORIDA**

**JUNE 30, 2021**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Florida Agriculture Center and  
Horse Park Authority, Inc.  
Ocala, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities and major fund of the Florida Agriculture Center and Horse Park Authority, Inc. (the Authority) as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion 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 opinion.

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Ocala, Florida

## INDEPENDENT AUDITOR'S REPORT

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and major fund of the Authority as of June 30, 2021 and 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 3-5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2021, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



November 22, 2021  
Ocala, Florida

**Florida Agriculture Center & Horse Park Authority, Inc.**  
Management's Discussion and Analysis  
For the Year Ended June 30, 2021

The Florida Agriculture Center & Horse Park Authority's (the Authority) Discussion and Analysis provides an overview of the Authority's financial activities for the fiscal year ended June 30, 2021. Since this information is designed to focus on the current year's activities, resulting changes, and currently known facts, it should be read in conjunction with the 2021 Financial Statements.

**Executive Overview and Outlook**

The Authority is a 500-acre, non-profit, multi-purpose, recreational and sporting organization dedicated to developing an international facility that encompasses all breeds and disciplines and other related and corresponding activities at all levels for the state of Florida and the community at large. Florida State Statute, Section 570.685, created the Authority. In summary, the statute establishes the Authority as a support organization of the Department of Agriculture and Consumer Services and establishes the purpose of the organization is to develop, document, and implement strategies for the planning, construction, and operation of the Authority.

In the fiscal year ended June 30, 2021, 228 event days were held at the Authority, including 3-day eventing, dressage, breed shows, cattle shows, canine events, corporate picnics, Civil War reenactment, barrel races, trail rides, rodeos, and several foot races. We have supported the operation of the Authority through individual and corporate donations and sponsorships, as well as rental of the facilities. We worked with Marion County to bring sewer to the property to service our new restroom and show office facilities, which will be completed October 2021. We have also added new infrastructure to our cross country course and driving course.

Due to the COVID-19 shut down last fiscal year, the Authority was able to take out a Small Business Administration Paycheck Protection Program (SBA PPP) loan in the amount of \$75,000. These funds were used to cover payroll during the shut-down and start-up periods. The Authority applied for and was granted loan forgiveness.

The Authority plans to continue hosting and putting on events of all kinds for the enjoyment of participants and spectators alike.

**Net Position**

The Authority's assets are made up of Cash (and Cash Equivalents), Grants Receivable, Accounts Receivable, and Capital Assets. Capital Assets include buildings, machinery, infrastructure, and equipment. While Accounts Receivable is similar to last year, Cash is up \$365,622 and Grants Receivable is up \$58,478. Capital Assets are down \$130,880 due to depreciation.

The Authority's liabilities are made up of Accounts Payable, Accrued Payroll, and Short-Term Note Payable (the SBA PPP loan). While Accrued Payroll is similar to last year, Accounts Payable is up \$111,905 due to new shows, and Short-Term Note Payable is down to \$0 due to the forgiveness of the PPP loan.

**Florida Agriculture Center & Horse Park Authority, Inc.**  
Management's Discussion and Analysis  
For the Year Ended June 30, 2021

The largest portion of Authority's net position, \$7,840,839, reflects its investment in capital assets. The Authority uses these capital assets to provide a multi-purpose, recreational and sporting organization dedicated to developing an international facility that encompasses all breeds and disciplines and other related and corresponding activities at all levels for the state of Florida and the community at large.

The unrestricted net position of \$898,328, an increase of \$385,285, is the change in resources available to fund the Authority's ongoing operation, events, debt obligations, and capital investments.

