Leon County, Florida



Annual Financial Report

For the Fiscal Year Ended September 30, 2023

Prepared by the Clerk of the Circuit Court and Comptroller
Department of Finance

LEON COUNTY, FLORIDA

PRINCIPAL OFFICERS

BOARD OF COUNTY COMMISSIONERS

Carolyn Cummings– **Chair** – At-Large
Bryan Welch – **Vice Chairman** – District 4
Bill Proctor - District 1
Christian Caban - District 2
Rick Minor - District 3
David O'Keefe - District 5
Nick Maddox – At-Large

COUNTY ADMINISTRATOR
Vincent S. Long

COUNTY ATTORNEY
Chasity H. O'Steen

TAX COLLECTOR
Doris Malloy

SHERIFF
Walt McNeil

PROPERTY APPRIASER
Akin Akinyemi

SUPERVISOR OF ELECTIONS
Mark Earley

CLERK OF THE CIRCUIT COURT AND COMPTROLLER
AND
CLERK TO THE BOARD OF COUNTY COMMISSIONERS
Gwen Marshall-Knight

DIRECTOR OF FINANCE
Edward Burke

Leon County, Florida

THIS REPORT CONTAINS THE FOLLOWING SECTIONS

LEON COUNTY, FLORIDA (COUNTYWIDE) GENERAL PURPOSE FINANCIAL STATEMENTS, REPORT OF INDEPENDENT AUDITORS AND REPORTS ON COMPLIANCE AND ON INTERNAL CONTROL, AND FEDERAL FINANCIAL ASSISTANCE AND AUDITORS' REQUIRED DISCLOSURES

BOARD OF COUNTY COMMISSIONERS' FINANCIAL STATEMENTS, REPORT OF INDEPENDENT AUDITORS, REPORT ON COMPLIANCE AND INTERNAL CONTROL, MANAGEMENT COMMENTS, AND AUDITORS' REQUIRED DISCLOSURES

CLERK OF THE CIRCUIT COURT AND COMPTROLLERS' FINANCIAL STATEMENTS, REPORT OF INDEPENDENT AUDITORS, REPORT ON COMPLIANCE AND ON INTERNAL CONTROL, MANAGEMENT COMMENTS, AND AUDITORS' REQUIRED DISCLOSURES

PROPERTY APPRAISER'S FINANCIAL STATEMENTS, REPORT OF INDEPENDENT AUDITORS, REPORT ON COMPLIANCE AND ON INTERNAL CONTROL, MANAGEMENT COMMENTS, AND AUDITORS' REQUIRED DISCLOSURES

SHERIFF'S FINANCIAL STATEMENTS, REPORT OF INDEPENDENT AUDITORS, REPORT ON COMPLIANCE AND ON INTERNAL CONTROL, MANAGEMENT COMMENTS, AND AUDITORS' REQUIRED DISCLOSURES

SUPERVISOR OF ELECTIONS' FINANCIAL STATEMENTS, REPORT OF INDEPENDENT AUDITORS, REPORT ON COMPLIANCE AND ON INTERNAL CONTROL, MANAGEMENT COMMENTS, AND AUDITORS' REQUIRED DISCLOSURES

TAX COLLECTOR'S FINANCIAL STATEMENTS, REPORT OF INDEPENDENT AUDITORS, REPORT ON COMPLIANCE AND ON INTERNAL CONTROL, MANAGEMENT COMMENTS, AND AUDITORS' REQUIRED DISCLOSURES

Leon County, Florida,
Annual Financial Report

Year ended September 30, 2023

Table of Contents

Report of Independent Auditors 1

Management's Discussion and Analysis 5

A. Basic Financial Statements

Government-wide Financial Statements:
- Statement of Net Position 16
- Statement of Activities 18

Fund Financial Statements:
- Governmental Fund Financial Statements:
  - Balance Sheet - Governmental Funds 20
  - Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position 22
  - Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds 23
  - Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 25
  - Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual for Major Funds with Annually Appropriated Budgets:
    - General Fund 26
    - Fine & Forfeiture Fund 27
    - Grants Fund 28
    - Local Provider Participation Fund 29
- Proprietary Fund Financial Statements:
  - Statement of Net Position - Proprietary Funds 30
  - Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds 31
  - Statement of Cash Flows - Proprietary Funds 32
- Fiduciary Fund Statement:
  - Statement of Fiduciary Net Position - Custodial Funds 34
  - Statement of Changes in Fiduciary Net Position - Custodial Funds 35

Notes to Financial Statements 36

Leon County, Florida
Annual Financial Report

Year ended September 30, 2023

Table of Contents (continued)

B. Required Supplementary Information

Proportionate Share of Net Pension Liability – Florida Retirement System 86

Schedule of Contributions – Florida Retirement System 87

Proportionate Share of Net Pension Liability – Health Insurance Subsidy Program 88

Schedule of Contributions - Health Insurance Subsidy Program 89

Schedule of Changes in the County's Net OPEB Liability and Related Ratios 90

Notes to the Required Supplementary Information 91

C. Internal Control and Compliance Reports

Report of Independent Auditors 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 93

Report of Independent Auditors on Compliance for Each Major Federal Program and State Project; Internal Control Over Compliance; and Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General 95

Schedule of Expenditures of Federal Awards and State Financial Assistance 99

Schedule of Findings and Questioned Costs 101

Summary Schedule of Prior Audit Findings 103

D. Management Letter

Letter to the Leon County Board of County Commissioners 104

Thomas Howell Ferguson P.A.
Certified Public Accountants

LAW REDD
CPAs & ADVISORS

Report of Independent Auditors

The Honorable Board of County Commissioners
Leon County, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information and the budgetary comparison statements of Leon County, Florida (the County) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditor, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison statements for the General Fund, the Fine and Forfeiture Fund, the Grants Funds, and the Local Provider Participation Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Housing Finance Authority of Leon County, a discretely presented component unit of Leon County, which represent 0.4%, 0.9%, and 0.2%, respectively, of the assets, net position, and revenues of the County as of September 30, 2023. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Housing Finance Authority of Leon County, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States *(Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County 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

As discussed in Note I to the financial statements, in the fiscal year ended September 30, 2023, the County adopted Governmental Accounting Standards Board Statement No. 91, *Conduit Debt Obligations*. Our opinions are not modified with respect to this matter.

As discussed in Note I to the financial statements, in the fiscal year ended September 30, 2023, the County adopted Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

As discussed in Note XVIII to the financial statements, October 1, 2022 net position for the Governmental Activities and fund balances for the General and Nonmajor Governmental Funds have been restated to correct previously reported misstatements. Our opinion is 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 County'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.

Auditors' 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 auditors' 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 GAAS 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 GAAS 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 County'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 County'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 on pages 5–15 and the supplementary schedules on pages 86–92 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 GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The schedule of expenditures of federal awards and state financial assistance, schedule of findings and questioned costs, and summary schedule of prior audit findings, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and* Chapter 10.550 *Rules of the Auditor General* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information as presented in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 22, 2024, on our consideration of the Board'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 Board'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 Board's internal control over financial reporting and compliance.

Thomas Howell Ferguson P.A.

Law Redd Crona & Munroe P.A.

Thomas Howell Ferguson P.A.
Tallahassee, Florida
May 22, 2024

Law, Redd, Crona & Munroe, P.A.

Management's Discussion and Analysis

This discussion and analysis of Leon County's (the County) financial statements is designed to introduce the basic financial statements and provide an analytical overview of the County's financial activities for the fiscal year ended September 30, 2023. The basic financial statements are comprised of the government-wide financial statements, fund financial statements, and footnotes. We trust that the basic financial statements will, in conjunction with additional information provided in our letter of transmittal (pages xii – pages xxi), assist readers in identifying significant financial issues, and in future years, changes in the County's financial position. In this Management's Discussion and Analysis (MD&A), all amounts, unless otherwise indicated, are expressed in thousands of dollars.

Overview of the Financial Statements

The County's basic financial statements are comprised of the following elements:

Government-wide Financial Statements

The government-wide financial statements (Statement of Net Position and Statement of Activities found on pages 16-17 and 18-19, respectively) concentrate on the County as a whole and do not emphasize fund types, but rather a governmental or a business-type classification, which are presented in separate columns. The governmental and business-type activities comprise the primary government and are reported separately from the component unit for which the County is accountable. In addition, neither fiduciary funds nor component units that are fiduciary in nature are included in the government-wide financial statements.

General governmental and intergovernmental revenues support the governmental activities, whereas user fees and charges for services primarily support the business-type activities. The purpose of the government-wide financial statements is to allow the user to be able to determine if the County is in a better or worse financial position than the prior year.

The Statement of Net Position presents information on all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities reflects the expenses of a given function or segment, which are offset by program revenues. Program revenues are defined as charges for services, operating grants and contributions, and capital grants and contributions directly associated with a given function. Taxes, state shared revenues, and net change in fair market value of investments are reported under general revenue. The effects of interfund activity have been removed from the government-wide financial statements and internal service activity has been eliminated. However, the interfund services between functions have not been eliminated.

Fund Financial Statements

The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred outflows of resources, deferred inflows of resources, net position, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Fund Financial Statements (continued)

The County's funds are presented in separate fund financial statements, the governmental fund financial statements and proprietary fund financial statements. The County's major funds are presented in separate columns on the fund financial statements. The definition of a major fund is one that meets certain criteria set forth in Governmental Accounting Standards Board Statement Number 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments (GASB 34)*. The funds that do not meet the criteria of a major fund are considered non-major funds and are combined into a single column on the fund financial statements. Table 1 below summarizes the major features of the basic financial statements.

Table 1 Major Features of the Basic Financial Statements

	Government-wide Fund Financial Statements	***Governmental Funds***	***Proprietary Funds***	***Fiduciary Funds***
Scope	Entire County government (except fiduciary funds) and the County's component unit	Activities of the County that are not proprietary or fiduciary	Activities of the County that are similar to private businesses	Instances in which the County is the trustee or agent for someone else's resources
Required financial statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances	• Statement of Net Position • Statement of Revenues, Expenses, and Changes in Net Position • Statement of Cash Flows	• Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both, financial and capital, and short-term and long-term	Only assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due during the year or soon thereafter; no capital assets included	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, and short-term and long-term	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	• Revenues for which cash is received during or soon after the end of the year • Expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

Notes to the Financial Statements

Notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. Refer to Note I to the financial statements for more detailed information on the elements of the financial statements.

Infrastructure Assets

GASB 34 not only mandated changes in the financial statements, but it also set forth reporting changes. One such change is to capitalize infrastructure both prospectively and retrospectively for fiscal years that end after June 30, 1981. The County for FY 2002 and subsequent years has been reporting the entire valuation of infrastructure.

Condensed Statement of Net Position

The net investment in capital assets is the largest portion of the County's net position. This represents capital assets (land, buildings, improvements, equipment, furniture, vehicles, and construction in progress, and infrastructure), net of accumulated depreciation, and the outstanding related debt used to acquire the assets in the amount of $274.7 million as compared to $271.6 million a year ago; this is an increase of $3.1 million. These capital assets are used to provide services to the citizens and businesses in the County; consequently, the net position is not available for future spending.

Condensed Statement of Net Position (continued)

Table 2 below presents the County's condensed Statement of Net Position as of September 30, 2023 and 2022, as derived from the government-wide Statement of Net Position.

Table 2

Leon County, Florida
Condensed Statement of Net Position
As of September 30
(in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Current and other assets	$ 279,784	$ 239,875	$ 17,688	$ 15,585	$ 297,472	$ 255,460
Capital assets	313,969	311,532	6,763	6,526	320,732	318,058
Total assets	593,753	551,407	24,451	22,111	618,204	573,518
Deferred outflows	56,456	62,010	0	0	56,456	62,010
Total assets and deferred outflows	650,209	613,417	24,451	22,111	674,660	635,528
Current liabilities	85,834	64,584	2,212	1,313	88,046	65,897
Noncurrent liabilities	263,069	249,328	22,438	18,302	285,507	267,630
Total liabilities	348,903	313,912	24,650	19,615	373,553	333,527
Deferred inflows	39,559	36,907	0	0	39,559	36,907
Total liabilities and deferred outflows	388,462	350,819	24,650	19,615	413,112	370,434
Net position:						
Net investment in capital assets	267,934	265,087	6,763	6,526	274,697	271,613
Restricted	121,995	111,560	0	0	121,995	111,560
Unrestricted	(128,182)	(114,049)	(6,962)	(4,030)	(135,144)	(118,079)
*Total net position	$ 261,747	$ 262,598	$ (199)	$ 2,496	$ 261,548	$ 265,094

*Differences due to rounding

Condensed Statement of Activities

Table 3 on page 10 presents the County's condensed Statement of Activities for the fiscal years ended September 30, 2023 and 2022, as derived from the government-wide Statement of Activities. Over time, increases and decreases in net position may measure whether the County's financial position is improving or deteriorating. During the fiscal year, the net position of the governmental activities decreased by ($.851) million, or (.003) percent, and the net position of the business-type activities decreased by $(2.7) million, or (108.0) percent. The decrease in Governmental Activities is primarily due to a decrease inflows of resources from operating grants and contributions and an increase in program expenses. The decrease in Business-Type Activities is due to an increase in current year expenditures and a decrease in revenues to the Landfill in 2023.

In 2003, the Board of County Commissioners adopted an ordinance levying a Utility Services Tax on the unincorporated area of Leon County. This tax generated $8.6 million in FY 2022 versus $9.9 million in FY 2023. The County also adopted a Communications Services Tax in FY 2003, with revenues in the amount of $2.74 million in FY 2023 compared to revenues of $2.71 million in FY 2022. These two taxes have been a stabilizing factor in the County's financial picture, which was the intent of the ordinances.

Condensed Statement of Activities (continued)

On January 29, 2008, the Florida electorate approved an amendment to the Florida Constitution relative to property taxation. This amendment (referred to as Amendment 1) was placed on the ballot by the Florida Legislature at a special session held in October 2007. With respect to homestead property, Amendment 1 increases the current $25,000 homestead exemption by an additional $25,000 (for property values ranging from $50,000 to $75,000), except for school district taxes. Since the new $25,000 homestead exemption does not apply to school district taxes, this effectively amounts to a $15,000 increase to the existing homestead exemption, resulting in an estimated annual savings of $240 for an average homeowner. Amendment 1 also allows property owners to transfer (make portable) up to $500,000 of their Save Our Homes benefits to their next homestead when they move. Save Our Homes became effective in 1995 and limits (caps) the annual increase in assessed value for homestead property to three percent (3%) or the percentage change in the Consumer Price Index, whichever is less. 'Save Our Homes' was an amendment passed by citizens to help limit the effects of fair value on property taxes.

With respect to non-homestead property, Amendment 1 limits (caps) the annual increase in assessed value for non-homestead property (businesses, industrial property, rental property, second homes, etc.) to ten percent (10%), except for school district taxes. The Amendment also provides a $25,000 exemption for tangible personal property. Amendment 1 became effective on October 1, 2008, but the ten percent (10%) assessment cap on non-homestead property became effective on January 1, 2009. Property tax revenues in FY 23 increased by 9.2%, and future growth will be tempered by the above tax changes, with increases mirroring population growth.

The Board of County Commissioners (the Board) Investment Policy is very risk averse and places a premium on security. With the effective rate of return of the portfolio averaging 3.48% for the year, the net change in fair market value of investments in the portfolio totaled $12.5 million, an increase of $17.0 million from 2022. The primary reasons for the increase in fair market value are from unrealized gains marked to market totaling $3.9 million, while the investment portfolio earned a total return of $8.6 million.

Miscellaneous revenues are made up of revenues that will fluctuate annually as a result of various activities throughout the County. All other changes in activities are a result of the normal operations of the County.

Table 3

Leon County, Florida
Condensed Statement of Activities
For Fiscal Year Ended September 30
(in thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government		Total % Change 2022
	2023	2022	2023	2022	2023	2022	to 2023
Revenues							
Program Revenues:							
Charges for services	$ 47,532	$ 47,537	$ 11,216	$ 11,514	$ 58,748	$ 59,051	(1)%
Operating grants & contributions	18,415	48,898	0	0	18,415	48,898	(62)%
Total Program Revenues	65,947	96,435	11,216	11,514	77,163	107,949	(29)%
General Revenues:							
Property taxes	184,764	169,138	0	0	184,764	169,138	9 %
Local option taxes	62,017	46,480	0	0	62,017	46,480	33 %
Communications services taxes	2,743	2,711	0	0	2,743	2,711	1 %
Motor fuel taxes	1,388	1,425	0	0	1,388	1,425	(3)%
Utility services taxes	9,885	8,642	0	0	9,885	8,642	14 %
Other taxes	0	0	1,892	1,976	1,892	1,976	(4)%
State shared revenues	14,514	14,353	0	0	14,514	14,353	1 %
Net Change in Fair Market Value of Investments	12,366	(4,487)	159	30	12,525	(4,457)	381 %
Miscellaneous revenues	5,319	3,500	6	17	5,325	3,517	51 %
Total General Revenues	292,996	241,762	2,057	2,023	295,053	243,785	21 %
Total Revenues	358,943	338,197	13,273	13,537	372,216	351,734	6 %
Program Expenses							
General government	72,157	68,696	0	0	72,157	68,696	5 %
Public safety	164,680	145,396	0	0	164,680	145,396	13 %
Physical environment	16,019	14,119	18,901	15,906	34,920	30,025	16 %
Transportation	17,546	16,043	0	0	17,546	16,043	9 %
Economic environment	12,762	14,399	0	0	12,762	14,399	(11)%
Human services	34,858	20,755	0	0	34,858	20,755	68 %
Culture and recreation	15,537	13,210	0	0	15,537	13,210	18 %
Judicial	19,298	16,885	0	0	19,298	16,885	14 %
Interest on long-term debt	852	848	0	0	852	848	0 %
***Total Program Expenses**	353,709	310,351	18,901	15,906	372,610	326,257	14 %
Excess (deficiency) before transfers (net)	5,234	27,846	(5,628)	(2,369)	(394)	25,477	(102)%
Transfers	(4,039)	(1,524)	2,933	1,524	(1,106)	0	0 %
Change In Net Position	1,195	26,322	(2,695)	(845)	(1,500)	25,477	(106)%
Beginning net position	262,598	235,997	2,496	3,341	265,094	239,338	11 %
Prior period adjustments	(2,046)	279	0	0	(2,046)	279	
Beginning net position, as restated	260,552	236,276	2,496	3,341	263,048	239,617	9 %
*Ending net position	$ 261,747	$ 262,598	$ (199)	$ 2,496	$ 261,548	$ 265,094	(1)%

*Differences due to rounding

Program Expenses and Revenues for Governmental Activities

Table 4 below presents program expenses and revenues for governmental activities. The nature of governmental activities is to be funded primarily from taxes and not to be self-supporting. As a result, overall program revenues were not sufficient to cover program expenses for governmental activities. General revenues, mainly taxes, therefore supported the net program expenses of these governmental activities. Program revenues as a percentage of program expenses decreased to 19% from fiscal year 2022 to fiscal year 2023.

Table 4

Program Expenses and Revenues
for Governmental Activities
For the Fiscal Year Ended September 30
(in thousands)

	Program Expenses	Less Program Revenues	Net Program Expenses (a)		Program Revenues as a Percentage Program Expenses	
	2023	2023	2023	2022	2023	2022
General government	$ 72,157	$ 8,387	$ 63,770	$ 58,325	12 %	15 %
Public safety	164,680	39,999	124,681	76,700	24 %	47 %
Physical environment	16,019	2,149	13,870	7,346	13 %	48 %
Transportation	17,546	243	17,303	15,470	1 %	4 %
Economic environment	12,762	3,149	9,613	14,295	25 %	1 %
Human services	34,858	904	33,954	20,497	3 %	1 %
Culture and recreation	15,537	341	15,196	12,770	2 %	3 %
Judicial	19,298	10,775	8,523	7,666	56 %	55 %
Interest on long-term debt	852	0	852	848	N/A	N/A
*Total governmental activities	$ 353,709	$ 65,947	$ 287,762	$ 213,917	19 %	31 %

(a) Net Program Expenses are mainly supported by taxes.

*Differences from financial statements due to rounding

Program Expenses and Revenues for Business-type Activities

Table 5 below presents program expenses and revenues for business-type activities. Revenues are not sufficient to cover program expenses in FY 2023. Program revenues as a percentage of expenses decreased to 59% from 2022 to 2023. The program expenses increased by $3.3 million compared to 2022. In 2023, the estimated liability for closure/post closure cost for the Landfill increased by $4.1 million, whereas in 2022 there was an increase of $707.1 thousand. This increase along with operating expense increases resulted in a decrease in the program revenues as a percentage of expenses.

Table 5

Program Expenses and Revenues for Business-type Activities
For the Year Ended September 30
(in thousands)

	Program Expenses	Less Program Revenues	Net Program Expenses		Program Revenues as a Percentage Program Expenses	
	2023	2023	2023	2022	2023	2022
Landfill	$ 18,901	$ 11,216	$ 7,685	$ 4,392	59 %	72 %

*Differences from financial statements due to rounding

Overall Analysis

Financial highlights for the County as a whole include the following:

- The County's net position (excess of assets and deferred outflows over liabilities and deferred inflows) at the close of fiscal year 2023 is $261,747,988, as compared to $262,597,603 for fiscal year 2022, for governmental activities. The County's business-type activities net position (excess of assets and deferred outflows over liabilities and deferred inflows) at the close of fiscal year 2023 is $(199,733) as compared to $2,496,810 for fiscal year 2022. (Please see the Statement of Activities discussed previously for an explanation of the differences above.)

- The County’s total net position decreased by $(3,546,158) during fiscal year 2023, as compared to a $25,478,623 increase in fiscal year 2022. The net position of governmental activities decreased by $1,196,450 in fiscal year 2023, as compared to an increase of $26,322,508 in 2022. The net position of business-type activities decreased by $2,696,543 in 2023, as compared to an decrease of $(843,885) in 2022. (Please see the Statement of Activities discussed previously for an explanation of the differences above.)

Fund Analysis

The following funds experienced significant changes during the year:

Governmental Funds

The County's governmental funds reported a combined ending fund balance of $204,145,455 for fiscal year 2023, as compared to $182,890,457 for fiscal year 2022. This increase in fund balance is a planned appropriation of expenditures primarily in the General Fund, Grants Fund, Fine and Forfeiture Fund and the Capital Improvement Fund. These appropriations allow the Board to maintain existing infrastructure over the next five years.

General Fund

Fund balance at September 30, 2023 has decreased to a total of $49,225,710, as compared to $53,034,909 for September 30, 2022. This $(3,809,199) decrease in fund balance in the General Fund represents an increase in transfers out and increased liabilities. The General Fund reserves are within policy limits and allow the County to maintain the same property millage rates for 2024.

The General Fund of the Board of County Commission, as displayed on the Combining Balance Sheet, contains both Countywide General Revenue funds and the Non-Countywide General Revenue fund. The sole purpose of the Non-Countywide General Revenue funds is to capture discrete revenues and transfer those revenues to the various funds needing support (i.e. various Debt Service, Municipal Services, Growth Management, etc.) from unincorporated revenues. The Non-Countywide General Revenue funds do not contain any countywide property tax revenues.

Fine & Forfeiture Fund

Fund balance at September 30, 2023 totaled $7,238,685, as compared to $1,789,316 for September 30, 2022. This is an increase for the fiscal year and can be attributed to signifcant increases in tax revenues and transfers in to public safety.

Grants Fund

The fund balance at September 30, 2023 totaled $17,462,584, as compared to the September 30, 2022 balance of $29,305,024. This was a decrease of $(11,842,440), primarily related to an decrease of pandemic recovery and relief efforts from the federal governement in the current fiscal year. Grant expenditures increased as expected and will continue in following years to increase as projects close.

Capital Improvement Fund

Fund balance at September 30, 2023 totaled $37,986,593, as compared to $23,952,946 for September 30, 2022. This was an increase of $14,033,647. This increase can be attributed to unrealized gains in the fair market value of investements and an increase in intergovernmental and miscellaneous revenues during September 30, 2023.

Enterprise Funds

The County's enterprise funds reported net position of $(520,338) for September 30, 2023, as compared to $2,202,987 for September 30, 2022, which is a decrease of $(2,723,325). The decrease in net position is due to an increase in current year expenses and and increase in the estimated change in liability for landfill closure and post closure costs compared to 2022.

Budget Variances in the General Fund

The County made no significant revisions and had no significant variations in its budget during the year. Refer to the budgetary comparison schedule for the General Fund in the Other Required Supplementary Information section of the ACFR.

Capital Asset and Long-term Debt Activity

Capital Asset Activity

The County reported $313,969,372 in capital assets for governmental activities and $6,762,523 in capital assets for business-type activities at September 30, 2023, versus $311,532,148 for governmental and $6,526,377 for business-type activities at September 30, 2022. Please refer to Note V in the Notes to the Financial Statements for additional information on capital assets and Note XVI in the Notes to the Financial Statements for additional information on construction commitments.

Debt Administration Activity

At September 30, 2023, the County had $14,653,116 of outstanding bonded debt, as compared to $18,760,643 at September 30, 2022. All of the County's debt is secured by specific general fund revenues, including sales tax, state revenue sharing, and specific other general fund revenues. The County has no general obligation bonds, which would be backed by the full faith and credit of the County. Leon County will finish paying off debt in 2036. There are no plans for financing any future infrastructure projects over the next five years. For more information on long-term debt activity, please see Note IX on Long-term Obligations in the Notes to the Financial Statements.

Economic Factors

Economic activity took a down turn as the pandemic significantly affected revenues and unemployment within Leon County.

- Leon County's unemployment rate remained at 3.1% in FY 2023, which was higher compared to the State of Florida's unemployment rate of 2.9%.
- Visitors to Leon County had an economic impact of $1.248 billion in 2023, an increase of $96.9 million or 8.4% compared to 2022.
- The Florida Price Index Level for Leon County decreased from 95.83 in 2022 to 94.08 in 2023.
- The total fair value of parcels with homestead exemption in Leon County increased from $14.95 billion in 2022 to $16.58 billion in 2023.
- Total employment in Leon County increased by 2.8% compared to the prior year.
- The estimated population in Leon County increased from 299,130 to 301,724 during FY 2023.
- New construction permits in Leon County decreased by 9.8% in FY 2023, from 5979 to 5392.
- Mortgage foreclosure cases in Leon County increased by 1% in 2023 when compared to 2022.

Request for Information

This financial report is designed to provide a general overview of Leon County Government's finances for all those with an interest in our government's finances. Questions concerning any of the information provided in this report or request for additional financial information may be addressed to the Clerk of Circuit Court & Comptroller, Finance Department Leon County, 301 S. Monroe Street, Room #100, Tallahassee, Florida 32301. Requests can also be made telephonically at (850) 606-4020 or by fax at (850) 606-4171. We also suggest visiting our website at www.clerk.leon.fl.us for further financial information.

This page intentionally left blank

Leon County, Florida

Statement of Net Position

September 30, 2023

	Governmental Activities	Business-Type Activities	Total	Component Unit Housing Finance Authority
Assets				
Current assets:				
Cash	$ 29,552,739	$ 559,991	$ 30,112,730	$ 1,902,636
Investments	186,444,617	0	186,444,617	0
Accounts receivable	9,121,697	2,520,793	11,642,490	30,147
Lease receivables	1,409,868	0	1,409,868	0
Receivables from other governments	20,707,949	0	20,707,949	12,613
Special assessments receivable	25,254,314	0	25,254,314	0
Due from other county units	0	0	0	31,000
Inventories	1,274,753	1,733	1,276,486	0
Prepaids	1,325,952	0	1,325,952	0
Total current assets	275,091,889	3,082,517	278,174,406	1,976,396
Noncurrent assets:				
Restricted assets:				
Cash and investments	0	14,605,274	14,605,274	0
Lease receivables	4,692,269	0	4,692,269	0
Mortgage loans, net of allowance	0	0	0	287,238
Capital assets:				
Land and construction in progress, nondepreciable	86,742,235	3,165,465	89,907,700	0
Capital assets (net)	227,227,137	3,597,058	230,824,195	0
Total noncurrent assets	318,661,641	21,367,797	340,029,438	287,238
Total assets	593,753,530	24,450,314	618,203,844	2,263,634
Deferred outflows of resources				
Deferred outflows of resources	56,455,624	0	56,455,624	0
Total deferred outflows of resources	56,455,624	0	56,455,624	0
Total assets and deferred outflows of resources	$ 650,209,154	$ 24,450,314	$ 674,659,468	$ 2,263,634

The accompanying notes are an integral part of these financial statements.

	Governmental Activities	Business-Type Activities	Total	Component Unit Housing Finance Authority
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	$ 16,625,464	$ 2,588,291	$ 19,213,755	$ 0
Payable to other governments	31,660,544	2,063	31,662,607	0
Internal balances	477,337	(477,337)	0	0
Accrued compensated absences	6,302,487	85,679	6,388,166	0
Unearned revenues	10,381,538	13,206	10,394,744	0
Bonds payable	4,190,149	0	4,190,149	0
Notes payable	1,010,000	0	1,010,000	0
Other post employment benefits obligations	4,023,896	0	4,023,896	0
Claims payable	6,847,147	0	6,847,147	0
Lease liability	3,883,821	0	3,883,821	0
Subscription liability	430,749	0	430,749	0
Total current liabilities	85,833,132	2,211,902	88,045,034	0
Noncurrent liabilities:				
Deposits	231,544	0	231,544	0
Estimated liability for landfill closure and postclosure care costs	0	22,076,218	22,076,218	0
Arbitrage rebate liability	25,000	0	25,000	0
Accrued compensated absences	11,639,044	130,697	11,769,741	0
Other postemployment benefits obligation	27,322,500	231,230	27,553,730	0
Net pension liability	187,331,075	0	187,331,075	0
Bonds payable	10,557,749	0	10,557,749	0
Notes payable	13,580,000	0	13,580,000	0
Lease liability	10,833,953	0	10,833,953	0
Suscription liabilty	1,548,494	0	1,548,494	0
Total noncurrent liabilities	263,069,359	22,438,145	285,507,504	0
Total liabilities	348,902,491	24,650,047	373,552,538	0
Deferred inflows of resources				
Deferred inflows of resources	39,558,675	0	39,558,675	0
Total deferred inflows of resources	39,558,675	0	39,558,675	0
Net position				
Net investment in capital assets	267,934,457	6,762,523	274,696,980	0
Restricted for:				
Federal and state grants and other purpose	19,345,204	0	19,345,204	0
Major non-transportation related capital projects and facilities	70,200,686	0	70,200,686	0
Public improvement revenue bond projects	20,401,911	0	20,401,911	0
Enabling legislation	11,491,477	0	11,491,477	0
User restricted	555,987	0	555,987	0
Unrestricted	(128,181,734)	(6,962,256)	(135,143,990)	2,263,634
Total net position	$ 261,747,988	$ (199,733)	$ 261,548,255	$ 2,263,634

Leon County, Florida
Statement of Activities
For the Year Ended September 30, 2023

Function/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government	$ 72,156,813	$ 7,813,340	$ 573,383	$ -
Public safety	164,679,539	30,756,160	9,243,202	-
Physical environment	16,019,320	1,199,785	949,198	-
Transportation	17,546,206	242,690	-	-
Economic environment	12,761,519	386,490	2,762,281	-
Human services	34,858,171	-	904,560	-
Culture and recreation	15,536,713	204,929	135,733	-
Judicial	19,297,707	6,928,245	3,846,747	-
Interest on long-term debt	851,905	-	-	-
Total governmental activities	353,707,893	47,531,639	18,415,104	-
Business-type activities:				
Landfill	18,900,852	11,215,796	-	-
Total business-type activities	18,900,852	11,215,796	-	-
Total primary government	$ 372,608,745	$ 58,747,435	$ 18,415,104	$ -
Component Unit:				
Economic environment	164,422	78,780	-	-
Total component unit	$ 164,422	$ 78,780	$ -	$ -

General Revenues:	
Property taxes	
Local option taxes	
Communication services taxes	
Motor fuel taxes	
Utility services taxes	
Other taxes	
State shared revenues	
Net Change in Fair Market Value of Investments	
Miscellaneous revenues	
Transfers and contributions	
Total general revenues and transfers	
Change in net position	
Net position - beginning	
Prior period adjustments	
Net position - beginning, as restated	
Net position - ending	

The accompanying notes are an integral part of these financial statements.

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Housing Finance Authority
$ (63,770,090)	$ -	$ (63,770,090)	$ -
(124,680,177)	-	(124,680,177)	-
(13,870,337)	-	(13,870,337)	-
(17,303,516)	-	(17,303,516)	-
(9,612,748)	-	(9,612,748)	-
(33,953,611)	-	(33,953,611)	-
(15,196,051)	-	(15,196,051)	-
(8,522,715)	-	(8,522,715)	-
(851,905)	-	(851,905)	-
(287,761,150)	-	(287,761,150)	-
-	(7,685,056)	(7,685,056)	-
-	(7,685,056)	(7,685,056)	-
$ (287,761,150)	$ (7,685,056)	$ (295,446,206)	$ -
-	-	-	(85,642)
$ -	$ -	$ -	$ (85,642)
$ 184,764,172	$ -	$ 184,764,172	$ -
62,017,106	-	62,017,106	-
2,743,295	-	2,743,295	-
1,387,836	-	1,387,836	-
9,885,075	-	9,885,075	-
-	1,892,060	1,892,060	-
14,514,012	-	14,514,012	-
12,366,276	158,555	12,524,831	72,417
5,318,540	5,447	5,323,987	476,522
(4,038,712)	2,932,451	(1,106,261)	-
288,957,600	4,988,513	293,946,113	548,939
1,196,450	(2,696,543)	(1,500,093)	463,297
262,597,603	2,496,810	265,094,413	1,800,337
(2,046,065)	-	(2,046,065)	-
260,551,538	2,496,810	263,048,348	1,800,337
$ 261,747,988	$ (199,733)	$ 261,548,255	$ 2,263,634

Leon County, Florida
Balance Sheet
Governmental Funds
September 30, 2023

	General Fund	Fine & Forfeiture Fund	Grants Fund	Capital Improvement Fund	Local Provider Participation Fund	Nonmajor Governmental Funds
Assets:						
Cash	$ 18,134,843	$ 60,160	$ 692,098	$ 0	$ 0	$ 9,392,614
Investments	34,762,058	4,771,671	20,033,312	38,515,434	2,696,838	77,317,765
Receivables:						
Accounts	2,364,033	8,079	0	67,162	0	6,364,778
Lease receivables	0	0	0	0	0	6,102,137
Due from other governments	6,749,126	0	6,927,475	0	0	7,023,536
Special assessments	0	0	0	0	24,251,888	1,002,426
Due from other funds	2,288,950	3,816,165	735,271	416,438	0	1,403,257
Inventories	1,174,170	0	0	0	0	5,612
Prepaids	720,748	0	179,271	154,952	0	154,790
Total assets	$ 66,193,928	$ 8,656,075	$ 28,567,427	$ 39,153,986	$ 26,948,726	$ 108,766,915
Liabilities, deferred inflows of resources, and fund balances						
Liabilities:						
Accounts payable	$ 4,566,735	$ 5,303	$ 1,577,707	$ 1,167,393	$ 0	$ 2,859,843
Accrued liabilities	5,284,498	0	4,480	0	0	687,900
Due to other governments	1,334,328	690	1,004	0	24,639,976	5,692,601
Due to other funds	5,759,660	1,226,657	549,389	0	127,213	1,293,532
Deposits	22,997	184,740	0	0	0	36,772
Unearned revenues	0	0	8,972,263	0	0	1,409,275
Total liabilities	16,968,218	1,417,390	11,104,843	1,167,393	24,767,189	11,979,923
Deferred inflows of resources:						
Deferred inflows of resources	0	0	0	0	0	6,736,646
Total deferred inflows	0	0	0	0	0	6,736,646
Fund balances:						
Nonspendable	1,894,918	0	179,271	154,952	0	160,402
Restricted	0	225,998	16,636,457	35,678,641	2,181,537	67,272,632
Committed	7,660,233	1,055,341	695,723	2,153,000	0	19,700,826
Assigned	6,139,030	5,957,346	0	0	0	3,043,830
Unassigned	33,531,529	0	(48,867)	0	0	(127,344)
Total fund balances	49,225,710	7,238,685	17,462,584	37,986,593	2,181,537	90,050,346
Total liabilities, deferred inflows of resources, and fund balances	$ 66,193,928	$ 8,656,075	$ 28,567,427	$ 39,153,986	$ 26,948,726	$ 108,766,915

The accompanying notes are an integral part of these financial statements.

Total Governmental Funds
$ 28,279,715
178,097,078
8,804,052
6,102,137
20,700,137
25,254,314
8,660,081
1,179,782
1,209,761
$ 278,287,057
$ 10,176,981
5,976,878
31,668,599
8,956,451
244,509
10,381,538
67,404,956
6,736,646
6,736,646
2,389,543
121,995,265
31,265,123
15,140,206
33,355,318
204,145,455
$ 278,287,057

Leon County, Florida
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
September 30, 2023

Total fund balances of governmental funds		$ 204,145,455
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources, and therefore are not reported as assets in governmental funds.		
Governmental capital assets	817,231,223	
Less accumulated depreciation/amortization	(503,261,851)	313,969,372
Long-term liabilities, and deferred outflows/inflows of resources including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Bonds and notes payable	(29,243,116)	
Unamortized premium on bonds payable	(94,782)	
Lease liability	(14,717,774)	
Subscription liability	(1,979,243)	
OPEB related deferred inflows	(20,498,202)	
OPEB related deferred outflows	17,698,439	
Pension related deferred outflows	38,757,185	
Pension related deferred inflows	(12,323,827)	
Net pension liability	(187,331,075)	
Compensated absences, net of internal service amount	(17,482,897)	
Other postemployment benefits, net of internal service amount	(31,249,567)	
Arbitrage rebate liability	(25,000)	(258,489,859)
Internal service funds are used by management to charge the costs of gasoline, vehicle repair, risk management, and telephone services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		2,123,020
Total net position of governmental activities		$ 261,747,988

The accompanying notes are an integral part of these financial statements.

This page intentionally left blank

Leon County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2023

	General Fund	Fine & Forfeiture Fund	Grants Fund	Capital Improvement Fund	Local Provider Participation Fund	Nonmajor Governmental Funds
Revenues:						
Taxes	$ 88,331,602	$ 101,194,886	$ 0	$ 0	$ 24,251,888	$ 47,019,108
Licenses and permits	0	0	0	0	0	2,838,138
Intergovernmental	13,201,743	16,993	6,001,857	1,376,196	0	13,842,129
Charges for services	7,884,371	643,655	92,916	0	0	35,932,249
Fines and forfeitures	0	77,237	0	0	0	223,102
Interest	2,479,719	769,135	1,197,228	934,274	131,029	3,017,963
Net change in fair market value of investments	1,304,493	(5,206)	0	604,260	0	1,932,543
Miscellaneous	828,526	40,834	47,062	1,520,000	0	2,514,909
Total revenues	114,030,454	102,737,534	7,339,063	4,434,730	24,382,917	107,320,141
Expenditures:						
Current:						
General government	45,486,017	0	0	2,139,429	0	770,390
Public safety	88,621,673	3,431,871	4,634,912	0	0	49,195,259
Physical environment	2,462,874	0	174,312	557,514	0	8,054,083
Transportation	535	0	6,138	0	0	14,145,592
Economic environment	4,409,165	0	1,074,268	0	0	6,096,119
Human services	8,349,612	0	42,807	0	22,353,917	2,290,894
Culture and recreation	5,817,465	0	157,630	54,194	0	7,802,774
Judicial	8,672,077	2,046,078	2,222	190,375	0	6,831,382
Debt service:						
Principal retirement	3,396,454	0	0	488,257	0	5,098,012
Interest and fiscal charges	253,734	0	0	28,052	0	617,509
Capital outlay	9,139,437	0	7,925,010	10,241,468	0	10,669,123
Total expenditures	176,609,043	5,477,949	14,017,299	13,699,289	22,353,917	111,571,137
Excess (deficiency) of revenues over (under) expenditures	(62,578,589)	97,259,585	(6,678,236)	(9,264,559)	2,029,000	(4,250,996)
Other financing sources (uses):						
Transfers in	99,199,716	4,637,429	972,462	22,478,250	0	34,215,058
Lease financing	5,666,612	0	0	0	0	0
Subscription financing	1,629,353	0	0	819,956	0	0
Transfer out	(48,176,116)	(96,447,645)	(6,136,666)	0	0	(14,984,075)
Total other financing sources (uses)	58,319,565	(91,810,216)	(5,164,204)	23,298,206	0	19,230,983
Net change in fund balances	(4,259,024)	5,449,369	(11,842,440)	14,033,647	2,029,000	14,979,987
Fund balances, October 1	53,034,909	1,789,316	29,305,024	23,952,946	152,537	74,655,725
Prior period adjustments	449,825	0	0	0	0	414,634
Fund balances, October 1, as restated	53,484,734	1,789,316	29,305,024	23,952,946	152,537	75,070,359
Fund balances, September 30	$ 49,225,710	$ 7,238,685	$ 17,462,584	$ 37,986,593	$ 2,181,537	$ 90,050,346

The accompanying notes are an integral part of these financial statements.

Total Governmental Funds
$ 260,797,484
2,838,138
34,438,918
44,553,191
300,339
8,529,348
3,836,090
4,951,331
360,244,839
48,395,836
145,883,715
11,248,783
14,152,265
11,579,552
33,037,230
13,832,063
17,742,134
8,982,723
899,295
37,975,038
343,728,634
16,516,205
161,502,915
5,666,612
2,449,309
(165,744,502)
3,874,334
20,390,539
182,890,457
864,459
183,754,916
$ 204,145,455

Leon County, Florida

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended September 30, 2023

Net change in fund balances - total governmental funds		$ 20,390,539
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Expenditures for capital assets/leases	34,507,530	
Less current year depreciation and amortization	(29,159,776)	5,347,754
Repayment of leases/subscription liabilities/bond/loan principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		9,013,372
Lease financings and debt issuances provide current financial resources to governmental funds, but increase long-term liabilities in the Statement of Net Position.		(8,115,921)
Some expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore are not reported as expenditures in the governmental funds.		
Amortization of current year bond discount/premium	47,390	
Change in other postemployment benefits	(2,379,808)	
Change in compensated absences	(351,059)	
Change in net pension liability	(22,884,053)	
		(25,567,530)
Internal service funds are used by management to charge the costs of gasoline, vehicle repair, risk management, and telephone services to individual funds.		128,236
Change in net position of governmental activities		$ 1,196,450

The accompanying notes are an integral part of these financial statements.

Leon County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
Year Ended September 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	$ 87,156,892	$ 87,926,916	$ 88,331,602	$ 404,686
Intergovernmental	10,149,314	10,149,314	13,201,743	3,052,429
Charges for services	7,914,573	7,897,979	7,884,371	(13,608)
Interest	1,093,622	1,093,622	2,479,719	1,386,097
Net change in fair market value of investments	0	0	1,304,493	1,304,493
Miscellaneous	269,439	614,439	828,526	214,087
Total revenue	106,583,840	107,682,270	114,030,454	6,348,184
Expenditures:				
Current:				
General government	52,185,357	57,901,996	45,486,017	12,415,979
Public safety	92,184,763	92,307,676	88,621,673	3,686,003
Physical environment	2,756,638	2,632,884	2,462,874	170,010
Transportation	0	0	535	(535)
Economic environment	4,483,196	4,449,895	4,409,165	40,730
Human services	9,426,020	9,420,170	8,349,612	1,070,558
Culture and recreation	6,330,494	5,945,061	5,817,465	127,596
Judicial	5,556,223	5,766,873	8,672,077	(2,905,204)
Debt service:				
Principal retirement	0	0	3,396,454	(3,396,454)
Interest and fiscal charges	0	0	253,734	(253,734)
Capital outlay	2,958,328	3,390,268	9,139,437	(5,749,169)
Total expenditures	175,881,019	181,814,823	176,609,043	5,205,780
Excess (deficiency) of revenues over (under) expenditures	(69,297,179)	(74,132,553)	(62,578,589)	11,553,964
Other financing sources (uses):				
Transfers in	124,688,024	125,563,159	99,199,716	(26,363,443)
Lease financing	0	0	5,666,612	5,666,612
Subscription financing	0	0	1,629,353	1,629,353
Transfers out	(56,619,719)	(71,798,533)	(48,176,116)	23,622,417
Total other financing sources (uses)	68,068,305	53,764,626	58,319,565	4,554,939
Net change in fund balance	(1,228,874)	(20,367,927)	(4,259,024)	16,108,903
Fund balances, October 1	53,034,909	53,034,909	53,034,909	0
Prior period adjustments	0	0	449,825	449,825
Fund balances, October 1, as restated	53,034,909	53,034,909	53,484,734	449,825
Fund balances, September 30	$ 51,806,035	$ 32,666,982	$ 49,225,710	$ 16,108,903

The accompanying notes are an integral part of these financial statements.

Leon County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Fine & Forfeiture Fund
Year Ended September 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	$ 99,289,507	$ 99,289,507	$ 101,194,886	$ 1,905,379
Intergovernmental	20,086	20,086	16,993	(3,093)
Charges for services	710,315	710,315	643,655	(66,660)
Fines and forfeitures	106,115	106,115	77,237	(28,878)
Interest	393,076	393,076	769,135	376,059
Net change in fair market value of investments	0	0	(5,206)	(5,206)
Miscellaneous	0	0	40,834	40,834
Total revenue	100,519,099	100,519,099	102,737,534	2,218,435
Expenditures:				
Current:				
Public safety	3,532,711	3,632,711	3,431,871	200,840
Judicial	2,439,717	2,439,717	2,046,078	393,639
Total expenditures	5,972,428	6,072,428	5,477,949	594,479
Excess (deficiency) of revenues over (under) expenditures	94,546,671	94,446,671	97,259,585	2,812,914
Other financing sources (uses):				
Transfers in	0	641,354	4,637,429	3,996,075
Transfers out	(94,546,671)	(95,833,155)	(96,447,645)	(614,490)
Total other financing sources (uses)	(94,546,671)	(95,191,801)	(91,810,216)	3,381,585
Net change in fund balance	0	(745,130)	5,449,369	6,194,499
Fund balances, October 1	1,789,316	1,789,316	1,789,316	0
Fund balances, September 30	$ 1,789,316	$ 1,044,186	$ 7,238,685	$ 6,194,499

The accompanying notes are an integral part of these financial statements.

