

**TAYLOR COUNTY DEVELOPMENT AUTHORITY
FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2023**

**TAYLOR COUNTY DEVELOPMENT AUTHORITY
TABLE OF CONTENTS
SEPTEMBER 30, 2023**

	PAGE
FINANCIAL SECTION	
Independent Auditor's Report	3 - 5
Management's Discussion and Analysis	6 - 9
Basic Financial Statements	
Statement of Net Position	11
Statement of Activities	12
Balance Sheet	13
Statement of Revenues, Expenses, and Changes in Net Position	14
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Fund to the Statement of Activities	15
Notes to Financial Statements	16 - 33
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Information - General Fund	35
Pension Schedule - Florida Retirement System and Health Insurance Subsidy	
Schedule of Proportionate Share of Net Pension Liability	36
Schedule of Contributions	37
COMPLIANCE SECTION	
Independent Auditor's Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit <i>of Financial Statements Performed in Accordance with</i> Government Auditing Standards	38 - 39
Management Letter Required by Chapter 10.550, <i>Rules of the</i> <i>Auditor General</i>	40 - 42
Independent Accountant's Report on Compliance with Florida Statutes Regarding Local Government Investments	43
Communication with Those Charged with Governance	44 - 45
Schedule of Findings	46



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Taylor County Development Authority
Perry, Florida

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Taylor County Development Authority, (The "Authority") as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and the major fund of the Authority, as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter – Adoption of New Accounting Pronouncements and Related Adjustments

As discussed in Note 1, effective October 1, 2022, the Authority has adopted the provisions contained in the Statements of Governmental Accounting Standards (SGAS) No. 96, Subscription-Based Information Technology Arrangements. The implementation has not resulted in any restatements of prior period balances. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

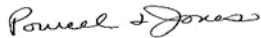
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 do so.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report June 27, 2024, 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 the Authority's internal control over financial reporting and compliance.



Powell and Jones CPA
Lake City, Florida
June 27, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of the financial performance of Taylor County Development Authority (the Authority) provides an overall review of the Authority's financial activities for the fiscal year ended September 30, 2023. The intent of this discussion and analysis is to look at the Authority's financial performance as a whole. Readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the Authority's financial performance.

Report Layout

The Authority has implemented Governmental Accounting Standards Authority (GASB) Statement 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. This statement requires governmental entities to report finances in accordance with specific guidelines. Among those guidelines are the components of this section dealing with management's discussion and analysis. Besides this Management's Discussion and Analysis (MD&A), the report consists of government-wide statements, fund financial statements, and the notes to the financial statements. The first two statements are condensed and present a government-wide view of the Authority's finances. Within this view, all Authority operations are categorized as applicable, and reported as either governmental or business-type activities. Governmental activities include basic planning related services and general administration. The Authority had no business-type activities in this fiscal year. These government-wide statements are designed to be more corporate-like in that all activities are consolidated into a total for the Authority.

Basic Financial Statements

- The Statement of Net Position focuses on resources available for future operations. In simple terms, this statement presents a snap-shot view of the assets the Authority, the liabilities it owes and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts. Governmental activities are reported on the accrual basis of accounting.
- The Statement of Activities focuses on gross and net costs of the Authority's programs and the extent to which such programs rely upon general revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.
- Fund financial statements focus separately on governmental and proprietary funds, as applicable. Governmental fund statements follow the more traditional presentation of financial statements. As stated above, the Authority has no proprietary funds and business-type activities.
- The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the Authority's financial condition.
- The MD&A is intended to serve as an introduction to the Authority's basic financial statements and to explain the significant changes in financial position and differences in operations between the current and prior years.

Required Supplementary Information

- The Authority adopts an annual appropriated budget for its general fund, a budget to actual comparison statement has been provided for the general fund to demonstrate compliance with this budget. In addition, the Authority presents schedules of proportionate share of net pension liability and contribution information

FINANCIAL HIGHLIGHTS AND ANALYSIS

Government-wide Financial Statements

The assets of the Authority exceeded its liabilities at the close of the fiscal year ended September 30, 2023, by \$360,922.

A condensed version of the Statement of Net Position at September 30, 2023 follows:

Statements of Net Position

	September 30, 2023	September 30, 2022
Assets		
Current and other assets	\$ 323,623	\$ 278,815
Capital assets, net	-	73,887
Total assets	<u>323,623</u>	<u>352,702</u>
Deferred outflows	<u>8,710</u>	<u>7,007</u>
Liabilities		
Current liabilities	4,010	1,120
Long-term liabilities	29,483	20,261
Total liabilities	<u>33,493</u>	<u>21,381</u>
Deferred inflows	<u>11,805</u>	<u>17,482</u>
Net Position		
Net investment in capital assets	-	73,887
Unrestricted	287,035	246,959
Total net position	<u>\$ 287,035</u>	<u>\$ 320,846</u>

Analysis of Change in Net Position

The Authority's net position overall decreased by \$33,811 during the current fiscal year. This decrease resulted from the disposal of land deeded over to the County.

	September 30, 2023	September 30, 2022
Revenues:		
General revenues:		
Intergovernmental	\$ 100,000	\$ 100,000
Interest and other revenues	2,406	24,127
Total revenues	<u>102,406</u>	<u>124,127</u>
Expenses:		
Economic development	62,330	72,075
Loss on disposal of asset	73,887	72,075
Total expenses	<u>136,217</u>	<u>72,075</u>
Change in net position	(33,811)	52,052
Net position, beginning	320,846	268,794
Net position, ending	<u>\$ 287,035</u>	<u>\$ 320,846</u>

FINANCIAL ANALYSIS OF THE AUTHORITY'S FUNDS

As noted earlier, the Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Authority's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the Authority's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the Authority include the General Fund.