**STATEMENT OF NET POSITION**

**ASSETS**

	<b>2021</b>	<b>2020</b>
Total Current Assets	\$ 1,027,845	\$ 604,449
Total Non-Current Assets	7,840,839	7,971,719
<b>Total Assets</b>	<b>8,868,684</b>	<b>8,576,168</b>

**LIABILITIES AND NET POSITION**

Total Current Liabilities	129,517	91,407
Total Liabilities	129,517	91,407
<b>Total Net Position</b>	<b>\$ 8,739,167</b>	<b>\$ 8,484,761</b>

**Results of Operations**

The Authority's revenue comes in 5 categories. Event Income (events put on by the Authority), Facility Rent (rental of the facility for others to put on events), Contributions/Sponsorships, License Plate Revenue (from Discover Florida's Horses license plates), and Grant Revenue from the state. Event Income is up \$455,868 due in part to shows held this year that had been cancelled last year due to COVID-19 (including the April FEI International Horse Trials). Facility Rent is up \$192,346 as we have added new shows and additional show days at the Authority. Contributions/Sponsorships is down \$50,497 because we extended previous sponsorship agreements to compensate for the missed events and opportunities of 2019-20 due to COVID-19. License Plate Revenue is up \$12,558, which is a 6.5% increase. Grant Revenue is up \$182,061. This year we continued to draw on the 2019 state grant that is being used to build permanent restrooms and show offices and connecting them to the sewer lines that Marion County has brought on property. This project will be completed in October 2021.

The Authority's expenses are made up of those items required to run the park and the events held here. Items used to operate and run the additional shows and show dates are uniformly up. Those include Ground Supplies (up \$22,139), Utilities (up \$35,384), Contract Labor (up \$17,260), and Event/Show Expense (up \$296,345). Salary and Wages is down \$62,866 because the Authority lost two employees in the Maintenance Department and consolidated two positions in the Office to one. The Authority was unable to replace the positions in the Maintenance Department for many months. Insurance is up

**Florida Agriculture Center & Horse Park Authority, Inc.**  
 Management's Discussion and Analysis  
 For the Year Ended June 30, 2021

\$29,745 because the Authority added medical insurance as a benefit for employees. The Authority reduced the services of a Lobbyist this year due to the potential State budget constraints (related to COVID-19) that resulted in a \$22,543 decrease in Professional Fees.

Total Operating Revenues are up \$877,336. Most of this difference is in the Event and Facility Rental Incomes due to the increase in shows and show dates. Total Operating Expenses are up \$348,196, also mostly due to the increase in shows and show dates. The Total Change in Net Assets is \$254,405.

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**

	<b>2021</b>	<b>2020</b>
Total Operating Revenues	\$ 2,155,704	\$ 1,278,368
Total Operating Expenses	1,901,299	1,533,130
<b>Change in Net Assets</b>	<b>\$ 254,405</b>	<b>\$ (254,762)</b>

**Request for Information**

This financial report is designed to provide citizens, customers, and creditors with a general overview of the Authority's finances and show the Authority's financial accountability. If you have any questions about this report or need additional financial information, please feel free to contact:

Jason Reynolds  
[jreynolds@flhorsepark.com](mailto:jreynolds@flhorsepark.com)

or

Kristen Wilkinson  
[kwilkinson@flhorsepark.com](mailto:kwilkinson@flhorsepark.com)

Florida Agriculture Center & Horse Park Authority  
 11008 S. Hwy 475  
 Ocala, Florida 34480  
 (352) 307-6699

**STATEMENT OF NET POSITION**  
**JUNE 30, 2021 AND 2020**  
**FLORIDA AGRICULTURE CENTER AND HORSE PARK AUTHORITY, INC.**  
**OCALA, FLORIDA**

**ASSETS**

	<b>2021</b>	<b>2020</b>
<b>Current Assets</b>		
Cash on Deposit	\$ 858,326	\$ 492,704
Grants Receivable	58,478	-
Accounts Receivable	111,041	111,745
<b>Total Current Assets</b>	1,027,845	604,449
<b>Non-Current Assets</b>		
Capital Assets Not Being Depreciated	268,292	60,595
Capital Assets, Net of Accumulated Depreciation	7,572,547	7,911,124
<b>Total Non-Current Assets</b>	7,840,839	7,971,719
<b>Total Assets</b>	8,868,684	8,576,168

**LIABILITIES AND NET POSITION**

<b>Current Liabilities</b>		
Accounts Payable	123,976	12,071
Accrued Payroll and Related Liabilities	5,541	4,335
Short-Term Note Payable (PPP Loan)	-	75,000
<b>Total Current Liabilities</b>	129,517	91,406
<b>Total Liabilities</b>	129,517	91,406
<b>Net Position</b>		
Net Investment in Capital Assets	7,840,839	7,971,719
Unrestricted	898,328	513,043
<b>Total Net Position</b>	\$ 8,739,167	\$ 8,484,762

See accompanying notes.