Leon County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Grants Fund
Year Ended September 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	$ 553,136	$ 33,400,245	$ 6,001,857	$ (27,398,388)
Charges for services	83,800	220,238	92,916	(127,322)
Interest	0	107,018	1,197,228	1,090,210
Miscellaneous	0	876,936	47,062	(829,874)
Total revenue	636,936	34,604,437	7,339,063	(27,265,374)
Expenditures:				
Current:				
Public safety	776,965	9,220,518	4,634,912	4,585,606
Physical environment	0	2,959,559	174,312	2,785,247
Transportation	0	378,623	6,138	372,485
Economic environment	50,000	2,447,635	1,074,268	1,373,367
Human services	38,026	75,660	42,807	32,853
Culture and recreation	5,500	425,504	157,630	267,874
Judicial	88,053	176,473	2,222	174,251
Capital outlay	9,500	49,303,436	7,925,010	41,378,426
Total expenditures	968,044	64,987,408	14,017,299	50,970,109
Excess (deficiency) of revenues over (under) expenditures	(331,108)	(30,382,971)	(6,678,236)	23,704,735
Other financing sources (uses):				
Transfers in	331,108	331,108	972,462	641,354
Transfers out	(3,071,844)	(6,136,666)	(6,136,666)	0
Total other financing sources (uses)	(2,740,736)	(5,805,558)	(5,164,204)	641,354
Net change in fund balance	(3,071,844)	(36,188,529)	(11,842,440)	24,346,089
Fund balances, October 1	29,305,024	29,305,024	29,305,024	0
Fund balances, September 30	$ 26,233,180	$ (6,883,505)	$ 17,462,584	$ 24,346,089

The accompanying notes are an integral part of these financial statements.

Leon County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Local Provider Participation Fund
Year Ended September 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	$ 0	$ 24,251,888	$ 24,251,888	$ 0
Interest	0	0	131,029	131,029
Total revenue	0	24,251,888	24,382,917	131,029
Expenditures:				
Current:				
Human services	0	24,251,888	22,353,917	1,897,971
Total expenditures	0	24,251,888	22,353,917	1,897,971
Net change in fund balance	0	0	2,029,000	2,029,000
Fund balances, October 1	152,537	152,537	152,537	0
Fund balances, September 30	$ 152,537	$ 152,537	$ 2,181,537	$ 2,029,000

The accompanying notes are an integral part of these financial statements.

Leon County, Florida
Statement of Net Position
Proprietary Funds
September 30, 2023

	Business-type Activities - Landfill Fund	Business-type Activities - Internal Service Funds
Assets		
Current assets:		
Cash	$ 559,991	$ 966,944
Cash with fiscal agent	0	306,082
Investments	0	8,347,539
Receivables:		
Accounts	2,520,793	317,643
Due from other funds	169,234	522,978
Due from other governments	0	23,223
Inventories	1,733	94,971
Prepaids	0	116,191
Total current assets	3,251,751	10,695,571
Noncurrent assets:		
Restricted cash and investments	14,605,274	0
Capital assets:		
Nondepreciable capital assets	3,165,465	0
Depreciable (net)	3,597,058	0
Total noncurrent assets	21,367,797	0
Total assets	$ 24,619,548	$ 10,695,571
Liabilities		
Current liabilities:		
Accounts payable	$ 2,566,837	$ 451,678
Due to other governments	2,063	7,356
Accrued liabilities	21,454	6,962
Due to other funds	12,502	383,340
Compensated absences	85,679	275,368
Claims payable	0	6,847,147
Deferred revenue	13,206	0
Total current liabilities	2,701,741	7,971,851
Noncurrent liabilities:		
Compensated absences	130,697	183,266
Liability for closure costs/maintenance	22,076,218	0
Other post employment benefits	231,230	96,829
Total noncurrent liabilities	22,438,145	280,095
Total liabilities	25,139,886	8,251,946
Net position		
Investment in capital assets	6,762,523	0
Unrestricted	(7,282,861)	2,443,625
Total net position	(520,338)	2,443,625
Total liabilities and net position	$ 24,619,548	$ 10,695,571
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	320,605	
Net position of business-type activities	$ (199,733)	

The accompanying notes are an integral part of these financial statements.

Leon County, Florida
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Year Ended September 30, 2023

	Business-type Activities - Landfill Fund	Business-type Activities - Internal Service Funds
Operating revenues:		
Charges for services	$ 11,189,014	$ 11,511,551
Total operating revenues	11,189,014	11,511,551
Operating expenses:		
Personnel services	2,141,583	899,733
Contractual services	10,601,222	164,143
Supplies	403,942	2,299,207
Communications services	27,978	931,431
Insurance	44,313	5,375,392
Utility services	84,956	0
Depreciation	673,633	0
Other services and charges	4,923,225	2,223,799
Total operating expenses	18,900,852	11,893,705
Operating income (loss)	(7,711,838)	(382,154)
Nonoperating revenues:		
Taxes	1,892,060	0
Interest	127,014	311,992
Net change in fair market value of investments	31,541	0
Loss on disposal of assets	5,447	22,305
Total nonoperating revenues	2,056,062	334,297
Income (loss) before transfers	(5,655,776)	(47,857)
Transfers in	3,032,555	202,875
Transfers out	(100,104)	0
Change in net position	(2,723,325)	155,018
Net position, October 1	2,202,987	2,288,607
Net position, September 30	$ (520,338)	$ 2,443,625
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.	26,782	
Change in net position of business-type activities	$ (2,696,543)	

The accompanying notes are an integral part of these financial statements.

Leon County, Florida
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2023

	Business-type Activities - Landfill Fund	Business-type Activities - Internal Service Funds
Cash flows from operating activities:		
Receipts from customers fees and other income	$ 10,547,578	$ 22,305
Payments to suppliers	(10,805,962)	(8,042,479)
Payments to employees	(2,120,888)	(853,175)
Internal activity - payments to other funds	(44,313)	0
Internal activity - cash received from other funds	12,502	11,601,302
Claims paid	0	(1,535,218)
Net cash provided by (used in) operating activities	(2,411,083)	1,192,735
Cash flows from noncapital financing activities:		
Tax proceeds	1,892,060	0
Repayments on interfund loans	(167,190)	(142,571)
Loan from other funds	(40,739)	0
Transfers received from other funds	3,032,555	202,875
Transfers to other funds	(100,104)	0
Net cash provided by (used in) noncapital financing activities	4,616,582	60,304
Cash flows from capital and related financing activities:		
Acquisition and/or construction of capital assets	(909,779)	0
Net cash provided by (used in) capital and related financing activities	(909,779)	0
Cash flows from investing activities:		
Net proceeds from sales and maturities of investments	(48,839)	(1,525,372)
Interest and dividends received	126,160	311,992
Net change in fair market value of investments	31,541	0
Net cash provided by (used in) investing activities	108,862	(1,213,380)
Net cash increase (decreases) in cash	1,404,582	39,659
Cash at beginning of year (including $12,441,089 included in restricted cash and investments)	12,864,930	1,233,367
Cash at end of year (including $13,709,521 included in restricted cash and investments)	$ 14,269,512	$ 1,273,026

The accompanying notes are an integral part of these financial statements.

Leon County, Florida
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2023
(continued)

	Business-type Activities - Landfill Fund	Business-type Activities - Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities		
Operating income (loss)	$ (7,711,838)	$ (382,154)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation expense	673,633	0
Other income	5,447	22,305
Changes in assets and liabilities:		
Receivables	(648,219)	1,297,442
Prepaids	0	38,027
Due from other governments	12,502	(95,002)
Accounts payable and other liabilities	1,112,210	66,702
Accrued expenses	20,695	12,203
Other current liabilities	0	198,857
Revenues received in advance	1,336	0
Estimated liability for closure costs/maintenance	4,123,151	0
Other accrued liabilities	0	34,355
Net cash provided by (used in) operating activities:	$ (2,411,083)	$ 1,192,735

The accompanying notes are an integral part of these financial statements.

Leon County, Florida
Statement of Fiduciary Net Position
Custodial Funds
September 30, 2023

	Total Custodial Funds
Assets	
Cash	$ 10,009,464
Accounts receivable	454,416
Due from other governments	977
Total assets	$ 10,464,857
Liabilities	
Accounts payable	$ 336,529
Due to other governments	2,386,105
Installment tax deposits	2,165,961
Total liabilities	4,888,595
Net Position:	
Restricted for:	
Individuals, organizations, and other governments	5,576,262
Total net position	5,576,262
Total liabilities and net position	$ 10,464,857

The accompanying notes are an integral part of these financial statements.

Leon County, Florida
Statement of Changes in Fiduciary Net Position - Custodial Funds
Year Ended September 30, 2023

	Total Custodial Funds
Additions	
Property taxes and fees collected	$ 382,843,794
Fees and other amounts collected on behalf of other governments	851,949
Tourist development taxes collected	8,342,181
License, registrations, and vessel fees collected	23,371,026
Receipt of registry for court from citizens	7,104,791
Sales taxes collected	6,451,722
Bonds, deposits and other court related collections	3,756,534
Other taxes and fees collected	60,554
Interest earnings	837,424
Inmate funds collected	815,750
Contracts and other miscellaneous collected	494,939
Evidence monies collected	64,445
Fines and forfeitures fees collected	571,462
Total additions	435,566,571
Deductions	
Property taxes and fees distributed	382,843,794
Fees and other amounts distributed to other governments	1,069,185
Tourist developmment taxes distributed	8,342,181
License, registrations, and vessel fees distributed	23,371,026
Disbursement of registry for court from citizens	7,651,015
Sales taxes distributed	6,451,722
Bonds, deposits and other court related distributions	3,520,657
Other taxes and fees distributed	60,554
Interest earnings	837,424
Inmate funds disbursed	813,136
Contracts and other miscellaneous disbursed	493,774
Evidence monies disbursed	93,529
Fines and forfeitures and fees disbursed	571,462
Total deductions	436,119,459
Net increase (decrease) in fiduciary net position	(552,888)
Net position at beginning of year	6,129,150
Net position at end of year	$ 5,576,262

The accompanying notes are an integral part of these financial statements.

This page intentionally left blank

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
A. Reporting Entity 36
B. Measurement Focus and Basis of Accounting 39
C. Basis of Presentation 41
D. Assets, Liabilities, and Net Position 42

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY
Budgets and Budgetary Accounting 47

III. CASH AND INVESTMENTS 50

IV. PROPERTY TAXES 54

V. CAPITAL ASSETS 55

VI. LEASES 56

VII. SUBSCRIPTION LIABILITIES 59

VIII. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS 60

IX. LONG-TERM OBLIGATIONS
A. Long-term Obligations 62
B. Schedule of Debt Service Requirements 63
C. Changes in the Long-term Debt 63
D. Financed purchase liability - ESCO 64
E. Purchase Cards 65
F. Special Assessment Debt 65
G. Demand Bonds 65
H. Conduit Debt Obligations 65
I. Debt Parity 66

X. CLOSURE AND POST CLOSURE CARE COST 66

XI. EMPLOYEE BENEFITS
A. Florida Retirement System 67
B. Deferred Compensation Plan 73
C. Liability for Compensated Absences 73
D. Executive Service Plan 73
E. Post Employment Benefits Other Than Pension Benefits 74

XII. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES 79

XIII. RISK MANAGEMENT AND CONVENTIONALLY INSURED CLAIMS & LOSSES
A. General Liability 80
B. Workers Compensation 80
C. Automobile Liability 81
D. Professional Liability 81

XIV. SEGMENT INFORMATION – ENTERPRISE FUNDS 82

XV. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES
A. Excess of Expenditures over Appropriations 82
B. Excess of Expenditures Over Revenue in the Budget Column 82
C. Deficit Fund Balances 82
D. Minimum Fund Balance Policy 82
E. Fund Balance 83

XVI. COMMITMENTS AND CONTINGENCIES
A. Contract Commitments 84
B. Potential Liabilities Resulting from Litigation 84
C. Subsequent Events 84
XVII. CONTINGENCIES - DEBT 84

XVIII. NET POSITION RESTATEMENT 85

This page intentionally left blank

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Leon County, Florida (the County) is a political subdivision of the State of Florida and provides services to its residents in many areas, including public safety, transportation, recreation, and human services. The County is governed by an elected Board of County Commissioners (seven members). In addition to the members of the Board of County Commissioners (the Board), there are five elected Constitutional Officers: Clerk of the Circuit Court and Comptroller, Sheriff, Tax Collector, Property Appraiser, and Supervisor of Elections. The Constitutional Officers maintain separate accounting records and budgets. Effective for the 2003 fiscal year, the citizens of Leon County passed a voter referendum to make Leon County a Charter County. The Charter is a simple charter, which allows for the same powers and duties as provided in the Constitution of the State of Florida and Florida Statutes. However, in certain instances, the Charter may alter or expand the powers of the elected officials via voter referendum.

The accompanying financial statements present the combined financial position and results of operations of the entity as a whole, by major fund and nonmajor funds in aggregate, that are governed by the Board and the Constitutional Officers of Leon County, Florida.

The Board of County Commissioners funds a portion, or in some cases all, of the operating budgets of the County's Constitutional Officers. The payments by the Board of County Commissioners to fund the operating budgets of the Constitutional Officers are recorded as expenditures on the financial statements of the Board and as appropriations or charges for services on the financial statements of the Constitutional Officers. Accordingly, such amounts and the budget relating to those amounts have been eliminated in the accompanying combined financial statements.

Component Unit

The component units that are discussed below have been reviewed to see if they should be included in the County's reporting entity. They would be included in the County's reporting entity either because of the significance of the operational relationship or the County is financially accountable for the component unit. The County is financially accountable for an organization when the County appoints a voting majority of the organization's governing body and is able to impose its will on the organization. The County is also financially accountable when there is a potential for the organization to provide a financial benefit or impose a financial burden on the County, or the organization is fiscally dependent on the County.

Specific criteria used to determine financial accountability are:

- Selection of a voting majority of the governing body.

- Imposition of will: Ability to remove appointed members at will; ability to approve or modify charges affecting revenue; ability to appoint, hire or dismiss management.

- Financial benefit or burden relationship: The County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the obligation to finance the deficits of or provide support to the organization; or the County is obligated in some manner for the debt of the organization.

- Fiscal dependency: Ability to approve or modify the organization's budget or rate charges and ability to approve debt issuances and/or tax levies.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Reporting Entity (continued)

Component Unit (continued)

Financial statements of component units would be included in the financial reporting entity either as a blended component unit or as a discretely presented component unit in accordance with governmental accounting standards. At September 30, 2023, the only component unit of the County is the Housing Finance Authority of Leon County (the Authority) and it is presented in a separate column on the County's financial statements.

The Authority was created as a Florida public corporation in accordance with the Florida Housing Finance Authority Law, Part IV of Chapter 159, Florida Statutes (1979), following the adoption of an approving ordinance (#80-39) by the Board of County Commissioners of Leon County, Florida. The Authority is a Dependent Special District as defined in Section 189.4041, Florida Statutes.

The Authority's governing board is appointed by the Board of County Commissioners; the budget is reviewed by the County; all bonds issued and contracts entered into must be approved by the County; the County may, at its sole discretion, and at anytime, alter or change the structure, organization, programs or activities of the Authority, including the power to terminate the Authority. This unit is reported in a separate column to emphasize that it is legally separate from the County. Separate financial information for the Authority is available at 918 Railroad Avenue, Tallahassee, Florida 32310.

Excluded from the Reporting Entity

The Leon County Health Facilities Authority, Leon County Research and Development Authority, Leon County Education Facilities Authority and Leon County Energy Improvement District have been established under Florida Statutes, Chapter 159, Part V, Chapter 154, Part III, Chapter 243 and Chapter 189, Part II respectively. Operations of the above authorities are not included in this report because they do not meet the criteria for inclusion in the reporting entity as set forth in GASB Statement No. 39 and No. 61.

Other public entities located within Leon County and not included in the financial statements of the County include municipalities and the following independent taxing districts authorized and established by the laws of Florida:

Children's Service Council of Leon County

Leon County School Board District

Fallschase Special Taxing District

Northwest Florida Water Management District

Tallahassee-Leon County Civic Center Authority

These potential component units have been excluded because they do not meet the criteria for inclusion in the reporting entity.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Reporting Entity (continued)

Consolidated Dispatch Agency

In May 2012, the City of Tallahassee, Leon County, Florida, and the Leon County Sheriff's Office entered into an inter-local agreement authorized by Section 163.01, Florida Statutes. This agreement created a Consolidated Dispatch Agency (CDA) for the purpose of dispatching law enforcement, fire and emergency medical services personnel. The term of this agreement is for a period of 10 years, commencing April 1, 2013, and will renew automatically thereafter. The CDA will govern and manage the provision of public safety consolidated dispatch services on a county-wide basis.

The governing body of the CDA consists of the City of Tallahassee City Manager, the Leon County Administrator and the Leon County Sheriff, hereinafter called the Council. The City and the County shall fund the CDA budget proportionately based upon the per capita population within the corporate limits of the City of Tallahassee for the city, and the per capita population within the unincorporated area of Leon County for the County, and a service cost allocation shall be included in the CDA's annual budget. Current audited financial statements may be obtained from the Consolidated Dispatch Agency, 300 S. Adams Street, Box A-19, Tallahassee, Florida 32301.

Capital Region Transportation Planning Agency

In December 2004, the Capital Region Transportation Planning Agency (CRTPA) was created through an inter-local agreement between the Florida Department of Transportation; the Counties of Leon, Gadsden, Jefferson and Wakulla; the Cities of Tallahassee, Chattahoochee, Gretna, Midway, Monticello, Quincy, St. Marks and Sopchoppy; the towns of Greensboro and Havana; and the Leon County School Board as authorized by Section 163.01 Florida Statues. It was established in order for the members to participate cooperatively in the development of transportation related plans and programs.

The governing board consists of voting representatives from the Counties of Leon, Gadsden, Jefferson, and Wakulla; the Cities of Midway, Quincy, Tallahassee, Chattahoochee and Gretna; the Towns of Greensboro and Havana, the Leon County School Board, and three nonvoting representatives from the Florida Department of Transportation, the Federal Highway Administration, and StarMetro, the City of Tallahassee's public transit system.

The CRTPA receives federal and state transportation funds for the performance of its transportation planning and programming activities. If operating expenses exceed the external funding obtained, the deficit is funded by the members of the CRTPA in proportion of their weighted votes. As a participating member of CRTPA, Leon County has a limited share of financial responsibility for any such deficits. Current audited financial statements may be obtained from the Capital Regional Transportation Planning Agency, 300 S. Adams Street, Box A-19, Tallahassee, Florida 32301.

Blueprint Intergovernmental Agency

In October 2000, Leon County entered into an interlocal agreement with the City of Tallahassee as authorized by Section 163.01(7) Florida Statutes. This agreement created the Blueprint 2000 Intergovernmental Agency, now known as the Blueprint Intergovernmental Agency (Blueprint) to govern the project management for the project planning and construction of a list of projects known as the Blueprint projects. The Board of County Commissioners and the City Commission constitute Blueprint's Board of Directors and jointly govern the organization. The revenues to fund the projects under this agreement are the collections of the local government infrastructure sales surtax, which began December 1, 2004. This tax was extended pursuant to the provisions in Section 212.055, Florida Statutes, until December 31, 2039.

The County and Blueprint have entered into a Joint Partnership Agreement whereby the County receives an annual allocation of $3,875,000 from Blueprint for the performance of various infrastructure initiatives. Current audited financial statements may be obtained from Blueprint, 315 S. Calhoun Street, Suite 450, Tallahassee, Florida 32301.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus and Basis of Accounting

The basic financial statements of the County are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements
- Required Supplementary Information

Government-wide Financial Statements

Government-wide financial statements (the Statement of Net Position and Statement of Activities) provide financial information about Leon County government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government, as well as its discretely presented component unit and provide for a consolidated financial picture of the government. The Statement of Net Position reports all financial and capital resources of Leon County's governmental and business-type activities. The Statement of Activities reports functional categories of programs provided by the County and demonstrate how and to what degree those programs are supported by specific revenue. As part of the consolidation process, the effect of interfund activity has been removed from these statements to avoid distorted financial results. Any interfund services provided and used are not eliminated during this process, but reassigned to governmental activities. Any amounts reported as interfund balances represent the residual amounts due between governmental and business-type activities. Fiduciary funds of the government are also removed from this presentation since the resources are not available for general government funding purposes. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities. Business-type activities rely, to a significant extent, on fees and charges for support.

Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable. Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and custodial fund financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions. Program revenues include charges for services, fines and forfeiture, licenses and permits, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the Statement of Activities to present the net cost of each program. Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than being reported as expenditures. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as reductions of the related liability, rather than as expenditures.

Fund Financial Statements

The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenue and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus and Basis of Accounting (continued)

Fund Financial Statements (continued)

A fund financial statement for the primary government's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements show information about major funds individually and nonmajor funds in the aggregate for governmental and proprietary funds. The fiduciary statement includes financial information for the custodial funds. The custodial funds of the County primarily represent assets held by the County in a custodial capacity for other individuals or governments.

Governmental Funds

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Franchise fees, licenses, sales taxes, gas taxes, operating and capital grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when the County receives cash.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of "available spendable resources." Governmental funds operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Noncurrent portions of long-term receivables (special assessment) due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. Noncurrent portions of other long-term receivables are offset by deferred inflows of resources.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as an other financing source rather than as a fund liability. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Proprietary Funds

The County's enterprise funds and internal service funds are proprietary funds. In the fund financial statements, proprietary funds are presented using the accrual basis of accounting.

Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, proprietary funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus and Basis of Accounting (continued)

Fund Financial Statements (continued)

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies, taxes, and investment earnings, result from nonexchange transactions or ancillary activities. Amounts paid to acquire capital assets are capitalized as assets in the fund financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the fund financial statements, rather than as other financing sources. Amounts paid to reduce long-term indebtedness are reported as a reduction of the related liabilities, rather than as an expense.

C. Basis of Presentation

GASB 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category and the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements and detailed in the combining section.

Governmental Major Funds:

The County reports the following major funds in the governmental fund financial statements:

General — The General Fund is the general operating fund of the County. This fund is used to account and report all financial resources not required to be accounted for and reported in another fund.

Fine & Forfeiture — This fund was established to account for and report the proceeds of specific revenues collected pursuant to the provisions of Section 142.01, Florida Statutes. It also accounts for and reports expenditures restricted or committed to the costs of criminal prosecutions and for the proceeds of certain court fines and costs as well as accounting for ad valorem tax revenues collected and used to support the Sheriff's Department.

Grants — This fund is used to account for and report the proceeds of revenues that are restricted or committed to expenditures of federal, state and local grants awarded to the County. This fund also includes the corresponding County matching funds for the various grants.

Capital Improvement — This fund is used to account for and report the financial resources restricted, committed, or assigned to the expenditures for the acquisition or construction of major non-transportation related capital facilities and/or projects other than those financed by proprietary funds.

Local Provider Participation — This fund is a special revenue fund, established to account for the non-ad valorem special asssessment revenue pursuant to the Directed Payment Program (DPP). The DPP is a local option that allows establishment of non-ad valorem assessments that are charged solely to hospitals. Revenue generated is matched with federal funds to provide hospitals with supplemental Medicaid reimbursements.

Proprietary Major Fund:

Landfill — This fund accounts for the revenues, expenses, assets, and liabilities associated with the County landfill and transfer station.

Note: The determination of which funds are major funds will vary from year to year because the determination is made using the calculation requirements established in GASB 34.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Other Fund Types:

Internal Service Funds — This fund accounts for fleet management, communications, and self insurance services provided to other departments of the County on a cost reimbursement basis, as well as to report the funded and accrued compensated absences for the Clerk of the Circuit Court and Comptroller (the Clerk) only.

Custodial Funds — This fund is used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals, such as cash bonds, traffic fines, support payments, and ad valorem taxes.

Noncurrent Governmental Assets/Liabilities

GASB 34 requires noncurrent governmental assets, such as land and buildings, and noncurrent governmental liabilities, such as general obligation bonds, revenue bonds, and leases, be reported in the governmental activities column in the government-wide Statement of Net Position.

D. Assets, Liabilities, and Net Position

Cash and Cash Equivalents

Cash and cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and have an original maturity of three months or less. This includes cash in banks, repurchase agreements with financial institutions, petty cash, and cash with claims administrators.

Investments

Florida Statutes authorize the County to invest in various instruments. The County reports investments in accordance with the requirements of GASB pronouncements.

Receivables and Payables

Receivables are shown net of an allowance for uncollectibles. The emergency medical services allowance is equal to 58% of outstanding gross charges at September 30, 2023.

Inventories and Prepaid Items

Inventories, consisting primarily of expendable items (materials and supplies), are determined by physical count at the County's fiscal year-end and valued at cost on the basis of the "first-in first-out" method of accounting. Inventory shown in the governmental funds consists of fuel, medical supplies, vehicle parts, and road materials. The inventory is recorded as an expenditure when consumed (consumption method) rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Position (continued)

Restricted Assets

Certain funds of the County are classified as restricted assets on the Statement of Net Position because the restriction is either imposed by law through constitutional provisions or enabling legislation or imposed externally by creditors, grantors, contributors, or laws or regulations of other governments. Therefore, their use is limited by applicable laws and regulations. It is the practice of the County to utilize its restricted net position before its unrestricted net position. Certain Landfill Fund assets are required to be segregated from other current assets. These assets are legally restricted for specific purposes, such as landfill closure and post-closure care.

Capital Assets

Capital assets include property, plant, equipment, and infrastructure assets. Infrastructure assets are defined as public domain fixed assets such as roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems, and similar assets that are immovable and of value only to the government unit. All qualified infrastructure assets have been capitalized and included in the September 30, 2023 financial statements. Capital assets are reported in the government-wide financial statements in the applicable governmental or business-type activities column, as well as the proprietary fund financial statements. Capital assets are defined by Section 274.02, Florida Statutes, to include items of a nonconsumable nature with a value of at least $1,000 and a life of one year or more. The County maintains an administrative record of these assets. However, for reporting purposes, the threshold for capitalizing property, plant, and equipment is $20,000, building improvements $100,000, improvements other than buildings $50,000 and infrastructure is $200,000. It is the County's policy to capitallize all acquired land and buildings. Capital assets are recorded at cost or estimated historical cost. Donated capital assets, donated works of art or similar items, and capital assets received in any service concession arrangement is reported at acquisition value. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets.

The ranges of useful lives are as follows:

Assets	Years
Buildings	40
Building improvements	5-30
Improvements other than buildings	20-30
Machinery, vehicle, and equipment	5-20
Library collection	5
Works of art, historical treasures, & similar assets	20-50
Infrastructure	20-50

Florida Statutes require that the County maintain accountability for all assets used in operations, except those maintained by the Sheriff.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Position (continued)

Leases

Leases are defined by the general government as the right to use an underlying asset. As lessee, the County recognizes a lease liability and an intangible right-of-use lease asset at the beginning of a lease unless the lease is considered a short-term lease or transfers ownership of the underlying asset. Right-of-use lease assets are measured based on the net present value of the future lease payments at inception, using the weighted average cost of capital, which approximates the incremental borrowing rate. Remeasurement of a lease liability occurs when there is a change in the lease term and/or other changes that are likely to have a significant impact on the lease liability. The County calculates the amortization of the discount on the lease liability and reports that amount as outflows of resources. Payments are allocated first to accrued interest liability and then to the lease liability. Variable lease payments based on the usage of the underlying assets are not included in the lease liability calculations but are recognized as outflows of resources in the period in which the obligation was incurred.

As lessor, the County recognizes a lease receivable. The lease receivable is measured using the net present value of future lease payments to be received for the lease term and deferred inflow of resources at the beginning of the lease term. Periodic amortization of the discount on the receivable is reported as interest revenue for that period. Deferred inflows of resources are recognized as inflows on a straight-line basis over the term of the lease. This recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases. Any initial direct costs are reported as an outflow of resources for that period. Remeasurement of lease receivables occur when there are modifications, including but not limited to changes in the contract price, lease term, and adding or removing an underlying asset to the lease agreements. In the case of a partial or full lease termination, the carrying value of the lease receivable and the related deferred inflow of resources will be reduced and will include a gain or loss for the difference. For lease contracts that are short-term, the County recognizes short-term lease payments as inflows of resources (revenues) based on the payment provisions of the lease contract. Liabilities are only recognized if payments are received in advance, and receivables are only recognized if payments are received subsequent to the reporting period. Refer to Note VI for additional information regarding leases.

Subscription Based Information Technology Arrangements

Subscription Based Information Technology Arrangements (SBITAs) are defined by the general government as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The County recognizes a subscription liability and an intangible right-of-use subscription asset at the beginning of a subscription term unless the SBITA is considered short-term or transfers ownership of the underlying asset. Right-of-use subscription assets are measured based on the net present value of the future SBITA payments at inception, using the weighted average cost of capital, which approximate the incremental borrowing rate. Remeasurement of a subscription liability occurs when there is a change in the SBITA term and/or other changes that are likely to have a significant impact on the subscription liability. The County calculates the amortization of the discount on the subscription liability and reports that amount as outflows of resources. Payments are allocated first to accrued interest liability and then to the subscription liability. For SBITA contracts that are short-term, the County recognizes short-term subscription payments as outflows of resources (expenses) based on the payment provisions of the subscription contract. Additional disclosures regarding regulated SBITAs are in Note VII to the financial statements.

Unearned Revenues

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Position (continued)

Landfill Closure Costs

The County has adopted a policy, based on U.S. Environmental Protection Agency rules and in accordance with Florida Law, to set aside funds for the post-closure care costs of the County's landfills.

Within the Landfill Fund, deposits are made to the fund's other cash and cash equivalents account for the purpose of complying with the escrow requirements of Rule 17-701.630, Florida Administrative Code. This rule requires the County to annually deposit funds in an interest bearing escrow account for the purpose of funding the minimum estimated landfill closure cost. This amount is represented as "restricted assets" on the Statement of Net Position.

Per the above rule, an audited report is filed each year with the Florida Department of Environmental Protection. The liability on the face of the County's statements is equal to the total estimated cost of closure and post-closure care. The estimates are reviewed and adjusted each year for changes due to inflation, technology or applicable laws or regulations.

Accrued Compensated Absences

The County accrues accumulated unpaid vacation and sick leave when earned by the employee. The current portion is the amount estimated to be used in the following year. The noncurrent portion is the amount estimated to be used in subsequent fiscal years. Both the current and noncurrent estimated accrued compensated absences amounts for governmental funds are maintained separately and represent a reconciling item between the fund and the government-wide presentations.

The Clerk is not legally required to accumulate expendable available financial resources to liquidate this obligation. However, to mitigate the impact of such obligations on future budgets, the Clerk has decided to fully fund the cost of the liability. Accordingly, an internal service fund has been established to record compensated absences earned but not paid for both the court and non-court functions.

Net Obligation for Pension Benefits

The County offers retiree pension benefits for qualifying employees through the Florida Retirement System (FRS) pension plan. Following the provisions of GASB Statement No. 68, the County recognized pension expenses along with the related net pension liability, deferred outflows and inflows of resources and is a reconciling item between the fund and the government-wide presentations.

Net Obligation for Other Postemployment Benefits

The County offers retiree medical and life insurance benefits for qualifying employees that have retired from the Florida Retirement System (FRS) pension plan. Following the provisions of GASB Statement No. 75, the County recognizes OPEB expenses along with the related liability, deferred outflows and inflows of resources. The OPEB liability is the difference between the total OPEB liability and the Plans fiduciary net position. The Plan is currently unfunded. OPEB liability is a reconciling item between the fund and the government-wide presentations.

Obligation for Bond Arbitrage Rebate

Pursuant to Section 148(f) of the U.S. Internal Revenue Code, the County must rebate to the United States Government the excess of interest earned from the investment of certain debt proceeds and pledged revenues over the yield rate of the applicable debt. The County uses the "revenue reduction" approach in accounting for rebatable arbitrage, which treats excess earnings as a reduction of revenue. The County has recorded an arbitrage liability outstanding as of September 30, 2023.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Position (continued)

Due to/from Other Funds

These are activities between funds. Such amounts are representative of lending/borrowing arrangements outstanding at the end of the fiscal year and referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

New accounting pronouncements

In May 2020, the GASB issued Statement No. 96, Subscription Based Information Technology Arrangements (SBITAs). This statement increases the usefulness of governments' financial statements by requiring recognition of certain subscription assets and liabilities for SBITAs that previously were classified as expenses based on the payment provisions of the contract. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2022. The County implemented GASB Statement No. 96 as of October 1, 2022 using the facts and circumstances that existed at the beginning of the period of implementation. As a result, there was no impact to the County's beginning net position upon adoption of the new accounting standard.

In May 2019, the GASB issued Statement No 91, Conduit Debt Obligations. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The County implemented GASB Statement No. 91 as of October 1, 2022. There was no impact to the County's beginning net position upon adoption of the new accounting standard.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Liabilities, and Net Position (continued)

Net Position/Fund Balances

Net Position is the difference between fund assets and liabilities on the government-wide, proprietary, and fiduciary fund statements. Fund Balances is the difference between assets and liabilities on the governmental fund statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of bonds, mortgages, notes, or other debt resulting from the acquisition, construction, or improvement of the assets.

In order to implement GASB Statement No. 54, a County financial policy was written to define the different fund balance classifications for governmental funds and the order that the resources are used. There are five classifications of fund balance for governmental funds.

Nonspendable Fund Balance - Balances are comprised of funds that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

Restricted Fund Balance - Balances are comprised of funds that have legally enforceable constraints placed on their use or those funds that have externally-imposed restrictions by resource providers or creditors, grantors, contributors, voters, or interlocal agreement, or enabling legislation.

Committed Fund Balance - Balances are comprised of unrestricted funds used for specific purposes pursuant to constraints imposed by formal action such as ordinances, resolutions, or legislation of Leon County. Each of these actions is equally binding and as such, remain binding unless removed by a majority vote of the Board of County Commissioners.

Assigned Fund Balance - Balances are comprised of unrestricted funds informally constrained by a majority vote of the Board of County Commissioners, or by a designated county officer, in a manner that reflects the County's use of those resources such as appropriations of fund balance at year end or at the beginning of the new fiscal year.

Unassigned Fund Balance - Balances are comprised of the residual of the unrestricted funds in the General Fund and are not nonspendable, restricted, committed, or assigned. Within all other governmental funds, unassigned fund balance is comprised of negative residual in excess of what can be properly classified as nonspendable, restricted, or committed.

The County's policy is that available resources will be spent in the following order: restricted, committed, assigned, and unassigned.

Reserves/Designations of Net Position

Net position of the Insurance Service Fund is maintained for anticipated future catastrophic losses pursuant to County policy and GASB Statement No. 10.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

Section 129.01(2) (b), Florida Statutes, requires that "...the receipts division of the budget shall include ninety-five percent of all receipts reasonably expected to be anticipated from all sources, including taxes to be levied, and one hundred percent of the amount of the balances, both of cash and liquid securities, estimated to be brought forward at the beginning of the fiscal year." The County has complied with the provisions of the above Florida Statute.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

Budgets and Budgetary Accounting (continued)

Annual budgets for the governmental fund types of Leon County are adopted on a basis consistent with generally accepted accounting principles. Budgets are not adopted for the fiduciary funds. The legal level of budgetary control is at the fund level; however, budgets are monitored at varying levels of detail. All annual appropriations lapse at fiscal year end, although the County expects to honor purchase orders and contracts in process, subject to authority provided in the subsequent year's budget.

The budget information, as amended and presented in the financial statements was prepared on the modified accrual basis of accounting. All County authorized amendments to the applicable budget originally approved, have been incorporated into data reflected in the financial statements. The County made several supplemental budgetary appropriations during the year.

The County uses the following procedures in establishing the budgetary data reflected in the financial statements:

1. On or before May 1 of each year, the Clerk, Sheriff, and Supervisor of Elections submit to the Board of County Commissioners a tentative budget for the ensuing fiscal year. The tentative budget includes proposed expenditures and funding sources.

2. Section 195.087, Florida Statutes, governs the preparation, adoption and administration of the annual budget of the Property Appraiser and Tax Collector. The proposed operating budget is presented to the Board of County Commissioners on or before June 1 of each year by the Property Appraiser and on or before August 1 of each year by the Tax Collector. Their budgets are simultaneously submitted to the State of Florida, Department of Revenue, from which the approval of the budget of the Property Appraiser and Tax Collector must emanate.

3. The tentative budget must be posted on the county's official website at least 2 days before the public hearing to consider such budget and must remain on the website for at least 45 days. Pursuant to the provisions of Section 129.01, Florida Statutes, the proposed budget as submitted contains balanced statements of estimated revenues (including unexpended fund balances to be carried forward) and proposed appropriations for each fund required to be presented by law or by sound financial practices, including the General, Special Revenue, Debt Service, and Capital Projects funds.

4. The County shall require such changes to be made as it shall deem necessary, provided the budget remains in balance and subject to the notice and public hearing requirements of Section 200.065, Florida Statutes, and the budget preparation and adoption procedures, as defined in Section 129.03, Florida Statutes.

5. Following the successful completion of the above referenced public hearings, the County advertises and subsequently conducts a second public hearing to finally adopt a millage rate and budget for each of the taxing entities under their jurisdiction. These public hearings are ordinarily held prior to October 1, of each year. If, however for some reason the County is unable to finally adopt a budget prior to October 1, state law permits the readoption by resolution of the budget of the preceding year as an interim measure. In its effort to get as much citizen input as possible, the County holds a third public hearing prior to the adoption of a tentative millage rate.

6. Pursuant to the provisions of Section 129.07, Florida Statutes, the Board of County Commissioners is prohibited from expending or contracting for the expenditure of any amount in excess of the total amount budgeted in any fund. It is, however, legally permissible at the present time for the budgets of individual departments included within a particular fund to be overexpended in total without requiring mandatory action by either the Board of County Commissioners, the Clerk of the Circuit Court and Comptroller (as Clerk to the Board of County Commissioners and finance officer), or the County Administrator (as budget officer). Transfers of appropriate amounts between funds require approval of the Board of County Commissioners.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

Budgets and Budgetary Accounting (continued)

7. Adoption and execution of the budgets of the Clerk of the Circuit Court and Comptroller, Property Appraiser, Sheriff, Supervisor of Elections, and Tax Collector are governed by applicable provisions of the Florida Statutes. Budgets for the Courts for each Clerk will be submitted by June 1 to be approved by the legislature. All court revenues will be collected monthly and available for use by the Clerks in the month following collection. By the 10th day of the each month, the Clerks will submit that portion of all fines, fees, service charges, and costs collected in the previous month that exceeds one twelfth of the Clerks' total budget. The remainder of the available revenues will be appropriated for the following month's court expenditures up to the budget cap authorized by the legislature. Any revenue deficits will be certified by the Florida Clerk of the Court Operations Corporation. Any unexpended appropriation for the court's budget will be paid to the State of Florida by January 25 of the following year.

8. Formal budgetary integration at the object level is used as a management control device for all governmental funds of the County for which annual budgets are adopted, including the General, Special Revenue, Debt Service, and Capital Projects funds. Proforma project length budgets are provided to the County for certain Capital Projects for informational purposes only. The level at which expenditures may not legally exceed appropriations is the fund level.

III. CASH AND INVESTMENTS

As of September 30, 2023, the value of the County's deposits and investments, with their respective credit ratings, was as follows:

	Fair Value	Credit Rating	Duration
Deposits in qualified public depositories	$ 39,802,978	NA	NA
Restricted deposits in qualified public depositories	13,709,521	NA	NA
External investment in government pools:			
Florida State Treasury Special Purpose Investment Account (SPIA)	8,136,283	AA-f	3.24
Florida Local Government Investment Trust Day to Day Fund (FLGIT)	50,905,250	AAAm	0.10
Florida PRIME investment pool	73,540,912	AAAm	0.10
Externally managed portfolio:			
Money market	151,746	AAA	NA
U.S. treasuries	22,066,011	AA+	1.73
Government sponsored agencies:			
Federal Home Loan Bank	2,756,906	AA+	2.40
Federal National Mortgage Association	2,496,137	AA+	1.92
Other government sponsored agencies	4,449,407	AA+	1.92
Mortgage backed securities	6,646,205	AA+	2.55
Collateralized mortgage obligations	9,323	AA+	0.07
Corporate bonds	10,996,959	A-	1.09
State and local obligations	3,188,904	AA-	1.38
Asset-backed securities	2,258,146	AAA	0.98
Total cash and investments	$ 241,114,688		

* FLGIT Day to Day Fund, the Florida Prime, and Florida CLASS Investment Pool duration is calculated using the weighted average maturity method.

The County's deposits and investments excludes cash on hand and amounts held by third parties in trust for the county, but include $261,820 accrued interest as of September 30, 2023.

Credit Risk

The County Investment Policy provides a structure for the portfolio that is designed to minimize credit risk. The majority of the securities held will be those of the highest available credit quality ratings. These would include government pools, U. S. Government (AAA) securities, and commercial paper. Staff will notify the Investment Oversight Committee (IOC) at any time holdings drop below the minimum credit ratings specified in the policy.

The IOC will consider the market environment and make recommendations to hold and continue to monitor the investments or liquidate the investments. To further limit the Board's risk against possible credit losses, a maximum of 3% per issuer of the total portfolio managed by the Board's external manager may be held in corporate notes and bonds and 5% per issuer in commercial paper. The Policy also provides the following limits on the Board's external portfolio: 45% may be invested in Federal Instrumentalities, with a limit of 15% of the portfolio in any one issuer; 35% may be invested in Mortgage-Backed Securities, including CMOs with a limit of 15% in any one issuer further limited to 3% per CUSIP; 10% may be invested in Asset-Backed Securities with a 3% per issuer limit; and 8% in Commercial Mortgage-Backed Securities with a 3% per issuer limit. Credit-quality risk identified with S&P ratings, Moody or Fitch equivalents is provided in the preceding table. Deposits not exposed to credit quality risk, as defined by GASB Statement No. 40, are designated as "NA" in the credit rating column.

Section 218.415(16), Florida Statutes, stipulates the state-approved investment policy for all governmental entities and includes the following investments:

1. The Florida PRIME (formerly the Local Government Surplus Funds Trust Fund) or any authorized intergovernmental investment pool.

III. CASH AND INVESTMENTS (continued)

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

3. Interest-bearing time deposits or savings accounts in qualified public depositories.

4. Direct obligations of the U.S. Treasury.

5. Federal agencies and instrumentalities.

6. Securities of, or other interests in, any management-type investment company or trust registered under the Investment Company Act of 1940, where the investment portfolio is limited to United States Government Obligations.

7. Other investments authorized by law or by ordinance for a county or a municipality.

In addition, Section 17.61(1), Florida Statutes permits organizations created by the Florida Constitution to participate in the existing State Treasury Investment Pool "Special Purpose Investment Account (SPIA)."

The County Investment Policy limits credit risk by restricting authorized investments to the following: Florida Prime (Florida PRIME), SPIA, direct obligations of the United States or its agencies and instrumentalities, direct obligations of states and municipalities, repurchase agreements, commercial paper, bankers' acceptances, money market mutual funds, the Florida Local Government Investment Trust (FLGIT), and the Florida Municipal Investment Trust (FMIvT).

The Chief Financial Officer for the State of Florida (formerly the State Treasurer) has been investing state revenues, excess revenues of state universities and community colleges, and certain other public agencies in a commingled investment portfolio for several years. This program is authorized under Section 17.61(1),Florida Statutes and is called the Treasury Special Purpose Investment Account (SPIA). Historically, SPIA participants have received higher earnings reflecting the higher risk associated with the longer maturities and lower credit quality. The financial details and disclosures for the SPIA are made in Note 2 to the State of Florida Annual Comprehensive Financial Report (ACFR). The rating as of September 30, 2023 was AA-f. A copy of SPIA's most recent financial statements can be found at http://www.myfloridacfo.com/Division/Treasury/. Investments in this pool are limited to a maximum of 100% of the portfolio. At September 30, 2023, the County had $8,136,283 with SPIA.

The Florida Local Government Investment Trust (FLGIT) is a local government investment pool developed through the joint efforts of the Florida Court Clerks and Comptrollers (FCCC) and the Florida Association of Counties (FAC) for providing opportunities for the investment of excess public funds. FLGIT offers two investment funds to its participants, the Short Term Bond Fund and the Day to Day Fund. The Short Term Bond Fund is a longer term higher yielding fund, which is accounted for as a fluctuating Net Asset Value (NAV) pool. At September 30, 2023 the County did not have any balances in the Short Term Bond Fund. The Day to Day Fund is a highly liquid fund with underlying investments having a weighted average maturity of less than 90 days. The Day to Day Fund does meet the criteria and has adopted operating procedures consistent with the requirements for a SEC Rule 2a-7 fund. The Day to Day Fund maintained a credit rating of AAAm by Fitch as of September 30, 2023. At September 30, 2023, the County had $50,905,250 with the FLGIT Day to Day Fund. A copy of FLGIT's most recent financial statement can be found at http://www.floridatrustonline.com/funds-reports/day-to-day/. Investments with FLGIT are limited to a maximum of 40% of the portfolio.