As of the end of the current fiscal year, the Authority's governmental fund reported unrestricted ending fund balances of \$319,613. Revenues for governmental functions overall totaled \$102,406 for the current fiscal year. Expenditures totaled \$60,488, which means that revenues exceeded expenditures by \$41,918. The general fund is the chief operating fund of the Authority.

GENERAL FUND BUDGETARY HIGHLIGHTS

During 2023, the Authority did not amend its General fund Budget. The final expenses were less than the budgeted expenses by \$39,512. Actual revenues were higher than the final budgeted amounts by \$2,406.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Taylor County Development Authority's finances for all those with an interest in the government's finances. If you have questions about this report or need additional information, contact:

**Taylor County Development Authority
103 East Ellis St.
Perry, Florida 32347
850-584-5627**

Basic Financial Statements

**TAYLOR COUNTY DEVELOPMENT AUTHORITY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 323,623
Total assets	323,623
 Deferred Outflows of Resources	
Pension obligations	8,710
 Liabilities	
Current liabilities	
Accrued liabilities	4,010
 Long-term liabilities	
Net pension liability	29,483
Total liabilities	33,493
 Deferred Inflows of Resources	
Pension obligations	11,805
 Net Position	
Unrestricted	287,035
Total net position	\$ 287,035

See notes to financial statements.

TAYLOR COUNTY DEVELOPMENT AUTHORITY
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2023

Governmental Activities	Expenses	Net (Expense) Revenue and Changes in Net Position
		Governmental Activities Total
Economic development	\$ 62,330	\$ (62,330)
Total governmental activities	\$ 62,330	(62,330)

General revenues:	
Intergovernmental	100,000
Miscellaneous income	2,406
Total general revenues	102,406
Loss on disposal of asset	(73,887)
Change in net position	(33,811)
Net position at beginning of year	320,846
Net position at end of year	\$ 287,035

See notes to financial statements.

TAYLOR COUNTY DEVELOPMENT AUTHORITY
BALANCE SHEET
GOVERNMENTAL FUND
September 30, 2023

	General Fund
Assets	
Cash and cash equivalents	\$ 323,623
Total assets	\$ 323,623
 Liabilities and Fund Balances	
Liabilities	
Accrued liabilities	\$ 4,010
Total liabilities	4,010
 Fund balance	
Unassigned	319,613
Total fund balances	319,613
Total liabilities and fund balance	\$ 323,623
 Reconciliation to Statement of Net Position	
Governmental fund balance	\$ 319,613
 Amounts reported for governmental activities in the statement of net position are difference because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	-
Deferred outflows of resources represent a consumption of fund equity that will be reported as an outflow of resources in a future period and, therefore, are not reported in the governmental funds.	8,710
Deferred inflows of resources represent an acquisition of fund equity that will be recognized as an inflow of resources in a future period and, therefore, are not reported in the governmental funds.	(11,805)
Long-term liabilities are not due in the current period and, therefore, are not reported in governmental funds.	(29,483)
Net position	\$ 287,035

See notes to financial statements.

TAYLOR COUNTY DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended September 30, 2023

	General Fund
Revenues	
Intergovernmental	\$ 100,000
Miscellaneous	2,406
Total revenues	102,406
 Expenditures	
Economic development	
Personnel services	30,756
Operating expenses	29,732
Total expenditures	60,488
 Change in fund balance	 41,918
 Fund balance at beginning of year	 277,695
 Fund balance at end of year	 \$ 319,613

See notes to financial statements.

TAYLOR COUNTY DEVELOPMENT AUTHORITY
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
 BALANCES OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
 For the Fiscal Year Ended September 30, 2023

Net change in fund balance - total governmental fund \$ 41,918

**Amounts reported for governmental activities in the Statement
 of Activities are different because:**

Some expenses related to other assets reported in the statement of activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds. Also, recognition of certain obligations related to prior and subsequent periods are recognized in the statement of activities.

Net pension liability	(9,222)
Change in deferred inflows/outflows	7,380
Loss on disposal of asset	<u>(73,887)</u>

Change in net position of governmental activities \$ (33,811)

See notes to financial statements.

**TAYLOR COUNTY DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of Significant Accounting Policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies are considered essential and should be read in conjunction with the accompanying financial statements.

The financial statements of the Authority have been prepared in accordance with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which along with the subsequent GASB pronouncements (Statements and Interpretations) constitutes GAAP for governmental units.

Reporting Entity

The Taylor County Development Authority was authorized under Chapter 59-1936, 59-1922 and 59-1927 House Bill No, 1013 (May 14, 1959) Laws of Florida, as amended by Chapter 67-2133 and 86-382, Laws of Florida for the purpose of "performing such acts as shall be necessary for the sound planning for and the development of Taylor County Florida". It is governed by a board of directors.

As required by GAAP, the accompanying financial statements present the Authority as the primary government. The Authority has no components units.

The Authority did not participate in any joint ventures during fiscal year 2022-2023.

Basis of Presentation Government-wide and Fund Financial Statements

Governmental-wide Financial Statements

The *government-wide financial statements* include the statement of net position and the statement of activities. These statements report financial information for the Authority as a whole.