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**  
**FLORIDA AGRICULTURE CENTER AND HORSE PARK AUTHORITY, INC.**  
**OCALA, FLORIDA**

	<u>2021</u>	<u>2020</u>
<b>Operating Revenues</b>		
Event Income	\$ 1,058,040	\$ 602,172
Facility Rent	595,922	393,576
Contributions and Sponsorships	33,345	83,842
Debt Forgiveness - PPP Loan	75,000	-
License Plate Revenue	202,476	189,918
Grant Revenue - State	190,921	8,860
<b>Total Operating Revenues</b>	<u>2,155,704</u>	<u>1,278,368</u>
<b>Operating Expenses</b>		
Advertising	-	234
Bad Debt Write-Off	8,093	7,691
Contract Labor	29,918	12,658
Contributions and Sponsorships	393	3,060
Depreciation	462,128	451,223
Dues/Fees	5,416	3,484
Event/Show Expenses	593,570	297,225
Facility Rent	48,261	40,970
Ground Supplies	88,858	66,719
Office Expenses	6,375	8,692
Insurance	87,547	57,802
Loss on Disposal of Capital Assets	6,435	-
Miscellaneous Expenses	318	354
Professional Fees	23,011	45,554
Repairs and Maintenance	49,519	32,460
Salaries and Wages	370,593	433,459
Travel and Meals	6,293	12,358
Utilities	114,571	79,187
<b>Total Operating Expenses</b>	<u>1,901,299</u>	<u>1,553,130</u>
<b>Change in Net Assets</b>	254,405	(274,762)
<b>Total Net Position - Beginning of Year</b>	<u>8,484,762</u>	<u>8,759,524</u>
<b>Total Net Position - End of Year</b>	<u>\$ 8,739,167</u>	<u>\$ 8,484,762</u>

See accompanying notes.

**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**  
**FLORIDA AGRICULTURE CENTER AND HORSE PARK AUTHORITY, INC.**  
**OCALA, FLORIDA**

	<u>2021</u>	<u>2020</u>
<b>Cash Flows from Operating Activities</b>		
Cash Receipts from Grant Contract	\$ 132,443	\$ 8,860
Cash Receipts from Event Income and Facility Rent	1,664,423	1,000,648
Cash Receipts from License Plate Revenue	184,626	174,692
Cash Receipts from Contributions and Other Revenue	33,345	83,842
Cash Payments for Salary and Expenses	(399,305)	(457,410)
Cash Payments to Vendors	(1,025,762)	(670,390)
<b>Net Cash Provided by Operating Activities</b>	<u>589,770</u>	<u>140,242</u>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Proceeds from Short-Term Note Payable	-	75,000
Purchase of Property and Equipment	(224,148)	(100,986)
<b>Net Cash (Used in) Capital and Related Financing Activities</b>	<u>(224,148)</u>	<u>(25,986)</u>
<b>Net Increase in Cash on Deposit</b>	365,622	114,256
<b>Cash on Deposit, Beginning of Year</b>	<u>492,704</u>	<u>378,448</u>
<b>Cash on Deposit, End of Year</b>	<u><u>\$ 858,326</u></u>	<u><u>\$ 492,704</u></u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities</b>		
Change in Net Assets	\$ 254,404	\$ (274,761)
Loss on Disposal of Capital Asset	6,435	-
Depreciation Expense	462,128	451,225
Debt Forgiveness	(75,000)	-
Adjustment to Reconcile Operating to Net Cash Provided (Used) by Operating Activities:		
(Increase) Decrease in Accounts Receivable	704	(2,635)
(Increase) Decrease in Grant Receivables	(58,478)	-
Increase (Decrease) in Accounts Payable and Accrued Expenses	(1,629)	(9,636)
Increase (Decrease) in Accrued Payroll	1,206	(23,951)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u><u>\$ 589,770</u></u>	<u><u>\$ 140,242</u></u>

See accompanying notes.