III. CASH AND INVESTMENTS (continued)

The County also invests in Florida PRIME administered by the Florida State Board of Administration (SBA). Florida PRIME is an external investment pool that is not a registrant with the SEC; however, the SBA has adopted operating procedures consistent with the requirements for a SEC Rule 2a-7 fund. Florida PRIME is governed by Chapter 19-7 of the Florida Administrative Code, which identifies the Rules of the SBA. These rules provide guidance and establish the general operating procedures for the administration of Florida PRIME. Additionally, the State of Florida, Office of the Auditor General performs the operational audit of the activities and investments of the SBA. On September 30, 2023, Florida PRIME was invested in fixed rate and floating rate bank instruments, repurchase agreements, fixed rate and floating rate corporate commercial paper, floating rate corporate notes, money market mutual funds, and fixed rate and floating rate asset backed commercial paper. Investments in this pool are limited to a maximum of 40% of the portfolio. Investments in Florida PRIME are not evidenced by securities that exist in physical or book entry form. The current rating for the Florida PRIME is AAAm by Standard and Poor's. The weighted average of days to maturity of the Florida PRIME at September 30, 2023 is 21 days. The fair value of the County's position in the pool approximates the value of the pool shares. At September 30, 2023, the County had $73,540,912 invested in Florida PRIME. Florida PRIME's most recent financial statements can be found at https://prime.sbafla.com/audits/.

Custodial Credit Risk

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

Qualified public depositories of public funds are required to provide collateral each month pursuant to Chapter 280.04, Florida Statutes. The collateral is held by the Florida Division of Treasury or other custodian with full legal rights maintained by the Florida Division of Treasury to transfer ownership. Any loss not covered by the pledged securities and deposit insurance would be assessed by the Florida Division of Treasury and paid by the other public depositories. The County's deposits are therefore considered fully insured or collateralized. Bank balances at September 30, 2023, were $56,250,120, of which $13,709,521 was restricted deposits with qualified public depositories. Due to the nature of the County's cash and investments, there is no exposure to custodial credit risk and concentration of credit risk.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. The County manages interest rate risk by setting the range of duration for the County's portfolio as 0.5 years to 2.5 years. Unusual market or economic conditions may mandate moving the portfolio outside of this range. The Investment Oversight Committee will be convened and will approve any portfolio duration outside of the range specified above. The effective duration of investments is listed in the preceding table.

The externally managed portfolio totaled $55,019,744 at September 30, 2023, and was invested for a weighted average term of approximately 622 days, as compared to a weighted average term of 631 days in fiscal year 2022. In accordance with its investment policy, the County requires a minimum balance of short-term investments. To meet the day-to-day operating needs of the County and to provide the ready cash to meet unforeseen temporary cash requirements, a liquidity base of approximately at least two months of anticipated disbursements is kept in relatively short term investments. This includes investments in government pools with daily liquidity such as Florida PRIME, FLGIT Day to Day Fund, or money markets. The County was in compliance with this requirement.

III. CASH AND INVESTMENTS (continued)

Foreign Currency Risk

The County contributes to the Florida Retirement System (FRS), the investments of which are administered by the State Board of Administration. FRS's investment policy and exposure to foreign currency risk is disclosed in Note 2 of the State of Florida Annual Comprehensive Financial Report. A copy of this report is available at https://www.myfloridacfo.com/Division/AA/Reports/.

Fair Value Measurements

In February 2015, GASB issued GASB Statement No. 72. GASB 72 applicability related to the application of fair value is limited to assets and liabilities that are currently measured at fair value and certain investments that are not currently measured at fair value.

FLGIT Day to Day Fund and Florida PRIME currently meet all of the necessary criteria to elect to measure all of the investments in FLGIT Day to Day Fund and Florida PRIME at amortized cost. Therefore, the County participant account balance is considered the fair value of the investment. FLGIT Day to Day Fund and Florida PRIME investments are exempt from the GASB 72 fair value hierarchy disclosures.

FLGIT Short Term Bond Fund reports based on the fair market values of the underlying securities. Therefore, any participant account balance is measured at net asset value per share. Investments measured at net asset value are not subject to fair value hierarchy level classification under GASB 72. The County did not have a balance with the FLGIT Short Term Bond Fund at September 30, 2023.

The fair value factor for SPIA at September 30, 2023 was 0.9711. SPIA funds are combined with State of Florida funds and are invested in a combination of short-term liquid instruments and intermediate term fixed income securities. SPIA is measured at net asset value per share. Investments measured at net asset value are not subject to fair value hierarchy level classification under GASB 72.

Fair value measurement - The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset or liability. Level 1 inputs are quoted prices in active markets for identical assets or liabilities; Level 2 inputs are significant other observable inputs of which are quoted prices on assets and liabilities in similar markets; Level 3 inputs are significant unobservable inputs.

The following table summarizes the assets and liabilities of the County for which fair values are determined on a recurring basis as of September 30, 2023:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value
Asset Backed Security (Mortgage Backed) - Non US Agency Sponsored	$ 0	$ 2,258,146	$ 0	$ 2,258,146
Corporate Bonds	0	10,996,959	0	10,996,959
Government Sponsored Agencies	0	9,702,450	0	9,702,450
US Government Obligations	22,066,011	0	0	22,066,011
Mortgage Backed Security - US Agency Sponsored	0	6,646,205	0	6,646,205
State and Local Obligations	0	3,188,904	0	3,188,904
Collateralized Mortgage Obligations	0	9,323	0	9,323
Investments at fair value	$ 22,066,011	$ 32,801,987	$ 0	$ 54,867,998

IV. PROPERTY TAXES

Under Florida law, the assessment of all properties and the collection of all county, municipal, special taxing districts, and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of Florida regulating tax assessment are also designed to assure a consistent property valuation method statewide. State statutes permit counties to levy property taxes at a rate of up to 10 mills. The tax levy of Leon County is established by the County prior to October 1 of each year. The millage rate collected by the County during the current fiscal year was 8.3144 mills. County citizens were also assessed for Emergency Medical Services (EMS) and primary health care services through Municipal Services Taxing Units at a millage rate of 0.5000 mills. For County citizens charged a special assessment, the required annual payment is also included on their tax bill.

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

All taxes are due and payable on November 1st of each year, or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, and 1% in the month of February. The taxes paid in March are without discount. No accrual for the property tax levy becoming due in November 2023 is included in the accompanying financial statements, since such taxes are collected to finance expenditures of the subsequent period.

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

Delinquent taxes on personal property bear interest at 18% per year until the tax is satisfied either by seizure and sale of the property or by the seven-year statute of limitations. Since tax certificates were sold for substantially all current year delinquent property taxes, there were no material property taxes receivable at September 30, 2023.

V. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2023 was as follows:

Primary Government

	Beginning Balance as Restated	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 21,218,691	$ 1,500,000	$ 0	$ 22,718,691
Improvements other than buildings	25,105,583	0	0	25,105,583
Construction in progress	27,587,365	19,448,390	(8,117,794)	38,917,961
Total not being depreciated	73,911,639	20,948,390	(8,117,794)	86,742,235
Capital assets being depreciated:				
Buildings	235,835,887	5,005,826	0	240,841,713
Equipment	85,427,879	5,150,352	(2,405,103)	88,173,128
Library collection	2,862,784	585,087	(673,437)	2,774,434
Improvements other than buildings	23,776,625	989,896	0	24,766,521
Infrastructure	346,578,167	1,934,570	0	348,512,737
Leasehold Improvements	1,580,627	0	0	1,580,627
Total being depreciated	696,061,969	13,665,731	(3,078,540)	706,649,160
Less accumulated depreciation:				
Building	(145,511,747)	(5,467,730)	0	(150,979,477)
Equipment	(51,408,062)	(7,946,561)	2,321,213	(57,033,410)
Library collection	(1,801,033)	(554,887)	673,437	(1,682,483)
Improvements other than buildings	(3,469,874)	(1,091,357)	0	(4,561,231)
Infrastructure	(270,642,936)	(10,104,166)	0	(280,747,102)
Leasehold Improvements	(1,580,625)	0	0	(1,580,625)
Total accumulated depreciation	(474,414,277)	(25,164,701)	2,994,650	(496,584,328)
Total being depreciated, net	221,647,692	(11,498,970)	(83,890)	210,064,832
Right-to-use assets, being amortized				
Leased building	7,932,450	0	0	7,932,450
Leased equipment	9,237,508	5,440,344	(1,626,614)	13,051,238
Leased other	180,562	226,268	0	406,830
Subscription asset	2,185,092	264,217	0	2,449,309
Total Right-to-use assets, being amortized	19,535,612	5,930,829	(1,626,614)	23,839,827
Less accumulated amortization:				
Leased building	(682,270)	(682,270)	0	(1,364,540)
Leased equipment	(3,557,828)	(2,773,534)	1,605,780	(4,725,582)
Leased other	(48,129)	(60,698)	0	(108,827)
Subscription asset	0	(478,573)	0	(478,573)
Total accumulated amortization	(4,288,227)	(3,995,075)	1,605,780	(6,677,522)
Right-to-use assets, net	15,247,385	1,935,754	(20,834)	17,162,305
Governmental activities capital assets, net	$ 310,806,716	$ 11,385,174	$ (8,222,518)	$ 313,969,372
Business-type activities capital assets not being depreciated:				
Land nondepreciable	$ 1,809,844	$ 0	$ 0	$ 1,809,844
Construction in progress	853,834	501,787	0	1,355,621
Total not being depreciated	2,663,678	501,787	0	3,165,465
Business-type activities capital assets being depreciated:				
Buildings	3,622,268	0	0	3,622,268
Improvements other than buildings	15,361,025	0	0	15,361,025
Equipment	5,406,163	407,991	(36,706)	5,777,448
Total being depreciated	24,389,456	407,991	(36,706)	24,760,741
Less accumulated depreciation:				
Building	(1,383,133)	(97,282)	0	(1,480,415)
Improvements other than buildings	(15,154,853)	(199,777)	0	(15,354,630)
Equipment	(3,988,771)	(376,574)	36,706	(4,328,639)
Total accumulated depreciation	(20,526,757)	(673,633)	36,706	(21,163,684)
Total being depreciated, net	3,862,699	(265,642)	0	3,597,057
Business-type activities capital assets, net	$ 6,526,377	$ 236,145	$ 0	$ 6,762,522

V. CAPITAL ASSETS (continued)

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

Governmental activities:

General government	$ 17,712,756
Public safety	6,619,516
Physical environment	2,286,712
Transportation	2,032,633
Human services	138,727
Culture and recreation	254,080
Judicial	115,352
Total depreciation/amortization expense - governmental activities	$ 29,159,776

Business-type activities:

Landfill	$ 673,633
Total depreciation expense - business-type activities	$ 673,633

VI. LEASES

Effective October 1, 2021 the County adopted GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

Lessee

The County through the Leon County Tax Collector's office has entered into two leases as lessee for the use of office space. One lease has been extended through June 30, 2033 and the second lease has been extended through December 31, 2027 and contains provisions for one five year renewal option, with a stated increase. It is anticipated that the lease will be renewed for an additional five years at that time. An initial lease liability was recorded in the amount of $7,932,450. As of September 30, 2023, the value of the lease liability is $6,669,990. The Tax Collector is required to make monthly payments ranging from $14,950 to $46,618 through the terms of the leases. The leases have interest rates of 1.4800%. The value of the right to use asset as of September 30, 2023 of $6,567,910, net of accumulated amortization of $1,364,540 is included with Leased buildings on the lease class activities table found in Note V.

The County through the Leon County Board of County Commissioners has entered into one lease as lessee for the use of equipment. The term of the lease extends through July 31, 2025. An initial lease liability was recorded in the amount of $769,104. As of September 30, 2023, the value of the lease liability is $157,386. The County is required to make annual payments of $160,029 through the term of the lease. The lease has an interest rate of 2.00%. The value of the right to use asset as of September 30, 2023 of $282,005, net of accumulated amortization of $487,099 is included with Leased equipment on the lease class activities table found in Note V.

The County through the Leon County Supervisor of Elections' office, has entered into eight leases as lessee for the use of various pieces of office equipment. The terms of the leases range from 24 to 60 months beginning on the contract commencement date. An initial lease liability was recorded in the amount of $572,937. As of September 30, 2023, the value of the lease liability is $373,761. The County is required to make monthly and quarterly payments ranging from $566 to $9,368 through the term of the lease. The leases have interest rate between 2.000% and 3.810%. The value of the right to use asset as of September 30, 2023 of $356,862, net of accumulated amortization of $216,075 is included with Leased equipment on the lease class activities table found in Note V.

VI. LEASES (continued)

Lessee (continued)

The County through the Leon County Tax Collector's office, has entered into one lease as lessee for the use of office equipment. The terms are 36 months beginning on the contract commencement date. An initial lease liability was recorded in the amount of $25,613. As of September 30, 2023, the value of the lease liability is $2,888. The County is required to make monthly payments of $964 through the term of the lease. The lease has an interest rate of 1.4800%. The value of the right to use asset as of September 30, 2023 of $2,845, net of accumulated amortization of $22,768 is included with Leased equipment on the lease class activities table found in Note V.

The County through the Leon County Sheriff's office, has entered into seven leases as a lessee for the use of office equipment. The terms of the leases range from 36 to 60 months beginning on the contract commencement date. An initial lease liability was recorded in the amount of $163,232. As of September 30, 2023, the value of the lease liability is $67,411. The County is required to make monthly payments ranging from $66 to $1,476, and annual payments ranging from $9,366 to $18,732 through the terms of the leases. The leases have interest rate ranging from 0.5300% and 0.9800%. The value of the right to use assets as of September 30, 2023 of $74,732, with accumulated amortization of $88,502 and is included with Leased equipment on the lease class activities table found in Note V.

The County through the Leon County Sheriff's office, has entered into six leases as lessee for the use of law enforcement equipment. The terms of the leases range from 31 to 64 months beginning on the contract commencement date. An initial lease liability was recorded in the amount of $11,483,111. As of September 30, 2023, the value of the lease liability is $7,121,612. The County is required to make monthly payments of $39,339 and annual payments ranging from $16,724 to $1,761,766 through the terms of the leases. The leases have an interest rate of between 2.4400% and 5.0000%. The value of the right to use asset as of September 30, 2023 of $7,695,387, with accumulated amortization of $3,898,724 and is included with Leased equipment on the lease class activities table found in Note V.

The County through the Leon County Sheriff's office, has entered into three leases as lessee for the use of office and training space. The terms of the leases range from 36 to 70 months beginning on the contract commencement date. An initial lease liability was recorded in the amount of $406,830. As of September 30, 2023, the value of the lease liability is $299,394. The County is required to make monthly payments ranging from $945 to $6,800 or annual payments of $42,000 through the term of the lease. The leases have interest rate of 5.0000%. The value of the right to use asset as of September 30, 2023 of $298,003 net of accumulated amortization of $108,827 is included with Leased other on the lease class activities table found in Note V.

The County through the Leon County Clerk of Courts and Comptroller's office, has entered into one lease as lessor for the use of office equipment. The terms of the lease extend through September 30, 2025. An initial lease liability was recorded in the amount of $37,241. As of September 30, 2023, the value of the lease liability is $25,332. The County is required to make monthly payments of $1,098 through the term of the lease. The lease has an interest rate of 4.1200%. The value of the right to use asset as of September 30, 2023 of $24,827, net of accumulated amortization of $12,414 and is included with Leased equipment on the lease class activities table found in Note V.

Total future minimum lease payments under lease agreements are as follows:

	Governmental Activities		
September 30	Principal	Interest	Total
2024	$ 3,883,822	$ 342,942	$ 4,226,764
2025	1,949,567	269,372	2,218,939
2026	1,862,440	195,321	2,057,761
2027	1,855,552	128,985	1,984,537
2028	1,842,053	58,753	1,900,806
2029-2033	3,324,340	111,167	3,435,507
Total	$ 14,717,774	$ 1,106,540	$ 15,824,314

VI. LEASES (continued)

Leases Receivable

In October 2009, the County through the Leon County Board of County Commissioners purchased the Lake Jackson Huntington Oaks Property. There are several noncancellable lease agreements for the rental of its building. The lease agreements provide for monthly rentals, which escalate over the lease terms and expire on various dates. During the fiscal year, the County had a total of 10 active leases as lessor for the use of commercial building space with remaining terms ranging from 6 to 75 months. As of September 30, 2023, the value of the lease receivable is $1,109,728. The lessees are required to make monthly fixed payments ranging from $716 to $6,276. The leases have an interest rate of 2.00%. The value of the deferred inflow of resources as of September 30, 2023 was $1,084,065, and the County recognized lease revenue of $296,172 during the fiscal year. The lessees have 1 or 2 extension option(s), for a range of 12 to 60 months each.

Total future minimum lease payments under lease agreements are as follows:

	Governmental Activities		
Fiscal Year	Principal	Interest	Total
2024	$ 259,787	$ 19,287	$ 279,074
2025	253,939	14,244	268,183
2026	192,261	9,779	202,040
2027	163,688	6,222	169,910
2028	132,815	3,225	136,040
2029-2033	107,238	1,261	108,499
Total	$ 1,109,728	$ 54,018	$ 1,163,746

In June 2003, the County through the Leon County Board of County Commissioners purchased the Bank of America building. There are several noncancellable lease agreements for the rental of its building. The lease agreements provide for monthly rentals, which escalate over the lease terms and expire on various dates. During the fiscal year, the Board had a total of 7 active leases as lessor for the use of office space with remaining terms at year end ranging from 6 to 150 months. As of September 30, 2023, the value of the lease receivable is $4,992,409. The lessees are required to make monthly fixed payments ranging from $5,960 to $27,446. The lease has an interest rate of 2.00%. The value of the deferred inflow of resources as of September 30, 2023 was $4,752,139, and the Board recognized lease revenue of $887,129 during the fiscal year. The lessees have 1 or 2 extension option(s), for a range of 14 to 60 months each.

Total future minimum lease payments under lease agreements are as follows:

	Governmental Activities		
Fiscal Year	Principal	Interest	Total
2024	$ 1,150,081	$ 88,193	$ 1,238,274
2025	1,041,175	65,421	1,106,596
2026	770,953	47,691	818,644
2027	441,880	35,403	477,283
2028	319,560	28,332	347,892
2029-2033	934,846	72,030	1,006,876
2034-2038	333,914	8,696	342,610
Total	$ 4,992,409	$ 345,766	$ 5,338,175

VII. SUBSCRIPTION LIABILITIES

For the year ended September 30, 2023, the financial statements include the adoption of GASB Statement No. 96, Subscription Based Information Technology Arrangements (SBITAs). The primary objective of this statement is to enhance the relevance and consistency of information about governments' information technology (IT) subscription activities. This statement establishes a single model for IT Subscription accounting based on the principle that SBITAs are financings of the right to use an underlying asset. Under this Statement, a government is required to recognize a subscription liability and an intangible right-to-use subscription asset.

The County through the Leon County Board of County Commissioners has entered into five IT Arrangements for the right to use another party's (a SBITA vendor's) information technology (IT) software. The terms of the arrangements extend through various times ranging between October 2024 and January 2028 beginning on the contract commencement date. An initial lease liability was recorded in the amount of $976,535. As of September 30, 2023, the value of the subscription liability is $691,645. The County is required to make annual payments ranging from $9,500 to $207,535 through the term of the lease. The leases have interest rates ranging from 3.480% to 4.120%. The value of the right to use asset as of September 30, 2023 of $675,053 with accumulated amortization of $301,482 and is included with the SBITA activities table found below.

The County through the Leon County Supervisor of Elections has entered into four IT Arrangements for the right to use another party's (a SBITA vendor's) information technology (IT) software. The terms of the arrangements extend through various times ranging between September 2025 and April 2035 beginning on the contract commencement date. An initial lease liability was recorded in the amount of $1,406,831. As of September 30, 2023, the value of the subscription liability is $1,287,598. The County is required to make annual payments ranging from $10,100 to $137.388 through the term of the lease. The leases have interest rates ranging from 3.670% to 4.120%. The value of the right to use asset as of September 30, 2023 of $1,255,988 with accumulated amortization of $150,843 and is included with the SBITA activities table found below.

The County through the Leon County Clerk of Court and Comptroller has entered into two IT Arrangements for the right to use another party's (a SBITA vendor's) information technology (IT) software. The terms of the arrangements extend through July 2024 beginning on the contract commencement date. An initial lease liability was recorded in the amount of $65,943. As of 09/30/2023, the value of the subscription liability is $0. The County is required to make annual payments ranging from $26,737 to $40,018 through the term of the lease. The leases have interest rates ranging from 4.120% to 4.930%. The value of the right to use asset as of 09/30/2023 of $39,695 with accumulated amortization of $26,248 and is included with the SBITA activities table found below.

Total future minimum lease payments under lease agreements are as follows:

	Governmental Activities		
Fiscal Year	Principal	Interest	Total
2024	$ 430,749	$ 60,801	$ 491,550
2025	449,203	43,335	492,538
2026	146,912	36,847	183,759
2027	154,767	31,336	186,103
2028	94,482	27,514	121,996
2029-2033	568,236	79,335	647,571
2034-2038	134,894	2,494	137,388
Total	$ 1,979,243	$ 281,662	$ 2,260,905

VIII. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Balances as of September 30, 2023, consisted of the following:

	Interfund Receivables	Interfund Payables
Primary Government:		
By Major Funds:		
General Fund	$ 2,288,950	$ 5,759,660
Fine & Forfeiture Fund	3,816,165	1,226,657
Grants Fund	735,271	549,389
Local Provider Participation Fund	0	127,213
Capital Improvement Fund	416,438	0
Total Major Funds	7,256,824	7,662,919
Nonmajor Special Revenue Funds:		
County Transportation Trust Fund	57,833	32,797
Probation Fund	14,377	328
Family Law Legal Services Fund	5,892	65,862
Drug Abuse Trust Fund	5,494	0
Local Legal Programs Fund	15,986	0
Opiod Litigation Settlement	430	0
Building Inspection Fund	24,343	0
Growth Management Fund	13,866	0
MSBU Stormwater Utility Fund	25,710	0
SHIP Trust Fund	8,409	0
911 Emergency Communications Fund	0	302,245
Radio Communications Systems Fund	1,261	0
Emergency Medical Services Fund	5,769	36,188
Municipal Service Fund	10,547	161,911
Fire Rescue Services Fund	46,228	0
Tourist Development Trust Fund	837,059	0
Special Assessment Paving Fund	3,013	141,976
Special Assessment Sewer Fund	1,621	0
BOA Building Operating Fund	21,700	0
Huntington Oaks Plaza Fund	4,823	0
Special Grants Fund	2,018	543,634
Total Nonmajor Special Revenue Funds	1,106,379	1,284,941
Nonmajor Capital Projects Funds:		
Gas Tax - Capital Projects Fund	92,909	0
Local Option Sales Tax Fund	30,447	0
Extended Local Option Sales Tax Fund	10,181	0
SOE Building Fund	0	4,859
800 MHz Radios Capital	0	3,732
Emergency Communications Fund	33,688	0
Sales Tax Extension 2020	92,419	0
Sales Tax Extension 2020 JPA Agreement	37,234	0
Total Nonmajor Capital Projects Funds	296,878	8,591
Total Nonmajor Governmental Funds	1,403,257	1,293,532
Internal Service Funds	522,978	383,340
Total Governmental Funds	9,183,059	9,339,791
Proprietary Funds		
Landfill Fund	169,234	12,502
Total Proprietary Funds	169,234	12,502
Total Primary Government	$ 9,352,293	$ 9,352,293

VIII. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (continued)

The General, Fine & Forfeiture, and Grant Funds have amounts due to and from Constitutional Officers, which represent the return of excess balances due at the end of the fiscal year, from either budget officers or fee officers. All remaining balances resulted from the time lag between the dates that (a) interfund goods and services are provided or reimbursable expenditures occur, (b) transactions are recorded in the accounting system, and (c) payments between funds are made.

Interfund Transfers represent the movement of cash for operations in funds and constitutional officers. Transfers to or from other funds are based on budgetary requirements as determined by the Office of Managment and Budget. These transfers are primarily established during initial budget adoption. However, transfers may also be established through Supplemental Budget Amendments as necessary throughout the fiscal year. At year end, the balances for the year ended September 30, 2023, consisted of the following:

Transfers to the General Fund from:	
Fine & Forfeiture Fund	$ 95,231,953
Grants Fund	2,753,754
Nonmajor Governmental Funds	1,113,905
Enterprise Fund	100,104
Total Transfers to the General Fund	99,199,716
Transfers to the Fine & Forfeiture Fund from:	
General Fund	3,498,131
Grants Fund	641,354
Nonmajor Governmental Funds	497,944
Total Transfers to the Fine & Forfeiture Fund	4,637,429
Transfers to the Grants Fund from:	
General Fund	331,108
Fine & Forfeiture Fund	641,354
Total Transfers to Grants Fund	972,462
Transfers to the Capital Improvement Fund from:	
General Fund	20,157,257
Grants Fund	318,090
Nonmajor Governmental Funds	2,002,903
Total Transfers to the Capital Improvement Fund	22,478,250
Transfers to the Nonmajor Funds from:	
General Fund	21,109,339
Grants Fund	2,423,468
Fines & Forfeiture Fund	574,338
Nonmajor Governmental Funds	10,107,913
Total Transfers to the Nonmajor Funds	34,215,058
Total Transfers to the Governmental Funds	161,502,915
Transfers to the Internal Service Funds from:	
General Fund	47,269
Nonmajor Governmental Funds	155,606
Total Transfers to Internal Service Funds	202,875
Transfers to the Enterprise Fund from:	
General Fund	3,032,555
Total Transfers to Enterprise Funds	3,032,555
Total Transfers to Proprietary Funds	3,235,430
Total Interfund Transfers	**$ 164,738,345**

IX. LONG-TERM OBLIGATIONS

A. Long-term Obligations

The County has no general long-term obligations debt. The County's special revenue long-term obligations, excluding accrued compensated absences, at September 30, 2023, are comprised of the following:

Revenue Bonds:		Outstanding at September 30, 2023
$15,991,000 Capital Improvement Revenue Refunding Bonds, Series 2017, (i) refund a portion of the Capital Improvement Revenue Bonds, Series 2014 of which $15,951,000 was outstanding and maturing in the years 2021 through 2025, and (ii) pay issuance costs on the Series 2017 bonds. The economic gain resulting from the refunding was $489,076. The bonds dated June 22, 2017 and bear interest of 2.11% per annum. The interest on the bonds is payable on April 1 and October 1, beginning October 1, 2017. The bond principal matures serially on October 1 of each year through the final maturity of October 1, 2025.	$	6,339,000
$1,298,120 Capital Improvement Revenue Note, Series 2020, is dated January 30, 2020 and bear interest of 1.89% per annum. The interest on the bonds is payable on June 1 and December 1, beginning June 1, 2020. The bond principal matures serially on December 1 of each year through the final maturity of December 1, 2025.		574,116
$5,400,000 Capital Improvement Revenue note, Series 2021, is dated January 28, 2021 and bear interest of 1.85% per annum. The interest on the bonds is payable on December 1 and June 1, beginning December 1, 2021. The bond principal matures serially on December 1 of each year through the final maturity of December 1, 2036.		4,805,000
$3,400,000 Capital Improvement Revenue note, Series 2021B, is dated November 16, 2021 and bear interest of 1.29% per annum. The interest on the bonds is payable on December 1, beginning December 1, 2022. The bond principal matures serially on December 1 of each year through the final maturity of December 1, 2028.		2,935,000
The Capital Improvement Revenue Refunding Bonds Series 2017, the Capital Improvement Revenue Bonds Series 2020, Capital Improvement Revenue Refunding Bonds Series 2021, and the Capital Improvement Revenue Note Series 2021B are parity bonds payable from and secured by a lien upon certain non-ad valorem revenue. The pledged revenues include the Local Government Half-Cent Sales Tax, Guaranteed Entitlement, Second Guaranteed Entitlement, and additional State Revenue Sharing Funds (less the Guaranteed Entitlement and the Second Guaranteed Entitlement).See schedule of pledged revenue at note IX. I. ,Debt Parity.		
Total Special Revenue Bond Obligation	$	14,653,116

IX. LONG-TERM OBLIGATIONS (continued)

B. Schedule of Debt Service Requirements

A Schedule of Debt Service Requirements, including principal and interest, is as follows:

	Special Revenue Bonds		
Year Ending September 30,	Principal	Interest	Total
2024	$ 4,190,149	$ 269,003	$ 4,459,152
2025	4,271,858	185,848	4,457,706
2026	901,109	102,804	1,003,913
2027	840,000	89,493	929,493
2028	855,000	76,697	931,697
2029-2033	2,780,000	246,553	3,026,553
2034-2038	815,000	22,661	837,661
Total	$ 14,653,116	$ 993,059	$ 15,646,175

C. Changes in the Long-term Debt

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

	Balance October 1, 2022 as restated	Reductions	Additions	Balance September 30, 2023	Due Within One Year
Governmental Activities:					
Special Revenue Debt:					
Capital Improvement Revenue Refunding Bonds, Series 2017	$ 9,412,000	$ (3,073,000)	$ 0	$ 6,339,000	$ 3,136,000
Capital Improvement Refunding Revenue Bonds, Series 2020	818,643	(244,527)	0	574,116	249,149
Capital Improvement Revenue Bonds, Series 2021	5,130,000	(325,000)	0	4,805,000	330,000
Capital Improvement Revenue Bonds, Series 2021B	3,400,000	(465,000)	0	2,935,000	475,000
Unamortized Premium on Bonds Payable	142,172	(47,390)	0	94,782	0
Total Special Revenue Debt	18,902,815	(4,154,917)	0	14,747,898	4,190,149
Liability for compensated absences	17,544,637	(9,632,492)	10,029,386	17,941,531	6,302,487
Net Pension Liability	165,476,515	(19,281,057)	41,135,617	187,331,075	0
Other postemployment benefits liability	33,717,513	(6,475,522)	4,104,405	31,346,396	4,023,896
Arbitrage rebate liability	25,000	0	0	25,000	0
Lease liability	12,496,457	(3,445,293)	5,666,610	14,717,774	3,883,821
Subscription liability	2,185,092	(470,066)	264,217	1,979,243	430,749
Financed purchase liability - ESCO	15,580,486	(990,486)	0	14,590,000	1,010,000
Governmental Activity Long-term Debt	$265,928,515	$ (44,449,833)	$ 61,200,235	$282,678,917	$ 19,841,102

IX. LONG-TERM OBLIGATIONS (continued)

C. Changes in the Long-term Debt (continued)

	Balance October 1, 2022	Reductions	Additions	Balance September 30, 2023	Due Within One Year
Business-type activities:					
Liabilities for compensated absences	$ 197,249	$ (130,526)	$ 149,653	$ 216,376	$ 85,679
Other postemployment benefits liability	231,230	0	0	231,230	0
Landfill closure and postclosure costs	17,953,067	0	4,123,151	22,076,218	0
Business-type activity Long-term liabilities	$ 18,381,546	$ (130,526)	$ 4,272,804	$ 22,523,824	$ 85,679

The governmental activities, other postemployment benefits liability and the liability for the compensated absences is usually liquidated by the General Fund. The compensated absences liability attributable to governmental activities will be liquidated within the fund that the individual employees are paid in. Currently, the County pays approximately 73 percent of its salaries in the General Fund with the remainder being paid in the special revenue and proprietary funds.

D. Financed purchase liability - ESCO

The County has an agreement with US Bank to finance the funding of an energy savings project. The project completed by the Energy Systems Group LLC included the installation of energy, water, and wastewater efficiency and conservation measures and related upgrades at County facilities. Terms of the agreement include bi-annual payments on June 1 and December 1. The agreement expires December 1, 2035. As of September 30, 2023 future lease payments totaling $16,322,561 consists of principal of $14,590,000 and interest of $1,732,561.

The future financed purchase liability and the net present value of the minimum payments relating to the energy savings project as of September 30, 2023, were as follows:

	ESCO - Master Tax-Exempt Lease, Series 2020		
	Principal	Interest	Debt Service
9/30/2024	$ 1,010,000	$ 248,037	$ 1,258,037
9/30/2025	1,025,000	230,119	1,255,119
9/30/2026	1,045,000	211,892	1,256,892
9/30/2027	1,065,000	193,314	1,258,314
9/30/2028	1,080,000	174,427	1,254,427
9/30/2029	1,100,000	155,232	1,255,232
9/30/2030	1,120,000	135,685	1,255,685
9/30/2031	1,140,000	115,786	1,255,786
9/30/2032	1,160,000	95,534	1,255,534
9/30/2033	1,180,000	74,931	1,254,931
9/30/2034	1,200,000	53,975	1,253,975
9/30/2035	1,220,000	32,667	1,252,667
9/30/2036	1,245,000	10,962	1,255,962
Totals	$ 14,590,000	$ 1,732,561	$ 16,322,561

IX. LONG-TERM OBLIGATIONS (continued)

E. Purchase Cards

The County currently utilizes purchasing cards with a cumulative credit limit of $1,000,000. The balance on the purchasing cards is paid within ten days of each billing cycle.

F. Special Assessment Debt

The County has no special assessment debt.

G. Demand Bonds

The County has no demand bonds.

H. Conduit Debt Obligations

From time to time, the County has issued Industrial Development Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of health care and industrial facilities deemed to be in the public interest. These bonds are secured by the property financed and are payable solely from the payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. The County only has a limited commitment to maintain a tax-exempt status. The County has no voluntary commitments or additional commitments regarding these bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of September 30, 2023, the unaudited conduit debts outstanding were as follows:

Project Description	Fiscal Year Issued	Original Bond Issue	Principal Outstanding @ 09/30/2023
Leon County, Florida			
Holy Comforter Episcopal School	2023	$ 5,379,428	$ 5,208,546
Housing Finance Authority	2020	11,760,000	11,211,627
	2021	18,900,000	12,841,153
	2022	82,960,000	78,933,353
	2023	51,000,000	6,107,001
Total Conduit Debt Principal Balance as of September 30, 2023			$114,301,680

IX. LONG-TERM OBLIGATIONS (continued)

I. Debt Parity

The Capital Improvement Revenue Refunding Bonds Series 2017, the Capital Improvement Revenue Refunding Bonds Series 2020, the Capital Improvement Revenue Refunding Bonds Series 2021 and the Capital Improvement Revenue Note Series 2021B represent junior lien parity bonds payable from and secured by a lien upon certain non-ad valorem revenue. The pledged revenues include the Local Government Half-Cent Sales tax, guaranteed entitlement, second guaranteed entitlement, and 50% of the additional state revenue funds received in the prior fiscal year.

	Actual 2020	Actual 2021	Actual 2022	Actual 2023
Pledged revenues:				
Revenues available for debt service:				
Local Government Half Cent Tax	$ 12,429,991	$ 13,980,522	$ 15,415,389	$ 15,740,767
Guaranteed entitlement	316,798	316,798	316,798	316,798
Second guaranteed entitlement	1,026,649	1,026,649	1,026,649	1,026,649
Additional state revenue sharing funds	1,661,306	1,449,335	1,938,954	2,735,722
Total revenues available for debt service	$ 15,434,744	$ 16,773,304	$ 18,697,790	$ 19,819,936

X. CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the County to place a final cover on each of its landfill cells when it stops accepting waste and to perform certain maintenance and monitoring functions on each cell for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The $22,076,218 reported as landfill closure and post-closure care liability at September 30, 2023, represents the cumulative amount reported to date based on the use of 100% of the estimated capacity of the landfill cells placed in use. These amounts are based on what it would cost to perform closure and post-closure care in 2023 on those cells placed in use. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The landfill is no longer accepting waste.

The County is required by state and federal laws to make annual contributions to an escrow account to finance a minimum of all closure costs and at least one year of post-closure costs. The County is in compliance with those minimum requirements and at September 30, 2023, held cash and investments in the amount of $14,605,274 for these purposes that are reported as restricted assets on the balance sheet. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post-closure care requirements are determined; these costs may need to be covered by charges to future landfill users or from future tax revenue.

XI. EMPLOYEE BENEFITS

A. Florida Retirement System

Plan Description - The County participates in the Florida Retirement System (FRS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of Florida, Department of Management Services, Division of Retirement. The FRS provides retirement, disability or death benefits to retirees or their designated beneficiaries along with an annual cost-of-living adjustment. Employees are classified in either the regular service class, the special risk class, or the senior management service class. Currently, the active participants in the pension plan for Leon County are 1,559 out of a total of 441,816 active FRS participants.

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

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

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

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

The FRS ACFR and actuarial valuation reports as of July 1, 2023 are available online at http://www.dms.myflorida.com/workforce_operations/retirement/publications/annual_reports.

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

Department of Management Services
Division of Retirement
P.O. Box 9000
Tallahassee, Florida 32399-9000
850-907-6500 or toll free at 844-377-1888

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

The FRS relies upon contributions from employees and employers, along with investment income, to meet the funding requirements of an actuarially determined accrued liability. As of July 1, 2023, the date of the latest valuation, the FRS' funded ratio was 81.4% on the valuation funding basis and 82.4% on a Fair Market Value of Assets basis.

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

XI. EMPLOYEE BENEFITS (continued)

A. Florida Retirement System (continued)

In addition to the above benefits, the FRS administers a Deferred Retirement Option Program ("DROP"). This program allows eligible employees to defer receipt of monthly retirement benefit payments while continuing employment with a Florida Retirement

System employer for a period not to exceed 60 months after electing to participate. DROP benefits are held in the FRS Trust Fund and accrue interest.

The HIS Program is funded by required contributions from FRS participating employers as set by the State Legislature. Employer contributions are a percentage of gross compensation for all active FRS employees and are reported by employers with monthly payroll reports and included with the amount submitted for retirement contributions. For the fiscal year ended September 30, 2023, the contribution rate was 2.0% of payroll pursuant to Section 112.363, Florida Statutes.

The amounts contributed for the years ended September 30, 2023, 2022, and 2021 were $19,281,057, $17,333,516, and $15,846,687, respectively, which is equal to 100% of the required contribution for each year.

The membership categories and contribution rates for 2023 and 2022 were as follows:

			Employer Contribution Rate	
Membership Category	Benefit	Vesting	July 1, 2022	July 1, 2023
Regular Class	For employees in the FRS as of June 30, 2011, normal retirement at age 62 or at least 30 years of service: 1.60% times average compensation (five highest years) times years of creditable service.	After six years creditable service.	11.91 %	13.57 %
	For employees joining the FRS on or after July 1, 2011, normal retirement at age 65, or at least 33 years of service: 1.6% times average compensation (eight highest years) times years of creditable service.	After eight years creditable service.		
Senior Management Class	For employees in the FRS as of June 30, 2011, normal retirement at seven years and age 62: 2.00% times average compensation (five highest years) times years of creditable service.	After six years creditable service.	31.57 %	34.52 %
Special Risk (sworn employees)	For employees in the FRS as of June 30, 2011, normal retirement at age 55, or 25 years of special risk service: 2% to 3% times average compensation (five highest years) times years of creditable service.	After six years of creditable service.	27.83 %	32.67 %
Elected County Officers' Class (ESCOC)-Nonjudicial	For employees in the FRS as of June 30, 2011, normal retirement at eight years ESCOC service and age 62: 3.00% times average compensation (five highest years) times years of creditable service.	After six years of creditable service.	57.00 %	58.68 %
	For employees joining the FRS on or after July 1, 2011, normal retirement at age 65, or at least 33 years of service: 3.00% times average compensation (eight highest years) times years of creditable service.	After eight years creditable service.		
Deferred Retirement Option Program (Drop)	For employees in DROP as of June 30, 2011, retirement benefit paid to DROP where it earns 6.5% interest, tax deferred, for up to five years while the member continues to work.	Available to vested members at normal retirement age or date.	18.60 %	21.13 %
	For employees entered in DROP on or after July 1, 2011, retirement benefit paid to DROP where it earns 1.3% interest, tax deferred, for up to five years while the member continues to work.			

XI. EMPLOYEE BENEFITS (continued)

A. Florida Retirement System (continued)

Net Pension Liability - At September 30, 2023, the County reported for its share proportionate of the FRS and HIS plans the amount for the net pension liability as shown below:

	Leon County		
	FRS	HIS	Total
Total Pension Liability	$ 825,436,806	$ 43,726,858	$ 869,163,664
Fiduciary Net Position	680,032,591	1,799,998	681,832,589
Net Pension Liability	$ 145,404,215	$ 41,926,860	$ 187,331,075

The net pension liability for each plan was determined by the plans' actuary and reported in the plans' valuations dated July 1, 2023 for the net pension liability as of June 30, 2023. "Plan fiduciary net position" represents cash and investment assets held to pay pension liabilities as they mature. "Net pension liability" represents the equity in the applicable pension plan. "Plan fiduciary net position" represents the portion of the total pension liability that is funded by cash and investments. Detailed information regarding the FRS Pension Plan and HIS Program fiduciary net position is available in the separately issued FRS *Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report*. To obtain this report, see contact information on page 61.

At September 30, 2023, the County reported for its proportionate share of the employer portion for the FRS and HIS net pension liability the percentages below:

	FRS	HIS
June 30, 2023	.364907814%	.264000877%
June 30, 2022	.367963030%	.269692073%
Increase (decrease) in Share for 2023	(.003055216)%	(.005691196)%

The County's proportionate share of the net pension liability was based on the County's 2022-2023 fiscal year contributions relative to the 2021-2022 fiscal year contributions of all participating members of FRS.

Actuarial Methods and Assumptions - Actuarial assumptions for both cost-sharing defined benefit plans are reviewed annually by the Florida Retirement System Actuarial Assumptions Conference. The FRS Pension Plan has a valuation performed annually. The HIS Program has a valuation performed biennially that is updated for GASB reporting in the year a valuation is not performed. The most recent experience study for the FRS Pension Plan was completed in 2019 for the period July 1, 2013, through June 30, 2018. Because the HIS Program is funded on a pay-as-you-go basis, no experience study has been completed for that program. The actuarial assumptions that determined the total pension liability for the HIS Program were based on certain results of the most recent experience study for the FRS Pension Plan.

The total pension liability for each cost-sharing defined benefit plan was determined using the individual entry age actuarial cost method. Inflation increases for both plans is assumed at 2.40%. Payroll growth, including inflation, for both plans is assumed at 3.25%. Both the discount rate and the long-term expected rate of return used for FRS Pension Plan investments is 6.70%. The plans fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Because the HIS Program uses a pay-as-you-go funding structure, a municipal bond rate of 3.65% was used to determine the total pension liability for the program (Bond Buyer General Obligation 20-Bond Municipal Bond Index). Mortality assumptions for both plans were based on the Generational RP-2000 with Projection Scale BB tables.

The following changes in actuarial assumptions occurred in 2023:

- FRS: The long-term expected rate of return remained at 6.7%.

XI. EMPLOYEE BENEFITS (continued)

A. Florida Retirement System (continued)

- HIS: The municipal rate used to determine total pension liability was increased from 3.54% to 3.65%.

- The demographic assumptions for the Special Risk class were updated to reflect plan changes due to HB5007, HB689, and SB838. Specifically, HB5007 resulted in the development of separate rates of DROP Entry for law enforcement officers, and an assumed 60-month average duration of DROP participation for law enforcement officers who enter DROP in the future. HB689 and SB 838 resulted in updated line-of-duty disability rates and an increase in the portion of all future active member deaths assumed to be in the line of duty from 25% to 30% for all Special Risk class members.

- The election assumption for vested terminated members was updated from 20% to 50% to reflect recent experience.

Valuation date	July 1, 2022	July 1, 2023
Measurement date	June 30, 2022	June 30, 2023
Inflation	2.40%	2.40%
Salary increases including inflation	3.25%	3.25%
Mortality	PUB-2010 base table varies by member category and sex, projected generationally with Scale MP-2018 details in valuation report	PUB-2010 base table varies by member category and sex, projected generationally with Scale MP-2018; details in the valuation report
Actuarial cost method	Individual Entry Age	Individual Entry Age

Investments - The long-term expected rate of return assumption of 6.70 percent consists of two building block components: 1) a real (in excess of inflation) return of 4.48 percent, consistent with the capital market outlook model developed by the FRS consulting actuary, Milliman; and 2) a long-term average annual inflation assumption of 2.40 percent as adopted in October 2023 by the FRS Actuarial Assumption Conference. In the opinion of the FRS consulting actuary, Milliman, both components and the overall 6.70 percent return assumption were determined to be reasonable and appropriate per the Actuarial Standards of Practice. The 6.70 percent reported investment return assumption is the same as the investment return assumption chosen by the 2023 FRS Actuarial Assumption Conference for funding policy purposes, as allowable under governmental accounting and reporting standards.

For reference, the table below contains a summary of Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the long-term target asset allocation. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

XI. EMPLOYEE BENEFITS (continued)

A. Florida Retirement System (continued)

Asset Class	Target Allocation (1)	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 (property)	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 %
Total	100.00 %			
Assumed inflation - mean		2.4 %		1.4 %

(1) As outlined in the FRS Pension Plan's investment policy available from Funds We Manage on the SBA's website at www.sbafla.com.

Sensitivity Analysis - the following tables present the sensitivity of the net pension liability to changes in the discount rate of 6.70%. The sensitivity analysis shows the impact to the County's net pension liability if the discount rate shows as 1.00% higher or 1.00% lower than the current discounted rate at June 30, 2023 .

FRS Net Pension Liability		
1% Decrease 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
$ 248,380,007	$ 145,404,215	$ 59,252,644

HIS Net Pension Liability		
1% Decrease 2.65%	Current Discount Rate 3.65%	1% Increase 4.65%
$ 47,832,004	$ 41,926,860	$ 37,031,893

Pension Expense and Deferred Outflows/(Inflows) of Resources - In accordance with GASB 68, paragraphs 54 and 71, changes in the net pension liability are recognized in pension expense in the current measurement period, except as indicated below. For each of the following, a portion is recognized in pension expense in the current reporting period, and the balance is amortized as deferred outflows or deferred inflows of resources using a systematic and rational method over a closed period, as defined below:

- Differences between expected and actual experience with regard to economic and demographic factors which are amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan, both active and inactive.

- Changes of assumptions or other inputs which are amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan, both active and inactive.

- Changes in proportion and differences between contributions and proportionate share of contributions which are amortized over the average expected remaining service life of all employees that are provided with pensions through the pension plan, both active and inactive.