Government-wide financial statements are prepared using the economic resources measurement focus. The *statement of activities* reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity.

Program revenues may include: (1) charges for services which report fees, fines and forfeitures, and other charges to users of the Authority's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. Other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental, proprietary, and fiduciary funds. The Authority reports the following major governmental fund:

General Fund- The *General Fund* is the general operating fund of the Authority. It is used to account for all financial resources, which are not properly accounted for in another fund. Activities related to the promotion of economic development flow through the *General Fund*.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resource measurement focus and the accrual basis of accounting. Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and recorded in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Government 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 government 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, expenditures related to compensated absences and claims and judgments and principal and interest on long term debt, are recorded only when payment is due.

The Authority reports the Government Fund. The measurement focus of the Government Funds (in the Fund Financial Statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The Government Fund accounts for the Authority's primary services - economic development and is the primary operating unit of the Authority.

Assets, Liabilities, and Net Position or Equity

Cash and Cash Equivalents:

The Authority has defined Cash and Cash Equivalents to include cash on hand, demand deposits, and cash with fiscal agent, if any.

Capital Assets:

Capital assets, which include land, buildings, equipment, improvements other than buildings, intangibles are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, other than infrastructure, are defined as assets with a cost of \$1,000 or more and an estimated useful life greater than one year. Infrastructure assets are long-lived capital assets that normally are stationary in nature and can be preserved for a significantly greater number of years than most general capital assets. Examples of such assets are buildings, roads, bridges, sidewalks, paved paths, utility systems, storm water

drainage systems, traffic control and lighting systems. There are no infrastructure assets reported in the financial statements.

Capital assets are recorded at historical cost when purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the fund's financial statements. These general capital assets are included in the governmental activities column of the government-wide financial statements. Depreciation on all exhaustible capital assets used in the General Funds is charged as an expense against their operations. Accumulated depreciation is reported on the respective fund's Statement of Net Assets.

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

<u>Assets</u>	<u>Years</u>
Buildings	20 - 30
Improvements other than buildings	15 - 50
Equipment and machinery	2 - 20
Vehicles	3 - 10
Infrastructure	10 - 40

Compensated Absences:

Full-time, permanent employees are granted vacation benefits in varying amounts to specified maximums depending on tenure with the Authority. Sick leave accrues to full-time, permanent employees to specified maximums. Generally, after one year of service, employees are entitled to a percentage of their sick leave balance and all accrued vacation leave upon termination. The estimated liabilities include required salary-related payments. Compensated absences are not reported as accrued in the government-wide statements because they are not considered material.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Authority only has one item that qualifies for reporting in this category. This is the deferred charge on pensions in the government-wide statement of net position. Deferred outflows on pensions are recorded when actual earnings on pension plan investments exceed projected earnings and are amortized to pension expense using a systematic and rational method over a closed five-year period. Deferred outflows on pensions also include the difference between expected and actual experience with regard to economic or demographic factors; changes of assumptions about future economic, demographic, or other input factors; or changes in the Authority's proportionate share of net pension liability. These are amortized over the average expected remaining service lives of all employees that are provided with pensions through each pension plan. Contributions to pension plans made subsequent to the measurement date are also deferred and reduce net pension liability in the subsequent year.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Authority has only one type of item, which is related to pensions. Deferred inflows on pension plan investments exceed actual earnings and are amortized to pension expense using a systematic and rational method over a closed five-year period. Deferred inflows on pensions also include the difference between expected and actual experience with regard to economic or demographic factors; changes of assumptions about future economic, demographic, or other input factors; or changes in the Authority's proportionate share of net pension liability. These are amortized over the average expected remaining service lives of all employees that are provided with pensions through each pension plan.

Fund Balances – Governmental Funds

As of September 30, 2023, fund balances of the governmental funds are classified as follows:

Non-spendable – amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the Governing Board. The Board is the highest level of decision making for the Authority. Commitments may be established, modified, or rescinded only through resolutions approved by the Board of Trustees.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Authority's general procedure, only the Board of Trustees may assign amounts for specific purposes.

Unassigned – all other spendable amounts.

As of September 30, 2023, fund balances are composed of the following:

	<u>General Fund</u>
Unassigned	<u>\$ 319,613</u>

As applicable year to year, when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Board of Trustees considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Authority considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Trustees has provided otherwise in its commitment or assignment actions.

Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and

disclosures; accordingly, actual results could differ from these estimates.

New Accounting Pronouncement

In May 2020, the Governmental Accounting Standards Board issued Statement of Governmental Accounting Standards (SGAS) No. 96 *Subscription-Based Information Technology Arrangements*. SGAS No. 96 defines a Subscription-Based Information Technology Arrangement (SBITA) and requires the recognition by government end users (governments) of right-to-use subscription assets and subscription liabilities that arise from material SBITA transactions, except for SBITAs with a term of 12 months or less. The government's accounting model under SGAS No. 96 results in SBITAs with a term of more than 12 months being accounted for in substantially the same manner as the existing accounting for leases under SGAS No. 87. SGAS No. 96 also requires additional note disclosures regarding SBITAs. The Authority adopted the provisions of SGAS No. 96 as of October 1, 2022. Coinciding with the implementation of SGAS No. 96, the Authority added SBITAs to its capitalization policy that was established for leases when SGAS No 87 was implemented. This policy aligns the treatment of SBITAs and leases with the treatment of the Authority's other capitalizable assets. The terms of this policy will be further discussed later in Note 1. The implementation of SGAS No. 96 did not result in restatement of the prior year's net assets.