**NOTES TO FINANCIAL STATEMENTS**  
**FLORIDA AGRICULTURE CENTER AND HORSE PARK AUTHORITY, INC.**  
**OCALA, FLORIDA**

**Note 1 - Summary of Significant Accounting Policies**

Florida Agriculture Center and Horse Park Authority, Inc. (the Authority) complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

**Reporting Entity**

The Authority was organized on March 14, 1996, as a Florida not-for-profit organization associated with the Florida Department of Agriculture and Consumer Services in accordance with Florida Statute Sections 570.681, 570.685, 570.686, 570.691, and 253.7825. The Authority is a direct service organization to the Florida Department of Agriculture and Consumer Services, representing a public-private partnership between the State of Florida and its agricultural and equine industries. The mission of the Authority is to educate while entertaining the public about Florida agriculture and the equine world through the construction and operation of a multipurpose agriculture and equine park. The Authority first acquired assets in 1997 and began capital fundraising during 1998; however, no significant fundraising occurred until August 2005.

**Reporting Framework**

Previously, the Authority followed the reporting framework as prescribed for non-profit organizations in accordance with Financial Accounting Standards Board (FASB) *Accounting Standards Codification* 958. However, per the American Institute of Certified Public Accountants Audit and Accounting Guide for *State and Local Governments*, whenever a situation exists wherein “a controlling majority of the organization’s officers are appointed by officials of one or more state governments”, the organization is considered a governmental unit and must follow the financial reporting model pursuant to GASB.

Per the By-Laws of the Authority, Article IV Governance, “The business, property, and affairs of this Corporation shall be managed by its members composed of no more than 21 persons who shall be appointed by the Commissioner of Agricultural and Consumer Services”.

As Board members are appointed by the Commissioner of Agriculture and Consumer Services, the Authority will report in accordance with GASB.

**Basis of Accounting**

*Statement of Net Position*

The statement of net position includes the single-purpose, business-type activities of the Authority. Business-type activities are financed in whole or in part by fees charged to external parties for events. The Authority also receives contributions and sponsorships to promote their activities.

**NOTES TO FINANCIAL STATEMENTS**  
**FLORIDA AGRICULTURE CENTER AND HORSE PARK AUTHORITY, INC.**  
**OCALA, FLORIDA**

**Proprietary Funds**

Proprietary funds are used to account for business-type activities provided to the public. These activities are financed primarily by event activity fees and the measurement of financial activity focuses on net income measurement similar to the private sector. The Authority has one major fund, which is the only business-type activity of the Authority. Proprietary funds include enterprise funds.

**Measurement Focus**

The business-type activities are presented using the economic resources measurement focus as noted for proprietary funds and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal operation. The principal operating revenues of the enterprise fund are event and event-related fees. Operating expenses for the enterprise fund include the costs of providing the events and facilities, including administration and depreciation on capital assets. All other revenue and expense items not meeting these criteria are reported as non-operating revenues and expenses.

**Cash on Deposit**

For the purposes of the statement of cash flows, the Authority considers all currently held deposits to be cash on deposit. The carrying amount of deposits at June 30, 2021, was \$858,326 and the bank balance was \$758,323. Deposits are held in one financial institution and are insured by the Federal Deposit Insurance Corporation up to \$250,000.

**Accounts Receivable**

Accounts receivable are stated at unpaid balances and primarily consist of events that have occurred but payment has not been received. The Authority's management determines if a receivable will not be collected and writes off the receivable amount if deemed uncollectible.

**Grants Receivable**

Grants receivable consist mainly of grant funds due from the Florida Department of Agriculture and Consumer Services. The Authority believes that all funds will be fully collected and, accordingly, no allowance for doubtful accounts is required.

**Grant Revenues and Unearned Grant Revenues**

The Authority receives direct grants from the Florida Department of Agriculture and Consumer Services. Revenue is recognized when the related grant expenses have been incurred. In some instances, grant funds have been received in anticipation of future projects that require funds in advance and are recorded as unearned grant revenues.

**NOTES TO FINANCIAL STATEMENTS**  
**FLORIDA AGRICULTURE CENTER AND HORSE PARK AUTHORITY, INC.**  
**OCALA, FLORIDA**

**Capital Assets**

Capital assets are recorded at cost, or in the case of donated items, at acquisition value: the appraised or measured value at the time of donation. Acquisitions in excess of \$1,000 are capitalized. Depreciation expense is calculated on a straight-line method over the estimated useful lives of the respective assets, ranging from 3 to 40 years.