XI. EMPLOYEE BENEFITS (continued)

A. Florida Retirement System (continued)

- Differences between expected and actual earnings on pension plan investments are amortized over five years.

Employer contributions to the pension plans from employers are not included in collective pension expense; however, employee contributions are used to reduce pension expense.

For the fiscal year ended September 30, 2023 the total pension expense and deferred inflows and outflows related to the FRS and HIS plans were as follows:

	FRS	HIS	Total
Pension Expense (Income)	$ 27,876,100	$ 15,413,946	$ 43,290,046
Deferred Outflows of Resources	36,065,269	2,691,916	38,757,185
Deferred Inflows of Resources	$ (7,059,363)	$ (5,264,464)	$ (12,323,827)

For the fiscal year ended September 30, 2023, the County recognized pension expense of $27,876,100 for the FRS plan. In addition the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources for the FRS Plan	Deferred Inflows of Resources for the FRS Plan
Differences between expected and actual experience	$ 13,652,201	$ 0
Change of assumptions	9,478,653	0
Net difference between projected and actual earnings on FRS Plan investments	6,072,474	0
Changes in proportion and differences between County FRS Plan contributions and proportionate share of contributions	1,491,390	(7,059,363)
County FRS Plan contributions subsequent to the measurement date	5,370,551	0
Total	$ 36,065,269	$ (7,059,363)

The deferred outflows of resources related to the Pension Plan, totaling $5,370,551 and resulting from County contributions to the Plan subsequent to the measurement date, will be recognized as a reduction to net pension liability in the fiscal year ended September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Reporting Period Ending June 30	FRS Net Deferred Outflows/(Inflows)
2024	$ 2,002,358
2025	(3,553,950)
2026	22,623,842
2027	1,962,725
2028	600,380
Thereafter	0
Totals	$ 23,635,355

For the fiscal year ended September 30, 2023, the County recognized pension expense of $15,413,946 for the HIS plan. In addition the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

XI. EMPLOYEE BENEFITS (continued)

A. Florida Retirement System (continued)

Description	Deferred Outflows of Resources for the HIS Plan	Deferred Inflows of Resources for the HIS Plan
Differences between expected and actual experience	$ 613,780	$ (98,409)
Change of assumptions	1,102,244	(3,633,104)
Net difference between projected and actual earnings on HIS Plan investments	21,652	0
Changes in proportion and differences between County HIS Plan contributions and proportionate share of contributions	389,084	(1,532,951)
County HIS Plan contributions subsequent to the measurement date	565,156	0
Total	$ 2,691,916	$ (5,264,464)

The deferred outflows of resources related to the HIS Plan, totaling $565,156 resulting from County 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, 2024. Other amounts reported by the County as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Reporting Period Ending June 30	FRS Net Deferred Inflows
2024	$ 582,514
2025	463,450
2026	638,490
2027	894,460
2028	499,696
Thereafter	59,094
Totals	$ 3,137,704

B. Deferred Compensation Plan

The County offers their employees deferred compensation plans created in accordance with Internal Revenue Code Section 457. The County complied with the requirements of subsection (g) of IRC Section 457 and, accordingly, all assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. Deferred compensation amounts withheld from participating employees' pay are not taxable as current income until withdrawn from the plan. Annual contributions by a participant may not exceed the lesser of $19,500 or 50% of gross annual compensation. There is an “age 50 catch-up” provision that allows an additional $6,500 contribution from the year the employee reaches age 50 until the employee terminates employment.

C. Liability for Compensated Absences

The County accrues a liability for employees’ rights to receive compensation for future absences when certain conditions are met. Except for the Clerk, the County does not, nor is it legally required to, accumulate expendable available financial resources to liquidate this obligation. Accordingly, the liability for the compensated absences is not reported in the governmental funds. However, the current and long-term portion of the liability for compensated absences is reported at the entity-wide financial statement level. The liability associated with compensated absences is reported on the fund level in the internal service fund for the Clerk only.

D. Executive Service Plan

Executive service and senior management employees of Leon County are entitled to severance pay if terminated from employment. If there is a contract or an employment agreement, they are entitled to up to twenty weeks of severance pay. If there is no contract, severance pay is limited to six weeks.

XI. EMPLOYEE BENEFITS (continued)

E. Post Employment Benefits Other Than Pension Benefits

Plan Description

The County participates and administers an agent multiple-employer plan under which qualified retired employees are permitted to participate in the health and life insurance benefits program (the Program) at the same rate as active participants. In medical insurance plans where a government's retirees and current employees are insured together as a group, the premiums paid by the retirees may be lower than they would have been if the retirees were insured separately. This is called an implicit rate subsidy. A stand alone financial report is not issued for the Program.

OPEB Plan membership at October 1, 2023 was as follows:

Membership Status as of October 1, 2023	Life	Medical
Active plan members	1,513	1,513
Retirees and DROP participants	422	206
Total	1,935	1,719

Benefits- Retirees continue active employee life insurance benefits, with coverage amount equaling 2 x final salary for Senior Management and 1 x final salary for all other retirees. Once a retiree reaches the age of 65, the coverage reduces to 65% of the original amount. Coverage is provided at a monthly rate of $0.59 per $1,000 benefit except for Sheriff. Sheriff coverage is provided at a monthly rate of $0.47 per $1,000 benefit. Retirees continue active employee medical insurance benefits. Coverage ends upon death of the retiree or if the retiree cancels retiree medical insurance coverage. Retirees who cancel coverage may not re-enroll in health insurance. There are no surviving spouse benefits.

Effective October 1, 2019, future retirees may be eligible for a subsidy to help offset the cost of the retiree medical insurance premiums. The contribution is available for the retiree only and paid only while the retiree is under the age of 65 and not Medicare eligible. Eligible retirees will receive $5 per month for each year of service; up to a maximum of 30 years ($150 per month). The $5 per month subsidy does not increase with health care cost trend.

Eligibility- Participants are eligible for postretirement life insurance upon attaining eligibility for retirement benefits under FRS. Therefore participants are eligible to leave County service with life insurance benefits after 6 years of service; 10 years of service if hired on or after July 1, 2013. Participants are eligible for postretirement medical insurance upon attaining eligibility for retirement benefits under FRS. Therefore participants are eligible to leave County service with life insurance benefits after 10 years of service.

Funding Policy

Retired employees and their spouses for their lifetime are eligible for continuation of the benefits offered to active employees and are responsible for paying the required premium contributions. The County has the authority to establish and amend the OPEB funding policy, and is not required by law or other contractual agreement to provide funding for the implicit rate subsidy other than the pay-as-you-go amount necessary to provide current benefits for participants in its health insurance plan. Post-employment benefits are extended to retirees and continued at the discretion of the Employer, which reserves the right (subject to State Statutes and any collective bargaining agreements) to change or terminate benefits and to change premium contributions required from retirees in the future. There is no separate trust through which benefits for retirees are funded. No assets are currently accumulated or earmarked for this purpose. All approved benefits are paid from the Employer’s general assets when due.

XI. EMPLOYEE BENEFITS (continued)

E. Post Employment Benefits Other Than Pension Benefits (continued)

Net OPEB liability

As described in Note 1, the County consists of elected constitutional officers of the County. The annual OPEB liability of constitutional officers is recognized in the county-wide financial statements of the County. The County's Net OPEB liability is calculated in accordance with the guidance provided by Governmental Accounting Standards Board Statement Number 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

The total OPEB liability for the year ended September 30, 2023 measured as of September 30, 2023 is $31,577,626. The following table outlines the changes in Net OPEB Liability for the fiscal year ending September 30, 2023:

	FY 2023	FY 2022
Service cost	$ 1,407,503	$ 2,333,956
Interest	1,657,783	1,141,365
Differences between expected and actual experience	(3,619,718)	0
Changes of assumptions or other input	(598,706)	(13,608,670)
Expected benefit payments	(1,217,979)	(1,100,812)
Net Changes	(2,371,117)	(11,234,161)
Net OPEB liability at beginning of year	33,948,743	45,182,904
Net OPEB liability at end of year	$ 31,577,626	$ 33,948,743

The total OPEB liability and contribution rates were determined by an actuarial valuation as of October 1, 2023. The total OPEB liability was rolled forward two years. The significant assumptions used were as follows:

Valuation Date	September 30, 2023
Measurement Date	September 30, 2023
Actuarial Cost Method	Entry Age Normal, Level Percent of Salary. Service Costs are attributed through all assumed ages of exit from active service.
Asset Valuation Method	Not Applicable. The plan operates on a pay-as-you-go basis and thus, has no assets.
Miscellaneous	The valuation was prepared on an on-going plan basis. This assumption does not necessarily imply that an obligation to continue the plan actually exists.
Discount Rate	The discount rate at the measurement date is 4.87%. Benefit payments are funded on a pay-as-you go basis. The discount rate is based on the S&P Municipal Bond 20 Year High Grade Rate Index as of September 30, 2023. The discount rate at the beginning of the year is 4.77% from the S&P Municipal Bond 20 Year High Grade Rate Index as of September 30, 2022.
Consumer Price Index	N/A
Future Salary Increase	3.25%
Administrative Expenses	Life Insurance administrative expenses are assumed to be 5% of claims based on experience for similar plans. Medical insurance administrative expenses are assumed to be included in the premiums.

XI. EMPLOYEE BENEFITS (continued)

E. Post Employment Benefits Other Than Pension Benefits (continued)

Mortality	According to the Benefit-Weighted Pub-2010 Mortality Tables with a public safety adjustment for sheriffs and the general table for all others, projected generationally with the MP-2021 Mortality Improvement scale. For disabled retirees, according to the Benefit-Weighted Pub-2010 Disabled Mortality Tables with a public safety adjustment for sheriffs and the general table for all others, projected generationally with MP-2021 Mortality Improvement scales.
Withdrawal	Same as the Florida Retirement System (FRS) pension plan.
Disability	Same as the Florida Retirement System (FRS) pension plan.
Retirement age	Same as the Florida Retirement System (FRS) pension plan.
Plan participation	
Life insurance:	95% and 20% of future retirees are assumed to elect Basic and Supplemental life insurance benefits at retirement, respectively, based on a mix of actual experience and experience for similar plans. For non-Senior Management employees who can elect up to 2x salary at retirement for Supplemental life insurance benefit up to a maximum of $250,000 combined maximum for Basic and Supplemental life insurance, we have assumed that they will elect 1x salary at retirement.
Medical insurance:	45% of future retirees are assumed to elect health coverage with the County at retirement based on a mix of actual experience and experience for similar plans. Current retirees are assumed to coverage under the County's health plans if they are currently enrolled. Current retirees who are not currently enrolled in the County's health plans are not assumed to re-enroll in the future. 100% of surviving spouses are assumed to elect coverage with the County upon retirees' death.
Health care cost trends	Eligible health care costs, per capita costs, and retiree contributions, are assumed to decrease each year from 7.50% for the year ended 9/30/2024 to 4.50% for the year beginning 10/1/2032 and thereafter. The initial trend rate was established based on the influences of the health care marketplace as a whole as published in Buck's National Health Care Trend Survey The trend rates are based on the "core" trend components (i.e., medical inflation, utilization and intensity of services) but exclude the impact of the aging of the covered population and other noncore components of trend (e.g., profit margins typically included in an insurer's trend assumptions). It is assumed that over the long-term, health care costs ultimately will be constrained by the public's ability and willingness to pay the higher cost of health care services. This assumption implies that the ultimate trend rate should be related to the nominal per capita GDP. Therefore, ultimate trend is assumed to be comprised of (i) real growth in per capita GDP, (ii) long-term growth attributable to technology innovations, and (iii) assumed long-term inflation rate. We estimated that health care costs would reach the ultimate trend level in fiscal year ending in 2028, based on projections from CMS' projection of National Health Care Expenditures.

XI. EMPLOYEE BENEFITS (continued)

E. Post Employment Benefits Other Than Pension Benefits (continued)

Per capita costs	Our valuation reflects the following fiscal year 2023 annual per capita plan costs for retirees and their spouses: Per Capita Plan Cost at Male Age 65- Retiree $22,080, Spouse $23,436, Family $36,072. Medical per capita plan costs for retirees and spouses were developed using 2024 premium information and de-trended to a level appropriate for the fiscal year beginning October 1, 2023. The premiums are assumed to include administrative expenses. The valuation relied upon the premium information which was assumed to be suitable for this purpose. The Pre-Medicare plan costs are based upon age-adjusted rates. Post-Medicare retirees are assumed to be in a retiree-only plan and retirees pay 100% of the premium. Therefore, we assume there is no associated post-Medicare liability for the retiree medical plan.
Spouse assumptions	For future retirees, female spouses are assumed to be three years younger than their male spouses. For existing retirees, actual spouses age are used if available, otherwise female spouses are assumed to be three years younger than their male spouses.
Age/Gender - related morbidity	The age/gender health care cost relativities implemented in this valuation to reflect associated differences in medical costs are based on data from the recent study, "Health Care Costs - From Birth to Death" prepared by Dale H. Yamamoto and sponsored by the Society of Actuaries.

Sensitivity of Net OPEB Liability to changes in the Single Discount Rate

The following presents the plan's net OPEB liability, calculated using a single discount rate of 4.87%, as well as what the plan's net OPEB liability would be if it were calculated using a single Discount Rate that is one percent lower or one percentage higher:

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate	1% Decrease 3.87%	Current Discount Rate 4.87%	1% Increase 5.87%
Net OPEB Liability	$ 36,344,499	$ 31,577,626	$ 27,722,685

Sensitivity of Net OPEB Liability to changes in Health Care Cost Trends

The following presents the plan's net OPEB liability, calculated using the current health care cost trend, as well as what the plan's net OPEB liability would be if it were calculated using a health care cost trend that is one percent lower or one percentage higher:

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend	1% Decrease	Current Health Care Cost Trend	1% Increase
Net OPEB Liability	$ 30,107,237	$ 31,577,626	$ 33,309,834

XI. EMPLOYEE BENEFITS (continued)

E. Post Employment Benefits Other Than Pension Benefits (continued)

OPEB Expense and Deferred Outflows/(Inflows) of Resources Related to OPEB

In accordance with GASB 75, changes in the net OPEB liability are recognized as OPEB expense in the current measurement period, except as shown below. For each of the following, a portion is recognized in OPEB expense in the current measurement period, and the balance is amortized as deferred outflows or inflows of resources using a systematic and rational method over a closed period, as defined below:

- Differences between expected and actual experience with regard to economic and demographic factors which are amortized over the average expected remaining service life of all employees that are provided with benefits through the OPEB plan, both active and inactive.

- Changes of assumptions or other inputs which are amortized over the average expected remaining service life of all employees that are provided with benefits through the OPEB plan, both active and inactive.

- Changes in proportion and differences between contributions and proportionate share of contributions which are amortized over the average expected remaining service life of all employees that are provided with benefits through the OPEB plan, both active and inactive.

The below table presents the OPEB expense and its components:

Components of OPEB Expense	For the year ended September 30, 2023
Service Cost	$ 1,407,503
Interest on the total OPEB liability and net cash flow	1,657,783
Differences between expected and actual experience	(379,426)
Changes in assumptions and other inputs	911,927
Total OPEB expense	$ 3,597,787

At September 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflow	Deferred Inflow County	Total County Deferred Outflow (Deferred Inflow)
Differences between expected and actual experience	$ 12,718,259	$ (4,431,787)	$ 8,286,472
Changes in assumptions and other inputs	4,980,180	(16,066,415)	(11,086,235)
Total OPEB expense	$ 17,698,439	$ (20,498,202)	$ (2,799,763)

XI. EMPLOYEE BENEFITS (continued)

E. Post Employment Benefits Other Than Pension Benefits (continued)

The average of the expected remaining service lives of all employees that are provided with benefits through the plan (active and inactive employees) determined at October 1, 2023 is 10.1 years. The following deferred inflows of resources will be recognized in pension expense as follows:

For the year ended September 30,	County Total Deferred Outflow (Deferred Inflow)
2024	$ 532,501
2025	532,501
2026	584,318
2027	662,038
2028	662,038
Thereafter	(5,773,159)
Totals	$ (2,799,763)

Funded Status and Funding Progress

As of September 30, 2023, the County's actuarial accrued liability for benefits recognized in the County's financial statements was $31,577,626, all of which was unfunded.

XII. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The County's reported deferred outflows of resources are derived from $17,698,439 from OPEB related activities and $38,757,185 derived from Pension related activities.

A deferred inflow of resources represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The County's reported deferred inflows of resources are derived from $20,498,202 from OPEB related activities, $12,323,827 from pension related activities, $5,836,204 from Lessor activities, and $900,442 from special assessment related activities.

XIII. RISK MANAGEMENT AND CONVENTIONALLY INSURED CLAIMS & LOSSES

A. General Liability

Effective December 15, 2012, the County purchased commercial insurance for general liabilities from OneBeacon. Effective December 15, 2016, the County purchased commercial insurance for general liabilities from Travelers. This is a zero-deductible policy.

Changes in the Board's claim liability amount were as follows:

Year	Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
September 30, 2023	$ 0	$ 0	$ 0	$ 0
September 30, 2022	$ 0	$ 0	$ 0	$ 0

B. Workers' Compensation

The County maintains a self-insurance Internal Service Fund to account for insurance activities relating to workers' compensation that is administered by a third-party administrator. Under this program, the County absorbs losses up to a maximum of $500,000 for each claim. At September 30, 2023, the County had $306,082 deposited with the third-party administrator for use against future claims. The County purchases commercial insurance for claims in excess of coverage provided by the Fund. Settled claims have not exceeded this commercial coverage in the current year or any of the past five years.

All funds of the County participate in this program and make payments to the Insurance Service Fund based upon payroll exposure in the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses. Excess payments are recorded as a designation of retained earnings for catastrophic losses.

The claims liability for workers' compensation of $6,800,211, which includes an actuarial evaluation for incurred but not reported claims of $3,909,803 is included in other current liabilities and reported in the Internal Service Fund at September 30, 2023. The liability is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated.

XIII. RISK MANAGEMENT AND CONVENTIONALLY INSURED CLAIMS & LOSSES (continued)

B. Workers' Compensation (continued)

Changes in the Fund's claims liability amount were as follows:

Year	Beginning of Fiscal Year	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
September 30, 2023	$ 6,606,825	$ 1,750,386	$ (1,557,000)	$ 6,800,211
September 30, 2022	$ 7,050,581	$ 2,391,244	$ (2,835,000)	$ 6,606,825

C. Automobile Liability

The County purchases commercial coverage for automobile liability insurance through the same provider of its general liability insurance. All vehicles are covered for physical damage with a $1,000 deductible and for liability with a $5,000 deductible. All funds of the County participate in this program and pay premiums to the Insurance Service Fund based on the vehicles used by their personnel.

Changes in the fund's claims liability were as follows:

Year	Beginning of Fiscal Year	Current-Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
September 30, 2023	$ 41,465	$ 5,471	$ 0	$ 46,936
September 30, 2022	$ 4,900	$ 36,565	$ 0	$ 41,465

The claims liability of $46,936 includes an actuarial valuation for incurred but not reported claims of $15,965.

As a member of the Florida Sheriffs Association, the Sheriff participates in the Sheriffs Automobile Risk Program for automobile liability insurance. Coverage includes liability for bodily injury and property damage, personal injury protection, auto medical payments, bodily injury for uninsured motorists and physical damage. Coverage for physical damage is also maintained on certain vehicles. The contribution required for the year ended September 30, 2023 was $308,238.

D. Professional Liability

The Sheriff is currently a member of the Florida Sheriffs Association and participates in the Florida Sheriffs Self-Insurance Fund. The Self-Insurance Fund administers insurance activities related to professional liability and covers compensatory damages (except back pay), employment benefits, punitive damages, attorney fees or costs awarded to a prevailing plaintiff, and all legal fees involved in defense of the Sheriff. The contribution required for the year ended September 30, 2023 was $559,280.

The limits of the Self-Insurance Fund for the above mentioned damages, fees and defense costs are $5,000,000 per incident or occurrence; and $10,000,000 in aggregate for the policy year. Settled claims did not exceed this coverage in the current year.

XIV. SEGMENT INFORMATION - ENTERPRISE FUNDS

The County maintained one enterprise fund. The Leon County Landfill Fund accounts for revenues and expenditures related to the operation of the landfill and collection of revenues from the sale of processed recyclables and related costs to support the program. The County has not issued bonds to finance the activity of the enterprise fund. Further, none of the revenues streams of the enterprise fund are pledged in support of outstanding debt.

XV. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

A. Excess of Expenditures Over Appropriation

Certain funds show an excess of expenditures over appropriations. This excess is due to the appropriation and use of fund balance during the fiscal year.

B. Excess of Expenditures Over Revenue in the Budget Column

Certain funds show an excess of expenditures over revenue in the budget column of the Statement of Revenue, Expenditures and Changes in Fund Balances, Budget and Actual. This excess is due to the appropriation and use of fund balance (which is not reported in the budget or variance column) during the fiscal year.

C. Deficit Fund Balances

At fiscal year end, the Family Law Legal Service fund had a deficit of $59,970, the SHIP Trust fund had a deficit of $16,838, the 911 Emergency fund had a deficit of $9,255, the Special Assessment Paving fund had a deficit of $13,410, the Landfill fund had a deficit of $520,338. All funds are nonmajor special revenue funds.

D. Minimum Fund Balance Policy

On September 16, 2008, Leon County adopted Policy Number 07-2 called “Reserves.” The first section, Emergency Reserves includes the general revenue emergency reserves which are maintained at an amount not to be less than three percent and not to exceed eight percent of the projected General Fund and Fine & Forfeiture Fund operating expenditures for the ensuing fiscal year. In addition, a catastrophe reserve will be maintained at two percent. The reserve will provide immediate cash flow in the event of a natural disaster. The Reserve for Contingency is separate from the Reserves for Cash Balances and annually determined by the Board of County Commissioners as a part of the budget. Any funds not included under this category will be included as part of the unreserved fund balance.

Reserves for Cash Balances are maintained by the County as an annual unassigned reserve for cash balance at a level sufficient to maintain adequate cash flow and to eliminate the need for short-term borrowing. The fund balance shall be no less than ten percent and no greater then twenty percent of the projected General Fund and Fine & Forfeiture Fund operating expenditures. All major funds will retain sufficient cash balances to eliminate the need for short-term borrowing.

As a part of the annual budget process, a determination is made of the minimum and maximum amounts based on above requirements. Funds in excess of the minimums established can be utilized to support one-time capital expenses.

XV. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES (continued)

E. Fund Balance

At fiscal year end, fund balances reported on the Statements of Revenues, Expenditures, and Changes in Fund Balance include:

	General Fund	Major Funds	Other Funds	Total
Nonspendable:				
Inventory	$ 1,174,170	$ 0	$ 5,612	$ 1,179,782
Prepaid assets	720,748	334,223	154,790	1,209,761
Total nonspendable	1,894,918	334,223	160,402	2,389,543
Restricted for:				
Federal and state grants and other purpose	0	19,043,992	301,212	19,345,204
Major non-transportation related capital projects and facilities	0	35,678,641	34,522,045	70,200,686
Public improvement revenue bond projects	0	0	20,401,911	20,401,911
Enabling legislation	0	0	11,491,477	11,491,477
User restricted	0	0	555,987	555,987
Total restricted	0	54,722,633	67,272,632	121,995,265
Committed for:				
Minimum reserve requirements	7,383,856	1,055,341	0	8,439,197
Fire protection services	0	0	1,307,635	1,307,635
Emergency medical services	0	0	11,460,320	11,460,320
Building inspections	0	0	2,951,678	2,951,678
Unincorporated stormwater maintenance	0	0	1,920,203	1,920,203
City sewer services distribution	0	0	32,208	32,208
Environmental management	0	0	2,028,782	2,028,782
Pandemic recovery efforts	276,377	2,848,723	0	3,125,100
Total committed	7,660,233	3,904,064	19,700,826	31,265,123
Assigned for:				
General government	6,139,030	5,957,346	0	12,096,376
Public safety	0	0	3,043,830	3,043,830
Total assigned	6,139,030	5,957,346	3,043,830	15,140,206
Unassigned	33,531,529	(48,867)	(127,344)	33,355,318
Total Fund Balances	$ 49,225,710	$ 64,869,399	$ 90,050,346	$ 204,145,455

XVI. COMMITMENTS AND CONTINGENCIES

A. Contract Commitments

Grants

The County is currently receiving, and has received in the past, grants which are subject to special compliance audits by the grantor agency that may result in disallowed expense amounts. Such amounts, if any, constitute a contingent liability of the County. Accordingly, such liabilities are not reflected within the financial statements.

Long-Term Construction Projects

The County is committed to various material long-term construction projects at September 30, 2023. These commitments have been included in the 2023-2024 fiscal year budget and the five-year Capital Improvement Program and certain amounts have been reserved in the capital projects fund. Current contracts outstanding as of September 30, 2023 approximate $24.3 million.

The Sheriff, the County, and the City of Tallahassee (the Parties) entered into an inter-local agreement on December 20, 2007 to establish parameters relating to ownership, expansion, operation, maintenance, and the use of the 800MHz Project 25 Digital Trunked Simulcast (TSR) System. The agreement provides 50% ownership of the TSR System's backbone equipment by the Sheriff and the County. The agreement also provides that the Sheriff and the County are required to pay 50% of the TSR System's operating costs. Absent a prior notice to withdraw, the agreement shall continue until the date the agreement is terminated by mutual written agreement of the Parties. Activity related to the agreement is accounted for as a joint operation.

B. Potential Liabilities Resulting from Litigation

The County is a defendant in various lawsuits arising from the normal course of operations. The outcome of these lawsuits is not presently determinable.

C. Subsequent Events

The County has evaluated subsequent events through May 22, 2024, the date the financial statements were available to be issued. No subsequent events were identified that required disclosure except for the transaction described below.

On October 1, 2023 Leon County entered into two subscription based information technology arrangements (SBITAs) for the right to use another party's (a SBITA vendor's) information technology (IT) software. The terms of the arrangements extend through September 30, 2026. An initial subscription liability and subscription asset for these SBITAs equals $3,788,947. The County is required to make annual payments ranging from $155,418 to $1,097,162 through the term of the arrangements. The arrangements have interest rates of 4.880%.

XVII. CONTINGENCIES - DEBT

The company participates in federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The company is potentially liable for any expenditures, which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

In the course of business, the company, its agencies and its employees are defendants in legal proceedings including but not limited to claims against the company for property damage, personal injury, personnel and contract matters, and alleged violations of state and federal laws. It is the opinion of management that the disposition or resolution of such claims and lawsuits will not have a material adverse effect on the financial position, changes in the financial position or cash flows of the company.

XVIII. NET POSITION RESTATEMENT

Fund balances as of October 1, 2022 have been restated to reflect the following adjustments:

During the year ended September 30, 2023 the County identified two revenues where the revenue recognition criteria required the revenues to have been recorded in a prior year but were not. In order to correct this error, both items have been recorded to the year ended September 30, 2022. As such, this correction results in an increase to the beginning fund balance of the general fund by $449,825 and an increase to the beginning fund balance of the non-major governmental funds by $414,634. These restatements result in a related increase to the beginning net position of the government activities of $864,459.

During the year ended September 30, 2023 the County identified several capital assets that were previously classified as non-depreciable improvements other than buildings that should have been reported as depreciable improvements other than buildings. In order to correct this error, all such capital assets have been reclassified and the applicable previous depreciation has been calculated and applied to previous periods. As such, this correction results in a reclassification of $8,467,199 between non-depreciable and depreciable improvements other than buildings capital assets and a decrease to the beginning net position of the governmental activities by $2,910,524.

Required Supplementary Information

Leon County, Florida
Proportionate Share of Net Pension Liability
Florida Retirement System
Last Ten Fiscal Years*
(unaudited)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Leon County's proportion of the net pension liability	0.364907814%	0.367963030%	0.373660617%	0.394768166%	0.405622105%	0.401636460%	0.404240284%	0.426742954%	0.381103706%	0.373806519%
Leon County's proportionate share of the net pension liability	$ 145,404,215	$ 136,911,817	$ 28,225,813	$ 171,098,341	$ 139,690,606	$ 120,974,984	$ 119,571,564	$ 107,752,931	$ 49,224,656	$ 22,807,695
Leon County's covered payroll	$ 110,522,187	$ 104,064,221	$ 101,609,419	$ 100,077,822	$ 95,981,978	$ 92,298,471	$ 89,031,824	$ 84,165,836	$ 82,001,002	$ 80,661,380
Leon County's proportionate share of the net pension liability as a percentage of its covered payroll	131.56 %	131.56 %	27.78 %	170.97 %	145.54 %	131.07 %	134.30 %	128.02 %	60.03 %	28.28 %
Plan fiduciary net position as a percentage of the total pension liability	82.38 %	82.89 %	96.40 %	78.85 %	82.61 %	84.26 %	83.89 %	84.88 %	92.00 %	96.09 %

* The amounts presented for each fiscal year were determined as of 6/30.

See Report of Independent Auditors

Leon County, Florida
Schedule of Contributions
Florida Retirement System
Last Ten Fiscal Years*
(unaudited)

	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 17,544,413	$ 15,701,652	$ 14,234,855	$ 13,116,397	$ 12,577,212	$ 11,446,316	$ 10,523,370	$ 10,406,807
Actual employer contribution	$ (17,544,413)	$ (15,701,652)	$ (14,234,855)	$ (13,116,397)	$ (12,577,212)	$ (11,446,316)	$ (10,523,370)	$ (10,406,807)
Contribution deficiency (excess)	0	0	0	0	0	0	0	0
Leon County's covered payroll	$ 112,420,882	$ 104,826,103	$ 101,778,575	$ 101,101,949	$ 97,005,441	$ 92,911,582	$ 90,549,137	$ 84,749,884
Contributions as a percentage of covered payroll	15.61 %	14.98 %	13.99 %	12.97 %	12.97 %	12.32 %	11.62 %	12.28 %

	2015	2014
Actuarially determined contribution	$ 9,291,632	$ 8,187,949
Actual employer contribution	$ (9,291,632)	$ (8,187,949)
Contribution deficiency (excess)	0	0
Leon County's covered payroll	$ 82,413,692	$ 80,762,932
Contributions as a percentage of covered payroll	11.27 %	10.14 %

* The amounts presented for each fiscal year were determined as of 6/30 except for the covered payroll determined as of 09/30.

See Report of Independent Auditors

Leon County, Florida
Proportionate Share of Net Pension Liability
Health Insurance Subsidy Program
Last Ten Fiscal Years*
(unaudited)

	2023	2022	2021	2020	2019	2018	2017	2016
Leon County's proportion of the net pension liability	0.264000877%	0.269692073%	0.274214019%	0.274310017%	0.281605365%	0.279643167%	0.275303556%	0.286548096%
Leon County's proportionate share of the net pension liability	$ 41,926,860	$ 28,564,698	$ 33,636,472	$ 33,492,806	$ 31,508,822	$ 29,597,747	$ 29,436,726	$ 33,395,994
Leon County's covered payroll	$ 110,522,187	$ 104,064,221	$ 101,609,419	$ 100,077,822	$ 95,981,978	$ 92,298,471	$ 89,031,824	$ 84,165,836
Leon County's proportionate share of the net pension liability as a percentage of its covered payroll	37.94 %	27.45 %	33.10 %	33.47 %	32.83 %	32.07 %	33.06 %	39.68 %
Plan fiduciary net position as a percentage of the total pension liability	4.12 %	4.81 %	3.56 %	3.00 %	2.63 %	2.15 %	1.64 %	0.97 %

	2015	2014
Leon County's proportion of the net pension liability	0.274123595%	0.270973192%
Leon County's proportionate share of the net pension liability	$ 27,956,296	$ 25,336,655
Leon County's covered payroll	$ 82,001,002	$ 80,661,380
Leon County's proportionate share of the net pension liability as a percentage of its covered payroll	34.09 %	31.41 %
Plan fiduciary net position as a percentage of the total pension liability	0.50 %	0.99 %

* The amounts presented for each fiscal year were determined as of 6/30.

See Report of Independent Auditors

Leon County, Florida
Schedule of Contributions
Health Insurance Subsidy Program
Last Ten Fiscal Years*
(unaudited)

	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 1,736,644	$ 1,631,864	$ 1,611,832	$ 1,580,720	$ 1,563,727	$ 1,516,512	$ 1,456,986	$ 1,468,742
Actual employer contribution	$ (1,736,644)	$ (1,631,864)	$ (1,611,832)	$ (1,580,720)	$ (1,563,727)	$ (1,516,512)	$ (1,456,986)	$ (1,468,742)
Contribution deficiency (excess)	0	0	0	0	0	0	0	0
Leon County's covered payroll	$ 112,420,882	$ 104,826,103	$ 101,778,575	$ 101,101,949	$ 97,005,441	$ 92,911,582	$ 90,459,137	$ 84,749,884
Contributions as a percentage of covered payroll	1.54 %	1.56 %	1.58 %	1.56 %	1.61 %	1.63 %	1.61 %	1.73 %

	2015	2014
Actuarially determined contribution	$ 1,047,871	$ 928,263
Actual employer contribution	$ (1,047,871)	$ (928,263)
Contribution deficiency (excess)	$ 0	0
Leon County's covered payroll	$ 82,413,692	$ 80,762,932
Contributions as a percentage of covered payroll	1.27 %	1.15 %

* The amounts presented for each fiscal year were determined as of 6/30 except for the covered payroll determined as of 09/30.

See Report of Independent Auditors

Leon County, Florida
Schedule of Changes in the County's Net OPEB Liability and Related Ratios
Last 10 Fiscal Years*
(unaudited)

Net OPEB Liability	2023	2022	2021	2020	2019
Service cost	$ 1,407,503	$ 2,333,956	$ 2,501,300	$ 540,572	$ 492,162
Interest	1,657,783	1,141,365	934,003	607,217	666,184
Changes of benefit terms	0	0	0	1,067,856	0
Difference between expected & actual experience	(3,619,718)	0	5,600,923	15,714,047	(2,282,605)
Changes in assumptions & other inputs	(598,706)	(13,608,670)	(4,618,076)	7,277,059	(31,667)
Benefit payments	(1,217,979)	(1,100,812)	(753,917)	(215,848)	(249,553)
Net change in total OPEB liability	(2,371,117)	(11,234,161)	3,664,233	24,990,903	(1,405,479)
Net OPEB liability - beginning	33,948,743	45,182,904	41,518,671	16,527,768	17,933,247
Net OPEB liability - ending	$ 31,577,626	$ 33,948,743	$ 45,182,904	$ 41,518,671	$ 16,527,768
Covered-Employee payroll	$110,522,187	$104,826,103	$101,778,576	$101,101,949	$ 97,005,441
Net OPEB liability as a percentage of covered-employee payroll	28.57 %	32.39 %	44.39 %	41.07 %	17.04 %

Net OPEB Liability	2018
Service cost	$ 534,336
Interest	621,125
Changes of benefit terms	0
Difference between expected & actual experience	0
Changes in assumptions & other inputs	(1,114,016)
Benefit payments	(227,947)
Net change in total OPEB liability	(186,502)
Net OPEB liability - beginning	18,119,749
Net OPEB liability - ending	$ 17,933,247
Covered-Employee payroll	$ 92,911,582
Net OPEB liability as a percentage of covered-employee payroll	19.30 %

*This Schedule is presented to illustrate the requirement to show information for 10 years. However until a full 10-year trend is compiled, governments should present information for those years which information is available.

The following changes in actuarial assumptions occurred in 2023:

PENSION RELATED NOTES TO SCHEDULE:

FRS: There were no changes in benefit terms. The inflation rate assumption remained at 2.40%. Payroll growth, including inflation remained at 3.25%. The long-term expected rate of return remained at 6.7%.

HIS: The municipal rate used to determine total pension liability was increased from 3.54% to 3.65%.

Senate Bill 7024 increased the level of monthly benefits from $5.00 times years of service to $7.50, with an increased minimum of $45.00 and maximum of $225.00. This change applies to all years of service for both members currently in pay and members not yet in pay.

The discount rate was modified to reflect the change in the value of the municipal bond index between GASB measurement dates.

There are no assets accumulated in a trust to pay for related benefits for the pension plan.

OPEB RELATED NOTES TO SCHEDULE:

The assumptions, methods, and plan provisions used were the same as those in Leon County's GASB 75 valuation report for FYE September 30, 2022 dated December 29, 2022, except for the following:

The measurement date was updated to September 30, 2023. Liabilities as of the measurement date are based on the results of the September 30, 2023 valuation.

The discount rate was updated from 4.77% as of September 30, 2022 to 4.87% as of September 30, 2023 based on the S&P Municipal Bond 20-Year High Grade Rate Index. This caused a $432,000 decrease in liabilities.

Per capita baseline costs were updated to reflect 2024 premium rates and census information as of September 30, 2023, which increased the liabilities by $434,000.

Salary increase, retirement rates, and duty disability rates for Special Risk employees have been updated based on the assumptions used in the Florida Retirement System (FRS) Pension Plan Actuarial Valuation as of July 1, 2023. The net impact of this change is a liability reduction of $1.6 million.

Health care trend rates have been updated based on updated market data and inflation expectation, which caused $86,000 increase in liabilities.

Spousal election percentage for future retirees have been updated based on the actual spousal election for existing retirees that have at least one participant under the age of 65 with medical coverage in the 2019, 2021, and 2023 valuation data, which caused $830,000 liability increase.

The valuation results now include liability for surviving spouses which was not valued in the past. Based on the information provided by the County this year, surviving spouses are allowed to stay on the plan upon retirees' death. This change caused $145,000 increase in liabilities.

The valuation results also reflect two components of life insurance benefit provided by the County: basic and supplemental. Only the basic life insurance benefit was valued in prior valuations. Based on input from the County, 20% of active employees are assumed to elect supplemental life insurance benefit at retirement. We have used 2024 life insurance premium rates in this year's valuation. This change caused a $1 million increase in liabilities.

The potential impact of the ongoing COVID-19 pandemic on costs and liabilities was considered, but no explicit adjustments to the calculations were made at this time.

The Inflation Reduction Act of 2022 signed into law in August includes numerous changes to future Medicare Part D benefits. However, given that Medicare eligible retirees pay the full cost of coverage, these changes to the Medicare prescription drug coverage would not have any direct impact on the results of the valuation. We will keep you informed of any additional information as guidance regarding these changes become available.

There are no assets accumulated in a trust to pay for related benefits for the OPEB plan.

Thomas Howell Ferguson P.A.
Certified Public Accountants

LAW REDD
CPAs & ADVISORS

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

The Honorable Board of County Commissioners
Leon County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, and the budgetary comparison statements of Leon County, Florida (the County) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 22, 2024. Our report includes a reference to other auditors who audited the financial statements of the Housing Finance Authority of Leon County, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding 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 were not identified. However, as described in the accompanying Management Letter, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying Management Letter as items *2023-004, 2023-005, and 2023-006* to be material weaknesses.

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. We consider the deficiencies described in the accompanying Management Letter as items *2023-002 and 2023-003* to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County'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 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 noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Leon County, Florida's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the findings identified in our audit and described in the accompanying Management Letter. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

We noted certain other matters pursuant to the Chapter 10.550, *Rules of the Auditor General* that we have reported to the management of Leon County, Florida in a separate letter dated May 22, 2024.

Thomas Howell Ferguson P.A.

Law Redd Crona & Munroe P.A.

Thomas Howell Ferguson P.A.
Tallahassee, Florida
May 22, 2024

Law, Redd, Crona & Munroe, P.A.
Tallahassee, Florida

Thomas Howell Ferguson P.A.
Certified Public Accountants

LAW REDD
CPAs & ADVISORS

Report of Independent Auditors on Compliance for Each Major Federal Program and State Project; Internal Control Over Compliance; and Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*

Honorable Board of County Commissioners
Leon County, Florida

Report on Compliance for Each Major Federal Program and State Project

Opinion on Each Major Federal Program and State Project

We have audited Leon County, Florida's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *Florida Department of Financial Service's State Projects Compliance Supplement,* that could have a direct and material effect on each of Leon County, Florida's major federal programs and state projects for the year ended September 30, 2023. Leon County, Florida's major federal programs and state projects are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Leon County, Florida complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state projects for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program and State Project

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.550, *Rules of the Auditor General*. Our responsibilities under those standards, the Uniform Guidance, and *Rules of the Auditor General* are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Leon County, Florida and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of Leon County, Florida's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Leon County, Florida's federal programs and state projects.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Leon County, Florida's compliance based on our audit. 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, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Leon County, Florida's compliance with the requirements of each major federal program and state project as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, *Rules of the Auditor General* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, 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 Leon County, Florida's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Leon County, Florida's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General* but not for the purpose of expressing an opinion on the effectiveness of Leon County, Florida's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information and the budgetary comparison statements of Leon County, Florida, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise Leon County, Florida's basic financial statements. We issued our report thereon dated May 22, 2024, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Uniform Guidance and Chapter 10.550, *Rules of the Auditor General*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Thomas Howell Ferguson P.A.

Law Redd Crona & Munroe P.A.

Thomas Howell Ferguson P.A.
Tallahassee, Florida
May 22, 2024

Law, Redd, Crona & Munroe, P.A.
Tallahassee, Florida

Leon County, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance
Year Ended September 30, 2023

Federal / State Agency Pass-through Entity Federal Program / State Project	CFDA or CSFA Number	Grant Contract Number	Expenditures	Transfers to Subrecipients
FEDERAL AWARDS				
U.S. Department of Agriculture				
Pass through Florida Department of Financial Services				
Schools and Roads - Grants to States	10.665	USFOR2022	$ 49,288	$ -
U.S. Department of Treasury				
Direct Program				
COVID-19 American Recovery Plan Funding	21.027	20-1982-0-1-806	13,283,396	6,464,700
Local Assistance and Tribal Consistency Fund	21.032	LATCF-3187	76,632	-
COVID-19 U.S. Treasury Emergency Rental Assistance Program	21.023	ERA2-0382	1,004,468	4,467
Pass through Florida Department of Emergency Management				
COVID-19 Cares Act Funding	21.019	Y2272	2,423,468	-
U.S. Department of Interior				
Direct Program				
Payments in Lieu of Taxes	15.226	Unknown	272,990	-
U.S. Department of Justice				
Direct Programs				
State Criminal Assistance Program	16.606	15PBJA-21RR-04907 SCAA	14,318	-
State Criminal Assistance Program	16.606	15PBJA-20RR-00504 SCAA	15,538	-
Total CFDA # 16.606			29,856	-
Community Based Violence Intervention and Prevention Initiative	16.045	15PBJA-22-GG-04708-CVIP	274,504	-
Capital Area Real Time Crime Center Operational Research Partnership	16.738	115PBJA-21-GG-04372-SMTP	180,811	-
Pass through City of Tallahassee, Florida				
Edward Byrne Memorial Justice Assistance Grant (JAG)	16.738	2020-DJ-BX-0819	29,240	-
Total CFDA # 16.738			210,051	-
Pass through Florida Department of Law Enforcement				
North Star Multi-Jurisdictional Task Force	16.710	Unknown	2,829	-
Pass through Florida Department of Law Enforcement				
Project Safe Neighborhoods: City of Tallahassee	16.609	2020-GP-BX-0022 (8H002)	276	-
Project Safe Neighborhoods: Northern District of FL	16.609	15PBJA-21-GG-03010-GUNP B8002	4,841	-
Total CFDA # 16.609			5,117	-
Pass through State of Florida Office of the Attorney General				
Victims of Crime Act	16.575	VOCA-2022-718	110,809	-
U.S. Department of Homeland Security				
Pass through Florida Division of Emergency Management				
Homeland Security Grant Program - EM-SHSGP Federal Grant	97.067	R0476	17,195	-
State Homeland Security Grants Program	97.067	R0582	8,543	-
State Homeland Security Grants Program	97.067	R0469	168,316	-
Total CFDA # 97.067			194,054	-
Federal Emergency Management Agency				
Pass through Florida Division of Emergency Management				
Emergency Management Performance Grants	97.036	Z1848	2,351,332	-
Emergency Management Performance Grants	97.036	FEMA-4399-DR-FL	888,762	-
Total CFDA # 97.036			3,240,094	-
EMPG Base Grant	97.042	G0406	88,646	-
U.S. Department of State				
Pass through Florida Department of State				
Help America Vote Act - Election Security Grant	90.404	23.e.es.100.036	115,202	-
U.S. Environmental Protection Agency				
Pass through Florida Department of Environmental Protection				
USEPA Clean Water Campaign	66.460	NF029	7,498	-
Pass through Florida Department of Revenue				
Federal Grants Child Support Reimbursement	93.563	COC37	272,891	-
Child Support Enforcement - Title IV D Incentive	93.563	FFY2017	7,567	-
Total CFDA # 97.563			280,458	-
Total Expenditures of Federal Awards			$ 21,669,360	$ 6,469,167

(continued)

Leon County, Florida
Schedule of Expenditures of Federal Awards and State Financial Assistance (continued)
Year Ended September 30, 2023

STATE FINANCIAL ASSISTANCE

Federal / State Agency Pass-through Entity Federal Program / State Project	CFDA or CSFA Number	Grant Contract Number	Expenditures	Transfers to Subrecipients
State of Florida Division of Emergency Management				
Direct Projects				
Emergency Management Programs	31.063	A0272	$ 105,806	$ -
Florida Department of Environmental Protection				
Direct Projects				
Belair/Annawood Sewer System Project	37.052	LP01108	343,315	-
FDEPA Springs Restoration	37.052	LP37113	353,350	-
Woodville Sewer Project	37.052	LP37114	71,458	-
Total CSFA # 37.052			768,123	-
Leon County Septic Upgrade Program	37.039	LPF3701	67,500	-
Waste Tire Amnesty Event	37.010	DEP3745DWM	19,738	-
Florida Department of Agriculture and Consumer Services				
Direct Project				
Mosquito Control	42.003	Unknown	23,069	-
Florida Department of State				
Direct Project				
State Aid to Libraries	45.030	23-ST-27	107,995	-
Florida Department of Juvenile Justice				
Direct Project				
Delinquency Prevention	80.029	10697	31,192	-
Florida Housing Finance Corporation				
Direct Projects				
State Housing Initiatives Partnership Program	40.901	SHIP20	63,850	-
State Housing Initiatives Partnership Program	40.901	SHIP21	431,760	-
State Housing Initiatives Partnership Program	40.901	SHIP22	523,073	-
Total CSFA # 40.901			1,018,683	-
Direct Projects				
HHRP II	40.902	855-2020	12,937	-
Florida Department of Law Enforcement				
Direct Project				
LCSO Behavioral, Health and Occupational Wellness Program	71.068	3V007	131,312	-
CJDT Implementation Assistance Program	71.044	2022-DTSFA-D2-006	48,642	-
Florida Department of Children and Families				
Mental Health Mobile Response Team	60.153	B0230	213,638	-
Total Expenditures of State Financial Assistance			$ 2,548,635	$ -

NOTES:

(1) Housing loans originated since 2001 and outstanding at year end:

Community Development Block Grant-Entitlement	14.218	$ 861,980
State Housing Initiatives Partnership Program	40.901	5,760,577
		$ 6,622,557

(2) The accompanying Schedule of Expenditures of Federal Awards and State Financial Assistance (the Schedule) presents the activity of all federal programs and state projects of the Leon County Board of County Commissioners for the year ended September 30, 2023. All expenditures related to federal awards and state projects received directly from federal and state agencies, as well as federal awards and state projects passed through other governmental agencies, are included in the accompanying Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

(3) The Schedule was prepared on the modified accrual basis of accounting.