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

A. Explanation of Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position.

"Total fund balances" of the Authority's governmental funds \$319,613 differs from "net position" of governmental activities \$287,035 reported in the statement of net position. This difference results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental funds balance sheet.

Long-term debt transactions

Long-term liabilities to the Authority's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the statement of net position. Balances at September 30, 2023 were:

Net pension liability	<u>\$ (29,483)</u>
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Deferred outflows/inflows of resources

Deferred outflows of resources represent a consumption of net position in a future period while deferred inflows of resources represent an acquisition of net position in a future period and accordingly, are not reported in the governmental fund statements. However, the statement of net position included those deferred outflows/inflows of resources.

Deferred outflows	\$ 8,710
Deferred inflows	(11,805)
	<u>\$ (3,095)</u>

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

A. Explanation of Differences Between Government Fund Balance Sheet and the Statement of Net Position

	<u>General Fund</u>	<u>Capital Related Items</u>	<u>Deferred Outflows / Inflows</u>	<u>Long-Term Debt</u>	<u>Statement of Net Position</u>
Assets					
Cash and cash equivalents	\$ 323,623	\$ -	\$ -	\$ -	\$ 323,623
Capital assets, net	-	-	-	-	-
Total assets	<u>\$ 323,623</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>323,623</u>
Deferred Outflows					
Pension obligations	-	-	8,710	-	8,710
Liabilities					
Liabilities					
Accrued liabilities	4,010	-	-	-	4,010
Net pension liability	-	-	-	29,483	29,483
Total liabilities	<u>4,010</u>	<u>-</u>	<u>-</u>	<u>29,483</u>	<u>33,493</u>
Deferred Inflows					
Pension obligations	-	-	11,805	-	11,805
Fund Balance/Net Position					
Fund balance	319,613	-	(3,095)	(29,483)	287,035
Total fund balance/Net position	<u>\$ 319,613</u>	<u>\$ -</u>	<u>\$ (3,095)</u>	<u>\$ (29,483)</u>	<u>\$ 287,035</u>

B. Explanation of Differences Between Governmental Fund Statement of Revenues, Expenditures, and changes in Fund Balance and the Statement of Activities

The “net change in fund balances” for governmental funds \$41,918 differs from the “change in net position” for governmental activities \$40,076 reported in the statement of activities. The differences arise primarily from the long-term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Long-term Debt Related Items

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

Change in net pension liability	\$	(9,222)
Change in deferred inflows of resources		7,380
Loss on disposal of aaset		<u>(73,887)</u>
	\$	<u><u>(75,729)</u></u>

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

B. Explanation of Differences Between Government Fund Statement of Revenues, Expenditures, and Changes in Fund Balance, and the Statement of Activities

	General Fund	Capital Related Items	Deferred Outflows / Inflows	Long Term Debt	Statement of Activities
Revenues					
Intergovernmental	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000
Miscellaneous income	2,406	-	-	-	2,406
Total revenues	102,406	-	-	-	102,406
Expenditures					
Economic development					
Personnel services	30,756	-	(7,380)	9,222	32,598
Operating expenses	29,732	-	-	-	29,732
Loss on disposal of asset	-	73,887	-	-	73,887
Total expenditures	60,488	73,887	(7,380)	9,222	136,217
 Change in fund balance	 41,918	 (73,887)	 7,380	 (9,222)	 (33,811)
 Fund balance at beginning of year	 277,695	 73,887	 (10,475)	 (20,261)	 320,846
Fund balance at end of year	\$ 319,613	\$ -	\$ (3,095)	\$ (29,483)	\$ 287,035

NOTE 3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The Authority follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to September 1, the Authority Director submits to Taylor County and the Authority Board a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public meetings and workshops are conducted to obtain comments.
3. Prior to October 1, the budget is legally enacted through passage of a resolution.
4. The Board adopts the budget resolution for the governmental funds. Annual budgets are adopted on a basis consistent with GAAP. The appropriated budget is prepared by fund, function, and department. The Authority Director may make transfers of appropriations within a department. Expenditures may not legally exceed appropriations for each individual department.
5. All budget amounts presented in the accompanying financial statements may be adjusted for revisions of the annual budgets during the year. The effect of these revisions would be to reallocate funds within the budget, which did not cause an overall increase in the total budget. Appropriations, except open project appropriations, lapse at the end of the fiscal year. The Authority does not use the encumbrance method.

Compliance with Finance-Related Legal and Contractual Provisions

The Authority has no finance-related legal and contractual provisions.

NOTE 4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of restricted and unrestricted cash and investments with maturities, when purchased, of ninety days or less.

Deposits and Investments

Deposits - At year end, the book balance of the Authority's deposits was \$323,623, consisting of \$323,623 maintained in two checking accounts.

The Florida Security for Public Deposits Act; Chapter 280 of the *Florida Statutes*, provides that qualified public depositories must maintain eligible collateral having a market value equal to fifty percent of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held by the depository during the twelve months immediately preceding the date of any computation of the balance. As such, the depository is not required to hold collateral in the Authority's name nor specify which collateral is held for the Authority's benefit. The Public Deposit Security Trust Fund, as created under the laws of the State of Florida, would be required to pay the Authority for any deposits not covered by depository insurance or collateral pledged by the depository as previously described.

Except for the pension trust funds, the Authority's investment activity for the year consisted solely of certificates of deposit with various short-term maturities, i.e., for periods of less than three months. All such investments are recorded at cost which approximates market value and would be classified in category (1) reflected above.