**Contributions and Sponsorships**

Contributions and sponsorships are recognized upon receipt from the individuals and corporations. Contributions and sponsorships are used to support the operations and give name recognition to donors.

**Contributed Goods and Services**

The Authority records the fair value of donated goods when there is an objective basis available to measure their value, and these are reflected as donations in-kind.

**Net Position**

In the proprietary fund financial statements, net position is classified in the following categories:

- Net Investment in Capital Assets—Consists of capital assets less any outstanding direct borrowings. The Authority has no outstanding direct borrowings.
- Unrestricted Net Position—All remaining net position that does not meet the definition of “restricted” or “net investment in capital assets”.

**Recently Issued Accounting Standards**

The Authority is considering the effects of the following upcoming Accounting Standard changes:

- GASB Statement No. 87, *Leases*, effective for the fiscal year ending June 30, 2022.

**Income Taxes**

No provision for income tax expense has been made in the accompanying financial statements since the Authority is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC). However, the IRC provides for taxation of unrelated business income under certain circumstances. At the present time, the Authority has no taxable unrelated business income. The Authority has been classified as an organization that is not a private foundation under 509(a)(1) of the IRC. Further, the Authority has been recognized by the Internal Revenue Service as an affiliate of a governmental unit and is not required to file Form 990 annually.

**Use of Estimates in the Preparation of Financial Statements**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The primary area of management estimates is determining the collectability of pledged receivables and useful lives of the Authority’s capitalized assets.

**NOTES TO FINANCIAL STATEMENTS**  
**FLORIDA AGRICULTURE CENTER AND HORSE PARK AUTHORITY, INC.**  
**OCALA, FLORIDA**

**Note 2 - Capital Assets**

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-Type Activities</b>				
Assets Not Being Depreciated:				
Construction in Progress	\$ 60,595	\$ 207,697	\$ -	\$ 268,292
Total Assets Not Being Depreciated	60,595	207,697	-	268,292
Assets Being Depreciated:				
Buildings	5,770,686	9,850	-	5,780,536
Furniture and Equipment	3,381,179	120,136	(15,445)	3,485,870
Improvements Other Than Buildings	1,115,828	-	-	1,115,828
Total Assets Not Being Depreciated	10,267,693	129,986	(15,445)	10,382,234
Less Accumulated Depreciation for:				
Buildings	(1,004,252)	(199,694)	-	(1,203,946)
Furniture and Equipment	(1,136,355)	(190,757)	-	(1,327,112)
Improvements Other Than Buildings	(215,962)	(62,667)	-	(278,629)
Total Depreciation	(2,356,569)	(453,118)	-	(2,809,687)
Total Assets Being Depreciated, Net	7,911,124	(323,132)	(15,445)	7,572,547
<b>Business-Type Activities, Capital Assets</b>	<b>\$ 7,971,719</b>	<b>\$ (115,435)</b>	<b>\$ (15,445)</b>	<b>\$ 7,840,839</b>

Depreciation expense of \$462,128 and \$451,223 was recognized during the years ended 2021 and 2020, respectively.

**Note 3 - Land Lease**

On January 22, 1998, the Authority entered into a sublease agreement with the Florida Department of Agriculture and Consumer Services to lease 250 acres of former greenway land for fifty years beginning April 1, 1997, for the purpose of constructing and operating an agriculture center and horse park. During 2000, the Florida Legislature designated an additional 250 acres to be added to the existing lease for a total of 500 acres. Terms of the lease call for rental payments equal to a percentage of profits of the park in excess of \$250,000, excluding certain revenues designated for park construction, applied in five year cumulative increments throughout the term of the sublease. There have been no rental payments made since inception of the Authority and there were no rental payments made in fiscal year 2021.

**Note 4 - Specialty License Plate Revenue**

For the fiscal years ended June 30, 2021 and 2020, the Authority earned \$202,476 and \$189,918, respectively, of specialty license plate revenue from the State of Florida Department of Highway Safety and Motor Vehicles.