(4) Leon County Board of County Commissioners has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

(5) No federal assistance was expended in noncash assistance.

Leon County, Florida
Schedule of Findings and Questioned Costs
Year Ended September 30, 2023

Section I -- Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

Schedule of Findings and Questioned Costs Relating to Federal Awards

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weaknesses?	None
Type of auditor's report issued on compliance for major programs?	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major programs:	CFDA Number	Name of Federal Program
		U.S. Department of Justice
	16.045	Direct - Community Based Violence Intervention and Prevention Initiative
		U.S. Department of Treasury
	21.023	Direct - COVID-19 Emergency Rental Assistance
	21.027	Direct - COVID-19 American Recovery Plan

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	Yes

Schedule of Findings and Questioned Costs Relating to State Financial Assistance

State Financial Assistance Awards

Internal control over major projects:	
Significant deficiency(ies) identified?	None
Significant deficiency(ies) identified considered to be material weaknesses?	No
Type of auditors' report issued on compliance for major projects?	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Chapter 10.554(1)(l)(4), *Rules of the Auditor General*?	No
Findings required to be reported in a management letter pursuant to Chapter 10.554(1)(i)3, *Rules of the Auditor General*?	No

Identification of major projects:	CSFA Number	Name of State Project
		Florida Department of Environmental Protection
		Direct Project
	37.052	Florida Springs Grant Program
		Florida Housing Finance Corporation
		Direct Project
	40.901	State Housing Initiatives Partnership Program

Dollar threshold used to distinguish between Type A and Type B projects: $750,000

Section II -- Financial Statement Findings

See Findings 2023-001, 2023-002, 2023-003, 2023-004, 2023-005, and 2023-006 in the Management Letter.

Section III -- Federal Awards and State Financial Assistance Findings and Questioned Costs

Federal Awards - We noted no matters involving noncompliance that are required to be reported in accordance with 2 CFR 200.516(a).

State Financial Assistance Awards - We noted no matters involving noncompliance that are required to be reported in accordance with *Rules of the Auditor General* of the State of Florida, Chapter 10.554(1)(l)4.

Leon County, Florida

Summary Schedule of Prior Audit Findings

Year ended September 30, 2023

Federal Awards and State Financial Assistance:

Federal Programs

2022-009 Homeland Security Grant Program, Grant Numbers R0469 and R0538

Finding: During review of the quarterly status reports, we noted the reports were not submitted within thirty days after the closing of each quarter.

Status: Corrective action for this recommendation was taken and this recommendation was considered resolved in the current year.

State Projects

2022-008 Florida Springs Grant Program, Grant Number LP37113 and LP0110E

Finding: During review of the quarterly status reports, we noted the reports were not submitted within twenty days after the closing of each quarter.

Status: Corrective action for this recommendation was taken and this recommendation was considered resolved in the current year.

Thomas Howell Ferguson P.A.
Certified Public Accountants

LAW REDD
CPAs & ADVISORS

Management Letter

The Honorable Board of County Commissioners
Leon County, Florida

Report on the Financial Statements

We have audited the financial statements of Leon County, Florida (the County), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated May 22, 2024.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Report of Independent Auditors on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*, Report of Independent Auditors on Compliance for Each Major Federal Program and State Project and Report on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Report of Independent Accountants on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated May 22, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions regarding the recommendations made in the preceding financial report are described below.

2022-001 Insurance Recoveries

Corrective action for this recommendation was taken and this recommendation was considered resolved in the current year.

2022-002 & 2021-003 Construction in Progress

Corrective action for this recommendation was taken and this recommendation was considered resolved in the current year.

2022-003 Purchasing Card Documentation

Corrective action for this recommendation was taken and this recommendation was considered resolved in the current year.

2022-004 Employee Benefit Fund Receivables and Payables

This corrective action is ongoing as of September 30, 2023, and as a result, this is the second consecutive year this specific recommendation is reported. See current year recommendation 2023-001.

2022-005 Reconciliation of Balances Between Other Constitutional Officers

Corrective action for this recommendation was taken and this recommendation was considered resolved in the current year.

2022-006 & 2021-004 MS Access Database Uploads

Corrective action for this recommendation was taken and this recommendation was considered resolved in the current year.

2022-007 Fees and Fines Schedule Change Management

Corrective action for this recommendation was taken and this recommendation was considered resolved in the current year.

2022-008, 2021-007, 2020-005 & 2019-005 Florida Springs Grant Program, Grant number LP37114 and LP0110E

Corrective action for this recommendation was taken and this recommendation was considered resolved in the current year.

2022-009 Homeland Security Grant Program, Grant Numbers R0469 and R0538

Corrective action for this recommendation was taken and this recommendation was considered resolved in the current year.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The name or official title and legal authority for the primary government and each component unit of the reporting entity are disclosed in Note I of the Notes to the Financial Statements.

Financial Condition and Management

Sections 10.554(1)(i)5a. and 10.556(7), *Rules of the Auditor General*, require that we apply appropriate procedures and communicate the results of our determination as to whether or not Leon County, Florida has met one or more of the conditions described in Section 218.503(1), *Florida Statutes*, and to identify the specific condition(s) met. In connection with our audit, we determined that the Leon County, Florida did not meet any of the conditions described in Section 218.503(1), *Florida Statutes*.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for Leon County, Florida as of September 30, 2023. It is management's responsibility to monitor Leon County, Florida's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. The following recommendations were made:

2023-001 Employee Benefit Fund Receivables and Payables

Criteria: The Committee for Sponsoring Organizations (COSO) defines controls activities as the actions established through policies and procedures that help ensure that management's directives to mitigate risks to the achievement of objectives are carried out. Control activities are performed at various levels of an entity, at various stages within business processes, and over the technology environment. Principle 12 of the Internal Control - Integrated Framework states, the organization deploys control activities through policies that establish what is expected and in procedures that put policies into action. Effective policies and procedures address controls put in place to prevent and detect potential fraud and material misstatements.

Condition: The legacy process for recording Employee Benefit Fund transactions has resulted in unreconciled stale items in the receivable and payable balances reported. These stale and unreconciled items were not considered material, but represent a risk for financial statement misstatement.

Cause: Management has special procedures that are performed to record the receipt of the receivables and the payment of the payables within the Employee Benefit Fund. The legacy process was resulting in a netting of balances and left a number of balances that are stale and unreconciled.

Effect: This condition increases the risk of misstatement in the financial statements and the potential for differences in amounts reported by each constitutional officer.

Recommendation: Management should review the policies and procedures for recording the collection of cash and payment of amounts related to the Employee Benefit Fund and make changes as necessary. Management should perform a detailed reconciliation between amounts reported and paid/received.

Management's response:

Management has reviewed and updated its recording procedure and reconciliation for the Employee Benefits fund to account for payments and liabilities appropriately and timely. Further review and reconciliation of legacy balances will be performed within the next fiscal year. Additionally, management has added a Benefits Reconciliation Accountant to address reconciling items from internal and external stakeholders. Management will communicate with internal and external stakeholders clarifying their responsibilities for this process.

2023-002- BOCC Fixed Asset Disposals

Criteria: The Office of Financial Stewardship's purchasing division sets the policies and procedures regarding the disposal of fixed assets. These policies and procedures are necessary for financial reporting in accordance with the Government Accounting Standards Board (GASB) and to mitigate risks of material misstatement and misappropriation of assets. To sell, trade-in, transfer, cannibalize or dispose of unserviceable or uneconomically repairable equipment, the Board's policies require the Property Custodian to complete and submit a Property Control Form to the Property Control Clerk, outlining the action and the reason(s) for said action, prior to actual disposal. The Board's policies require a thorough review of the annual Tangible Personal Property Report by the Property Control Specialist, Procurement Administrator, and Purchasing Director to ensure complete and accurate information prior to its submission to the Board. The Board's policies require physical inventories be conducted by Property Control in coordination with the appropriate Property Custodian. During the physical inventory, if tangible personal property is found that is not on the property record, action will be taken by Property Control to evaluate it and place it on the Property Record in the department where it was found.

Condition: Six of eight samples tested during fixed asset disposal testing had no Property Control Form documenting if the required control process occurred prior to disposal as described in the internal control policies of the Board. A completed Property Control Form was provided for two of eight samples tested during fixed asset disposal testing, one of which was completed after the item had already been disposed.

Four items listed on the fiscal year 2023 Tangible Personal Property Items Report had not actually been disposed of during the current year, three of which went to auction but were never sold, and one of which was an item that was never initially acquired.

Cause: The internal controls are not operating as designed, specifically, the requirement for prior approval by both the applicable custodians and premature recording of items as having been disposed.

Effect: Management's risk of material misstatement over capital assets reported on the government wide financial statements and the BOCC special-purpose financial statements is increased. Additionally, the annual Tangible Personal Property Items Report presented to and approved by the Board is not accurate. Additionally, these deficiencies lead to increased risk for misappropriation of assets.

Recommendation: Management should improve policies and procedures in place to obtain appropriate supporting documentation for all fixed asset disposals, prior to the actual disposal. Management should be performing more routine inspections of physical property to ensure the accuracy of the Tangible Personal Property Items Report.

Management's response:

During an internal review of the current procedures for asset disposal, the Purchasing Division became aware that some of the procedures and controls in place were not consistently being followed. This internal review was conducted simultaneously to the external audit which resulted in similar findings. Subsequently, the Purchasing Director began taking steps to rectify the issues related to asset disposal. A thorough assessment of the Property Custodian records found that the list was outdated; after discussions with each Department, Purchasing now has an accurate index of Property Custodians.

To further remedy the audit findings, a mandatory training for all Property Custodians is scheduled for 04/18/2024 and 04/25/2024. The training will apprise the Property Custodians of the requirements associated with the assets under their control, with an emphasis on the documentation necessary for asset disposal, movement, and acquisition. At the conclusion of the training, each Property Custodian will be required to certify in writing their understanding of these requirements (via a form requiring their signature). To assist in keeping the Property Custodian index current and accurate, the Property Control Specialist will require this form to be signed annually by each Property Custodian.

The Purchasing Director has implemented a revised documentation system to ensure that fixed assets which go to auction are not marked as disposed until the asset has been sold. Furthermore, the asset will not be removed from the inventory roll until documentation of the sale has been received and uploaded to the relevant property file. As suggested, the Property Control Specialist will begin performing routine and impromptu inspections of fixed assets to ensure the accuracy of the Tangible Personal Property Items Report.

2023-003 BOCC Accounts Receivable Accruals

Criteria: A receivable should be recorded once any applicable eligibility requirements have been met including the anticipated return of resources (cost reimbursements), or once an enforceable legal claim to the resources exists.

Condition: Management's initial schedules and trial balances either excluded or improperly stated receivable balances. Corrections to the trial balance and supporting schedules were needed to improve reporting.

Cause: Two instances were noted where receivable balances were not properly accrued for the month of September 2023.

Additionally, the net receivable balance for the Emergency Medical Services fund was initially understated due to differences in the EMS Allowance for Uncollectibles recorded and the approved estimate.

Effect: Management's initially reported balances contained errors that required adjustments. These adjustments included instances of overstatements and understatements. Management's risk for errors in financial reporting in this area is increased.

Recommendation: Internal controls should be developed for the routine review of the year-end accounts receivable balances, including whether all schedules' inputs are correctly entered and calculated, as well as whether all accruals have been properly recorded. Management should make improvements to the internal reports used to determine the proper amounts for financial reporting.

Management's response:

Management has reviewed the transactions related to this finding and determined this was related to being unaware of certain expected payments and unclear support from the customer. Management in Finance communicated the need to be aware of any expected receivables to management within the Office of Management and Budget. The Finance department requested to be notified of any billings occurring outside of the Finance department by the County.

Additionally, Management has implemented a tracking list of all expected revenue accruals from prior years to be reviewed and updated annually by the end of the fiscal year.

The net receivable balance related to the EMS fund was due to staff turnover at the beginning of the fiscal year and new staff unintentionally creating an error within the reconciliation resulting in an inaccurate posting within the fiscal year. The reconciliation file has been updated and the error has since been adjusted.

2023-004 BOCC Manual Journal Entries Process Improvements

Criteria: The Committee for Sponsoring Organizations (COSO) defines controls activities as the actions established through policies and procedures that help ensure that management's directives to mitigate risks to the achievement of objectives are carried out.

The Board has developed a set of policies and procedures for the manual recording of journal entries needed for proper financial reporting. While the internal controls are designed to provide reasonable assurance of achieving the entity's objectives, limitations do exist. Such limitations include but are not limited to breakdowns in internal control due to human failures such as simple errors.

Condition: Manual journal entries are consistently reviewed and approved by management in accordance with policy. However, the audit identified several manual journal entries that contained errors and were not discovered during the review and approval process. Corrections to the trial balance and supporting schedules were needed to correct the errors identified.

The process for obtaining supporting documentation in certain instances could be improved. During journal entry testing, it was noted that at times, items were recorded via manual journal entry with limited supporting documentation to support the creation and recording of a manual journal entry.

Cause: During detailed testing over various audit areas, several instances were noted where a transaction was recorded to the incorrect fund, incorrect account, or in incorrect amounts. These instances were primarily caused by human error and the control not effectively detecting the error.

During testing over interest income, it was noted that the allocation of interest among funds was incorrectly applied to the various funds. While the manual journal agreed to the supporting schedules created, the schedules contained formula errors that resulted in inaccurate reporting that were not detected by the control.

Effect: Initially reported amounts were misstated for various funds. Risk of financial statement misstatement is increased.

Recommendation: Management should review its internal policies and procedures and consider adding additional controls for the detection of errors in the manual journal process. Additionally, the review should include a more rigorous review of underlying supporting schedules and documents to ensure those schedules are accurate, properly supported, and in line with applicable policy.

Management's response:

During the audit management was made aware of the instances identified by the auditors. While reviewing the transactions, it was determined that the internal controls for review were not sufficiently identifying the errors. This was a result of incorrect calculations, access database documentation review (not the accounting system transaction details,) and approvers rushing during the review process. Management has met with our approving managers to implement a higher standard of review.

We will be reviewing original supporting documentation to verify calculations and not a copy, validating the documentation by reviewing accounting system details, and slowing down during the review process to confirm the information and entry provided is accurate.

2023-005 – Sheriff Significant Adjustments

Criteria: The Committee for Sponsoring Organizations (COSO) defines internal controls as, "a process effected by an entity's board, management, and other personnel, designed to provide reasonable assurance of the achievement of objectives relating to operations, reporting, and compliance." A "control deficiency" 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 misstatements of the financial statements on a timely basis. One control deficiency that typically is considered significant is identification by the audit of a material misstatement in the financial statements that was not initially identified by the entity's internal controls. Management is responsible for the preparation and fair presentation of the financial statements in accordance with generally accepted accounting principles (GAAP). This includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement.

Condition: Subsequent to the start of our year-end audit procedures, numerous adjustments were required to be made to prevent the Sheriff's financial statements from being materially misstated.

Cause: The Sheriff's accounting staff did not provide a year-end trial balance reflecting all necessary accounting entries.

Effect: The financial statements would be materially misstated if the significant adjustments were not made.

Recommendation: We recommend that the Sheriff evaluate and improve internal controls over financial reporting and implement changes as necessary to detect misstatements in the financial statements. This will ensure accurate and timely financial reporting. The controls should include preparation and review of all workpapers necessary to adjust the financial statements in accordance with generally accepted accounting principles. The Sheriff's accounting staff should post all necessary adjusting journal entries to the general ledger system prior to the audit. The draft financial statements should be reviewed by at least one qualified individual, independent of the preparation process, to identify potential misstatements.

Management's Response: *We have reviewed the adjustments made for financial statement presentation and identified the areas for improvement. The primary cause was our accrual process whereby we identify and record liabilities due and reportable as of September 30. To address the issue, we are creating written procedures for liability accruals, classification, and expense prepayments. In addition, we will be training applicable staff on proper treatment and review of the same.*

2023-006 – Sheriff Bank Reconciliation

Criteria: The Committee for Sponsoring Organizations (COSO) defines controls activities as the actions established through policies and procedures that help ensure that management's directives to mitigate risks to the achievement of objectives are carried out.

The Sheriff has developed a set of policies and procedures to reconcile each bank account monthly to ensure proper financial reporting. While the internal controls are designed to provide reasonable assurance of achieving the entity's objectives, limitations do exist. Such limitations include but are not limited to breakdowns in internal control due to human errors.

Condition: During our testing of bank reconciliations, we noted fiscal year 2024 transactions were included as reconciling items on three separate bank reconciliations. These transactions were dated incorrectly in the general ledger and were incorrectly added as reconciling items to reconcile to the adjusted cash balance as of September 30, 2023. The error was not detected by management's internal controls. One of these reconciling items was material and a journal entry was required to correct the cash balance of the general fund as of September 30, 2023. Additionally, we noted several reconciling items on the bank reconciliations that excluded the payee name, which is not consistent with the Sheriff's policy and reduces the effectiveness of the bank reconciliation process for detecting errors and/or inappropriate transactions.

Cause: Oversight of the accounting staff preparing the bank reconciliation and in the review and approval process which did not detect the existence of the error.

Effect: The financial statements would be materially misstated if the identified adjustment was not made.

Recommendation: Management should review its internal policies and procedures regarding the bank reconciliation process and make changes as necessary. The bank reconciliations should be performed monthly by accounting staff that has an understanding of the bank reconciliation process and generally accepted accounting standards (GAAP). Bank reconciliations should be prepared in a manner that is consistent with policy, and timely reviewed, approved, signed, and dated by a senior level personnel such as the Controller or CFO to identify potential misstatements.

Management's Response: *We agree that cash transactions were entered into the accounting system under the incorrect fiscal year. To prevent further occurrences, staff responsible for preparing and supervising the bank reconciliations will be trained in the proper treatment of cash transactions, particularly those occurring at year-end. In addition, because these errors were introduced via journal entry, we will be training staff who prepare entries on proper year-end transaction procedures. Finally, we will prepare written procedures for bank reconciliations and journal entries.*

Additional Matters

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

Purpose of this Letter

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

Thomas Howell Ferguson P.A.

Law Redd Crona & Munroe P.A.

Thomas Howell Ferguson P.A.
Tallahassee, Florida
May 22, 2024

Law, Redd, Crona & Munroe, P.A.
Tallahassee, Florida

Special-Purpose Financial Statements

Board of County Commissioners
Leon County, Florida

Year Ended September 30, 2023
with Report of Independent Auditors

Thomas Howell Ferguson P.A.
and
Law, Redd, Crona & Munroe, P.A.

Board of County Commissioners
Leon County, Florida
Special-Purpose Financial Statements
Year Ended September 30, 2023

Board of County Commissioners

Carolyn Cummings, Chair	At-Large
Nick Maddox	At-Large
Bill Proctor	District 1
Christian Caban	District 2
Rick Minor	District 3
Brian Welch	District 4
David O'Keefe	District 5

COUNTY ADMINISTRATOR
Vincent S. Long

CLERK OF THE CIRCUIT COURT

AND

COMPTROLLER
Gwen Marshall

Board of County Commissioners
Leon County, Florida
Special - Purpose Financial Statements
Year Ended September 30, 2023

TABLE OF CONTENTS

Report of Independent Auditors....1

Audited Special-Purpose Financial Statements

Balance Sheet - Governmental Funds....5
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds....7
Statement of Net Position - Proprietary Funds....9
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds....10
Statement of Cash Flows - Proprietary Funds....11
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund....13
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Fine and Forfeiture Fund....14
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Grants Fund....15
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Emergency Medical Services Fund....16
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Local Provider Participation Fund....17
Notes to Special-Purpose Financial Statements....18

Other Schedules

Schedule of Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill....48

Other Reports

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*....49

Report of Independent Accountants on Compliance with Section 218.415, *Florida Statutes,* Local Government Investment Policies....51

Report of Independent Accountants on Compliance with Sections 365.172 and 365.173, *Florida Statutes,* Emergency Communications Number E911 System Fund....52

Report of Independent Accountants on Compliance with Section 288.8017, *Florida Statutes,* Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill....53

Management Letter....54

Thomas Howell Ferguson P.A.
Certified Public Accountants

LAW REDD
CPAs & ADVISORS

Report of Independent Auditors

The Honorable Board of County Commissioners
Leon County, Florida

Report on the Audit of the Special-Purpose Financial Statements

Opinions

We have audited the accompanying special-purpose financial statements of the major governmental funds, the proprietary funds, and the aggregate remaining fund information of the Board of County Commissioners of Leon County, Florida (the Board) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Board's special-purpose financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the major governmental funds, the proprietary funds, the discretely presented component unit, and the aggregate remaining fund information of the Board as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, the Fine and Forfeiture Fund, the Grants Fund, the Emergency Medical Services Fund, and the Local Provider Participation Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Housing Finance Authority of Leon County, a discretely presented component unit of Leon County, which represent 0.8%, 1.1%, and 0.2% of total assets, fund balance, and total revenues of the Board as of September 30, 2023. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Housing Finance Authority of Leon County, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States *(Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Special-Purpose Financial Statements section of our report. We are required to be independent of the Board 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

As discussed in Note 1, the accompanying special-purpose financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (Rules). In conformity with the Rules, the accompanying special-purpose financial statements are intended to present the financial position and changes in financial position of the governmental funds, the proprietary funds, and the discretely presented component unit of the Board, and only that portion that is attributable to the transactions of the Board. They do not purport to, and do not, present fairly the financial position of Leon County, Florida, as of September 30, 2023, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

As discussed in Note 1 to the special-purpose financial statements, during the fiscal year ended September 30, 2023, the Board adopted Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

As discussed in Note 15 to the special-purpose financial statements, October 1, 2022 fund balances for the General and Nonmajor Governmental Funds have been restated to correct previously reported misstatements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Special-Purpose Financial Statements

Management is responsible for the preparation and fair presentation of the special-purpose 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 special-purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special-purpose financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board'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.

Auditors' Responsibilities for the Audit of the Special-Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special-purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS 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 GAAS 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 special-purpose 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 special-purpose 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 Board'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 special-purpose financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board'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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the special-purpose financial statements that collectively comprise the Board's special-purpose financial statements. The Schedule of Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill (the Schedule) is presented for purposes of additional analysis and is not a required part of the special-purpose financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the special-purpose financial statements. The information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the special-purpose financial statements or to the special-purpose financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule is fairly stated, in all material respects, in relation to the special-purpose financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 10, 2024, on our consideration of the Board'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 Board'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 Board's internal control over financial reporting and compliance.

Thomas Howell Ferguson P.A. Law Redd Crona & Munroe P.A.

Thomas Howell Ferguson P.A.
Tallahassee, Florida
April 10, 2024

Law, Redd, Crona & Munroe, P.A.

Board of County Commissioners
Leon County, Florida
Balance Sheet - Governmental Funds
September 30, 2023

	General Fund	Fine & Forfeiture Fund	Grants Fund	Emergency Medical Services Fund
Assets				
Cash	$ 7,301,069	$ 0	$ 692,098	$ 363,907
Investments	34,733,966	4,771,671	20,033,312	5,673,601
Receivables (net of allowances for uncollectibles):				
Accounts	1,922,405	8,079	0	5,451,121
Lease receivables	0	0	0	0
Special assessments	0	0	0	0
Due from other governments	6,748,520	0	6,927,475	0
Due from other funds	1,425,444	0	696,362	4,162
Due from other county units	1,855,011	3,876,325	38,909	1,607
Inventories	466,577	0	0	0
Prepaids	477,233	0	179,271	70,719
Total assets	$ 54,930,225	$ 8,656,075	$ 28,567,427	$ 11,565,117
Liabilities, deferred inflows, and fund balances				
Liabilities:				
Accounts payable	$ 2,785,216	$ 5,303	$ 1,577,707	$ 976,061
Accrued liabilities	1,562,609	0	4,480	363,907
Due to other governments	1,236,087	690	1,004	3,893
Due to other funds	119,085	1,226,657	549,389	29,342
Due to other county units	1,518	0	0	6,846
Deposits	0	184,740	0	0
Revenue received in advance	0	0	8,972,263	0
Total liabilities	5,704,515	1,417,390	11,104,843	1,380,049
Deferred inflows				
Deferred inflow of resources	0	0	0	0
Total deferred inflows	0	0	0	0
Fund balances:				
Nonspendable	943,810	0	179,271	70,719
Restricted	0	225,998	16,636,457	0
Committed	7,660,233	1,055,341	695,723	10,114,349
Assigned	6,139,030	5,957,346	0	0
Unassigned	34,482,637	0	(48,867)	0
Total fund balances	49,225,710	7,238,685	17,462,584	10,185,068
Total liabilities, deferred inflows, and fund balances	$ 54,930,225	$ 8,656,075	$ 28,567,427	$ 11,565,117

The accompanying notes are an integral part of these special-purpose financial statements.

Local Provider Participation Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
$ 0	$ 0	$ 2,091,674	$ 10,448,748
2,696,838	38,515,434	71,565,063	177,989,885
0	67,162	692,269	8,141,036
0	0	6,102,137	6,102,137
24,251,888	0	1,002,426	25,254,314
0	0	6,577,413	20,253,408
0	264,666	582,740	2,973,374
0	151,772	812,730	6,736,354
0	0	0	466,577
0	154,952	10,730	892,905
$ 26,948,726	$ 39,153,986	$ 89,437,182	$ 259,258,738
$ 0	$ 1,167,393	$ 1,706,724	$ 8,218,404
0	0	208,544	2,139,540
24,639,976	0	3,921,197	29,802,847
127,213	0	713,382	2,765,068
0	0	328	8,692
0	0	23,807	208,547
0	0	1,273,750	10,246,013
24,767,189	1,167,393	7,847,732	53,389,111
0	0	6,736,646	6,736,646
0	0	6,736,646	6,736,646
0	154,952	10,730	1,359,482
2,181,537	35,678,641	65,357,229	120,079,862
0	2,153,000	9,573,067	31,251,713
0	0	0	12,096,376
0	0	(88,222)	34,345,548
2,181,537	37,986,593	74,852,804	199,132,981
$ 26,948,726	$ 39,153,986	$ 89,437,182	$ 259,258,738

Board of County Commissioners
Leon County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
Year Ended September 30, 2023

	General Fund	Fine & Forfeiture Fund	Grants Fund	Emergency Medical Services Fund
Revenues				
Taxes	$ 88,331,602	$ 101,194,886	$ 0	$ 10,280,836
Licenses and permits	0	0	0	0
Intergovernmental	13,194,185	16,993	6,001,857	0
Charges for services	1,683,876	643,655	92,916	17,284,467
Fines and forfeitures	0	77,237	0	0
Interest	2,142,505	769,135	1,197,228	320,581
Net increase (decrease) in fair value of investments	1,304,493	(5,206)	0	41,554
Miscellaneous	360,045	40,834	47,062	14,300
Total revenues	107,016,706	102,737,534	7,339,063	27,941,738
Expenditures				
Current:				
General government	24,592,159	0	0	0
Public safety	3,103,364	3,431,871	4,634,912	27,748,397
Physical environment	2,462,874	0	174,312	0
Transportation	535	0	6,138	0
Economic environment	4,409,165	0	1,074,268	0
Human services	8,349,612	0	42,807	0
Culture and recreation	5,817,465	0	157,630	0
Judicial	3,591,990	2,046,078	2,222	0
Debt Service:				
Principal retirement	50,062	0	0	0
Interest and fiscal charges	4,666	0	0	0
Capital Outlay	656,848	0	7,925,010	1,243,968
Total expenditures	53,038,740	5,477,949	14,017,299	28,992,365
Excess (deficiency) of revenues over (under) expenditures	53,977,966	97,259,585	(6,678,236)	(1,050,627)
Other financing sources (uses):				
Transfers in	5,359,975	4,637,429	972,462	4,412,219
Subscription financing	156,579	0	0	0
Transfers out	(63,753,544)	(96,447,645)	(6,136,666)	(172,111)
Total other financing (uses) sources	(58,236,990)	(91,810,216)	(5,164,204)	4,240,108
Net change in fund balances	(4,259,024)	5,449,369	(11,842,440)	3,189,481
Fund balances at beginning of year	53,034,909	1,789,316	29,305,024	6,995,587
Prior period adjustments	449,825	0	0	0
Fund balances at beginning of year, as restated	53,484,734	1,789,316	29,305,024	6,995,587
Fund balances at end of year	$ 49,225,710	$ 7,238,685	$ 17,462,584	$ 10,185,068

The accompanying notes are an integral part of these special-purpose financial statements.

Local Provider Participation Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
$ 24,251,888	$ 0	$ 36,738,272	$ 260,797,484
0	0	2,838,138	2,838,138
0	1,376,196	10,137,156	30,726,387
0	0	11,680,173	31,385,087
0	0	200,401	277,638
131,029	934,274	2,666,833	8,161,585
0	604,260	1,888,204	3,833,305
0	1,520,000	2,056,625	4,038,866
24,382,917	4,434,730	68,205,802	342,058,490
0	2,139,429	516,959	27,248,547
0	0	18,620,804	57,539,348
0	557,514	8,054,083	11,248,783
0	0	14,145,592	14,152,265
0	0	6,096,119	11,579,552
22,353,917	0	2,290,894	33,037,230
0	54,194	7,802,774	13,832,063
0	190,375	371,345	6,202,010
0	488,257	5,098,012	5,636,331
0	28,052	617,509	650,227
0	10,241,468	9,015,836	29,083,130
22,353,917	13,699,289	72,629,927	210,209,486
2,029,000	(9,264,559)	(4,424,125)	131,849,004
0	22,478,250	29,228,501	67,088,836
0	819,956	0	976,535
0	0	(13,074,658)	(179,584,624)
0	23,298,206	16,153,843	(111,519,253)
2,029,000	14,033,647	11,729,718	20,329,751
152,537	23,952,946	62,708,452	177,938,771
0	0	414,634	864,459
152,537	23,952,946	63,123,086	178,803,230
$ 2,181,537	$ 37,986,593	$ 74,852,804	$ 199,132,981

Board of County Commissioners
Leon County, Florida
Statement of Net Position - Proprietary Funds
September 30, 2023

	Business-type Activities - Landfill Fund	Internal Service Funds	Component Unit - Housing Finance Authority
Assets			
Current assets:			
Cash	$ 559,991	$ 727,351	$ 1,902,636
Cash with fiscal agent	0	306,082	0
Investments	0	8,347,539	0
Accounts receivable	2,520,793	317,643	30,147
Due from other funds	167,190	20,346	0
Due from other governments	0	23,223	12,613
Due from other county units	2,044	380,407	31,000
Inventories	1,733	94,971	0
Prepaids	0	116,191	0
Total current assets	3,251,751	10,333,753	1,976,396
Noncurrent assets:			
Restricted cash and investments	14,605,274	0	0
Mortgage loans receivable, net of allowance	0	0	287,238
Capital assets:			
Non depreciable capital assets	3,165,465	0	0
Depreciable capital assets (Net)	3,597,058	0	0
Total noncurrent assets	21,367,797	0	287,238
Total assets	$ 24,619,548	$ 10,333,753	$ 2,263,634
Liabilities			
Current liabilities:			
Accounts payable	$ 2,566,837	$ 451,678	$ 0
Accrued liabilities	21,454	6,962	0
Due to other governments	2,063	7,356	0
Due to other funds	12,502	383,340	0
Claims payable	0	6,847,147	0
Revenue received in advance	13,206	0	0
Compensated absences	85,679	40,428	0
Total current liabilities	2,701,741	7,736,911	0
Noncurrent liabilities:			
Liability for closure costs	22,076,218	0	0
Liability for compensated absences	130,697	56,388	0
Other post employment benefits	231,230	96,829	0
Total noncurrent liabilities	22,438,145	153,217	0
Total liabilities	25,139,886	7,890,128	0
Net position			
Net investment in capital assets	6,762,523	0	0
Unrestricted	(7,282,861)	2,443,625	2,263,634
Total net position	(520,338)	2,443,625	2,263,634
Total liabilities and net position	$ 24,619,548	$ 10,333,753	$ 2,263,634

The accompanying notes are an integral part of these special-purpose financial statements.

Board of County Commissioners
Leon County, Florida
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds
Year Ended September 30, 2023

	Business-type Activities - Landfill Fund	Internal Service Funds	Component Unit - Housing Finance Authority
Operating revenues			
Charges for services	$ 11,189,014	$ 11,511,551	$ 82,226
TBA program income	0	0	1,554
Other income	0	0	185,997
Sale of surplus land properties	0	0	285,525
Total operating revenues	11,189,014	11,511,551	555,302
Operating expenses			
Personnel services	2,141,583	746,658	0
Contractual services	10,601,222	164,143	65,777
Supplies	403,942	2,299,207	1,674
Communications services	27,978	931,431	0
Insurance	44,313	5,375,392	3,967
Utility services	84,956	0	0
Depreciation	653,785	0	0
Other services and charges	4,943,073	2,223,799	93,004
Total operating expenses	18,900,852	11,740,630	164,422
Operating (loss) income	(7,711,838)	(229,079)	390,880
Nonoperating revenues:			
Taxes	1,892,060	0	0
Interest	127,014	311,992	72,417
Net increase (decrease) in fair value of investments	31,541	0	0
Miscellaneous	5,447	22,305	0
Total nonoperating revenues	2,056,062	334,297	72,417
Income (loss) before contributions and transfers	(5,655,776)	105,218	463,297
Transfers in	3,032,555	49,800	0
Transfers out	(100,104)	0	0
Change in net position	(2,723,325)	155,018	463,297
Net position at beginning of year	2,202,987	2,288,607	1,800,337
Net position at end of year	$ (520,338)	$ 2,443,625	$ 2,263,634

The accompanying notes are an integral part of these special-purpose financial statements.

Board of County Commissioners
Leon County, Florida
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2023

	Business-type Activities Landfill Fund	Internal Service Funds	Component Unit - Housing Finance Authority
Cash flows from operating activities:			
Receipts from customers fees and other income	$ 10,547,578	$ 22,305	$ 473,661
Payments to suppliers	(10,825,810)	(8,042,479)	(86,922)
Payments to employees	(2,120,888)	(734,455)	0
Internal activity - payments to other funds	(44,313)	0	0
Internal activity - cash received from other funds	12,502	11,601,302	0
Claims paid	0	(1,535,218)	0
Cash payments for program services	0	0	(77,500)
Net cash provided by (used in) operating activities	(2,430,931)	1,311,455	309,239
Cash flows from noncapital financing activities:			
Tax proceeds	1,892,060	0	0
Repayments on interfund loans	(167,190)	(20,346)	0
Loans from other funds	(40,739)	0	0
Transfers received from other funds	3,032,555	49,800	0
Transfers to other funds	(100,104)	0	0
Collections on housing assistance loans	0	0	21,907
Net cash provided by (used in) noncapital financing activities	4,616,582	29,454	21,907
Cash flows from capital and related financing activities:			
Acquisition and/or construction of capital assets	(889,931)	0	0
Net cash provided by (used in) capital and related financing activities	(889,931)	0	0
Cash flows from investing activities:			
Net proceeds from sales and maturities of investments	(48,839)	(1,525,372)	0
Interest and dividends received	126,160	311,992	72,417
Increase (decrease) in fair value of investments	31,541	0	0
Net cash provided by (used in) investing activities	108,862	(1,213,380)	72,417
Net cash increase (decrease) in cash	1,404,582	127,529	403,563
Cash at beginning of year (including $12,441,089 included in restricted cash and investments)	12,864,930	905,904	1,499,073
Cash at end of year (including $13,709,521 included in restricted cash and investments)	$ 14,269,512	$ 1,033,433	$ 1,902,636

The accompanying notes are an integral part of these special-purpose financial statements.

Board of County Commissioners
Leon County, Florida
Statement of Cash Flows
Proprietary Funds
Year Ended September 30, 2023

	Business-type Activities Landfill Fund	Internal Service Funds	Component Unit - Housing Finance Authority
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	$ (7,711,838)	$ (229,079)	$ 390,880
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	653,785	0	0
Miscellaneous	5,447	22,305	0
Changes in assets and liabilities:			
Receivables	(648,219)	1,297,442	(18,715)
Prepaids	0	38,027	0
Due from other governments	12,502	(95,002)	(37,926)
Accounts payable and other liabilities	1,112,210	66,702	0
Accrued expenses	20,695	12,203	0
Other current liabilities	0	198,857	0
Revenues received in advance	1,336	0	0
Good Faith Deposits	0	0	(25,000)
Estimated liability for closure costs/maintenance	4,123,151	0	0
Net cash provided by (used in) operating activities:	$ (2,430,931)	$ 1,311,455	$ 309,239

The accompanying notes are an integral part of these special-purpose financial statements.

Board of County Commissioners
Leon County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
Year Ended September 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	$ 87,156,892	$ 87,926,916	$ 88,331,602	$ 404,686
Intergovernmental	10,146,814	10,146,814	13,194,185	3,047,371
Charges for services	1,679,284	1,679,284	1,683,876	4,592
Interest	1,093,622	1,093,622	2,142,505	1,048,883
Net (decrease) increase in fair value of investments	0	0	1,304,493	1,304,493
Miscellaneous	261,939	606,939	360,045	(246,894)
Total revenue	100,338,551	101,453,575	107,016,706	5,563,131
Expenditures				
Current:				
General government	28,576,424	34,210,025	24,592,159	9,617,866
Public safety	3,301,414	3,301,414	3,103,364	198,050
Physical environment	2,756,638	2,632,884	2,462,874	170,010
Transportation	0	0	535	(535)
Economic environment	4,483,196	4,449,895	4,409,165	40,730
Human services	9,426,020	9,420,170	8,349,612	1,070,558
Culture and recreation	6,330,494	5,945,061	5,817,465	127,596
Judicial	527,761	517,761	3,591,990	(3,074,229)
Debt service:				
Principal retirement	0	0	50,062	50,062
Interest and fiscal charges	0	0	4,666	4,666
Capital Outlay	541,525	541,525	656,848	(115,323)
Total expenditures	55,943,472	61,018,735	53,038,740	7,979,995
Excess (deficiency) of revenues over (under) expenditures	44,395,079	40,434,840	53,977,966	13,543,126
Other financing sources (uses):				
Transfers in	10,920,400	10,920,400	5,359,975	(5,560,425)
Subscription financing	0	0	156,579	156,579
Transfers out	(56,544,353)	(71,723,167)	(63,753,544)	7,969,623
Total other financing sources (uses)	(45,623,953)	(60,802,767)	(58,236,990)	2,565,777
Net change in fund balance	(1,228,874)	(20,367,927)	(4,259,024)	16,108,903
Fund balances, October 1	53,034,909	53,034,909	53,034,909	0
Prior period adjustments	0	0	449,825	449,825
Fund balances, October 1, as restated	53,034,909	53,034,909	53,484,734	449,825
Fund balances, September 30	$ 51,806,035	$ 32,666,982	$ 49,225,710	$ 16,558,728

The accompanying notes are an integral part of these special-purpose financial statements.

Board of County Commissioners
Leon County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Fine & Forfeiture Fund
Year Ended September 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	$ 99,289,507	$ 99,289,507	$ 101,194,886	$ 1,905,379
Intergovernmental	20,086	20,086	16,993	(3,093)
Charges for services	710,315	710,315	643,655	(66,660)
Fines and forfeitures	106,115	106,115	77,237	(28,878)
Interest	393,076	393,076	769,135	376,059
Net (decrease) increase in fair value of investments	0	0	(5,206)	(5,206)
Miscellaneous	0	0	40,834	40,834
Total revenue	100,519,099	100,519,099	102,737,534	2,218,435
Expenditures				
Current:				
Public safety	3,532,711	3,632,711	3,431,871	200,840
Judicial	2,439,717	2,439,717	2,046,078	393,639
Total expenditures	5,972,428	6,072,428	5,477,949	594,479
Excess (deficiency) of revenues over (under) expenditures	94,546,671	94,446,671	97,259,585	2,812,914
Other financing sources (uses):				
Transfers in	0	641,354	4,637,429	3,996,075
Transfers out	(94,546,671)	(95,833,155)	(96,447,645)	(614,490)
Total other financing sources (uses)	(94,546,671)	(95,191,801)	(91,810,216)	3,381,585
Net change in fund balance	0	(745,130)	5,449,369	6,194,499
Fund balances, October 1	1,789,316	1,789,316	1,789,316	0
Fund balances, September 30	$ 1,789,316	$ 1,044,186	$ 7,238,685	$ 6,194,499

The accompanying notes are an integral part of these special-purpose financial statements.

Board of County Commissioners
Leon County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Grants Fund
Year Ended September 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	$ 553,136	$ 33,400,245	$ 6,001,857	$ (27,398,388)
Charges for services	83,800	220,238	92,916	(127,322)
Interest	0	107,018	1,197,228	1,090,210
Miscellaneous	0	876,936	47,062	(829,874)
Total revenue	636,936	34,604,437	7,339,063	(27,265,374)
Expenditures				
Current:				
Public safety	716,965	9,160,518	4,634,912	4,525,606
Physical environment	0	2,959,559	174,312	2,785,247
Transportation	0	378,623	6,138	372,485
Economic environment	50,000	2,447,635	1,074,268	1,373,367
Human services	38,026	75,660	42,807	32,853
Culture and recreation	5,500	425,504	157,630	267,874
Judicial	88,053	176,473	2,222	174,251
Capital Outlay	69,500	49,363,436	7,925,010	41,438,426
Total expenditures	968,044	64,987,408	14,017,299	50,970,109
Excess (deficiency) of revenues over (under) expenditures	(331,108)	(30,382,971)	(6,678,236)	23,704,735
Other financing sources (uses):				
Transfers in	331,108	331,108	972,462	641,354
Transfers out	(3,071,844)	(6,136,666)	(6,136,666)	0
Total other financing sources (uses)	(2,740,736)	(5,805,558)	(5,164,204)	641,354
Net change in fund balance	(3,071,844)	(36,188,529)	(11,842,440)	24,346,089
Fund balances, October 1	29,305,024	29,305,024	29,305,024	0
Fund balances, September 30	$ 26,233,180	$ (6,883,505)	$ 17,462,584	$ 24,346,089

The accompanying notes are an integral part of these special-purpose financial statements.

Board of County Commissioners
Leon County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Emergency Medical Services Fund
Year Ended September 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	$ 10,154,053	$ 10,154,053	$ 10,280,836	$ 126,783
Charges for services	14,315,020	15,510,946	17,284,467	1,773,521
Interest	184,091	184,091	320,581	136,490
Net (decrease) increase in fair value of investments	0	0	41,554	41,554
Miscellaneous	38,950	38,950	14,300	(24,650)
Total revenue	24,692,114	25,888,040	27,941,738	2,053,698
Expenditures				
Current:				
Public safety	26,465,482	30,118,232	27,748,397	2,369,835
Capital Outlay	183,000	4,078,354	1,243,968	2,834,386
Total expenditures	26,648,482	34,196,586	28,992,365	5,204,221
Excess (deficiency) of revenues over (under) expenditures	(1,956,368)	(8,308,546)	(1,050,627)	7,257,919
Other financing sources (uses):				
Transfers in	1,988,751	4,412,219	4,412,219	0
Transfers out	(203,568)	(203,568)	(172,111)	31,457
Total other financing sources (uses)	1,785,183	4,208,651	4,240,108	31,457
Net change in fund balance	(171,185)	(4,099,895)	3,189,481	7,289,376
Fund balances, October 1	6,995,587	6,995,587	6,995,587	0
Fund balances, September 30	$ 6,824,402	$ 2,895,692	$ 10,185,068	$ 7,289,376

The accompanying notes are an integral part of these special-purpose financial statements.

Board of County Commissioners
Leon County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Local Provider Participation Fund
Year Ended September 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	$ 0	$ 24,251,888	$ 24,251,888	$ 0
Interest	0	0	131,029	131,029
Total revenues	0	24,251,888	24,382,917	131,029
Expenditures				
Current:				
Human services	0	24,251,888	22,353,917	1,897,971
Total expenditures	0	24,251,888	22,353,917	1,897,971
Excess (deficiency) of revenues over (under) expenditures	0	0	2,029,000	2,029,000
Net change in fund balance	0	0	2,029,000	2,029,000
Fund balances, October 1	152,537	152,537	152,537	0
Fund Balances, September 30	$ 152,537	$ 152,537	$ 2,181,537	$ 2,029,000

The accompanying notes are an integral part of these special-purpose financial statements.