NOTE 5. PREPAID EXPENSES

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items recorded in governmental funds do not reflect current appropriable resources and, thus, are reported as part of non-spendable fund balance. No prepaid expenses were recorded at the fiscal year end.

NOTE 6. CAPITAL ASSETS

The Authority deeded the land in the amount of \$73,887 over to the County, leaving no capital related items in the year ended September 30, 2023.

NOTE 7. LONG-TERM DEBT TRANSACTIONS

Long-term liabilities applicable to the Authority's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the statement of net position. Long-term debt activity for the fiscal year ended September 30, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Net pension liability	<u>\$ 20,261</u>	<u>\$ 9,222</u>	<u>\$ -</u>	<u>\$29,483</u>

NOTE 8. OTHER INFORMATION

Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Authority carries commercial insurance. Through the Florida League of Cities, insurance against losses are provided for the following types of risk:

- Workers' Compensation and Employer's Liability
- General and Automobile Liability
- Real and Personal Property Damage
- Public Officials Liability
- Accidental Death and Dismemberment

The Authority's coverage for Workers' Compensation is under a retrospectively rated policy. Premiums are accrued based on the ultimate cost to date of the Authority's experience for this type of risk.

NOTE 9. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Litigation

During the ordinary course of its operation, the Authority may be a party to various claims, legal actions and complaints. These matters are covered by the Authority's Risk Management Program.

In the opinion of the Authority's management and legal counsel, there are no matters that are anticipated to have a material financial impact on the Authority.

NOTE 10. DEFINED BENEFIT/DEFINED CONTRIBUTION PENSION PLANS AND COST SHARING MULTIPLE EMPLOYER DEFINED BENEFIT PENSION PLANS - FLORIDA RETIREMENT SYSTEM PENSION PLAN AND THE RETIREMENT HEALTH INSURANCE SUBSIDY PROGRAM

Florida Retirement System

General Information - All full-time employees of the Authority hired prior to January 1, 1996, participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, *Florida Statutes*, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan ("Pension Plan") and the Retiree Health Insurance Subsidy ("HIS Plan"). Under Section 121.4501, *Florida Statutes*, the FRS also provides a defined contribution plan ("Investment Plan") alternative to the FRS Pension Plan, which is administered by the State Board of Administration ("SBA"). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, Authority school board, state university, community college, or a participating Authority or special Authority within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, *Florida Statutes*, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site: www.dms.myflorida.com/workforce_operations/retirement/publications.

Pension Plan

Plan Description – The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees.

Benefits Provided - Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. This amount increases with every year of additional service up to a maximum of 1.68% of the final average compensation of their five highest years for each year of credited service at age 65 with 33 or more years of service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service (age 52 if credited service includes at least four years of wartime military service) or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, beginning at 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service and increasing to a maximum of 1.68% for of with each year up to age 58 (55 with wartime service) and 28 years of special risk service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 (age 52 with wartime experience) with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers' class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers' class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

As provided in Section 121.101, *Florida Statutes*, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before August 1, 2011, the annual cost-of-living adjustment is three percent per year. The cost-of-living adjustment for participants with a retirement date or DROP participation date after August 1, 2011 is determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement and multiplying by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with an FRS employer for a period not to exceed 96 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants

Contributions – Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2022 through June 30, 2023 and from July 1, 2023 through September 30, 2023, respectively, were as follows: Regular—11.91% and 13.57%; Special Risk Administrative Support—38.65% and 39.82%; Special Risk—27.83% and 32.67%; Senior Management Service—31.57% and 34.52%; Elected Officials—43.77% and 44.89%; and DROP participants—18.60% and 21.13%. These employer contribution rates include a 1.66% and 2.00% HIS Plan subsidy for the periods October 1, 2022 through June 30, 2023 and from July 1, 2023 through September 30, 2023, respectively.

The Authority’s contributions, including employee contributions, to the Pension Plan totaled \$3,124 for the fiscal year ended September 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2023, the Authority reported a liability of \$12,264 for its proportionate share of the Pension Plan’s net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The Authority’s proportionate share of the net pension liability was based on the Authority’s 2021-22 fiscal year contributions relative to the 2019-20 fiscal year contributions of all participating members. At June 30, 2023, the Authority’s proportionate share was 0.0000413620%, which was an increase of 0.000008400% from its proportionate share measured as of June 30, 2022.

For the fiscal year ended September 30, 2023, the Authority recognized pension expense of \$3,077. In addition, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,547	\$ -
Changes in assumptions	1,074	-
Net difference between projected and actual earnings on Pension Plan investments	688	-
Changes in proportion and differences between City Pension Plan contributions and proportionate share of contributions	2,943	3,205
Authority Pension Plan contributions subsequent to the measurement date	-	-
Total	\$ 6,252	\$ 3,205

The deferred outflows of resources related to the Pension Plan, totaling \$0 resulting from Authority contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of

the net pension liability in the fiscal year ended September 30, 2023. 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:

Fiscal Year Ending September 30	
2024	\$ 415
2025	(165)
2026	2,492
2027	237
2028	68
Thereafter	-
	<u>\$ 3,047</u>

Actuarial Assumptions – The total pension liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

Inflation	2.40 %
Salary increases	3.25%, average, including inflation
Investment rate of return	6.70%, net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2010 based tables generational mortality using gender specific MP-2018 mortality improvement projection scale.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