Pursuant to Section 320.08056 of the Florida Statutes, the Authority may not use specialty license plate revenue, or any interest earned from those fees, for commercial or for-profit activities, or for general or administrative expenses, except as authorized by the Florida Statutes.

**NOTES TO FINANCIAL STATEMENTS**  
**FLORIDA AGRICULTURE CENTER AND HORSE PARK AUTHORITY, INC.**  
**OCALA, FLORIDA**

**Note 5 - Forgiveness of Short-Term Debt**

In 2020, in response to the COVID-19 pandemic, the President signed into law the *Paycheck Protection Program Flexibility Act of 2020* (the PPP Act) to amend the Small Business Administration's Paycheck Protection Program (PPP) loan program enacted under the *Coronavirus Aid, Relief, and Economic Security Act* (the CARES Act). The Authority received \$75,000 through the PPP loan program. The loan was fully forgiven as the funds were used for payroll costs, interest on mortgages, rent, and utilities.

The following is a summary of changes in debt:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Business-Type Activities:</b>					
PPP Short-Term Loan	\$ 75,000	\$ -	\$ (75,000)	\$ -	\$ -

**Note 6 - Contingent Liabilities and Commitments**

In the prior year, the Authority received a \$500,000 grant from the Florida Department of Agriculture and Consumer Services for construction of show offices and restroom facilities, including the required infrastructure. As of June 30, 2021, \$199,781 has been incurred to-date for site planning, ground testing, and structural construction. Of the expenses incurred to build the show offices and restroom facilities, \$141,303 has been reimbursed from the grant contract.

**Note 7 - Management's Review**

The Authority has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through November 22, 2021, the date the financial statements were available to be issued.

**Note 8 - Federal and State Single Audit Requirements**

During the year, the Authority expended less than \$750,000 in federal or state grant funded revenue; therefore, no federal or state Single Audit was required.

**ADDITIONAL ELEMENTS OF REPORT PREPARED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*,  
ISSUED BY THE COMPTROLLER GENERAL OF  
THE UNITED STATES**

**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**

Board of Directors  
Florida Agriculture Center and  
Horse Park Authority, Inc.  
Ocala, 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 business-type activities and the major fund of the Florida Agriculture Center and Horse Park Authority, Inc. (the Authority) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 22, 2021.

**Internal Control over Financial Reporting**

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

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

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We consider the deficiency described below as item 2013-1 to be a material weakness:

CERTIFIED PUBLIC ACCOUNTANTS

Gainesville | Ocala | Tallahassee | Sarasota | Orlando | Lakeland  
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An Independent Member of the BDO Alliance USA

Board of Directors  
Florida Agriculture Center and  
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■ **2013-1—Segregation of Duties**

The primary weakness in the Authority's internal control is the lack of segregation of incompatible duties in the accounting function due to the limited number of personnel. This condition is typical of many non-profit organizations with limited budgetary resources. To the extent possible, the Authority has instituted procedures to overcome this condition, including instituting disbursement controls, such as prepayment approvals, dual signature requirements, and periodic financial reporting to the Board of Directors. We recognize the effort that has been made to overcome weaknesses that are inherent to limited personnel and encourage the Authority to continue with this ongoing effort.

**Compliance and Other Matters**

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

**Authority's Response to Finding**

The Authority's response to the finding identified in our audit is described in the accompanying management response letter. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

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



November 22, 2021  
Ocala, Florida



Auditor General's Office  
Local Government Section  
Claude Denson Pepper Building  
111 West Madison Street  
Tallahassee, FL 32399-1450

November 22, 2021

Re: Response to Auditor's Report on Internal Controls

Dear Ladies and Gentlemen:

The following is the response to the independent auditor's comments in the Report on Internal Controls:

**2013-1 Segregation of Duties**

**Florida Horse Park's Response:**

Due to the Authority's limited number of personnel, the segregation of duties is not always possible. However, we have implemented the following checks and balances: Assistant will receive and disburse mail/checks, Executive Director will approve all invoices and review and sign all reconciliations.

Respectfully Submitted,  
Florida Horse Park

Jason Reynolds  
Executive Director, Florida Horse Park