1. Accounting Policies

Reporting Entity

Leon County (the County) is a political subdivision of the state of Florida and provides services to its residents in many areas, including public safety, transportation, recreation, and human services. It is governed by an elected Board of County Commissioners (seven members). In addition to the members of the Board of County Commissioners, there are five elected Constitutional Officers: Clerk of the Circuit Court and Comptroller, Sheriff, Tax Collector, Property Appraiser, and Supervisor of Elections. The Constitutional Officers maintain separate accounting records and budgets. Effective for the 2003 fiscal year, the citizens of Leon County passed a voter referendum to make Leon County a charter county. The charter is a simple charter which allows for the same powers and duties as provided in the Constitution of the State of Florida and Florida Statutes. However, in certain instances, the charter either alters or expands the powers of the elected officials via voter referendum. The accounting policies of Leon County, Florida conform to generally accepted accounting principles as applicable to governments. The more significant accounting policies of the Leon County Board of County Commissioners (the Board) are described below.

Component Unit

The component unit discussed below is included in the Board's reporting entity either because of the significance of the operational relationship or the Board is financially accountable for the component unit. The Board is financially accountable for an organization when the Board appoints a voting majority of the organization's governing body and is able to impose its will on the organization; there is a potential for the organization to provide a financial benefit or impose a financial burden on the Board; or the organization is fiscally dependent on the Board.

Specific criteria used to determine financial accountability are:

- Selection of a voting majority of the governing body.
- Imposition of Will: Ability to remove appointed members at will; ability to approve or modify rate charges affecting revenue; ability to appoint, hire or dismiss management.
- Financial Benefit or Burden Relationship: The Board is legally entitled to or can otherwise access the organization's resources; the Board is legally obligated or has otherwise assumed the obligation to finance the deficits of or provide support to the organization; or the Board is obligated in some manner for the debt of the organization.
- Fiscal Dependency: Ability to approve or modify the organization's budget or rate charges; ability to approve debt issuances and/or tax levies.

Financial statements of component units are included in the financial reporting entity either as a blended component unit or as a discretely presented component unit in accordance with governmental accounting standards. As of September 30, 2023, the only component unit of the Board is the Housing Finance Authority of Leon County (the Authority) which is discretely presented in a separate column on the Board financial statements.

The Authority was created as a Florida public corporation in accordance with the Florida Housing Finance Authority Law, Part IV of Chapter 159, Florida Statutes (1979), following the adoption of an approving ordinance (#80-39) by the Board of County Commissioners of Leon County, Florida. The Authority is a Dependent Special District as defined in Section 189.4041, Florida Statutes.

1. Accounting Policies (continued)

Component Unit (continued)

The Authority's governing board is appointed by the Board; the budget is reviewed by the Board; all bonds issued and contracts entered into must be approved by the Board; the Board may, at its sole discretion, and at anytime, alter or change the structure, organization, programs or activities of the Authority, including the power to terminate the Authority. This component unit is reported in a separate column to emphasize that it is legally separate from the Board. Separate financial information for the Housing Finance Authority is available at 918 Railroad Avenue, Tallahassee, Florida 32310.

Excluded from the Reporting Entity:

The Leon County Health Facilities Authority, Leon County Research and Development Authority, Leon County Education Facilities Authority and, Leon County Energy Improvement District have been established under Florida Statutes, Chapter 159, Part V, Chapter 154, Part III, Chapter 243, and Chapter 189, Part II, respectively. Operations of the above authorities are not included in this report because they do not meet the criteria for inclusion in the reporting entity as set forth in GASB Statement No. 39 and No. 61.

Other public entities located within Leon County and not included in the financial statements of the Board include municipalities and the following independent taxing districts authorized and established by the Laws of Florida:

Children's Services Council of Leon County
Leon County School Board District
Fallschase Special Taxing District
Northwest Florida Water Management District
Tallahassee-Leon County Civic Center Authority

These potential component units have been excluded because they do not meet the criteria for inclusion in the reporting entity.

Consolidated Dispatch Agency

In May 2012, the City of Tallahassee, Leon County, Florida, and the Leon County Sheriff's Office entered into an inter-local agreement authorized by Section 163.01, Florida Statutes. This agreement created the Consolidated Dispatch Agency (CDA) for the purpose of dispatching law enforcement, fire and emergency medical services personnel. The term of this agreement is for a period of 10 years, commencing April 1, 2013, and will renew automatically thereafter. The CDA will govern and manage the provision of public safety consolidated dispatch services on a county-wide basis.

The governing body of the CDA consists of the City of Tallahassee City Manager, the Leon County Administrator and the Leon County Sheriff, hereinafter called the Council. The City and Board shall fund the CDA budget proportionately based upon the per capita population within the corporate limits of the City of Tallahassee for the city, and the per capita population within the unincorporated area of Leon County for the Sheriff, and a service cost allocation shall be included in the CDA's annual budget. Current audited financial statements may be obtained from the Consolidated Dispatch Agency, 300 S. Adams Street, Box A-19, Tallahassee, Florida 32301.

1. Accounting Policies (continued)

Capital Region Transportation Planning Agency

In December 2004, the Capital Region Transportation Planning Agency (CRTPA) was created through an inter-local agreement between the Florida Department of Transportation; the Counties of Leon, Gadsden, Jefferson and Wakulla; the Cities of Tallahassee, Chattahoochee, Gretna, Midway, Monticello, Quincy, St. Marks and Sopchoppy; the towns of Greensboro, Havana and the Leon County School Board as authorized by Section 163.01 Florida Statues. It was established in order for the members to participate cooperatively in the development of transportation related plans and programs. The governing board consists of voting representatives from the Counties of Leon, Gadsden, Jefferson, and Wakulla; the Cities of Midway, Quincy, Tallahassee, Chattahoochee and Gretna; the Towns of Greensboro and Havana, the Leon County School Board, and three nonvoting representatives from the Florida Department of Transportation, the Federal Highway Administration, StarMetro, the City of Tallahassee's public transit system.

The CRTPA receives federal and state transportation funds for the performance of its transportation planning and programming activities. If operating expenses exceed the external funding obtained, the deficit is funded by the members of the CRTPA in proportion of their weighted votes. As a participating member of CRTPA, Leon County has a limited share of financial responsibility for any such deficits. Current audited financial statements may be obtained from the Capital Region Transportation Planning Agency, 300 S. Adams Street, Box A-19, Tallahassee, Florida 32301.

Blueprint Intergovernmental Agency

In October 2000, Leon County entered into an interlocal agreement with the City of Tallahassee as authorized by Section 163.01(7) Florida Statutes. This agreement created the Blueprint 2000 Intergovernmental Agency, now known as the Blueprint Intergovernmental Agency (Blueprint) to govern the project management for the project planning and construction of a list of projects known as the Blueprint projects. The Board of County Commissioners and the City Commission constitute Blueprint's Board of Directors and jointly govern the organization. The revenues to fund the projects under this agreement are the collections of the local government infrastructure sales surtax, which began December 1, 2004. This tax was extended pursuant to the provisions in Section 212.055, Florida Statutes, until December 31, 2039.

The County and Blueprint have entered into a Joint Partnership Agreement whereby the County receives an annual allocation of $3,875,000 from Blueprint for the performance of various infrastructure initiatives.

Current audited financial statements may be obtained from Blueprint Intergovernmental Agency, 315 S. Calhoun Street, Suite 450, Tallahassee, Florida 32301.

Basis of Presentation

The special-purpose financial statements are fund financial statements that have been prepared in conformity with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB) and accounting practices prescribed by the State of Florida, Office of the Auditor General.

1. Accounting Policies (continued)

Description of Funds

Governmental Major Funds:

The Board reports the following major funds in the governmental fund financial statements:

General Fund – The General Fund is the general operating fund of the Board. This fund is used to account for all financial transactions not required to be accounted for in another fund.

Fine & Forfeiture Fund – This fund is a special revenue fund, established to account for revenues collected pursuant to the provisions of Section 142.01, Florida Statutes. It also accounts for expenditures related to the costs of criminal prosecutions and for the proceeds of certain court fines and costs as well as accounting for ad valorem tax revenues collected and used to support the Sheriff's Department.

Grants Fund – This fund is a special revenue fund, used to account for the revenues and expenses of federal, state, and local grants awarded to the County. This fund also includes the corresponding county matching funds for the various grants.

Capital Improvement Fund – This fund is a capital projects fund, used to account for the acquisition or construction of major non-transportation related capital facilities and/or projects other than those financed by proprietary funds.

Emergency Medical Services Fund – This fund is a special revenue fund, used to account for and report the costs of providing emergency medical and transport services.

Local Provider Participation Fund – This fund is a special revenue fund, established to account for non-ad valorem special assessment revenue pursuant to the Directed Payment Program (DPP). The DPP is a local option that allows establishment of non-ad valorem assessments that are charged solely to hospitals. Revenue generated is matched with federal funds to provide hospitals with supplemental Medicaid reimbursements.

Proprietary Major Fund:

Landfill Fund – The Landfill Fund accounts for the revenues, expenses, assets and liabilities associated with the County landfill and transfer station.

Other Fund Types:

Internal Service Funds – These funds account for goods or services provided by various departments to other departments of the Board on a cost-reimbursement basis.

1. Accounting Policies (continued)

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the fund financial statements and relates to the timing of the measurements made.

The accompanying special-purpose financial statements have been prepared using the current financial resources measurement focus and the modified accrual basis of accounting for all Governmental Funds. Accordingly, revenues are recognized when measurable and available to pay liabilities of the current period and expenditures are generally recorded when the liability is incurred and/or will be paid from expendable available financial resources.

The Board considers receivables collected within 60 days after year-end to be available and susceptible to accrual as revenues of the current year. The following revenues are considered to be susceptible to accrual: taxes, charges for services, interest, state revenue sharing, federal forestry revenue, insurance agents' revenue, various other gas taxes, gas tax pour-over trust, federal and state grants, planning and zoning revenue, municipal service franchise fees, and special assessments.

Expenditures are generally recorded when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recorded when due.

The financial statements of the Proprietary Funds are prepared on the economic resources measurement focus and the accrual basis of accounting. The Proprietary Fund revenues are recognized when earned and their expenses are recognized when incurred. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies, taxes, and investment earnings, result from nonexchange transactions or ancillary activities.

Budgets and Budgetary Accounting

Florida Statutes, Section 129.01 (2) (b), requires that "The budgeted receipts must include 95 percent of all receipts reasonably anticipated from all sources, including taxes to be levied, provided the percent anticipated from ad valorem levies is as specified in s. 200.065(2)(a), and is 100 percent of the amount of the balances estimated to be brought forward at the beginning of the fiscal year." The Board has complied with the provisions of the above Florida Statutes.

Annual budgets for the governmental fund types and the Housing Finance Authority of Leon County are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the fund level; however, budgets are monitored at varying levels of detail.

All annual appropriations lapse at fiscal year end, although the Board expects to honor purchase orders and contracts in process, subject to authority provided in the subsequent year's budget.

The budget information, as amended, presented in the financial statements was prepared on the modified accrual basis of accounting. All Board authorized amendments to the applicable budget originally approved have been incorporated into the data reflected in the special-purpose financial statements. The Board made several supplemental budgetary appropriations throughout the year.

1. Accounting Policies (continued)

Budgets and Budgetary Accounting (continued)

The Board uses the following procedures in establishing the budgetary data reflected in the financial statements:

1. On a date determined by the Board annually, the designated budget officer submits to the Board a tentative budget for the ensuing fiscal year. The tentative budget includes proposed expenditures and funding sources.

2. The Board requires such changes to be made as it shall deem necessary, provided the budget remains in balance and subject to the notice and hearing requirements of Section 200.065, *Florida Statutes* and the budget preparation and adoption procedures, as defined in Section 129.03, *Florida Statutes*. The legal level of budgetary control is at the fund level.

3. Public hearings are held pursuant to Section 200.065, *Florida Statutes* in order for the Board to adopt the tentative and final budgets.

4. Prior to October 1, the budget is legally enacted through passage of a resolution.

5. All changes to the final budget must be approved by the Board in accordance with Section 129.06, *Florida Statutes*.

6. Formal budgetary integration is used as a management control device during the year for all governmental funds of the Board.

7. Budgets for the governmental fund types are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

Applicable budgets of Constitutional Officers are controlled by appropriations in accordance with budgetary requirements set forth in the Florida Statutes.

Cash and Investments

Cash includes amounts in demand deposits. The Board's investments consist of U.S. Government obligations, federal agencies and instrumentalities, money market funds, municipal bonds, corporate bonds, and commercial paper of prime quality and are reported at fair value.

In accordance with the provisions of GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, investments of the Board are reported at amortized cost, which approximates fair value.

1. Accounting Policies (continued)

Cash and Investments (continued)

During the 2022-2023 fiscal year, the Board invested in three different investment pools: the Special Purpose Investment Account (SPIA) within the Florida Treasury Investment Pool (the Pool) administered by the Florida Department of Financial Services, as authorized by Section 17.61(1), Florida Statutes; The Florida Local Government Investment Trust (FLGIT), a local government investment pool developed through the joint efforts of the Florida Court Clerks and Comptrollers (FCCC) and the Florida Association of Counties (FAC); and the Local Government Surplus Funds Trust Fund (Florida PRIME), administered by the Florida State Board of Administration (SBA) as authorized by Section 218.415 (17), Florida Statutes. Florida PRIME is not a registrant with the SEC; however, the SBA has adopted operating procedures consistent with the requirements for the SEC Rule 2a-7 fund.

The Board liquidates and reallocates investments throughout the year by factoring in the current availability of the funds, cash flow plan for future availability and interest rates.

Receivables

Receivables are shown net of an allowance for uncollectibles. As the receivables age, the allowance increases. The emergency medical services allowance used for September 30, 2023 is equal to 58% of current year billings.

Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for services rendered or goods provided resulting in receivables and payables that are classified as “due from other funds” or “due to other funds” on the balance sheet.

Inventories

Inventories in the General Fund and Internal Service Funds consist of expendable office supplies. The office supplies are valued at the average unit cost and are accounted for under the consumption method whereby the cost is recorded as an expenditure at the time of issuance to the user department.

Restricted Assets

Investments that are held in escrow in accordance with the Florida Administrative Code requirement for landfill closure and post-closure costs are shown as restricted in the Proprietary Fund.

Capital Assets

Capital assets purchased in the governmental fund types are recorded as expenditures (capital outlay) at the time of purchase. Such assets are reported as capital assets in the Statement of Net Position as part of the Leon County, Florida Annual Comprehensive Financial Report (Leon County ACFR). The Board does not record depreciation of these assets on its governmental fund financial statements, although depreciation is recorded for such assets in the Leon County ACFR. Donated assets are recorded at fair market value at the date of donation. Accounting policies for capitalization and depreciation of infrastructure assets including roads, bridges, curbs, gutters, and sidewalks are described in the Leon County ACFR. A summary of capital assets purchased by the Board’s governmental funds is provided in Note 7.

1. Accounting Policies (continued)

Leases

Leases are defined by the general government as the right to use an underlying asset. As lessee, the Board recognizes a lease liability and an intangible right-of-use lease asset at the beginning of a lease unless the lease is considered a short-term lease or transfers ownership of the underlying asset. Right-of-use lease assets are measured based on the net present value of the future lease payments at inception, using the weighted average cost of capital, which approximates the incremental borrowing rate. Remeasurement of a lease liability occurs when there is a change in the lease term and/or other changes that are likely to have a significant impact on the lease liability. The Board calculates the amortization of the discount on the lease liability and reports that amount as outflows of resources. Payments are allocated first to accrued interest liability and then to the lease liability. Variable lease payments based on the usage of the underlying assets are not included in the lease liability calculations but are recognized as outflows of resources in the period in which the obligation was incurred. Such assets and liabilities are reported on the Statements of Net Position in the Leon County ACFR.

As lessor, the Board recognizes a lease receivable. The lease receivable is measured using the net present value of future lease payments to be received for the lease term and deferred inflow of resources at the beginning of the lease term. Periodic amortization of the discount on the receivable is reported as interest revenue for that period. Deferred inflows of resources are recognized as inflows on a straight-line basis over the term of the lease. This recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases. Any initial direct costs are reported as an outflow of resources for that period. Remeasurement of lease receivables occur when there are modifications, including but not limited to changes in the contract price, lease term, and adding or removing an underlying asset to the lease agreements. In the case of a partial or full lease termination, the carrying value of the lease receivable and the related deferred inflow of resources will be reduced and will include a gain or loss for the difference. For lease contracts that are short-term, the Board recognizes short-term lease payments as inflows of resources (revenues) based on the payment provisions of the lease contract. Liabilities are only recognized if payments are received in advance, and receivables are only recognized if payments are received subsequent to the reporting period. Refer to Note 5 for additional information regarding leases.

Subscription Based Information Technology Arrangements

Subscription Based Information Technology Arrangements (SBITAs) are defined by the general government as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The Board recognizes a subscription liability and an intangible right-of-use subscription asset at the beginning of a subscription term unless the SBITA is considered short-term or transfers ownership of the underlying asset. Right-of-use subscription assets are measured based on the net present value of the future SBITA payments at inception, using the weighted average cost of capital, which approximate the incremental borrowing rate. Remeasurement of a subscription liability occurs when there is a change in the SBITA term and/or other changes that are likely to have a significant impact on the subscription liability. The Board calculates the amortization of the discount on the subscription liability and reports that amount as outflows of resources. Payments are allocated first to accrued interest liability and then to the subscription liability. For SBITA contracts that are short-term, the Board recognizes short-term subscription payments as outflows of resources (expenses) based on the payment provisions of the subscription contract. Additional disclosures regarding regulated SBITAs are in Note 6 to the FS.

Fixed Assets

Fixed assets acquired in the Proprietary Funds are capitalized at cost. Gifts or contributions are recorded at fair market value at the time received. Depreciation on property and equipment in the Proprietary Funds is computed using the straight-line method over the estimated useful lives.

1. Accounting Policies (continued)

Fixed Assets (continued)

The general fixed assets used in the operations of the Board, Property Appraiser, Tax Collector, Clerk of the Circuit Court, and Supervisor of Elections, and the real property used by the Sheriff are accounted for by the Board, as the Board holds legal title and is accountable for them under Florida law.

Liability for Compensated Absences

The Board accrues a liability for employees' rights to receive compensation for future absences when certain conditions are met. The Board does not, nor is it legally required to accumulate expendable available financial resources to liquidate this obligation. Accordingly, the liability for the compensated absences is not reported in the governmental funds. However, the current and long-term portion of the liability for compensated absences is reported in the Statement of Net Position of Leon County ACFR.

Other Post Employment Benefits

The Board, through Leon County, offers retiree medical and life insurance benefits for qualifying Board employees that have retired from a Florida Retirement System (FRS) pension plan. Current and long-term portions of the liability for Other Post Employmenet Benefits (OPEB) applicable to the proprietary funds are reported in the Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds. The current and long-term portions of the liability for OPEB applicable to governmental funds are reported in the Statement of Net Position of the Leon County ACFR.

Executive Service Plan

Executive service and senior management employees of the Board are entitled to severance pay if terminated from employment. If there is a contract or employment agreement, severance pay may not exceed an amount greater than twenty weeks of compensation. If there is no contract, severance pay is limited to six weeks.

Net Position and Fund Balances

Net Position is the difference between fund assets and liabilities on the proprietary fund statements. Fund Balance is the difference between assets and liabilities on the governmental fund statement.

For financial reporting purposes, County policy defines the five fund balance classifications for governmental funds and the order that the resources are used.

Nonspendable Fund Balance - Balances are comprised of funds that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

Restricted Fund Balance - Balances are comprised of funds that have legally enforceable constraints placed on their use or those funds that have externally-imposed restrictions by resource providers or creditors, grantors, contributors, voters, or interlocal agreement, or enabling legislation.

Committed Fund Balance - Balances are comprised of unrestricted funds used for specific purposes pursuant to constraints imposed by formal action such as ordinances, resolutions, or legislation of Leon County and that remain binding unless removed by a majority vote of the Board of County Commissioners.

1. Accounting Policies (continued)

Net Position and Fund Balances (continued)

Assigned Fund Balance - Balances are comprised of unrestricted funds informally constrained by a majority vote of the Board of County Commissioners, or by a designated county officer, in a manner that reflects the County's use of those resources such as appropriations of fund balance at year end or at the beginning of the new fiscal year.

Unassigned Fund Balance - Balances are comprised of the residual of the unrestricted funds in the General Fund and are not nonspendable, restricted, committed, or assigned. Within all other governmental funds, unassigned fund balance is comprised of the negative residual in excess of what can be properly classified as nonspendable, restricted, or committed.

The County's policy is that available resources will be spent in the following order: restricted, committed, assigned, and unassigned.

Common Expenses

Certain expenses that are common to the Board and all Constitutional Officers are reported as expenditures of the Board and, therefore, are not budgeted by or allocated to the other Constitutional Officers. These are:

- Occupancy costs
- Property insurance
- Utilities (except telephone), and
- Janitorial service

Operating Transfers

The Board funds a portion or, in certain instances, all of the operating budgets of the County's Constitutional Officers. The payments by the Board to fund the operations of the Constitutional Officers are recorded as operating transfers out on the financial statements of the Board and as operating transfers in on the financial statements of the Constitutional Officers. Repayments to the Board are recorded as operating transfers out on the financial statements of the Constitutional Officers and as operating transfers in on the financial statements of the Board.

Use of Estimates

The preparation of the special-purpose financial statements is in conformity with accounting practices prescribed by the State of Florida, Office of the Auditor General, and requires management to make use of estimates that affect the reported amounts in the special-purpose financial statements. Actual results could differ from estimates.

1. Accounting Policies (continued)

New accounting pronouncements

In May 2020, the GASB issued Statement No. 96, Subscription Based Information Technology Arrangements (SBITAs). This statement increases the usefulness of governments' financial statements by requiring recognition of certain subscription assets and liabilities for SBITAs that previously were classified as expenses based on the payment provisions of the contract. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2022. The Board implemented GASB Statement No. 96 as of October 1, 2022 using the facts and circumstances that existed at the beginning of the period of implementation. As a result, there was no impact to the Board's beginning net position upon adoption of the new accounting standard.

2. Property Taxes

Under Florida Law, the assessment of all properties and the collection of all county, municipal, special taxing districts, and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of Florida regulating tax assessments are also designed to assure a consistent property valuation method statewide. State statutes permit counties to levy property taxes at a rate of up to 10 mills. The tax levy of Leon County is established by the Board prior to October 1 of each year. The millage rate collected by the Board during the current fiscal year was 8.3144 mills. County citizens were also assessed for emergency medical services through a Municipal Services Taxing Unit at a millage rate of 0.5000 mills. For County citizens charged a special assessment, the required annual payment is included on their tax bill.

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

All taxes are due and payable on November 1 of each year, or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January, and 1% in the month of February. The taxes paid in March are without discount. No accrual for the property tax levy becoming due in September 30, 2023 is included in the accompanying financial statements, since such taxes are collected to finance expenditures of the subsequent period.

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

Delinquent taxes on personal property bear interest at 18% per year until the tax is satisfied either by seizure and sale of the property or by the seven-year statute of limitations. Since tax certificates were sold for substantially all current year delinquent property taxes, there were no material property taxes receivable at September 30, 2023.

3. Cash and Investments

Credit Risk

The Board's Investment Policy (the Policy) provides a structure for the portfolio that is designed to minimize credit risk. The majority of the securities held will be those of the highest available credit quality ratings. Staff will notify the Investment Oversight Committee (IOC) at any time holdings drop below the minimum credit ratings specified in the policy. The IOC will consider the market environment and make recommendations to hold and continue to monitor the investments or liquidate the investments. To further limit the Board's risk against possible credit losses, a maximum of 3% per issuer of the total portfolio managed by the Board's external manager may be held in corporate notes and bonds and 5% per issuer in commercial paper. The Policy also provides the following limits on the Board's external portfolio: 45% may be invested in Federal Instrumentalities, with a limit of 15% of the portfolio in any one issuer; 35% may be invested in Mortgage-Backed Securities, including CMOs with a limit of 15% in any one issuer further limited to 3% per CUSIP; 10% may be invested in Asset-Backed Securities with a 3% per issuer limit; and 8% in Commercial Mortgage-Backed Securities with a 3% per issuer limit.

Section 218.415(16), Florida Statutes, stipulates the state-approved investment policy for all governmental entities and includes the following investments:

1. The Florida PRIME (formerly the Local Government Surplus Funds Trust Fund) or any authorized intergovernmental investment pool.

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

3. Interest-bearing time deposits or savings accounts in qualified public depositories.

4. Direct obligations of the U.S. Treasury.

5. Federal agencies and instrumentalities.

6. Securities of, or other interests in, any management type investment company or trust registered under the Investment Company Act of 1940, where the investment portfolio is limited to United States Government Obligations.

7. Other investments authorized by law or by ordinance for a county or a municipality.

In addition, Section 17.61(1), Florida Statutes permits organizations created by the Florida Constitution to participate in the existing State Treasury Investment Pool "Special Purpose Investment Account (SPIA)."

The Board's Investment Policy limits credit risk by restricting authorized investments to the following: Local Government Surplus Funds Trust Fund (Florida PRIME), State of Florida Special Purpose Investment Account (SPIA), direct obligations of the United States or its agencies and instrumentalities, direct obligations of states and municipalities, repurchase agreements, corporate debt securities, commercial paper, bankers' acceptances, money market mutual funds, the Florida Local Government Investment Trust (FLGIT), and the Florida Municipal Investment Trust (FMIvT).

3. Cash and Investments (continued)

Credit Risk (continued)

The Chief Financial Officer for the State of Florida (formerly the State Treasurer) has been investing state revenues, excess revenues of state universities and community colleges, and certain other public agencies in a commingled investment portfolio for several years. This program is authorized under Section 17.61(1), *Florida Statutes* and is called the Treasury Special Purpose Investment Account (SPIA). Historically, SPIA participants have received higher earnings reflecting the higher risk associated with the longer maturities and lower credit quality. The financial details and disclosures for the Treasury Investment Pool are made in Note 2 to the State of Florida Annual Comprehensive Financial Report (ACFR). The rating as of September 30, 2023 was AA-f by Standard and Poor's. A copy of SPIA's most recent financial statements can be found at http://www.myfloridacfo.com/Division/Treasury/. Investments in this pool are limited to a maximum of 100% of the portfolio. At September 30, 2023, the Board had $8,057,182 SPIA.

The Florida Local Government Investment Trust (FLGIT) is a local government investment pool developed through the joint efforts of the Florida Court Clerks and Comptrollers (FCCC) and the Florida Association of Counties (FAC) for providing opportunities for the investment of excess public funds. FLGIT offers two investment funds to its participants, the Short Term Bond Fund and the Day to Day Fund. The Short Term Bond Fund is a longer term higher yielding fund, which is accounted for as a fluctuating Net Asset Value (NAV) pool. At September 30, 2023 the Board did not have any balances in the Short Term Bond Fund. The Day to Day Fund is a highly liquid fund with underlying investments having a weighted average maturity of less than 90 days. The Day to Day Fund does meet the criteria and has adopted operating procedures consistent with the requirements for a SEC Rule 2a-7 fund. The Day to Day Fund maintained a credit rating of AAAm by Fitch as of September 30, 2023. At September 30, 2023, the Board had $50,905,250 with the FLGIT Day to Day Fund. A copy of FLGIT's most recent financial statements can be found at http://www.floridatrustonline.com/funds-reports/day-to-day/. Investments with FLGIT are limited to a maximum of 20% of the portfolio.

The Board also invests in Florida PRIME administered by the Florida State Board of Administration (SBA). Florida PRIME is an external investment pool that is not a registrant with the SEC; however, the SBA has adopted operating procedures consistent with the requirements for a SEC Rule 2a-7 fund. Florida PRIME is governed by Chapter 19-7 of the Florida Administrative Code, which identifies the Rules of the SBA. These rules provide guidance and establish the general operating procedures for the administration of Florida PRIME. Additionally, the State of Florida, Auditor General performs the operational audit of the activities and investments of the SBA. On September 30, 2023, Florida PRIME was invested in fixed rate and floating rate bank instruments, repurchase agreements, fixed rate and floating rate corporate commerical paper, floating rate corporate notes, money market mutual funds, and fixed rate and floating rate asset backed commerical paper. Investments in this pool are limited to a maximum of 20% of the portfolio. Investments in Florida PRIME are not evidenced by securities that exist in physical or book entry form. The current rating for the Florida PRIME is AAAm by Standard and Poor's. The weighted average days to maturity of the Florida PRIME at September 30, 2023 is 21 days. The fair value of the Board’s position in the pool approximates the value of the pool shares. At September 30, 2023, the Board had $73,512,820 invested in Florida PRIME. Florida PRIME's most recent financial statements can be found at https://prime.sbafla.com/audits/.

Custodial Credit Risk

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

3. Cash and Investments (continued)

Custodial Credit Risk (continued)

Qualified public depositories of public funds are required to provide collateral each month pursuant to Section 280.04, Florida Statutes. The collateral is held by the Florida Division of Treasury or other custodian with full legal rights maintained by the Florida Division of Treasury to transfer ownership. Any loss not covered by the pledged securities and deposit insurance would be assessed by the Florida Division of Treasury and paid by the other public depositories. The Board's deposits are therefore considered fully insured or collateralized. Bank balances at September 30, 2023, were $26,896,029, of which $13,709,521 was restricted deposits with qualified public depositories. Due to the nature of the Board's cash and investments, there is no exposure to custodial credit risk and concentration of credit risk.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of investments. The Board manages interest rate risk by setting the range of duration for the Board's portfolio as 0.5 years to 2.5 years. Unusual market or economic conditions may mandate moving the portfolio outside of this range. The Investment Oversight Committee will be convened and will approve any portfolio duration outside of the range specified above. The effective duration of investments is listed in the following table.

The externally managed portfolio totaled $55,019,744 at September 30, 2023, and was invested for a weighted average term of approximately 622 days, as compared to a weighted average term of 631 days in fiscal year 2022. The Board requires a minimum balance of short term investments. To meet the day-to-day operating needs of the Board and to provide the ready cash to meet unforeseen temporary cash requirements, a liquidity base of approximately two months of anticipated disbursements is kept in relatively short term investments. This includes investments in government pools with daily liquidity such as Florida PRIME, FLGIT Day to Day Fund, or money markets. The Board was in compliance with this requirement.

3. Cash and Investments (continued)

As of September 30, 2023, the value of the Board's deposits and investments, with their credit ratings, was as follows:

	Fair Value	Credit Rating	Duration
Deposits in Qualified Public Depositories	$ 11,730,552	NA	NA
Restricted Deposits in Qualified Public Depositories	13,709,521	NA	NA
External Investment in Government Pools:			
State of Florida Special Purpose Investment Account (SPIA)	8,057,182	AA-f	3.24
Florida Local Government Investment Trust Day to Day Fund (FLGIT)	50,905,250	AAAm	.10
Florida PRIME Investment Pool	73,512,820	AAAm	.10
Externally Managed Portfolio:			
Money Market	151,746	AAA	NA
U.S. Treasuries	22,066,011	AA+	1.73
Government Sponsored Agencies:			
Federal Home Loan Bank	2,756,906	AA+	2.4
Federal National Mortgage Association	2,496,137	AA+	1.92
Other Government Sponsored Agencies	4,449,407	AA+	1.92
Mortgage Backed Securites	6,646,205	AA+	2.55
Collateralized Mortgage Obligations	9,323	AA+	.07
Corporate Bonds	10,996,959	A-	1.09
State and Local Obligations	3,188,904	AA-	1.38
Asset-Backed Securities	2,258,146	AAA	.98
Total Cash and Investments	$ 212,935,069		

The amounts above exclude cash on hand and amounts held by third parties in trust for the Board, but includes accrued interest of $261,820.

**The method for the FLGIT Day to Day Fund and Florida Prime duration is calculated using the weighted average maturity method.*

3. Cash and Investments (continued)

Foreign Currency Risk

The County contributes to the Florida Retirement System (FRS), the investments of which are administered by the State Board of Administration. The FRS's investment policy and exposure to foreign currency risk is disclosed in Note 2 of the State of Florida Annual Comprehensive Financial Report. A copy of this report is available at https://www.myfloridacfo.com/Division/AA/Reports/.

4. Fair Value Measurements

Under GASB 72 application of fair value is limited to assets and liabilities that are currently measured at fair value and certain investments that are not currently measured at fair value.

FLGIT Day to Day Fund and Florida PRIME currently meet all of the necessary criteria to elect to measure all of the investments in FLGIT Day to Day Fund and Florida PRIME at amortized cost. Therefore, the County participant account balance is considered the fair value of the investment. FLGIT Day to Day Fund and Florida PRIME investments are exempt from the GASB 72 fair value hierarchy disclosures.

FLGIT Short Term Bond Fund reports based on the fair market value of the underlying securities. Therefore, any participant account balance is measured at net asset value per share and is not subject to fair value hierarchy level classification under GASB 72. The County did not have a balance with the FLGIT Short Term Bond Fund at September 30, 2023.

The fair value factor for SPIA at September 30, 2023 was 0.9711. SPIA funds are combined with State of Florida funds and are invested in a combination of short-term liquid instruments and intermediate term fixed income securities. SPIA is measured at net asset value per share. Investments measured at net asset value are not subject to fair value hierarchy level classification under GASB 72.

Fair value measurement - The Board categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset or liability. Level 1 inputs are quoted prices in active markets for identical assets or liabilities; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The following table summarizes the assets and liabilities of the Board for which fair values are determined on a recurring basis as of September 30, 2023:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value
Asset Backed Security (Mortgage Backed) - Non US Agency Sponsored	$ 0	$ 2,258,146	$ 0	$ 2,258,146
Corporate Bonds	0	10,996,959	0	10,996,959
Government Sponsored Agencies	0	9,702,450	0	9,702,450
US Government Obligations	22,066,011	0	0	22,066,011
Mortgage Backed Security - US Agency Sponsored	0	6,646,205	0	6,646,205
State and Local Obligations	0	3,188,904	0	3,188,904
Collateralized Mortgage Obligations	0	9,323	0	9,323
Investments at fair value	$ 22,066,011	$ 32,801,987	$ 0	$ 54,867,998

5. Leases

Effective October 1, 2021, the Board adopted GASB's No. 87 – Leases, using the facts and circumstances that existed at the beginning of the period of implementation. The right-to-use asset is measured based on the lease liability at the period of implementation and no restatement of beginning net position is required because the lease asset and the lease liability is the same at the beginning of the period of implementation

The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

Lessee

The Board has entered into one lease as lessee for the use of equipment. The terms of the lease extend through July 31, 2025. An initial lease liability was recorded in the amount of $769,104. As of September 30, 2023, the value of the lease liability is $157,386. The Board is required to make annual payments of $160,029 through the term of the lease. The lease has an interest rate of 2.00%. The value of the right to use asset as of September 30, 2023 is $282,005 with accumulated amortization of $487,099 and is included with Equipment on the lease class activities table found below.

	As of September 30, 2023	
Asset Class	Lease Asset Value	Accumulated Amortization
Equipment	$ 769,104	$ 487,099

Total future minimum lease payments under lease agreements are as follows:

	Business-type Activites		
Fiscal Year	Principal	Interest	Total
2024	$ 157,386	$ 2,643	$ 160,029

Leases Receivable

In October 2009, the Board purchased the Lake Jackson Huntington Oaks Property. There are several noncancellable lease agreements for the rental of its building. The lease agreements provide for monthly rentals, which escalate over the lease terms and expire on various dates. During the fiscal year, the Board had a total of 10 active leases as lessor for the use of commercial building space with remaining terms ranging from 6 to 75 months. As of September 30, 2023, the value of the lease receivable is $1,109,728. The lessees are required to make monthly fixed payments ranging from $716 to $6,276. The leases have an interest rate of 2.00%. The value of the deferred inflow of resources as of September 30, 2023 was $1,084,065, and the Board recognized lease revenue of $296,172 during the fiscal year. The lessees have 1 or 2 extension option(s), for a range of 12 to 60 months each.

5. Leases (continued)

Total future minimum lease payments under lease agreements are as follows:

	Governmental Activities		
Fiscal Year	Principal	Interest	Total
2024	$ 259,787	$ 19,287	$ 279,074
2025	253,939	14,244	268,183
2026	192,261	9,779	202,040
2027	163,688	6,222	169,910
2028	132,815	3,225	136,040
2029-2033	107,238	1,261	108,499
Total	$ 1,109,728	$ 54,018	$ 1,163,746

In June 2003, the Board purchased the Bank of America building. There are several noncancellable lease agreements for the rental of its building. The lease agreements provide for monthly rentals, which escalate over the lease terms and expire on various dates. During the fiscal year, the Board had a total of 7 active leases as lessor for the use of office space with remaining terms at year end ranging from 6 to 150 months. As of September 30, 2023, the value of the lease receivable is $4,992,409. The lessees are required to make monthly fixed payments ranging from $5,960 to $27,446. The lease has an interest rate of 2.00%. The value of the deferred inflow of resources as of September 30, 2023 was $4,752,139, and the Board recognized lease revenue of $887,129 during the fiscal year. The lessees have 1 or 2 extension option(s), for a range of 14 to 60 months each.

Total future minimum lease payments under lease agreements are as follows:

	Governmental Activities		
Fiscal Year	Principal	Interest	Total
2024	$ 1,150,081	$ 88,193	$ 1,238,274
2025	1,041,175	65,421	1,106,596
2026	770,953	47,691	818,644
2027	441,880	35,403	477,283
2028	319,560	28,332	347,892
2029-2033	934,846	72,030	1,006,876
2034-2038	333,914	8,696	342,610
Total	$ 4,992,409	$ 345,766	$ 5,338,175

6. Subscription Liabilities

For the year ended September 30, 2023, the financial statements include the adoption of GASB Statement No. 96, Subscription Based Information Technology Arrangements (SBITAs). The primary objective of this statement is to enhance the relevance and consistency of information about governments' information technology (IT) subscription activities. This statement establishes a single model for IT Subscription accounting based on the principle that SBITAs are financings of the right to use an underlying asset. Under this Statement, a government is required to recognize a subscription liability and an intangible right-to-use subscription asset.

6. Subscription Liabilities (continued)

The Board has entered into five IT Arrangements for the right to use another party's (a SBITA vendor's) information technology (IT) software. The terms of the arrangements extend through various times ranging between October 2024 and January 2028 beginning on the contract commencement date. An initial lease liability was recorded in the amount of $976,535. As of September 30, 2023, the value of the subscription liability is $691,645. The Board is required to make annual payments ranging from $9,500 to $207,535 through the term of the lease. The leases have interest rates ranging from 3.480% to 4.120%. The value of the right to use asset as of September 30, 2023 of $675,053 with accumulated amortization of $301,482 and is included with the SBITA activities table found below.

	As of September 30, 2023	
	Subscription Asset Value	Accumulated Amortization
SBITAs	$ 976,535	$ 301,482

Total future minimum payments under SBITA agreements are as follows:

	Governmental Activities		
Fiscal Year	Principal	Interest	Total
2024	$ 301,798	$ 16,600	$ 318,398
2025	311,148	4,282	315,430
2026	38,666	1,834	40,500
2027	40,033	466	40,499
Total	$ 691,645	$ 23,182	$ 714,827

7. Fixed Assets

A summary of changes in fixed assets and depreciation for the year ended September 30, 2023, follows:

	Beginning Balance	Additions	(Reductions)	Ending Balance
Governmental Funds:				
Land	$ 21,218,690	$ 1,500,000	$ 0	$ 22,718,690
Improvements other than buildings	48,882,209	989,896	0	49,872,105
Buildings and improvements	231,771,328	5,005,826	0	236,777,154
Equipment	86,566,979	5,776,885	(1,617,272)	90,726,592
Leasehold improvement	1,580,627	0	0	1,580,627
Construction in progress	27,587,360	19,448,390	(8,117,793)	38,917,957
Right of use lease asset	2,259,901	0	(1,490,797)	769,104
Subscription asset	752,336	224,199	0	976,535
Totals at historical cost	$ 420,619,430	$ 32,945,196	$ (11,225,862)	$ 442,338,764

Depreciation on capital assets used in governmental activities is recorded in the Leon County ACFR.

	Beginning balance	Additions	(Reductions)	Ending Balance
Business type activities:				
Land	$ 1,809,844	$ 0	$ 0	$ 1,809,844
Buildings, improvements, and construction in progress	19,837,127	501,787	0	20,338,914
Equipment	5,406,163	407,991	(36,706)	5,777,448
Totals at historical cost	27,053,134	909,778	(36,706)	27,926,206
Less accumulated depreciation for:				
Buildings and improvements	(16,537,985)	(297,058)	0	(16,835,043)
Equipment	(3,988,772)	(376,574)	36,706	(4,328,640)
Total accumulated depreciation	(20,526,757)	(673,632)	36,706	(21,163,683)
	$ 6,526,377	$ 236,146	$ 0	$ 6,762,523

8. Long-Term Liabilities

A. A summary of changes in the long-term debt of the Board follows:

	Balance October 1, 2022	Additions	(Reductions)	Balance September 30, 2023	Due Within One Year
Long-Term Liabilities					
Special revenue debt:					
Capital Improvement Revenue Refunding Bonds, Series 2017	$ 9,412,000	$ 0	$ (3,073,000)	$ 6,339,000	$ 3,136,000
Capital Improvement Revenue Refunding Bonds, Series 2020	818,643	0	(244,527)	574,116	249,149
Capital Improvement Revenue Refunding Bonds, Series 2021	5,130,000	0	(325,000)	4,805,000	330,000
Capital Improvement Revenue Refunding Bonds, Series 2021B	3,400,000	0	(465,000)	2,935,000	475,000
Total special revenue debt	18,760,643	0	(4,107,527)	14,653,116	4,190,149
Liability for closure costs	17,953,067	4,123,151	0	22,076,218	0
Liability for compensated absences	5,844,430	4,434,164	(3,939,438)	6,339,156	2,552,468
Arbitrage rebate liability	25,000	0	0	25,000	0
Lease liability- Equipment	410,815	0	(253,429)	157,386	157,386
Subscription liability	752,336	224,199	(284,890)	691,645	301,798
Financed purchase liability- ESCO	15,580,485	0	(990,485)	14,590,000	1,010,000
	$ 59,326,776	$ 8,781,514	$ (9,575,769)	$ 58,532,521	$ 8,211,801

Total interest costs incurred for general long-term debt by the Board, including bond issuance costs, for the year ended September 30, 2023, was $650,227.

8. Long-Term Liabilities (continued)

B. A summary of each special revenue debt obligation outstanding at September 30, 2023 is as follows:

	Outstanding at September 30, 2023
$15,991,000 Capital Improvement Revenue Refunding Bonds, Series 2017, (i) refund the Capital Improvement Revenue Bonds, Series 2014 of which $15,951,000 was currently outstanding and maturing in the years 2021 through 2025, and (ii) pay issuance costs on the Series 2017 bonds. The economic gain resulting from the refunding was $489,076. The bonds dated June 22, 2017 and bear interest of 2.11% per annum. The interest on the bonds is payable on April 1 and October 1, beginning October 1, 2017. The bond principal matures serially on October 1 of each year through the final maturity of October 1, 2025.	$ 6,339,000
$1,298,120 Capital Improvement Revenue note, Series 2020, is dated January 30, 2020 and bear interest of 1.89% per annum. The interest on the bonds is payable on June 1 and December 1, beginning June 1, 2020. The bond principal matures serially on December 1 of each year through the final maturity of December 1, 2025.	574,116
$5,400,000 Capital Improvement Revenue note, Series 2021, is dated January 28, 2021 and bear interest of 1.85% per annum. The interest on the bonds is payable on December 1 and June 1, beginning December 1, 2021. The bond principal matures serially on December 1 of each year through the final maturity of December 1, 2036.	4,805,000
$3,400,000 Capital Improvement Revenue note, Series 2021B, is dated November 16, 2021 and bear interest of 1.29% per annum. The interest on the bonds is payable on December 1, beginning December 1, 2022. The bond principal matures serially on December 1 of each year through the final maturity of December 1, 2028.	2,935,000
The Capital Improvement Revenue Refunding Bonds Series 2017, Capital Improvement Revenue Refunding Bonds Series 2020, Capital Improvement Revenue Refunding Bonds Series 2021, and the Capital Improvement Revenue Note Series 2021B are parity bonds payable from and secured by a lien upon certain non-ad valorem revenue. The pledged revenues include the Local Government Half-Cent Sales Tax, Guaranteed Entitlement, Second Guaranteed Entitlement, and additional State Revenue Sharing Funds (less the Guaranteed Entitlement and the Second Guaranteed Entitlement). Total pledged revenue was $19,819,936.	
Total Special Revenue Bond Obligations	$ 14,653,116

8. Long-Term Liabilities (continued)

C. A Schedule of Debt Service Requirements, including principal and interest, is as follows:

	Year ending September 30,				
	2024	2025	2026	2027	2028
Capital Improvement Revenue Refunding Bonds, Series 2017	$ 3,269,753	$ 3,270,583	$ 0	$ 0	$ 0
Capital Improvement Revenue Bonds, Series 2020	257,645	257,601	71,781	0	0
Capital Improvement Revenue Bonds, Series 2021	418,893	417,788	421,590	420,208	418,733
Capital Improvement Revenue Bonds, Series 2021B	512,862	511,734	510,542	509,286	512,965
Total Debt Service	$ 4,459,153	$ 4,457,706	$ 1,003,913	$ 929,494	$ 931,698

	2029-2033	2034-2036	Total Payments	Less Interest	Principal
Capital Improvement Revenue Refunding Bonds, Series 2017	$ 0	$ 0	$ 6,540,336	$ 201,336	$ 6,339,000
Capital Improvement Revenue Bonds, Series 2020	0	0	587,027	12,911	574,116
Capital Improvement Revenue Bonds, Series 2021	2,097,653	1,255,045	5,449,910	644,910	4,805,000
Capital Improvement Revenue Bonds, Series 2021B	511,513	0	3,068,902	133,902	2,935,000
Total Debt Service	$ 2,609,166	$ 1,255,045	$ 15,646,175	$ 993,059	$ 14,653,116

8. Long-Term Liabilities (continued)

D. Financed purchase liability - ESCO

The County has an agreement with US Bank to finance the funding of an energy savings project. The project completed by the Energy Systems Group LLC included the installation of energy, water, and wastewater efficiency and conservation measures and related upgrades at County facilities. Terms of the agreement include bi-annual payments on June 1 and December 1. The agreement expires December 1, 2035. As of September 30, 2023 future payments totaling $16,322,561 consists of principal of $14,590,000 and interest of $1,732,561.