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

Asset Class	Target Allocation*	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.9%	2.9%	1.1%
Fixed income	19.8%	4.5%	4.4%	3.4%
Global equity	54.0%	8.7%	7.1%	18.1%
Real estate	10.3%	7.6%	6.6%	14.8%
Private equity	11.1%	11.9%	8.8%	26.3%
Strategic investments	3.8%	6.3%	6.1%	7.7%
	<u>100.0%</u>			
Assumed Inflation - Mean			2.4%	1.4%

*As outlined in the Pension Plan's investment policy

Discount Rate - The discount rate used to measure the total pension liability was 6.70%. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the Authority's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the Authority's proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.70%) or one percentage point higher (7.70%) than the current rate:

	1% Decrease 5.7%	Current Discount Rate 6.7%	1% Increase 7.7%
Authority's proportionate share of the net pension liability	\$ 28,153	\$ 16,481	\$ 6,716

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

Payables to the Pension Plan - At September 30, 2023, the Authority had \$ 0 payable for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2023.

B. HIS Plan

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

Benefits Provided - For the fiscal year ended September 30, 2023, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions - The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2023, the HIS contribution for the period October 1, 2021 through June 30, 2023 and from July 1, 2023 through September 30, 2023 was 1.66% and 1.66%, respectively. The Authority contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contribution are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The Authority's contributions to the HIS Plan totaled \$833 for the fiscal year ended September 30, 2023.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2023, the Authority reported a liability of \$13,002 for its proportionate share of the HIS Plan’s net pension liability. The net pension liability was measured as of June 30, 23, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The Authority’s proportionate share of the net pension liability was based on the Authority’s 2022-23 fiscal year contributions relative to the 2021-22 fiscal year contributions of all participating members. At June 30, 2023, the Authority’s proportionate share was 0.0000818720%, which was an increase of 0.000023119% from its proportionate share measured as of June 30, 2021.

For the fiscal year ended September 30, 2023, the Authority recognized pension expense of \$3,047. In addition, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 190	\$ 31
Changes in assumptions	342	1,127
Net difference between projected and actual earnings on HIS Plan investments	7	-
Changes in proportion and differences between Authority HIS Plan contributions and proportionate share of contributions	1,919	7,442
Authority HIS Plan contributions subsequent to the measurement date	-	-
Total	\$ 2,458	\$ 8,600

The deferred outflows of resources related to the HIS Plan, totaling \$0 resulting from Authority contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2024	\$ (1,073)
2025	(651)
2026	(1,083)
2027	(2,123)
2028	(1,125)
Thereafter	(87)
	\$ (6,142)

Actuarial Assumptions – The total pension liability in the July 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Municipal bond rate	3.65%

Mortality rates were based on the Generational RP-2010 based tables generational mortality using gender specific MP-2018 mortality improvement projection scale.

The actuarial assumptions used in the July 1, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

Discount Rate - The discount rate used to measure the total pension liability was 3.65%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the Authority's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the Authority's proportionate share of the net pension liability calculated using the discount rate of 3.65%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.65%) or one percentage point higher (4.65%) than the current rate:

	1% Decrease 2.65%	Current Discount Rate 3.65%	1% Increase 4.65%
Authority proportionate share of the net pension liability	\$ 14,833	\$ 13,002	\$ 11,484

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

Payables to the Pension Plan - At September 30, 2023, the Authority had \$0 payable for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2023.

A. Investment Plan

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

As provided in Section 121.4501, *Florida Statutes*, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Authority employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and

employee contribution rates that are based on salary and membership class (Regular Class, Elected Authority Officers, etc.), as the Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members. Allocations to the investment member's accounts during the 2022-23 fiscal year, as established by Section 121.72, *Florida Statutes*, are based on a percentage of gross compensation, by class, as follows: Regular class 8.30%, Special Risk Administrative Support class 9.95%, Special Risk class 16.00%, Senior Management Service class 9.67% and Authority Elected Officers class 15.23%.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2023, the information for the number of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Authority.

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

The Authority did not have any participants in the Investment Plan for the fiscal year ended September 30, 2023.

REQUIRED SUPPLEMENTARY INFORMATION

TAYLOR COUNTY DEVELOPMENT AUTHORITY
BUDGETARY COMPARISON INFORMATION
GENERAL FUND
For The Year Ended September 30, 2023

	Original and Final Budgeted Amounts	Actual Amounts	Variance Under / (Over) Final Budget
Revenues			
Intergovernmental	100,000	100,000	-
Miscellaneous income	-	2,406	2,406
Total revenues	100,000	102,406	2,406
Expenditures			
Economic development:			
Personnel costs	41,070	30,756	10,314
Legal and consulting services	25,000	19,114	5,886
Accounting services	3,750	4,800	(1,050)
Continuing education	1,500	-	1,500
Travel and meetings	5,000	580	4,420
Communications	3,500	1,544	1,956
Insurance	-	-	-
Utility services	2,000	2,066	(66)
Repairs and maintenance	1,000	59	941
Promotional activities	5,000	1,120	3,880
Miscellaneous	230	-	230
Office supplies	2,000	149	1,851
Contingencies	9,550	-	9,550
Memberships and dues	400	300	100
Total economic development expenditures	100,000	60,488	39,512
 Excess of revenues over expenditures	 -	 41,918	 41,918
 Fund balance at beginning of year	 277,695	 277,695	 -
Fund balance at end of year	<u>\$ 277,695</u>	<u>\$ 319,613</u>	<u>\$ 41,918</u>

Notes:

Budgetary Information - An annual appropriated budget is adopted for the General Fund on a basis consistent with GAPP. All annual appropriations lapse at the fiscal year end. Line-item expenditures in excess of budget are authorized to the extent that the total budgetary category does not exceed total amounts budgeted for the category of the fund. Amendments to the budget must be approved by the Governing Board.

**TAYLOR COUNTY DEVELOPMENT AUTHORITY
PENSION SCHEDULES
SCHEDULE OF CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PROGRAM
LAST 10 FISCAL YEARS***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required FRS contribution	\$ 2,458	\$ 2,257	\$ 347	\$ 1,488	\$ 2,155	\$ 2,681	\$ 5,234	\$ 5,234	\$ 4,840	\$ 3,953
Contractually required HIS contribution	666	1,472	1,217	1,163	1,973	2,833	2,944	2,944	2,723	2,224
Total Contractually Required Contributions	3,124	3,729	1,564	2,651	4,128	5,514	8,178	8,178	7,563	6,177
Contributions in relation to the contractually required contribution	<u>(3,124)</u>	<u>(3,729)</u>	<u>(1,564)</u>	<u>(2,651)</u>	<u>(4,128)</u>	<u>(5,514)</u>	<u>(8,178)</u>	<u>(8,178)</u>	<u>(7,563)</u>	<u>(6,177)</u>
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Administration's covered-employee payroll	22,535	33,076	16,401	29,820	44,909	80,694	95,101	95,101	102,462	103,278
Contributions as a percentage of covered-employee payroll	13.86%	11.27%	9.54%	8.89%	9.19%	6.83%	8.60%	8.60%	7.38%	5.98%

Notes to schedule

1. See notes to financial statements for changes in assumptions.

**TAYLOR COUNTY DEVELOPMENT AUTHORITY
PENSION SCHEDULES
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PROGRAM
LAST 10 FISCAL YEARS***

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
City's proportion of the FRS net pension liability (asset)	0.000041362%	0.000032962%	0.000027195%	0.000027645%	0.000060438%	0.000069377%	0.000085469%	0.000085469%	0.001163510%	0.000106705%
City's proportionate share of the FRS net pension liability (asset)	\$ 16,481	\$ 12,264	\$ 2,054	\$ 11,982	\$ 20,814	\$ 20,897	\$ 21,581	\$ 21,581	\$ 15,028	\$ 6,511
City's proportion of the HIS net pension liability (asset)	0.000081872%	0.005875300%	0.000058753%	0.000076695%	0.000170357%	0.000208697%	0.000298696%	0.000298696%	0.000337548%	0.000336435%
City's proportionate share of the HIS net pension liability (asset)	13,002	7,997	7,207	9,364	19,061	22,089	34,812	34,812	34,425	31,457
City's proportionate share of the total net pension liability (asset)	\$ 29,483	\$ 20,261	\$ 9,261	\$ 21,346	\$ 39,875	\$ 42,986	\$ 56,393	\$ 56,393	\$ 49,453	\$ 37,968
City's covered-employee payroll	\$ 22,535	\$ 33,076	\$ 16,401	\$ 44,909	\$ 44,909	\$ 80,694	\$ 95,101	\$ 95,101	\$ 102,462	\$ 103,278
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	130.83%	61.26%	56.47%	47.53%	88.79%	53.27%	59.30%	59.30%	48.26%	36.76%
Plan fiduciary net position as a percentage of the total pension liability	77.04%	79.09%	91.09%	74.46%	78.22%	79.86%	90.67%	92.00%	96.09%	

Notes to schedule

1. See notes to financial statements for changes in assumptions.
2. The amounts presented for each fiscal year for FRS and HIS were determined as of the measurement date which was June 30 of the current fiscal year.
3. Covered payroll is for the fiscal year ended September 30.

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

To the Board of Directors
Taylor County Development Authority
Perry, 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 of Taylor County Development Authority, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise Taylor County Development Authority's basic financial statements, and have issued our report thereon dated June 27, 2024.

Internal Control Over Financial Reporting

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

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

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, we identified the following deficiency in internal control over financial reporting that we consider to be a significant deficiency in internal control over financial reporting.

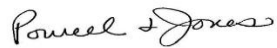
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Taylor County Development 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, 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.

A handwritten signature in cursive script that reads "Powell & Jones".

Powell and Jones CPA
Lake City, Florida
June 27, 2024

MANAGEMENT LETTER

To the Board of Directors
Taylor County Development Authority
Perry, Florida

We have audited the financial statements of the Taylor County Development Authority (the Authority) as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated June 27, 2024.

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 *Governmental Auditing Standards*, issued by the Comptroller General of the United States. We have issued our report on internal control over financial reporting and compliance and other matters dated June 30, 2023. Disclosures in the report, if any, should be considered in conjunction with this management letter.

However, during our audit we became aware of matters that are opportunities for strengthening internal controls and operating efficiencies. In addition to furnishing information required by Chapter 10.550, *Rules of the Auditor General*, and other compliance matters, the remaining sections of this report discuss these findings.

PRIOR YEAR FINDINGS

The Rules of the Auditor General require that we comment as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding audit. If the audit findings in the preceding audit report are uncorrected, we are required to identify those findings that were also included in the second preceding audit report. See summary below for update on prior year findings.