The future financed purchase liability and the net present value of the minimum payments relating to the energy savings project as of September 30, 2023, were as follows:

ESCO - Financed Purchase Liability, Series 2020

Period Ending	Principal	Interest	Debt Service
9/30/2024	$ 1,010,000	$ 248,037	$ 1,258,037
9/30/2025	1,025,000	230,119	1,255,119
9/30/2026	1,045,000	211,892	1,256,892
9/30/2027	1,065,000	193,314	1,258,314
9/30/2028	1,080,000	174,427	1,254,427
9/30/2029	1,100,000	155,232	1,255,232
9/30/2030	1,120,000	135,685	1,255,685
9/30/2031	1,140,000	115,786	1,255,786
9/30/2032	1,160,000	95,534	1,255,534
9/30/2033	1,180,000	74,931	1,254,931
9/30/2034	1,200,000	53,975	1,253,975
9/30/2035	1,220,000	32,667	1,252,667
9/30/2036	1,245,000	10,962	1,255,962
Totals:	$ 14,590,000	$ 1,732,561	$ 16,322,561

9. Employees' Retirement Plan

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, is effective for all fiscal years beginning after June 15, 2014. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. As described in Note 1, the financial statements of the Board are fund statements considered to be special-purpose financial statements consistent with accounting practices prescribed by the State of Florida Auditor General. Accordingly, the net pension liability is included in the Leon County ACFR rather than in these Special-Purpose Financial Statements.

All full-time employees of the Board are eligible to participate in the Florida Retirement System (FRS). The FRS includes various plans and programs, including a defined benefit pension plan (Pension Plan), which is primarily a cost-sharing, multiple-employer defined benefit public-employee pension plan. Information as to benefits, contribution rates, and vesting requirements by membership category is provided in the Leon County ACFR. Contributions and benefits are established in Section 121.71, *Florida Statutes*.

9. Employees' Retirement Plan (continued)

Participating employer contributions are based upon actuarially determined blended rates established by the State Legislature that are expressed as percentages of annual covered payroll and are adequate to accumulate sufficient assets to pay benefits when due. Employees who are not participating in the Deferred Retirement Option Plan are required to contribute 3% of their salary to the FRS.

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

The HIS Program is funded by required contributions from FRS participating employers as set by the State Legislature. Employer contributions are a percentage of gross compensation for all active FRS employees and are reported by employers with monthly payroll reports and included with the amount submitted for retirement contributions. For the fiscal year ended September 30, 2023, the contribution rate was 2.0% of payroll pursuant to Section 112.363, *Florida Statutes*.

The total employer retirement contributions for the fiscal years ended September 30, 2023, 2022, and 2021 were $8,137,384, $6,764,458, and $6,088,602, respectively, which is equal to the required contribution for each year.

The Pension Plan and the HIS Program are administered by the State of Florida Department of Management Services, Division of Retirement. The Division of Retirement issues a publicly available FRS Annual Report that includes financial statements and required supplementary information for the Pension Plan and HIS Program. That report may be obtained by writing to the Division of Retirement, P.O. Box 9000, Tallahassee, Florida 32399-9000, or on the website located at www.dms.myflorida.workforce_operations/retirement/publications.

10. Other Post Employment Benefits

Plan Description

The Board participates in an agent multiple-employer plan administered by the County for all the consitutional officers under which qualified retired employees are permitted to participate in the health and life insurance benefits program (the Program). As described in Note 1, the Program may be amended by the Board. A stand alone financial report is not issued for the Program. As described in Note 1, the financial statements of the Board are fund statements considered to be special-purpose financial statements consistent with accounting practices by the State of Florida Auditor General. Accordingly, the annual OPEB obligation of the Board is recognized in the Leon County ACFR rather than in these Special-Purpose Financial Statements.

11. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; error and omissions; injuries to employees; and natural disasters. The following is a summary of the County's coverage and exposure relating to the various risks of loss retained as of September 30, 2023.

General Liability

Effective December 15, 2012, the Board purchased commercial insurance for general liabilities from OneBeacon. Effective December 15, 2016, the Board purchased commercial insurance for general liabilities from Travelers. This is a zero-deductible policy.

11. Risk Management (continued)

General Liability (continued)

The actuarially determined liability determined below reflects open claims associated with these carriers.

Changes in the Board's claim liability amount were as follows:.

	Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
September 30, 2023	$ 0	$ 0	$ 0	$ 0
September 30, 2022	$ 0	$ 0	$ 0	$ 0

Workers' Compensation

The Board maintains a self-insurance Internal Service Fund (the Fund) to account for insurance activities relating to workers' compensation, which is administered by a third-party administrator, Preferred Governmental Claims Solutions. Under this program, the Board absorbs losses up to a maximum of $500,000 for each claim. At September 30, 2023, the Board had $306,082 deposited with the third-party administrator for use against future claims. The Board purchases commercial insurance for claims in excess of coverage provided by the Fund. Settled claims have not exceeded the retention level for this commercial coverage in the current year and any of the past five years.

All funds of the Board participate in this program and make payments to the Insurance Service Fund based on payroll exposure in the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses. Net position of the Self Insurance Fund is reserved for anticipated future catastrophic losses pursuant to County policy and GASB Statement No. 10.

The actuarially-determined claims liability for workers' compensation of $6,800,211, which includes incurred but not reported claims of $3,909,803, reported in the Fund at September 30, 2023 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated.

11. Risk Management (continued)

Workers' Compensation (continued)

Changes in the Fund's claims liability amount were as follows:

	Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
September 30, 2023	$ 6,606,825	$ 1,750,386	$ (1,557,000)	$ 6,800,211
September 30, 2022	$ 7,050,581	$ 2,391,244	$ (2,835,000)	$ 6,606,825

Automobile Liability

The Board purchases commercial coverage for automobile liability insurance through the same provider of its general liability insurance. All vehicles are covered for physical damage with a $1,000 deductible and for liability with a $5,000 deductible.

All funds of the Board participate in this program and pay premiums to the Insurance Service Fund based on the vehicles used by their personnel. Changes in the Fund's claims liability were as follows:

	Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
September 30, 2023	$ 41,465	$ 5,471	$ 0	$ 46,936
September 30, 2022	$ 4,900	$ 36,565	$ 0	$ 41,465

The claims liability of $46,936 includes an actuarial valuation for incurred but not reported claims of $15,965.

12. Other Required Individual Fund Disclosures

A. Interfund Receivables, Payables, and Transfers

Interfund balances in the Governmental Funds primarily represent repayments due from other funds responsible for particular expenditures to the funds that initially paid for them. Interfund balances are due and payable within one year.

12. Other Required Individual Fund Disclosures (continued)

Interfund receivable and payable balances at September 30, 2023, are as follows:

Fund	Interfund Receivables	Interfund Payable
General Fund	$ 1,425,444	$ 119,085
Nonmajor Governmental Funds	582,740	713,382
Internal Service Funds	20,346	383,340
Emergency Medical Services Fund	4,162	29,342
Grants Funds	696,362	549,389
Fine & Forfeiture Fund	0	1,226,657
Local Provider Participation Fund	0	127,213
Capital Improvement Fund	264,666	0
Landfill Fund	167,190	12,502
	$ 3,160,910	$ 3,160,910

Each fund has a discrete purpose. However, often, there is a need for one fund to support a portion of another fund's activities. To accomplish this, monies are moved between funds through a process called interfund transfers. Interfund Transfers, excluding transfers to other constitutional officers, for the year ended September 30, 2023, consisted of the following:

Transfers to the General Fund from:	
Grants Fund	$ 2,753,754
Nonmajor Governmental Funds	777,066
Enterprise Fund	68,475
Total Transfers to the General Fund	3,599,295
Transfers to the Fine and Forfeiture Fund from:	
Grants fund	641,354
Total Transfers to the Fine and Forfeiture Fund	641,354
Transfers to the Grants Fund from:	
General Fund	331,108
Fine and Forfeiture Fund	641,354
Total Transfers to the Grants Fund	972,462
Transfers to the Capital Improvement Fund from:	
General Fund	20,157,257
Grants Fund	318,090
Nonmajor Governmental Funds	2,002,903
Total Transfers to the Capital Improvement Fund	22,478,250
Transfers to the Emergency Medical Services Fund:	
General Fund	1,788,751
Grants Fund	2,423,468
Nonmajor Governmental Funds	200,000
Total Transfers to the Emergency Medical Services Fund	4,412,219

12. Other Required Individual Fund Disclosures (continued)

Transfers to the Nonmajor Governmental Funds:	
General Fund	19,320,588
Nonmajor Governmental Funds	9,907,913
Total Transfers to the Nonmajor Governmental Funds	29,228,501
Total Transfers to Governmental Funds	61,332,081
Transfers to the Enterprise Fund from:	
General Fund	3,032,555
Total Transfers to Enterprise Funds	3,032,555
Transfers to the Internal Service Funds from:	
Nonmajor Governmental Funds	49,800
Total Transfers to Internal Service Funds	49,800
Total Interfund Transfers	$ 64,414,436

13. Closure and Post-closure Care Cost

State and federal laws and regulations require the Board to place a final cover on each of its landfill cells when it stops accepting waste and to perform certain maintenance and monitoring functions on each cell for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the Board reports a portion of these costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The $22,076,218 reported as landfill closure and post-closure care liability at September 30, 2023, represents the cumulative amount reported to date based on the use of 100% of the estimated capacity of the landfill cells placed in use. These amounts are based on what it would cost to perform closure and post-closure care in 2023 on those cells placed in use. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The landfill is no longer accepting waste.

The Board is required by state and federal laws to make annual contributions to an escrow account to finance a minimum of all closure costs. The Board is in compliance with those minimum requirements, and at September 30, 2023, held investments in the amount of $14,605,274 for these purposes that are reported as restricted assets on the balance sheet. The Board expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post-closure care requirements are determined; these costs may need to be covered by charges to future landfill users or from future tax revenue.

14. Commitments and Contingencies

A. Contract commitments:

Grants

The Board is currently receiving, and has received in the past, grants which are subject to special compliance audits by the grantor agency that may result in disallowed expense amounts. Such amounts, if any, constitute a contingent liability of the Board. Accordingly, such liabilities are not reflected within the financial statements.

Long-Term Construction Projects

The Board is committed to various material long-term construction projects at September 30, 2023. These commitments have been included in the 2023-2024 fiscal year budget and the five-year Capital Improvement Program and certain amounts have been reserved in the capital projects fund. Current contracts outstanding as of September 30, 2023 approximate $24.3 million.

B. Potential liabilities resulting from litigation:

The Board is a defendant in various lawsuits arising from the normal course of operations. The outcome of these lawsuits is not presently determinable.

C. Encumbrances:

Encumbrances represent commitments related to unperformed contracts for goods or services. They do not constitute expenditures or liabilities. The commitments will be honored in the subsequent year. The Board had no reserved encumbrances as of September 30, 2023.

15. Fund Balance Restatement

Fund balances as of October 1, 2022 have been restated to reflect the following adjustments:

During the year ended September 30, 2023, the Board identified two revenues where the revenue recognition criteria required the revenues to have been recorded in a prior year but were not. In order to correct this error, both items have been recorded to the year ended September 30, 2022. As such, this correction results in an increase to the beginning fund balance of the general fund by $449,825 and an increase to the beginning fund balance of the non major governmental funds by $414,634.

16. Subsequent Event

The Board has evaluated subsequent events through April 10, 2024, the date the financial statements were available to be issued. No subsequent events were identified that required disclosure except for the transaction described below.

On October 1, 2023 Leon County entered into two subscription based information technology arrangements (SBITAs) for the right to use another party's (a SBITA vendor's) information technology (IT) software. The terms of the arrangements extend through September 30, 2026. An initial lease liability and subscription asset for these SBITAs equals $3,788,947. The County is required to make annual payments ranging from $155,418 to $1,097,162 through the term of the leases. The leases have interest rates of 4.880%.

Other Schedules

Board of County Commissioners
Leon County, Florida

Schedule of Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill

Year Ended September 30, 2023

Source	Amount Received during the 2022-23 Fiscal Year	Amount Expended during the 2022-23 Fiscal Year
British Petroleum:		
Agreement No. 134036	$ -	$ -

Note: This schedule does not include funds related to the Deepwater Horizon Oil Spill that are considered Federal awards or State financial assistance. Leon County, Florida did not receive or expend any Federal awards or State financial assistance related to the Deepwater Horizon Oil Spill.

See report of independent auditors.

Other Reports

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*

September 30, 2023

Thomas Howell Ferguson P.A.
Certified Public Accountants

LAW REDD
CPAs & ADVISORS

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Special-Purpose Financial Statements Performed in Accordance With *Government Auditing Standards*

The Honorable Board of County Commissioners
Leon County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards)*, the special-purpose financial statements of the major governmental funds, the proprietary funds, and the aggregate remaining fund information of the Board of County Commissioners of Leon County, Florida (the Board), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Board's special-purpose financial statements, and have issued our report thereon dated April 10, 2024. Our report includes reference to other auditors who audited the financial statements of the Housing Finance Authority of Leon County, a discretely presented component unit of Leon County, as described in our report on the Board's special-purpose financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by these auditors.

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 were not identified. However, as described in the accompanying *Management Letter*, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying *Management Letter* as item **2023-004** to be a material weakness.

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. We consider the deficiencies described in the accompanying *Management Letter* as items **2023-002** and **2023-003** to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's special-purpose 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 special-purpose 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 noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Board's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Board's response to the findings identified in our audit and described in the accompanying *Management Letter*. The Board's response was not subjected to the other auditing procedures applied in the audit of the special-purpose financial statements and, accordingly, we express no opinion on the response.

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.

We have issued a management letter to the Board of County Commissioners of Leon County, Florida dated April 10, 2024, presenting certain required disclosures and comments pursuant to the *Rules of the Auditor General,* Chapter 10.550.





Thomas Howell Ferguson P.A.
Tallahassee, Florida
April 10, 2024

Law, Redd, Crona & Munroe, P.A.

Report of Independent Accountants on Compliance with Section 218.415,
***Florida Statues*, Local Government Investment Policies**

September 30, 2023

Thomas Howell Ferguson P.A.
Certified Public Accountants

LAW REDD
CPAs & ADVISORS

Report of Independent Accountants on Compliance with Section 218.415, *Florida Statutes*, Local Government Investment Policies

The Honorable Board of County Commissioners
Leon County, Florida

We have examined the Board of County Commissioners of Leon County, Florida's (the Board) compliance with local government investment policies provided in Section 218.415, *Florida Statutes*, during the year ended September 30, 2023. Management of the Board is responsible for the Board's compliance with the specified requirements. Our responsibility is to express an opinion on the Board's compliance with the specified requirements based on our examination.

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

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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

In our opinion, the Board 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 Board of County Commissioners of Leon County, Florida and the Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Thomas Howell Ferguson P.A.

Law Redd Crona & Munroe P.A.

Thomas Howell Ferguson P.A.
Tallahassee, Florida
April 10, 2024

Law, Redd, Crona & Munroe, P.A.
Tallahassee, Florida

Report of Independent Accountants on Compliance with Sections 365.172 and 365.173, *Florida Statutes*, Emergency Communications Number E911 System Fund

September 30, 2023

Thomas Howell Ferguson P.A.
Certified Public Accountants

LAW REDD
CPAs & ADVISORS

Report of Independent Accountants on Compliance with Sections 365.172 and 365.173, *Florida Statutes*, Emergency Communications Number E911 System Fund

The Honorable Board of County Commissioners
Leon County, Florida

We have examined the Board of County Commissioners of Leon County, Florida's (the Board) compliance with emergency communications number E911 system fund requirements provided in Sections 365.172 and 365.173, *Florida Statutes*, during the year ended September 30, 2023. Management of the Board is responsible for the Board's compliance with the specified requirements. Our responsibility is to express an opinion on the Board's compliance with the specified requirements based on our examination.

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

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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

In our opinion, the Board 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 Board of County Commissioners of Leon County, Florida and the Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Thomas Howell Ferguson P.A.

Law Redd Crona & Munroe P.A.

Thomas Howell Ferguson P.A.
Tallahassee, Florida
April 10, 2024

Law, Redd, Crona & Munroe P.A.
Tallahassee, Florida

Report of Independent Accountants on Compliance with Section 288.8017,
***Florida Statues*, Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill**

September 30, 2023

Thomas Howell Ferguson P.A.
Certified Public Accountants

LAW REDD
CPAs & ADVISORS

Report of Independent Accountants on Compliance with Section 288.8017, *Florida Statutes*, Receipts and Expenditures of Funds Related to the Deepwater Horizon Oil Spill

The Honorable Board of County Commissioners
Leon County, Florida

We have examined the Board of County Commissioners of Leon County, Florida's (the Board) compliance with the receipts and expenditures of funds related to the Deepwater Horizon oil spill provided in Section 288.8017, *Florida Statutes*, during the year ended September 30, 2023. Management of the Board is responsible for the Board's compliance with the specified requirements. Our responsibility is to express an opinion on the Board's compliance with the specified requirements based on our examination.

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

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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

In our opinion, the Board 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 Board of County Commissioners of Leon County, Florida and the Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Thomas Howell Ferguson P.A.

Law Redd Crona & Munroe P.A.

Thomas Howell Ferguson P.A.
Tallahassee, Florida
April 10, 2024

Law, Redd, Crona & Munroe P.A.
Tallahassee, Florida

Management Letter
September 30, 2023

Thomas Howell Ferguson P.A.
Certified Public Accountants

LAW REDD
CPAs & ADVISORS

Management Letter

The Honorable Board of County Commissioners
Leon County, Florida

Report on the Special-Purpose Financial Statements

We have audited the special-purpose financial statements of the Board of County Commissioners of Leon County, Florida (the Board), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated April 10, 2024.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Report of Independent Auditors on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards* and Report of Independent Accountants on an examination conducted in accordance with AICPA Professional Standards, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 10, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions regarding the recommendations made in the preceding financial report are described below.

2022-001 Insurance Recoveries

Corrective action for this recommendation was taken and this recommendation was considered resolved in the current year.

2022-002 & 2021-003 Construction in Progress

Corrective action for this recommendation was taken and this recommendation was considered resolved in the current year.

2022-003 Purchasing Card Documentation

Corrective action for this recommendation was taken and this recommendation was considered resolved in the current year.

2022-004 Employee Benefit Fund Receivables and Payables

This corrective action is ongoing as of September 30, 2023, and as a result, this is the second consecutive year this specific recommendation is reported. See current year recommendation 2023-001.

2022-005 Reconciliation of Balances Between Other Constitutional Officers

Corrective action for this recommendation was taken and this recommendation was considered resolved in the current year.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The name or official title and legal authority for the primary government and each component unit of the reporting entity are disclosed in Note 1 of the Notes to the Special-Purpose Financial Statements.

Financial Management

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. The following recommendations were made:

2023-001 Employee Benefit Fund Receivables and Payables

Criteria: The Committee for Sponsoring Organizations (COSO) defines controls activities as the actions established through policies and procedures that help ensure that management's directives to mitigate risks to the achievement of objectives are carried out. Control activities are performed at various levels of an entity, at various stages within business processes, and over the technology environment. Principle 12 of the Internal Control - Integrated Framework states, the organization deploys control activities through policies that establish what is expected and in procedures that put policies into action. Effective policies and procedures address controls put in place to prevent and detect potential fraud and material misstatements.

Condition: The legacy process for recording Employee Benefit Fund transactions has resulted in unreconciled stale items in the receivable and payable balances reported. These stale and unreconciled items were not considered material, but represent a risk for financial statement misstatement.

Cause: Management has special procedures that are performed to record the receipt of the receivables and the payment of the payables within the Employee Benefit Fund. The legacy process was resulting in a netting of balances and left a number of balances that are stale and unreconciled.

Effect: This condition increases the risk of misstatement in the financial statements and the potential for differences in amounts reported by each constitutional officer.

Recommendation: Management should review the policies and procedures for recording the collection of cash and payment of amounts related to the Employee Benefit Fund and make changes as necessary. Management should perform a detailed reconciliation between amounts reported and paid/received.

Management's response:

Management has reviewed and updated its recording procedure and reconciliation for the Employee Benefits fund to account for payments and liabilities appropriately and timely. Further review and reconciliation of legacy balances will be performed within the next fiscal year. Additionally, management has added a Benefits Reconciliation Accountant to address reconciling items from internal and external stakeholders. Management will communicate with internal and external stakeholders clarifying their responsibilities for this process.

2023-002- Fixed Asset Disposals

Criteria: The Office of Financial Stewardship's purchasing division sets the policies and procedures regarding the disposal of fixed assets. These policies and procedures are necessary for financial reporting in accordance with the Government Accounting Standards Board (GASB) and to mitigate risks of material misstatement and misappropriation of assets. To sell, trade-in, transfer, cannibalize or dispose of unserviceable or uneconomically repairable equipment, the Board's policies require the Property Custodian to complete and submit a Property Control Form to the Property Control Clerk, outlining the action and the reason(s) for said action, prior to actual disposal. The Board's policies require a thorough review of the annual Tangible Personal Property Report by the Property Control Specialist, Procurement Administrator, and Purchasing Director to ensure complete and accurate information prior to its submission to the Board. The Board's policies require physical inventories be conducted by Property Control in coordination with the appropriate Property Custodian. During the physical inventory, if tangible personal property is found that is not on the property record, action will be taken by Property Control to evaluate it and place it on the Property Record in the department where it was found.

Condition: Six of eight samples tested during fixed asset disposal testing had no Property Control Form documenting if the required control process occurred prior to disposal as described in the internal control policies of the Board. A completed Property Control Form was provided for two of eight samples tested during fixed asset disposal testing, one of which was completed after the item had already been disposed.

Four items listed on the fiscal year 2023 Tangible Personal Property Items Report had not actually been disposed of during the current year, three of which went to auction but were never sold, and one of which was an item that was never initially acquired.

Cause: The internal controls are not operating as designed, specifically, the requirement for prior approval by both the applicable custodians and premature recording of items as having been disposed.

Effect: Management's risk of material misstatement over capital assets reported on the government wide financial statements and the BOCC special-purpose financial statements is increased. Additionally, the annual Tangible Personal Property Items Report presented to and approved by the Board is not accurate. Additionally, these deficiencies lead to increased risk for misappropriation of assets.

Recommendation: Management should improve policies and procedures in place to obtain appropriate supporting documentation for all fixed asset disposals, prior to the actual disposal. Management should be performing more routine inspections of physical property to ensure the accuracy of the Tangible Personal Property Items Report.

Management's response:

During an internal review of the current procedures for asset disposal, the Purchasing Division became aware that some of the procedures and controls in place were not consistently being followed. This internal review was conducted simultaneously to the external audit which resulted in similar findings. Subsequently, the Purchasing Director began taking steps to rectify the issues related to asset disposal. A thorough assessment of the Property Custodian records found that the list was outdated; after discussions with each Department, Purchasing now has an accurate index of Property Custodians.

To further remedy the audit findings, a mandatory training for all Property Custodians is scheduled for 04/18/2024 and 04/25/2024. The training will apprise the Property Custodians of the requirements associated with the assets under their control, with an emphasis on the documentation necessary for asset disposal, movement, and acquisition. At the conclusion of the training, each Property Custodian will be required to certify in writing their understanding of these requirements (via a form requiring their signature). To assist in keeping the Property Custodian index current and accurate, the Property Control Specialist will require this form to be signed annually by each Property Custodian.

The Purchasing Director has implemented a revised documentation system to ensure that fixed assets which go to auction are not marked as disposed until the asset has been sold. Furthermore, the asset will not be removed from the inventory roll until documentation of the sale has been received and uploaded to the relevant property file. As suggested, the Property Control Specialist will begin performing routine and impromptu inspections of fixed assets to ensure the accuracy of the Tangible Personal Property Items Report.

2023-003 Accounts Receivable Accruals

Criteria: A receivable should be recorded once any applicable eligibility requirements have been met including the anticipated return of resources (cost reimbursements), or once an enforceable legal claim to the resources exists.

Condition: Management's initial schedules and trial balances either excluded or improperly stated receivable balances. Corrections to the trial balance and supporting schedules were needed to improve reporting.

Cause: Two instances were noted where receivable balances were not properly accrued for the month of September 2023.

Additionally, the net receivable balance for the Emergency Medical Services fund was initially understated due to differences in the EMS Allowance for Uncollectibles recorded and the approved estimate.

Effect: Management's initially reported balances contained errors that required adjustments. These adjustments included instances of overstatements and understatements. Management's risk for errors in financial reporting in this area is increased.

Recommendation: Internal controls should be developed for the routine review of the year-end accounts receivable balances, including whether all schedules' inputs are correctly entered and calculated, as well as whether all accruals have been properly recorded. Management should make improvements to the internal reports used to determine the proper amounts for financial reporting.

Management's response:

Management has reviewed the transactions related to this finding and determined this was related to being unaware of certain expected payments and unclear support from the customer. Management in Finance communicated the need to be aware of any expected receivables to management within the Office of Management and Budget. The Finance department requested to be notified of any billings occurring outside of the Finance department by the County.

Additionally, Management has implemented a tracking list of all expected revenue accruals from prior years to be reviewed and updated annually by the end of the fiscal year.

The net receivable balance related to the EMS fund was due to staff turnover at the beginning of the fiscal year and new staff unintentionally creating an error within the reconciliation resulting in an inaccurate posting within the fiscal year. The reconciliation file has been updated and the error has since been adjusted.

2023-004 Manual Journal Entries Process Improvements

Criteria: The Committee for Sponsoring Organizations (COSO) defines controls activities as the actions established through policies and procedures that help ensure that management's directives to mitigate risks to the achievement of objectives are carried out.

The Board has developed a set of policies and procedures for the manual recording of journal entries needed for proper financial reporting. While the internal controls are designed to provide reasonable assurance of achieving the entity's objectives, limitations do exist. Such limitations include but are not limited to breakdowns in internal control due to human failures such as simple errors.

Condition: Manual journal entries are consistently reviewed and approved by management in accordance with policy. However, the audit identified several manual journal entries that contained errors and were not discovered during the review and approval process. Corrections to the trial balance and supporting schedules were needed to correct the errors identified.

The process for obtaining supporting documentation in certain instances could be improved. During journal entry testing, it was noted that at times, items were recorded via manual journal entry with limited supporting documentation to support the creation and recording of a manual journal entry.

Cause: During detailed testing over various audit areas, several instances were noted where a transaction was recorded to the incorrect fund, incorrect account, or in incorrect amounts. These instances were primarily caused by human error and the control not effectively detecting the error.

During testing over interest income, it was noted that the allocation of interest among funds was incorrectly applied to the various funds. While the manual journal agreed to the supporting schedules created, the schedules contained formula errors that resulted in inaccurate reporting that were not detected by the control.

Effect: Initially reported amounts were misstated for various funds. Risk of financial statement misstatement is increased.

Recommendation: Management should review its internal policies and procedures and consider adding additional controls for the detection of errors in the manual journal process. Additionally, the review should include a more rigorous review of underlying supporting schedules and documents to ensure those schedules are accurate, properly supported, and in line with applicable policy.

Management's response:

During the audit management was made aware of the instances identified by the auditors. While reviewing the transactions, it was determined that the internal controls for review were not sufficiently identifying the errors. This was a result of incorrect calculations, access database documentation review (not the accounting system transaction details,) and approvers rushing during the review process. Management has met with our approving managers to implement a higher standard of review.

We will be reviewing original supporting documentation to verify calculations and not a copy, validating the documentation by reviewing accounting system details, and slowing down during the review process to confirm the information and entry provided is accurate.

Additional Matters

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

Purpose of this Letter

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

Thomas Howell Ferguson P.A.

Law Redd Crona & Munroe P.A.

Thomas Howell Ferguson P.A.
Tallahassee, Florida
April 10, 2024

Law, Redd, Crona & Munroe, P.A.
Tallahassee, Florida

Special-Purpose Financial Statements

Clerk of the Circuit Court and Comptroller
Leon County, Florida

Year Ended September 30, 2023
with Report of Independent Auditors

Thomas Howell Ferguson P.A.
and
Law, Redd, Crona & Munroe, P.A.

Clerk of the Circuit Court and Comptroller

Leon County, Florida

Special - Purpose Financial Statements

Year Ended September 30, 2023

TABLE OF CONTENTS

PAGE

Report of Independent Auditors **1**

Audited Special-Purpose Financial Statements

Balance Sheet - Governmental Funds 4
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds 5
Statement of Net Position - Proprietary Fund 6
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Fund 7
Statement of Cash Flows - Proprietary Fund 8
Statement of Fiduciary Net Position - Custodial Fund 9
Statement of Changes in Fiduciary Net Position - Custodial Fund 10
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund 11
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Article V Court Operating Fund 12
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Records Modernization Fund 13
Notes to Special-Purpose Financial Statements 14

Other Reports

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards* 27

Report of Independent Accountants on Compliance with *Florida Statutes* Section 218.415, Sections 28.35 & 28.36, and Section 61.181 29

Management Letter 30

Thomas Howell Ferguson P.A.
Certified Public Accountants

LAW REDD
CPAs & ADVISORS

Report of Independent Auditors

The Honorable Gwen Marshall
Clerk of the Circuit Court and Comptroller, Leon County, Florida

Report on the Audit of the Special-Purpose Financial Statements

Opinions

We have audited the accompanying special-purpose financial statements of the major governmental funds, the proprietary fund, the fiduciary fund, and the aggregate remaining fund information of Clerk of the Circuit Court and Comptroller of Leon County, Florida (the Clerk) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Clerk's special-purpose financial statements as listed in the table of contents.

In our opinion, the accompanying special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the major governmental funds, the proprietary fund, the fiduciary fund, and the aggregate remaining fund information of the Clerk of the Circuit Court and Comptroller of Leon County, Florida as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, the Article V Court Operating Fund, and the Records Modernization Fund 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States *(Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Special-Purpose Financial Statements section of our report. We are required to be independent of the Clerk 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

As discussed in Note 1, the accompanying special-purpose financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (Rules). In conformity with the Rules, the accompanying special-purpose financial statements are intended to present the financial position and changes in financial position of the governmental funds, the proprietary fund and the custodial fund of the Clerk, and only that portion that is attributable to the transactions of the Clerk. They do not purport to, and do not, present fairly the financial position of Leon County, Florida, as of September 30, 2023, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

As discussed in Note 1 to the special-purpose financial statements, in the fiscal year ended September 30, 2023, the Clerk adopted Governmental Accounting Standards Board Statement No. 96, *Subscription Based Information Technology Arrangements.* Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Special-Purpose Financial Statements

Management is responsible for the preparation and fair presentation of the special-purpose 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 special-purpose financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Special-Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special-purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS 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 special-purpose financial statements.

In performing an audit in accordance with GAAS 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 special-purpose 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 special-purpose 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 Clerk'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 special-purpose financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Clerk'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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report April 10, 2024, on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Clerk'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 Clerk's internal control over financial reporting and compliance.

Thomas Howell Ferguson P.A.

Law Redd Crona + Munroe P.A.

Thomas Howell Ferguson P.A.
Tallahassee, Florida
April 10, 2024

Law, Redd, Crona & Munroe, P.A.
Tallahassee, Florida

Clerk of the Circuit Court and Comptroller
Leon County, Florida
Balance Sheet - Governmental Funds
September 30, 2023

	General Fund	Article V Court Operating Fund	Records Modernization Fund	Total Governmental Funds
Assets				
Cash	$ 91,704	$ 1,691,874	$ 1,544,476	$ 3,328,054
Investments	0	0	79,101	79,101
Receivables (net of allowances for uncollectibles):				
Accounts receivable	281,149	0	154	281,303
Due from other county units	328	0	0	328
Due from other governments	606	185,102	0	185,708
Prepaids	101,560	25,712	50	127,322
Inventory	38,551	0	0	38,551
Total assets	$ 513,898	$ 1,902,688	$ 1,623,781	$ 4,040,367
Liabilities and fund balances				
Liabilities				
Accounts payable and other liabilities	$ 137,444	$ 17,098	$ 0	$ 154,542
Accrued liabilities	60,976	105,909	9,540	176,425
Due to other county units	73,560	0	0	73,560
Due to other governments	96,696	1,766,716	0	1,863,412
Deposits	22,997	12,965	0	35,962
Due to other funds	122,225	0	0	122,225
Total liabilities	513,898	1,902,688	9,540	2,426,126
Fund balance				
Nonspendable	140,111	25,712	50	165,873
Restricted	0	0	1,614,191	1,614,191
Unassigned	(140,111)	(25,712)	0	(165,823)
Total fund balance	0	0	1,614,241	1,614,241
Total liabilities and fund balances	$ 513,898	$ 1,902,688	$ 1,623,781	$ 4,040,367

The accompanying notes are an integral part of these special-purpose financial statements.

Clerk of the Circuit Court and Comptroller
Leon County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
Year Ended September 30, 2023

	General Fund	Article V Court Operating Fund	Records Modernization Fund	Total Governmental Funds
Revenues				
Intergovernmental	$ 7,558	$ 2,282,102	$ 0	$ 2,289,660
Charges for services	1,285,290	4,963,690	419,128	6,668,108
Interest	0	0	1,603	1,603
Net increase (decrease) in fair value of investments	0	0	2,785	2,785
Miscellaneous	7,988	623	0	8,611
Total revenues	1,300,836	7,246,415	423,516	8,970,767
Expenditures				
Current:				
General government:				
Judicial	315,009	6,040,705	419,332	6,775,046
Financial and administrative	3,062,168	0	0	3,062,168
Other general government	507,188	0	138,229	645,417
Debt Service:				
Principal retirement	130,762	0	0	130,762
Interest and fiscal charges	10,701	0	0	10,701
Capital Outlay	103,184	0	0	103,184
Total expenditures	4,129,012	6,040,705	557,561	10,727,278
Excess (deficiency) of revenues over (under) expenditures	(2,828,176)	1,205,710	(134,045)	(1,756,511)
Other financing sources (uses) including transfers:				
Operating transfers in	2,837,187	0	0	2,837,187
Operating transfers out	(112,195)	(1,205,710)	(5,900)	(1,323,805)
Lease financing	37,241	0	0	37,241
Subscription financing	65,943	0	0	65,943
Total other financing sources (uses)	2,828,176	(1,205,710)	(5,900)	1,616,566
Net change in fund balances	0	0	(139,945)	(139,945)
Fund balance at beginning of year	0	0	1,754,186	1,754,186
Fund balance at end of year	$ 0	$ 0	$ 1,614,241	$ 1,614,241

The accompanying notes are an integral part of these special-purpose financial statements.

Clerk of the Circuit Court and Comptroller
Leon County, Florida
Statement of Net Position - Proprietary Fund
September 30, 2023

	Internal Service Fund
Assets	
Current assets:	
Cash	$ 239,593
Due from other funds	122,225
Total assets	$ 361,818
Liabilities and net position	
Current liabilities:	
Compensated absences	$ 234,940
Total current liabilities	234,940
Noncurrent liabilities:	
Compensated absences	126,878
Total noncurrent liabilities	126,878
Total liabilities	361,818
Net position	
Unrestricted	0
Total net position	0
Total liabilities and net position	$ 361,818

The accompanying notes are an integral part of these special-purpose financial statements.

Clerk of the Circuit Court and Comptroller
Leon County, Florida
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Fund
Year Ended September 30, 2023

	Internal Service Fund
Operating revenues	
Charges for services	$ 0
Operating expenses	
Personnel services	153,075
Total operating expenses	153,075
Operating income (loss)	(153,075)
Nonoperating revenues (expenses)	
Operating transfers in	153,075
Change in net position	0
Net position at beginning of year	0
Net position at end of year	$ 0

The accompanying notes are an integral part of these special-purpose financial statements.

Clerk of the Circuit Court and Comptroller
Leon County, Florida
Statement of Cash Flows -
Proprietary Fund
Year Ended September 30, 2023

	Internal Service Fund
Cash flows from operating activities	
Payments to employees	$ (118,720)
Net cash provided by (used in) operating activities	(118,720)
Cash flows from noncapital financing activities	
Transfers from other funds	153,075
Due from other funds	(122,225)
Net cash provided by (used in) noncapital financing activities	30,850
Net decrease in cash	(87,870)
Cash at beginning of year	327,463
Cash at end of year	$ 239,593
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities	
Operating income (loss)	$ (153,075)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Changes in assets and liabilities:	
Compensated absences	34,355
Net cash provided by (used in) operating activities	$ (118,720)

The accompanying notes are an integral part of these special-purpose financial statements.

Clerk of the Circuit Court and Comptroller
Leon County, Florida
Statement of Fiduciary Net Position - Custodial Fund
September 30, 2023

Assets	
Cash and cash equivalents	$ 6,564,027
Receivables:	
Taxes for other governments	110,103
Due from other county units	17,251
Total assets	$ 6,691,381
Liabilities	
Accounts payable and other liabilities	$ 124,739
Due to local governments	144,347
Other long-term liabilities	1,448,900
Total liabilities	1,717,986
Net Position	
Restricted For:	
Individuals, organizations, and other governments	4,973,395
Total net position	4,973,395
Total liabilities and net position	$ 6,691,381

The accompanying notes are an integral part of these special-purpose financial statements.

Clerk of the Circuit Court and Comptroller
Leon County, Florida
Statement of Changes in Fiduciary Net Position - Custodial Fund
Year Ended September 30, 2023

Additions	
Fees and other amounts collected on behalf of other governments	$ 851,949
Receipt of registry for court from citizens	7,104,791
Bonds, deposits and other court related collections	3,756,534
Total additions	11,713,274
Deductions	
Fees and other amounts distributed to other governments	1,069,185
Disbursement of registry for court from citizens	7,651,015
Bonds, deposits and other court related distributions	3,520,657
Total deductions	12,240,857
Net increase (decrease) in fiduciary net position	(527,583)
Net position at beginning of year	5,500,978
Net position at end of year	$ 4,973,395

The accompanying notes are an integral part of these special-purpose financial statements.

Clerk of the Circuit Court and Comptroller
Leon County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended September 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Intergovernmental	$ 2,500	$ 2,500	$ 7,558	$ 5,058
Charges for services	1,642,685	1,642,685	1,285,290	(357,395)
Miscellaneous	7,500	7,500	7,988	488
Total revenues	1,652,685	1,652,685	1,300,836	(351,849)
Expenditures				
Current:				
General government:				
Judicial	479,897	479,897	315,009	164,888
Financial and administrative	3,424,257	3,475,883	3,062,168	413,715
Other general government	555,768	555,768	507,188	48,580
Debt Service:				
Principal retirement	0	0	130,762	(130,762)
Interest and fiscal charges	0	0	10,701	(10,701)
Capital Outlay	10,000	10,000	103,184	(93,184)
Total expenditures	4,469,922	4,521,548	4,129,012	392,536
Excess (deficiency) of revenues over (under) expenditures	(2,817,237)	(2,868,863)	(2,828,176)	40,687
Other financing sources (uses) including transfers:				
Operating transfers in	2,817,237	2,868,863	2,837,187	(31,676)
Operating transfers out	0	0	(112,195)	(112,195)
Lease financing	0	0	37,241	37,241
Subscription financing	0	0	65,943	65,943
Total other financing sources (uses)	2,817,237	2,868,863	2,828,176	(40,687)
Net change in fund balances	0	0	0	0
Fund balance at beginning of year	0	0	0	0
Fund balance at end of year	$ 0	$ 0	$ 0	$ 0

The accompanying notes are an integral part of these special-purpose financial statements.

Clerk of the Circuit Court and Comptroller
Leon County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Article V Court Operating Fund
Year Ended September 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Intergovernmental	$ 2,122,033	$ 2,122,033	$ 2,282,102	$ 160,069
Charges for services	4,435,500	4,435,500	4,963,690	528,190
Miscellaneous	0	0	623	623
Total revenues	6,557,533	6,557,533	7,246,415	688,882
Expenditures				
Current:				
General government:				
Judicial	6,557,533	6,557,533	6,040,705	516,828
Total expenditures	6,557,533	6,557,533	6,040,705	516,828
Excess (deficiency) of revenues over (under) expenditures	0	0	1,205,710	1,205,710
Other financing sources (uses) including transfers:				
Operating transfers out	0	0	(1,205,710)	(1,205,710)
Total other financing sources (uses)	0	0	(1,205,710)	(1,205,710)
Net change in fund balances	0	0	0	0
Fund balance at beginning of year	0	0	0	0
Fund balance at end of year	$ 0	$ 0	$ 0	$ 0

The accompanying notes are an integral part of these special-purpose financial statements.

Clerk of the Circuit Court and Comptroller
Leon County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Records Modernization Fund
Year Ended September 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Charges for services	$ 642,242	$ 642,242	$ 419,128	$ (223,114)
Interest	1,000	1,000	1,603	603
Net increase (decrease) in fair value of investments	0	0	2,785	2,785
Total revenues	643,242	643,242	423,516	(219,726)
Expenditures				
Current:				
General government:				
Judicial	493,242	493,242	419,332	73,910
Other general government	140,000	140,000	138,229	1,771
Capital Outlay	10,000	10,000	0	10,000
Total expenditures	643,242	643,242	557,561	85,681
Excess (deficiency) of revenues over (under) expenditures	0	0	(134,045)	(134,045)
Other financing sources (uses) including transfers:				
Operating transfers out	0	0	(5,900)	(5,900)
Total other financing sources (uses)	0	0	(5,900)	(5,900)
Net change in fund balances	0	0	(139,945)	(139,945)
Fund balance at beginning of year	1,754,186	1,754,186	1,754,186	0
Fund balance at end of year	$ 1,754,186	$ 1,754,186	$ 1,614,241	$ (139,945)

The accompanying notes are an integral part of these special-purpose financial statements.

Clerk of the Circuit Court and Comptroller
Leon County, Florida
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2023

1. Summary of Significant Accounting Policies

Reporting Entity

The Clerk of the Circuit Court and Comptroller (the Clerk) is an elected Constitutional Officer of Leon County, Florida, pursuant to Article VIII, Section (1) of the Constitution of the State of Florida. For financial statement and reporting purposes, the Clerk is a separate constitutional officer as provided by Chapter 218, *Florida Statutes*. Leon County (County) is a charter county which allows for the same powers and duties as provided by the Constitution of the State of Florida and *Florida Statutes*. However, in certain instances, the charter either alters or expands the powers of the elected officials via voter referendum. The Clerk is considered to be a part of the primary government of Leon County and is included in the Leon County government-wide financial statements. The financial statements contained herein represent the financial transactions of the Clerk only.

The Leon County Board of County Commissioners (the Board) funds a portion or, in certain instances, all of the operating budgets of the County's Constitutional Officers except for the Tax Collector and only the obligations specified under Chapter 29 in the *Florida Statutes* for the Clerk. The Tax Collector and the Clerk are considered fee officers. A portion of the Clerk's budget is funded by the Board for part of Finance, Internal Audit and Human Resources and all obligations specified under Chapter 29 in the *Florida Statutes* for the Clerk. The payments by the Board to fund the operations of the Constitutional Officers are recorded as operating transfers out on the financial statements of the Board and as operating transfers in on the financial statements of the Constitutional Officers. Repayments to the Board are recorded as operating transfers out on the financial statements of the Constitutional Officers and as operating transfers in on the financial statements of the Board.

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

Basis of Presentation

The special-purpose financial statements are fund financial statements that have been prepared in conformity with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB) and accounting practices prescribed by the State of Florida, Office of the Auditor General.

Description of Funds

The financial activities of the Clerk are recorded in separate funds which are categorized and described as follows:

Governmental Fund Type

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

- Article V Court Operating Fund - This fund is used to account for specific governmental revenue sources that are legally restricted through Article V of the Florida Constitution to expenditures for court operations.

- Records Modernization Fund - This fund is used to account for specific governmental revenue sources that are legally restricted to expenditures for records modernization.

1. Summary of Significant Accounting Policies (continued)

Description of Funds (continued)

*Other Fund Type*s

- Internal Service Fund - This fund is used to report funded and accrued compensated absences.
- Custodial Fund - These funds are used to account for the assets held by the Clerk as an agent for individuals, private organizations, and/or other governmental units.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the fund financial statements and relates to the timing of the measurements made.

The accompanying special-purpose financial statements have been prepared using the modified accrual basis of accounting for all Governmental Funds. Accordingly, revenues are recognized when measurable and available to pay liabilities of the current period and expenditures are generally recorded when the liability is incurred and/or will be paid from expendable available financial resources. The special-purpose statements of the Proprietary Fund (Internal Service Fund) and Fiduciary Fund (Custodial Fund) are prepared using the economic resources measurement focus and the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

The Clerk considers receivables collected within 30 days after year end to be available and susceptible to accrual as revenues of the current year. The following revenues are considered to be susceptible to accrual: charges for services and interest earned.

Budgets and Budgetary Accounting

Budgets for the Court-related functions (the Courts) for each Clerk will be submitted by June 1 to be approved by the legislature. All court revenues are collected monthly and available for use by the Clerks in the month following collection. Beginning November 1st and by the 10th day of each month, the Clerks will submit that portion of all fines, fees, service charges, and costs collected in the previous month that exceeds one-twelfth of the Clerks' total budget. The remainder of the available revenues will be appropriated for the following month's Court expenditures up to the budget cap authorized by the legislature. Any revenue deficits will be certified by the Florida Clerks of Court Operations Corporation. Any unexpended appropriation for the Court's budget will be paid to the State by January 25 of the following year.

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

The budgeted revenues and expenditures in the accompanying budgetary comparison statements reflect all approved amendments.