Prior Year Finding Number	FY 2023 Status	Years Repeated
2022-1	Repeated as 2022-1	3+

SPECIAL DISTRICT COMPONENT UNITS

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

SPECIFIC INFORMATION

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as one.
- b. The total number of independent contractors to whom non-employee compensation was paid in

the last month of the district's fiscal year was zero.

c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as \$30,756.

d. All compensation earned by or awarded to non-employee independent contractors, whether paid or accrued, regardless of contingency as \$0.

e. Each construction project with total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditure for such projects as \$0.

f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, The budget was not amended.

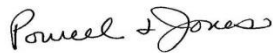
AUDITOR GENERAL AND OTHER COMPLIANCE MATTERS

- *The Rules of the Auditor General* [Section 10.554(1)(i)1.] requires that we determine whether or not corrective actions have been taken to address significant findings and recommendations made in the preceding annual financial audit report. There were no such items disclosed in the preceding audit report.
- *The Rules of the Auditor General* [Section 10.544.(1)(i)3.] requires that we address in the management letter any findings and recommendations to improve the Taylor County Development Authority financial management, accounting procedures, and internal controls. In connection with our audit we did not have any such findings or recommendations.
- *The Rules of the Auditor General* [Section 10.544(1)(i)4.] requires that we address violations of laws, regulations, contracts and grant agreements or abuse that have occurred, or are likely to have occurred, that have an effect on the determination of financial statements that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.
- *The Rules of the Auditor General* [Section 10.544(1)(i)5.] provides that the auditor may, based on professional judgment, report the following matters that are inconsequential to the determination of financial statement amounts, considering both qualitative and quantitative factors: (1) violations of laws, rules, regulations, and contract provisions or abuse that have occurred or are likely to have occurred, and (2) control deficiencies that are not significant deficiencies. In connection with our audit, we did not have any such findings.
- *The Rules of the Auditor General* [Section 10.554(1)(i)6.] requires that the name or official title and legal authority for the government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements (see Note 1 to the financial statements). There were no component units to the Taylor County Development Authority.
- *The Rules of the Auditor General* [Section 10.554(1)(i)5.(a)] requires a statement to be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(1), *Florida Statutes*, and identification of the specific condition(s) met. In connection with our audit, we determined that the Taylor County

Development Authority did not meet any of the conditions described in Section 218.503(1), *Florida Statutes* that might result in a financial emergency.

- The *Rules of the Auditor General* [Section 10.554(1)(i)5.(a) and 10.556(7.)] require that we apply financial assessment procedures. In connection with our audit, we applied financial condition assessment procedures. It is management's responsibility to monitor the entity's financial condition, and our financial assessment was based in part on representations made by management and the review of the financial information provided by same.

Pursuant to Chapter 119, *Florida Statutes*, this management letter is a public record and its distribution is not limited. Auditing standards general accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the Taylor County Development Authority, management and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.



Powell and Jones CPA
Lake City, Florida
June 27, 2024

**INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH FLORIDA
STATUTES REGARDING LOCAL GOVERNMENT INVESTMENTS**

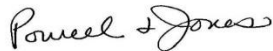
To the Board of Directors
Taylor County Development Authority
Perry, Florida

We have examined the Taylor County Development Authority's compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2023. Management is responsible for the Authority's compliance with those requirements. Our responsibility is to express an opinion on the Authority's compliance based on our examination.

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

In our opinion, the Authority complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2023.

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



Powell and Jones CPA
Lake City, Florida
June 27, 2024

Communication with Those Charged with Governance

To the Board of Directors
Taylor County Development Authority
Perry, Florida

We have audited the financial statements of Taylor County Development Authority for the year ended September 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and Government *Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Taylor County Development Authority are described Note 1 to the financial statements. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There are no sensitive estimates affecting Taylor County Development Authority financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There are no sensitive disclosures affecting the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no such misstatements identified during our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 27, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the governmental unit’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

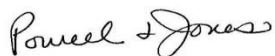
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Taylor County Development Authority and management of Taylor County Development Authority, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



Powell and Jones CPA
Lake City, Florida
June 27, 2024

SCHEDULE OF FINDINGS

Finding 2022-1

Financial Statement Preparation

A system of internal control over financial reporting includes controls over financial statement preparation, including footnote disclosures. While your auditor can assist with the preparation of your financial statements and related footnotes, the financial statements are the responsibility of management. A deficiency in internal control exists when the government does not have the expertise necessary to prevent, detect, and correct misstatements. A deficiency in internal control exists in instances because Taylor County Development Authority is not capable of drafting the financial statements and all required footnote disclosures in accordance with generally accepted accounting principles. Possessing suitable skill, knowledge, or experience to oversee services an auditor provides in assisting with financial statement presentation requires a lower level of technical knowledge than the competence required to prepare the financial statements and disclosures.

MANAGEMENT'S RESPONSE

We agree with this finding. We are a very small government. We currently utilize the services of our Treasurer, who maintains excellent accounting records and provides accurate monthly financial reports prepared generally on the accrual basis. We likewise have confidence in our audit firm to utilize these records and prepare annual financial statements in the required formats and with all associated note disclosures. The Board of Trustees reviews the annual financial reports and have the opportunity to ask the auditor any questions regarding the report prior to its formal presentation. The report is formally presented by the auditor at a scheduled meeting of the Board of Trustees.

At this time, we do not believe it would be a justifiable expense to employ another accountant on either a part-time or full-time basis to prepare the annual financial statements. We thus accept this required disclosure finding and will continue to monitor this situation in the future.