1. Summary of Significant Accounting Policies (continued)

Budgets and Budgetary Accounting (continued)

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

The Clerk prepares the budget in three parts:

1. The budget relating to the requirements of the Clerk as the Ex Officio Clerk to the Board, County Auditor, County Recorder, and Custodian or Treasurer of all County funds and other county-related duties, and for Chapter 29 obligations;

2. The budget relating to the Florida court system, which is filed with Florida Clerks of Court Operations Corporation (CCOC). With the 2009 legislative changes, CCOC will submit a Legislative Budget Request for all clerks that will result in an appropriation by the legislature; and

3. The budget for all other operations.

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

Inventories

Inventories consist of expendable office supplies. The office supplies are valued at the average unit cost and are accounted for under the consumption method whereby the cost is recorded as an expenditure at the time of issuance to the user department.

Prepaid Expense

The Clerk uses the consumption method of accounting, whereby the costs of expendable software licenses are expensed over the life of the agreements.

Investments

Investments are made in the Special Purpose Investment Account (SPIA) within the Florida Treasury Investment Pool (the Pool), administered by the Florida Department of Financial Services, as authorized by Section 17.61(1), *Florida Statutes*. The Clerk liquidates and reallocates investments throughout the year depending on liquidity needs for operations.

Capital Assets

Capital assets purchased in the governmental fund type are recorded as expenditures (capital outlay) at the time of purchase. Such assets are reported as capital assets in the Statement of Net Position in the county-wide financial statements of Leon County, Florida.

1. Summary of Significant Accounting Policies (continued)

Leases

Leases are defined by the general government as the right to use an underlying asset. As lessee, the Clerk recognizes a lease liability and an intangible right-of-use lease asset at the beginning of a lease unless the lease is considered a short-term lease or transfers ownership of the underlying asset. Right-of-use lease assets are measured based on the net present value of the future lease payments at inception, using the weighted average cost of capital, which approximates the incremental borrowing rate. Remeasurement of a lease liability occurs when there is a change in the lease term and/or other changes that are likely to have a significant impact on the lease liability. The Clerk calculates the amortization of the discount on the lease liability and reports that amount as outflows of resources. Payments are allocated first to accrued interest liability and then to the lease liability. Variable lease payments based on the usage of the underlying assets are not included in the lease liability calculations but are recognized as outflows of resources in the period in which the obligation was incurred. Such assets and liabilities are reported on the Statements of Net Position in the county-wide statements of Leon County, Florida.

As lessor, the Clerk recognizes a lease receivable. The lease receivable is measured using the net present value of future lease payments to be received for the lease term and deferred inflow of resources at the beginning of the lease term. Periodic amortization of the discount on the receivable is reported as interest revenue for that period. Deferred inflows of resources are recognized as inflows on a straight-line basis over the term of the lease. This recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases. Any initial direct costs are reported as an outflow of resources for that period. Remeasurement of lease receivables occur when there are modifications, including but not limited to changes in the contract price, lease term, and adding or removing an underlying asset to the lease agreements. In the case of a partial or full lease termination, the carrying value of the lease receivable and the related deferred inflow of resources will be reduced and will include a gain or loss for the difference. For lease contracts that are short-term, the Clerk recognizes short-term lease payments as inflows of resources (revenues) based on the payment provisions of the lease contract. Liabilities are only recognized if payments are received in advance, and receivables are only recognized if payments are received subsequent to the reporting period. Refer to Note 9 for additional information regarding leases.

Subscription Based Information Technology Arrangements

Subscription Based Information Technology Arrangements (SBITAs) are defined by the general government as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The Clerk recognizes a subscription liability and an intangible right-of-use subscription asset at the beginning of a subscription term unless the SBITA is considered short-term or transfers ownership of the underlying asset. Right-of-use subscription assets are measured based on the net present value of the future SBITA payments at inception, using the weighted average cost of capital, which approximate the incremental borrowing rate. Remeasurement of a subscription liability occurs when there is a change in the SBITA term and/or other changes that are likely to have a significant impact on the subscription liability. The Clerk calculates the amortization of the discount on the subscription liability and reports that amount as outflows of resources. Payments are allocated first to accrued interest liability and then to the subscription liability. For SBITA contracts that are short-term, the Clerk recognizes short-term subscription payments as outflows of resources (expenses) based on the payment provisions of the subscription contract. Additional disclosures regarding SBITAs are disclosed at Note 10.

1. Summary of Significant Accounting Policies (continued)

Liability for Compensated Absences

The Clerk accrues a liability for employees' rights to receive compensation for future absences when certain conditions are met. The Clerk is not legally required to accumulate expendable available financial resources to liquidate this obligation. However, to minimize the impact of such obligations on future budgets, the Clerk has decided to fully fund the cost of the liability. Accordingly, an internal service fund has been established to record the liability for the compensated absences earned but not yet paid for in the General Fund, the Article V Court Operating Fund, and the Records Modernization Fund. The current and long-term portion of the liability for compensated absences is reported as an obligation of the General Fund in the county-wide Statement of Net Position for Leon County, Florida.

Net Position and Fund Balances

Net Position is the difference between fund assets and liabilities on the proprietary and fiduciary fund statements. Fund Balance is the difference between assets and liabilities on the governmental fund statements.

For financial reporting purposes, County policy defines the five fund balance classifications for governmental funds and the order that the resources are used.

Nonspendable Fund Balance - Balances are comprised of funds that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

Restricted Fund Balance - Balances are comprised of funds that have legally enforceable constraints placed on their use or those funds that have externally-imposed restrictions by resource providers or creditors, grantors, contributors, voters, or interlocal agreement, or enabling legislation.

Committed Fund Balance - Balances are comprised of unrestricted funds used for specific purposes pursuant to constraints imposed by formal action such as ordinances, resolutions, or legislation of Leon County and that remain binding unless removed by a majority vote of the Board of County Commissioners.

Assigned Fund Balance - Balances are comprised of unrestricted funds informally constrained by a majority vote of the Board of County Commissioners, or by a designated county officer, in a manner that reflects the County's use of those resources such as appropriations of fund balance at year end or at the beginning of the new fiscal year.

Unassigned Fund Balance - Balances are comprised of the residual of the unrestricted funds in the General Fund and are not nonspendable, restricted, committed, or assigned. Within all other governmental funds, unassigned fund balance is comprised of the negative residual in excess of what can be properly classified as nonspendable, restricted, or committed.

The County's policy is that available resources will be spent in the following order: restricted, committed, assigned, and unassigned.

Use of Estimates

The preparation of the special-purpose financial statements is in conformity with accounting practices prescribed by the State of Florida, Auditor General, and requires management to make use of estimates that affect the reported amounts in the special-purpose financial statements. Actual results could differ from estimates.

1. Summary of Significant Accounting Policies (continued)

Other Postemployment Benefits

The Clerk through Leon County offers retiree medical and life insurance benefits for qualifying Clerk employees that have retired from a Florida Retirement System (FRS) retirement plan. The premium associated with these benefits is paid by the qualifying employee.

Distribution of Excess Revenues

Section 218.36, *Florida Statutes* requires that the Clerk distribute any excess of revenues over expenditures within the General Fund to the Board within 31 days following the end of the fiscal year. Accordingly, the amount of excess revenues distributed to the Board at the end of the year is presented in the accompanying Special-Purpose Financial Statements as "other financing uses."

Based on the legal opinion provided by the Florida Clerks of Court Operations Corporation (CCOC) general counsel of the provisions of Section 28.37(3), F.S., which was adopted as policy by the CCOC Finance and Budget Committee, all excess court-related funds have been included in a fund liability, Due to Other Governments.

New pronouncements

In May 2020, the GASB issued Statement No. 96, Subscription Based Information Technology Arrangements (SBITAs). This statement increases the usefulness of governments' financial statements by requiring recognition of certain subscription assets and liabilities for SBITAs that previously were classified as expenses based on the payment provisions of the contract. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2022. The Clerk implemented GASB Statement No. 96 as of October 1, 2022 using the facts and circumstances that existed at the beginning of the period of implementation. As a result, there was no impact to the Clerk's beginning net position upon adoption of the new accounting standard.

2. Cash and Investments

Cash

Cash consists of demand deposits held at qualified public depositories. At September 30, 2023, the carrying amount of the Clerk's deposits (including custodial funds) was $10,131,674 and bank balances were $10,410,464. The Clerk's cash deposits are held by a bank that qualifies as a public depository under the Florida Security for Public Deposits Act as required by Chapter 280, Florida Statutes.

2. Cash and Investments (continued)

Investments

Credit Risk

The Clerk's investment practices are governed by Section 218.415(17), *Florida Statutes*. Investments authorized by Section 218.415(17), *Florida Statutes* include:

1. The Florida PRIME (formerly the Local Government Surplus Funds Trust Fund) administered by the State Board of Administration or any authorized intergovernmental investment pool.

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

3. Interest-bearing time deposits or savings accounts in qualified public depositories.

4. Direct obligations of the U.S. Treasury.

The Chief Financial Officer for the State of Florida (formerly the State Treasurer) has been investing state revenues, excess revenues of state universities and community colleges and certain other public agencies in a commingled investment portfolio for several years. Section 17.61(1), *Florida Statutes* permits organizations created by the Florida Constitution to participate in the existing State Treasury Investment Pool "Special Purpose Investment Account" (SPIA). Historically, the SPIA participants have received higher earnings reflecting the higher risk associated with the longer maturities and lower credit quality.

To provide liquidity for operations during the fiscal year, the Clerk invested in the SPIA. The financial details and disclosures for SPIA are made in Note 4 of the State of Florida Annual Comprehensive Financial Report (ACFR). The fair value factor for SPIA at September 30, 2023, was 0.9711. SPIA funds are combined with State of Florida funds and are invested in a combination of short-term liquid instruments and intermediate term fixed income securities. SPIA is measured at net asset value per share. Investments measured at net asset value are not subject to fair value hierarchy level classification under GASB 72.

At September 30, 2023, the Clerk had $79,101 invested in SPIA and reported at fair market value. The current rating for SPIA is AA-f by Standard and Poors. A copy of SPIA's most recent financial statements can be found at https//www.myfloridacfo.com/Division/Treasury/.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair market value of investments. One method of managing interest rate risk is the duration method, which measures a debt investment's exposure to fair value changes arising from changing interest rates. The longer the effective duration of the investment, the greater the potential variability of the investment's fair value as a result of future changes in interest rates.

The effective duration of the SPIA at September 30, 2023 is 3.24 years.

3. Compensated Absences

As discussed in Note 1, the liability associated with compensated absences is reported on the fund level in the internal service fund. A summary of the Clerk's liability for compensated absences included at the county-wide financial statement level is as follows with $234,940 as the current portion:

	Balance October 1, 2022	Additions	(Retirements)	Balance September 30, 2023
Liability for compensated absences	$ 327,463	$ 664,339	$ (629,984)	$ 361,818

4. Risk Management

The Clerk participates in the Leon County Internal Service Fund, which accounts for self-insurance activities relating to workers' compensation. This fund is administered by a third party administrator. The Clerk makes payments to the Internal Service Fund based upon payroll exposure in the amounts needed to pay prior and current year claims. The contribution required for the year ended September 30, 2023, was $11,264. Excess payments are recorded as a designation of retained earnings for catastrophic losses on the books of Leon County. Excess coverage with a commercial carrier is also in force for each claim exceeding $500,000.

5. Employees' Retirement Plan

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. As described in Note 1, the financial statements of the Clerk are fund statements considered to be special-purpose financial statements consistent with accounting practices by the State of Florida, Auditor General. Accordingly, the net pension liability is included in the Leon County, Florida Annual Comprehensive Financial Report (Leon County ACFR) rather than in these special-purpose financial statements.

All full-time employees of the Clerk, except those excluded pursuant to Section 121.4501, *Florida Statutes*, are eligible to participate in the Florida Retirement System (FRS). The FRS includes various plans and programs, including a defined benefit pension plan (Pension Plan), which is primarily a cost-sharing, multiple-employer defined benefit public-employee pension plan. Information as to benefits, contribution rates, and vesting requirements by membership category is provided in the Leon County ACFR. Contributions and benefits are established in Section 121.71, *Florida Statutes*.

Participating employer contributions are based upon actuarially determined blended rates established by the State Legislature that are expressed as percentages of annual covered payroll and are adequate to accumulate sufficient assets to pay benefits when due. Employees who are not participating in the Deferred Retirement Option Plan (DROP) are required to contribute 3% of their salary to the FRS.

5. Employees' Retirement Plan (continued)

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

The HIS Program is funded by required contributions from FRS participating employers as set by the State Legislature. Employer contributions are a percentage of gross compensation for all active FRS employees and are reported by employers with monthly payroll reports and included with the amount submitted for retirement contributions. For the fiscal year ended September 30, 2023, the contribution rate was 2.0% of payroll pursuant to Section 112.363, *Florida Statutes*.

The total retirement contributions for the fiscal years ended September 30, 2023, 2022, and 2021 were $955,022, $853,275, and $812,917, respectively, which is equal to the required contribution for each year.

The Pension Plan and the HIS Program are administered by the State of Florida, Department of Management Services, Division of Retirement. The Division of Retirement issues a publicly available FRS Annual Report that includes financial statements and required supplementary information for the Pension Plan and HIS Program. The latest report may be obtained by writing to the Division of Retirement, P.O. Box 9000, Tallahassee, Florida 32315-9000, or on the website located at www.dms.myflorida.workforce_operations/retirement/publications.

6. Other Postemployment Benefits (OPEB)

Plan Description

The Clerk participates in an agent multiple-employer plan administered by Leon County, Florida under which qualified retired employees are permitted to participate in the health and life insurance benefits program (the Program). The Program may be amended by the Board of County Commissioners. A stand alone financial report is not issued for the Program. As described in Note 1, the Clerk is an elected Constitutional Officer of the County. The financial statements of the Clerk are fund statements considered to be special-purpose financial statements consistent with accounting practices by the Auditor General, State of Florida. Accordingly, the annual OPEB obligation of Constitutional Officers is recognized in the government-wide financial statements of the County rather than in these special-purpose financial statements.

7. Interfund transfers

Interfund balances represent payments due from other funds responsible for particular expenditures to the funds that initially paid for them. Interfund balances are due and payable within one year. Interfund receivable and payable balances at September 30, 2023 are as follows:

Fund	Interfund Receivable	Interfund Payable
Internal Service Fund	$ 122,225	$ 0
General Fund	0	122,225
Total	$ 122,225	$ 122,225

Each fund has a discrete purpose. However, often there is a need for one fund to support a portion of another fund's activities. To accomplish this, monies are moved between funds through a process called interfund transfers. Interfund transfers, excluding transfers to other governments, for the year ended September 30, 2023 consisted of the following:

Transferred to the Internal Service Fund from:	
General Fund	$ 47,269
Article V Operating Fund	99,906
Record Modernization Fund	5,900
	$ 153,075

8. Commitments and Contingencies

A. Encumbrances:

Encumbrances represent commitments related to unperformed contracts for goods or services. They do not constitute expenditures or liabilities. The commitments will be honored in the subsequent year. The Clerk had no outstanding encumbrances at September 30, 2023.

B. Potential liabilities resulting from litigation:

The Clerk is a defendant in various lawsuits arising from the normal course of operations. The outcome of these lawsuits is not presently determinable.

9. Leases

Effective October 1, 2021, the Clerk adopted GASB's No. 87 – Leases, using the facts and circumstances that existed at the beginning of the period of implementation. The right-to-use asset is measured based on the lease liability at the period of implementation and no restatement of beginning net position is required because the lease asset and the lease liability is the same at the beginning of the period of implementation.

The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

Lessee

The Clerk has entered into one lease as lessee for the use of office space. The terms of the lease extend through June 30, 2033 beginning on the contract commencement date. An initial lease liability was recorded in the amount of $664,106. As of September 30, 2023, the value of the lease liability is $559,059. The Clerk is required to make monthly payments of $5,127.94 through the term of the lease. The lease has an interest rate of 1.4800%. The value of the right to use asset as of September 30, 2023 is $551,067 with accumulated amortization of $113,039 and is included with buildings on the lease class activities table found below.

The Clerk has entered into one lease as lessee for the use of office equipment. The terms of the lease extend through September 30, 2025 beginning on the contract commencement date. An initial lease liability was recorded in the amount of $37,241. As of September 30, 2023, the value of the lease liability is $25,334. The Clerk is required to make monthly payments of $1,097.71 through the term of the lease. The lease has an interest rate of 4.1200%. The value of the right to use asset as of September 30, 2023 is $24,827 with accumulated amortization of $12,414 and is included with the equipment on the lease class activities table found below.

	As of September 30, 2023	
Asset Class	Lease Asset Value	Accumulated Amortization
Buildings	$ 664,106	$ 113,039
Equipment	37,241	12,414
	$ 701,347	$ 125,453

Total future minimum lease payments under lease agreements are as follows:

	Governmental Activities		
Fiscal Year	Principal	Interest	Total
2024	$ 66,107	$ 8,601	$ 74,708
2025	67,428	7,280	74,708
2026	55,313	6,222	61,535
2027	56,137	5,398	61,535
2028	56,973	4,562	61,535
2029-2033	282,435	9,857	292,292
Total	$ 584,393	$ 41,920	$ 626,313

9. Leases (continued)

A summary of the Clerk's liability for leases is included at the county-wide financial statement level is as follows with $66,107 as the current portion:

	Balance October 1, 2022	Additions	(Reductions)	Balance September 30, 2023
Lease liability - buildings	$ 611,971	$ 0	$ (52,912)	$ 559,059
Lease liability - equipment	0	37,241	(11,907)	25,334
Lease Liability - Total	$ 611,971	$ 37,241	$ (64,819)	$ 584,393

10. Subscription Liabilities

For the year ended September 30, 2023, the financial statements include the adoption of GASB Statement No. 96, Subscription Based Information Technology Arrangements (SBITAs). The primary objective of this statement is to enhance the relevance and consistency of information about governments' information technology (IT) subscription activities. This statement establishes a single model for IT Subscription accounting based on the principle that SBITAs are financings of the right to use an underlying asset. Under this Statement, a government is required to recognize a subscription liability and an intangible right-to-use subscription asset.

Governmental Activities

The Clerk has entered into two IT Arrangements for the right to use another party's (a SBITA vendor's) information technology (IT) software. The terms of the arrangements extend through July 2024 beginning on the contract commencement date. An initial lease liability was recorded in the amount of $65,943. As of September 30, 2023, the value of the subscription liability is $0. The Clerk is required to make annual payments ranging from $26,737 to $40,018 through the SBITA. The SBITAs have interest rates ranging from 4.120% to 4.930%. The value of the right to use asset as of September 30, 2023 of $39,695 with accumulated amortization of $26,248 and is included with the SBITA activities table found below.

	As of September 30, 2023	
	Subscription Asset Value	Accumulated Amortization
SBITAs	$ 65,943	$ 26,248
Total SBITAs	$ 65,943	$ 26,248

There are no future minimum lease payments under the SBITA agreements as of September 30, 2023.

A summary of the Clerk's liability for SBITAs is included at the county-wide financial statement level as follows with $0 as the current portion:

	Balance October 1, 2022	Additions	(Reductions)	Balance September 30, 2023
SBITAs	$ 25,925	$ 40,018	$ (65,943)	$ 0

11. Related Party Transaction

The Clerk has a written agreement to rent office space from the Leon County Tax Collector for its customer service location. Under this agreement the Clerk paid $72,602 to the Leon County Tax Collector during the year ended September 30, 2023.

12. Subsequent Events

The Clerk has evaluated subsequent events through April 10, 2024, the date the financial statements were available to be issued. No subsequent events were identified that required disclosure.

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*

September 30, 2023

Thomas Howell Ferguson P.A.
Certified Public Accountants

LAW REDD
CPAs & ADVISORS

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*

The Honorable Gwen Marshall
Clerk of the Circuit Court and Comptroller, Leon County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards)*, the special-purpose financial statements of the major governmental funds, the proprietary fund, the fiduciary fund, and the aggregate remaining fund information of the Clerk of the Circuit Court and Comptroller of Leon County, Florida (Clerk), as of and for the year ended September 30, 2023 and the related notes to the financial statements, which collectively comprise the Clerk's special-purpose financial statements, and have issued our report thereon dated April 10, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clerk's special-purpose 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 special-purpose 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 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.

We have issued a management letter to the Clerk of the Circuit Court and Comptroller of Leon County, Florida dated April 10, 2024, presenting certain required disclosures and comments pursuant to the Chapter 10.550, Rules of the Auditor General.

Thomas Howell Ferguson P.A.

Law Redd Crona + Munroe P.A.

Thomas Howell Ferguson P.A.
Tallahassee, Florida
April 10, 2024

Law, Redd, Crona & Munroe, P.A.
Tallahassee, Florida

Report of Independent Accountants on Compliance with
Florida Statutes Section 218.415, Sections 28.35 and 28.36, and Section 61.181

September 30, 2023

Thomas Howell Ferguson P.A.
Certified Public Accountants

LAW REDD
CPAs & ADVISORS

Report of Independent Accountants on Compliance with *Florida Statutes* Section 218.415, Sections 28.35 and 28.36, and Section 61.181

The Honorable Gwen Marshall
Clerk of the Circuit Court and Comptroller, Leon County, Florida

We have examined the Clerk of the Circuit Court and Comptroller of Leon County, Florida's (Clerk) compliance with the requirements of *Florida Statutes* Section 218.415, Sections 28.35 and 28.36, and Section 61.181, during year ended September 30, 2023. Management is responsible for the Clerk's compliance with the specified requirements. Our responsibility is to express an opinion on the Clerk's compliance with the specified requirements based on our examination.

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

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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

In our opinion, the Clerk complied, in all material respects, with the requirements of *Florida Statutes* Section 218.415, Sections 28.35 and 28.36, and Section 61.181, during the period October 1, 2022 to September 30, 2023.

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

Thomas Howell Ferguson P.A.

Law Redd Crona & Munroe P.A.

Thomas Howell Ferguson P.A.
Tallahassee, Florida
April 10, 2024

Law, Redd, Crona & Munroe, P.A.
Tallahassee, Florida

Management Letter

September 30, 2023

Thomas Howell Ferguson P.A.
Certified Public Accountants

LAW REDD
CPAs & ADVISORS

Management Letter

The Honorable Gwen Marshall
Clerk of the Circuit Court and Comptroller, Leon County, Florida

Report on the Special-Purpose Financial Statements

We have audited the special-purpose financial statements of the Clerk of the Circuit Court and Comptroller of Leon County, Florida (Clerk), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated April 10, 2024.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Report of Independent Auditors on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards* and Report of Independent Accountants on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 10, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions regarding the recommendations made in the preceding financial report are described below.

2021-001 & 2022-001 MS Access Database Uploads

Corrective action for this recommendation was taken and this recommendation was considered resolved in the current year.

2022-002 Fees and Fines Schedule Change Management

Corrective action for this recommendation was taken and this recommendation was considered resolved in the current year.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The name or official title and legal authority for the primary government of the reporting entity are disclosed in Note 1 of the Notes to the Special-Purpose Financial Statements. The Clerk has no component units.

Financial Management

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

Additional Matters

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

Purpose of this Letter

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

Thomas Howell Ferguson P.A.

Law Redd Crona & Munroe P.A.

Thomas Howell Ferguson P.A.
Tallahassee, Florida
April 10, 2024

Law, Redd, Crona & Munroe, P.A.
Tallahassee, Florida

Special-Purpose Financial Statements

Property Appraiser
Leon County, Florida

Year ended September 30, 2023
With Report of Independent Auditors

Thomas Howell Ferguson P.A.
and
Law, Redd, Crona & Munroe, P.A.

Property Appraiser
Leon County, Florida

Special-Purpose Financial Statements
Year ended September 30, 2023

TABLE OF CONTENTS

	PAGE
Report of Independent Auditors	1
Audited Special-Purpose Financial Statements	
Balance Sheet - General Fund	4
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	5
Notes to Special-Purpose Financial Statements	6
Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*	14
Report of Independent Accountants on Compliance with Section 218.415, *Florida Statutes*, Local Government Investment Policies	16
Management Letter	17

Thomas Howell Ferguson P.A.
Certified Public Accountants

LAW REDD
CPAs & ADVISORS

Report of Independent Auditors

To the Honorable Property Appraiser
Leon County, Florida

Opinion

We have audited the accompanying special-purpose financial statements of the governmental fund (General Fund) of the Property Appraiser of Leon County, Florida (the Property Appraiser) as of and for the year ended September 30, 2023, and the related notes to the special-purpose financial statements, which collectively comprise the Property Appraiser's special-purpose financial statements as listed in the table of contents.

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the Property Appraiser as of September 30, 2023, and the respective changes in financial position thereof, and the respective budgetary comparison statement of the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Auditors' Responsibilities for the Audit of the Special-Purpose Financial Statements section of our report. We are required to be independent of the Property Appraiser, 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 opinion.

Emphasis of Matter

As discussed in Note 1, the accompanying special-purpose financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (Rules). In conformity with the Rules, the accompanying special-purpose financial statements are intended to present the financial position and the changes in financial position of only that portion that is attributable to the transactions of the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Leon County, Florida, as of September 30, 2023, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Special-Purpose Financial Statements

Management is responsible for the preparation and fair presentation of these special-purpose 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 special-purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special-purpose financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Property Appraiser'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.

Auditors' Responsibilities for the Audit of the Special-Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special-purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 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 GAAS 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 special-purpose financial statements.

In performing an audit in accordance with GAAS 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 special-purpose 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 special-purpose 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 Property Appraiser'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 special-purpose financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Property Appraiser'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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2024, on our consideration of the Property Appraiser's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is 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 Property Appraiser'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 Property Appraiser's internal control over financial reporting and compliance.

Thomas Howell Ferguson P.A. Law Redd Crona & Munroe P.A.

Thomas Howell Ferguson P.A.
Tallahassee, Florida
February 21, 2024

Law, Redd, Crona & Munroe, P.A.
Tallahassee, Florida

Property Appraiser
Leon County, Florida
Balance Sheet - General Fund

September 30, 2023

Assets	
Cash and cash equivalents	$ 270,780
Investments	28,092
Total assets	$ 298,872
Liabilities and fund balance	
Liabilities:	
Accounts payable and other liabilities	$ 13,514
Due to other county units	284,901
Due to other governments	457
Total liabilities	298,872
Fund balance:	
Unassigned	0
Total liabilities and fund balance	$ 298,872

The accompanying notes are an integral part of these special-purpose financial statements.

Property Appraiser
Leon County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended September 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Charges for services	$ 0	$ 0	$ 9,636	$ 9,636
Interest	0	0	1,321	1,321
Total revenues	0	0	10,957	10,957
Expenditures				
Current:				
General government:				
Personnel services	5,010,591	5,026,753	4,750,368	276,385
Operating	905,328	905,328	891,103	14,225
Capital outlay	64,600	64,600	71,214	(6,614)
Total expenditures	5,980,519	5,996,681	5,712,685	283,996
(Deficiency) excess of revenues (under) over expenditures	(5,980,519)	(5,996,681)	(5,701,728)	294,953
Other financing sources (uses)				
Transfers in	5,980,519	5,996,681	5,987,086	(9,595)
Transfers out	0	0	(285,358)	(285,358)
Total other financing sources (uses)	5,980,519	5,996,681	5,701,728	(294,953)
Net change in fund balance	0	0	0	0
Fund balance at beginning of year	0	0	0	0
Fund balance at end of year	$ 0	$ 0	$ 0	$ 0

The accompanying notes are an integral part of these special-purpose financial statements.

Property Appraiser
Leon County, Florida
Notes to Special-Purpose Financial Statements

Year Ended September 30, 2023

Note 1. Summary of Significant Accounting Policies

Reporting Entity

The Property Appraiser operates as a county agency and an elected Constitutional Officer of Leon County (the County) pursuant to Article VIII, Section (1) of the Constitution of the State of Florida. For financial statement and reporting purposes, the Property Appraiser is a separate constitutional officer as provided by Chapter 218, Florida Statutes. Leon County is a charter county which allows for the same powers and duties as provided by the Constitution of the State of Florida and Florida Statutes. However, in certain instances, the charter either alters or expands the powers of the elected officials via voter referendum. The Property Appraiser is considered to be a part of the primary government of Leon County, Florida, and is included in the Leon County, Florida Annual Comprehensive Financial Report (Leon County ACFR). The financial statements contained herein represent the financial transactions of the Property Appraiser only.

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

Basis of Presentation

These special-purpose financial statements are fund financial statements that have been prepared in conformity with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB) and accounting practices prescribed by the State of Florida, Office of the Auditor General.

Description of Funds

The financial activities of the Property Appraiser are recorded in the following fund:

Governmental Fund Type

- General Fund - The General Fund is the general operating fund of the Property Appraiser. This fund is used to account for all financial transactions not required to be accounted for in another fund.

Basis of Accounting

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

The accompanying special-purpose financial statements have been prepared using the modified accrual basis of accounting for all Governmental Funds. Accordingly, revenues are recognized when measurable and available to pay liabilities of the current period. Expenditures are generally recorded when the liability is incurred and/or will be paid from expendable available financial resources.

The Property Appraiser considers receivables collected within 30 days after year end to be available and susceptible to accrual as revenues of the current year. In accordance with that definition, charges for services and interest earned are considered to be susceptible to accrual.

Note 1. Summary of Significant Accounting Policies (continued)

Budgets and Budgetary Accounting

Section 195.087, *Florida Statutes*, governs the preparation, adoption, and administration of the Property Appraiser's annual budget. The budget and the subsequent budget amendments of the Property Appraiser are submitted to the Florida Department of Revenue for approval. A copy of the budget is furnished to the Leon County Board of County Commissioners (the Board) at the same time.

Line item expenditures in excess of budget are authorized to the extent that total expenditures do not exceed the total budgeted expenditures. Budget transfers between appropriation categories (personnel services, operating expenses, capital outlay, debt service, and non-operating) must be approved in writing by the Florida Department of Revenue. Transfers between expense items within the same appropriation category do not need written approval from the Florida Department of Revenue. The budget is prepared on the modified accrual basis of accounting. General Fund appropriations lapse at the close of the fiscal year to the extent they have not been expended. The budgeted revenues and expenditures in the accompanying Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual, reflect all approved amendments.

Encumbrances represent commitments related to unperformed contracts for goods or services. They do not constitute expenditures or liabilities. The commitments will be honored in the subsequent year. The Property Appraiser had no outstanding encumbrances at September 30, 2023.

Investments

Investments in external pools that follow SEC Rule 2a-7 regulations are reported at amortized cost, which approximates fair value.

Capital Assets

Capital assets purchased in the Governmental Fund Type are recorded as expenditures (capital outlay) at the time of purchase. The tangible personal property used by the Property Appraiser is reported as capital assets, at cost, in the Statement of Net Position in the Leon County ACFR.

Note 1. Summary of Significant Accounting Policies (continued)

Liability for Compensated Absences

It is the Property Appraiser's policy to grant all full-time employees annual leave based on the number of years of continuous employment for agencies operating under the Florida Retirement System. Annual leave accrued above 240 hours is transferred to sick leave at the end of each calendar year. Upon termination of employment, the employee can receive a cash benefit based upon the employee's current wage rate and the annual leave not taken.

Sick leave is accumulated at the rate of eight hours for each full calendar month of continuous employment. Employees who have transferred from an agency operating under the Florida Retirement System with no break in service may transfer up to 240 sick leave hours. There is no limit on the amount of sick leave that can be accumulated. At the end of each calendar year, employees with 240 or more hours of sick leave may bank up to 24 hours of leave. At the time of separation, employees with eight years or more continuous employment with the Property Appraiser receive payment based upon the employee's current wage rate for 25% of accumulated sick leave. If the separation is due to retirement, those employees also receive payment based upon the employee's current wage rate for 100% of banked sick leave.

The Property Appraiser uses the vesting method to calculate the liability for compensated absences. The Property Appraiser does not and is not legally required to, accumulate expendable available financial resources to liquidate these obligations. Accordingly, the liability for compensated absences is not reported in the General Fund, but is included in the Statement of Net Position in the Leon County ACFR.

Transfers In and Out

The Board funds primarily all of the operating budget of the Property Appraiser. The payments by the Board to fund the operations of the Property Appraiser are recorded as transfers in on the financial statements of the Property Appraiser. In accordance with *Florida Statutes*, the Property Appraiser distributes all General Fund revenues in excess of expenditures to the Board within 31 days following the end of the fiscal year. Repayments to the Board are recorded as a liability and as transfers out on the financial statements of the Property Appraiser.

Related Organizations - Common Expenses

Certain expenses which are common to the Board and all Constitutional Officers are reported as expenses of the Board and, therefore, are not budgeted by or allocated to the Property Appraiser. These are:

Occupancy costs
Property insurance
Utilities (except telephone)
Janitorial service

Note 1. Summary of Significant Accounting Policies (continued)

Other Postemployment Benefits

The Property Appraiser through Leon County offers retiree medical and life insurance benefits for the qualifying Property Appraiser employees that have retired from a Florida Retirement System (FRS) pension plan.

Note 2. Cash and Investments

Cash and Cash Equivalents

The Property Appraiser maintains checking and money market accounts at a bank designated by the Florida Division of Treasury as a qualified public depository. At September 30, 2023, the carrying amount of the Property Appraiser's deposits with the financial institutions was $270,780 and the bank balances were $390,218. Deposits whose values exceed the limits of Federal depository insurance are entirely insured or collateralized pursuant to Chapter 280, *Florida Statutes*.

Investments

Credit Risk

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation.

The Property Appraiser is authorized to invest in all state-approved investments identified in Section 218.415(17), *Florida Statutes*, which include:

1) The Florida PRIME (formerly the Local Government Surplus Funds Trust Fund) administered by the State Board of Administration or any authorized intergovernmental investment pool;

2) Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating from a nationally-recognized rating agency;

3) Interest-bearing time deposits or savings accounts in qualified public depositories;

4) Direct obligations of the U.S. Treasury.

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

The Property Appraiser invests in the Florida PRIME administered by the Florida State Board of Administration (SBA). The Florida PRIME is an external investment pool that is not a registrant with the SEC; however, the SBA has adopted operating procedures consistent with the requirements for a SEC Rule 2a-7 fund.

Note 2. Cash and Investments (continued)

Investments (continued)

The Florida PRIME is governed by Chapter 19-7 of the *Florida Administrative Code*, which identifies the Rules of the SBA. These rules provide guidance and establish the general operating procedures for the administration of the Florida PRIME. Additionally, the State of Florida, Office of the Auditor General performs the operational audit of the activities and investments of the SBA. Throughout the year and as of September 30, 2023, the Florida PRIME contained certain floating rate and adjustable rate securities that were indexed based on the prime rate and/or one and three-month LIBOR rates.

These floating rate and adjustable rate securities are used to hedge against interest risk and provide diversification to the portfolio. Exposure to a single issuer is limited to 5% of the portfolio's amortized cost. The current rating for the Florida PRIME is AAAm by Standard and Poors. The dollar weighted average days to maturity of the Florida PRIME at September 30, 2023 is 35 days. The fair value of the Property Appraiser's position in the pool approximates the value of the pool shares. At September 30, 2023, the Property Appraiser had $28,092 invested with Florida PRIME.

Custodial Credit Risk

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

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

The investment in the Florida PRIME is not classified as to custodial risk since the investment is not evidenced by securities that exist in physical or book entry form.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates that will adversely affect the fair value of an investment. The Property Appraiser limits interest rate risk for the money market fund by utilizing an overnight sweep agreement to invest excess cash balances.

The most recent Florida Prime audited financial statements can be obtained at www.sbafla.com/prime/audits.aspx.

Note 3. Employees' Retirement Plan

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, is effective for all fiscal years beginning after June 15, 2014. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. As described in Note 1, the financial statements of the Property Appraiser are fund statements considered to be special-purpose financial statements consistent with accounting practices by the Auditor General, State of Florida. Accordingly, the net pension liability is included in the Leon County ACFR rather than in these Special-Purpose Financial Statements.

All full-time and permanent part-time employees of the Property Appraiser are eligible to participate in the Florida Retirement System (FRS). The FRS includes various plans, including a defined benefit public employee pension plan, which is primarily a cost-sharing multiple-employer defined benefit plan administered by the State of Florida, Department of Management Services, Division of Retirement.

Information as to benefits, contribution rates, and vesting requirements by membership category is provided in the Leon County ACFR. Contributions and benefits are established by Section 121.71, *Florida Statutes*.

Participating employer contributions are based upon actuarially determined blended rates established by the state of Florida, that expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due. Beginning July 1, 2011, active employees are required to contribute three percent of their gross compensation to the retirement plan.

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

The HIS Program is funded by required contributions from FRS participating employers as set by the Legislature. Employer contributions are a percentage of gross compensation for all active FRS employees and are reported by employers with monthly payroll reports and included with the amount submitted for retirement contributions. For the fiscal year ended September 30, 2023, the contribution rate was 2.00 percent of payroll pursuant to Section 112.363, *Florida Statutes*.

The contributions required for the years ended September 30, 2023, 2022, and 2021 were $592,135, $560,270, and $523,905, respectively, which is equal to the required contribution for each year.

The FRS issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to the Division of Retirement, Post Office Box 9000, Tallahassee, Florida 32315-9000, or by calling 850-488-5706.

Note 4. Other Postemployment Benefits

Plan Description

The Property Appraiser participates in an agent multi-employer plan administered by the County under which qualified retired employees are permitted to participate in the health and life insurance benefits program (the Program). The Program may be amended by the Board of County Commissioners. A stand alone financial report is not issued for the Program. As decribed in Note 1, the Property Appraiser is an elected Constitutional Officer of the County. The financial statements of the Property Appraiser are fund statements considered to be special-purpose financial statements consistent with accounting practices by the Auditor General, State of Florida. Accordingly, the annual OPEB obligation of Constitutional Officers is recognized in the Leon County ACFR rather than in these Special-Purpose Financial Statements.

Note 5. Risk Management

The Property Appraiser participates in the Leon County Insurance Service Fund, which accounts for self-insurance activities relating to workers' compensation. This fund is administered by a third-party administrator. The Property Appraiser makes payments to the Insurance Service Fund based upon payroll exposure in the amounts needed to pay prior and current year claims. The contribution required for the year ended September 30, 2023 was $34,004. Excess payments are recorded as a designation of retained earnings for catastrophic losses on the books of Leon County. Excess coverage with a commercial carrier is also in force for each claim exceeding $500,000.

Note 6. Long-Term Liabilities

A summary of the Property Appraiser's liability for compensated absences is as follows:

	Balance October 1, 2022	Additions	(Retirements)	Balance September 30, 2023
Liability for compensated absences	$ 557,016	$ 235,153	$ (140,231)	$ 651,938

Of the $651,938 liability for accrued compensated absences, management estimates that $174,044 will be due and payable within one year. The liability is not reported in the financial statements of the Property Appraiser since it is not payable from available resources at September 30, 2023. As discussed in Note 1, the liability is reported on the Statement of Net Position in the Leon County ACFR.

Note 7. Fund Balance

The Governmental Accounting Standards Board's Statement No. 54 requires that all fund balances be classified into one of the following categories: Nonspendable, Restricted, Committed, Assigned, and Unassigned. All remaining funds of the Property Appraiser as of the end of the fiscal year are remitted back to the Board as excess fees.

Note 8. Contingencies

Litigation

Various suits and claims arising in the ordinary course of operations are pending against the Property Appraiser. These primarily relate to property assessments within Leon County. The ultimate effect of such litigation cannot be ascertained at this time. In the opinion of management for the Property Appraiser, the liabilities which may arise from such action would not result in losses which would materially affect the financial position of the Property Appraiser or its operations. In the event property assessment claims are resolved in favor of plaintiffs/claimants, such settlements would be funded, if at all, by the Board.

Note 9. Subsequent Events

The Property Appraiser has evaluated subsequent events through February 21, 2024, the date the financial statements were available to be issued.

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*

September 30, 2023

Thomas Howell Ferguson P.A.
Certified Public Accountants

LAW REDD
CPAs & ADVISORS

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Honorable Property Appraiser
Leon County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the special-purpose financial statements of the Property Appraiser of Leon County, Florida (the Property Appraiser) as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Property Appraiser's special-purpose financial statements, and have issued our report thereon dated February 21, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Property Appraiser's special-purpose 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 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 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 Property Appraiser's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Property Appraiser's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We have issued a management letter to the Property Appraiser dated February 21, 2024, presenting certain required disclosures and comments pursuant to the Rules of the Auditor General, Chapter 10.550.

Thomas Howell Ferguson P.A. Law Redd Crona + Munroe P.A.

Thomas Howell Ferguson P.A.
Tallahassee, Florida
February 21, 2024

Law, Redd, Crona & Munroe, P.A.
Tallahassee, Florida

Report of Independent Accountants on Compliance With Section 218.415, *Florida Statutes*, Local Government Investment Policies

September 30, 2023

Thomas Howell Ferguson P.A.
Certified Public Accountants

LAW REDD
CPAs & ADVISORS

Report of Independent Accountants on Compliance with Section 218.415, *Florida Statutes*, Local Government Investment Policies

To the Honorable Property Appraiser
Leon County, Florida

We have examined the Property Appraiser of Leon County, Florida's (the Property Appraiser) compliance with local government investment policies provided in Section 218.415, *Florida Statutes*, during the year ended September 30, 2023. Management of the Property Appraiser is responsible for the Property Appraiser's compliance with the specified requirements. Our responsibility is to express an opinion on the Property Appraiser's compliance with the specified requirements based on our examination.

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

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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

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

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

Thomas Howell Ferguson P.A. Law Redd Crona & Munroe P.A.

Thomas Howell Ferguson P.A.
Tallahassee, Florida
February 21, 2024

Law, Redd, Crona & Munroe, P.A.
Tallahassee, Florida

Management Letter

September 30, 2023

Thomas Howell Ferguson P.A.
Certified Public Accountants

LAW REDD
CPAs & ADVISORS

Management Letter

To the Honorable Property Appraiser
Leon County, Florida

Report on the Special-Purpose Financial Statements

We have audited the special-purpose financial statements of the Property Appraiser of Leon County, Florida (Property Appraiser), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated February 21, 2024.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Report of Independent Auditors on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards* and Report of Independent Accountants on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 21, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The name or official title and legal authority for the primary government of the reporting entity are disclosed in Note 1 of the Notes to the Special-Purpose Financial Statements. The Property Appraiser has no component units.

Financial Management

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

Additional Matters

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

Purpose of this Letter

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

Thomas Howell Ferguson P.A. Law Redd Crona & Munroe P.A.

Thomas Howell Ferguson P.A.
Tallahassee, Florida
February 21, 2024

Law, Redd, Crona & Munroe, P.A.
Tallahassee, Florida

Special-Purpose Financial Statements

Sheriff
Leon County, Florida

September 30, 2023
with Report of Independent Auditors

Thomas Howell Ferguson P.A.
and
Law, Redd, Crona & Munroe, P.A.

Sheriff
Leon County, Florida

Special-Purpose Financial Statements

Year Ended September 30, 2023

TABLE OF CONTENTS

PAGE

Report of Independent Auditors 1

Audited Special-Purpose Financial Statements

Balance Sheet - Governmental Funds 4
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds 5
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund 6
Statement of Fiduciary Net Position - Custodial Funds 7
Statement of Changes in Fiduciary Net Position - Custodial Funds 8
Notes to Special-Purpose Financial Statements 9

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards* **25**

Report of Independent Accountants on Compliance with Section 218.415, *Florida Statues*, Local Government Investment Policies 27

Management Letter 28

Thomas Howell Ferguson P.A.
Certified Public Accountants

LAW REDD
CPAs & ADVISORS

Report of Independent Auditors

The Honorable Sheriff
Leon County, Florida

Opinion

We have audited the accompanying special-purpose financial statements of the Sheriff of Leon County, Florida (the Sheriff), as of and for the fiscal year ended September 30, 2023, and the related notes to the special-purpose financial statements, which collectively comprise the Sheriff's special-purpose financial statements, as listed in the table of contents.

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of each of the governmental funds and the fiduciary funds of the Sheriff of Leon County, Florida, as of September 30, 2023, and the respective changes in financial position thereof, and the respective budgetary comparison statement for the general fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Auditors' Responsibilities for the Audit of the Special-Purpose Financial Statements section of our report. We are required to be independent of the Sheriff 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

As discussed in Note 1, the accompanying special-purpose financial statements were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (Rules). In conformity with the Rules, the accompanying special-purpose financial statements are intended to present the financial position and the changes in financial position of each of the governmental funds and fiduciary funds, of only that portion that is attributable to the transactions of the Sheriff. They do not purport to, and do not, present fairly the financial position of Leon County, Florida as of September 30, 2023, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Special-Purpose Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Special-Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special-purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 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 GAAS 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 judgement made by a reasonable user based on the special-purpose financial statements.

In performing an audit in accordance with GAAS 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 special-purpose 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 special-purpose 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 Sheriff of Leon County, Florida'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 special-purpose financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Sheriff'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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2024 on our consideration of the Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, rules, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Sheriff's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Sheriff's internal control over financial reporting and compliance.

Thomas Howell Ferguson P.A.

Thomas Howell Ferguson P.A.
Tallahassee, Florida
April 25, 2024

Law Redd Crona & Munroe P.A.

Law, Redd, Crona & Munroe, P.A.
Tallahassee, Florida

Sheriff
Leon County, Florida
Balance Sheet
Governmental Funds

September 30, 2023

Assets	General Fund	Special Grants Fund	Inmate Welfare Fund	Total Governmental Funds
Cash	$ 8,080,761	$ 1,172,149	$ 2,527,002	$ 11,779,912
Accounts receivable	152,487	57,114	164,122	373,723
Due from other county units	6,846	3,548	0	10,394
Due from other governments	0	261,021	0	261,021
Inventories	669,042	5,612	0	674,654
Prepaids	111,705	47,579	0	159,284
Total assets	$ 9,020,841	$ 1,547,023	$ 2,691,124	$ 13,258,988
Liabilities and fund balance				
Liabilities:				
Accounts payable	$ 1,611,358	$ 129,564	$ 30,396	$ 1,771,318
Accrued liabilities	3,634,213	0	0	3,634,213
Deferred revenue	0	135,525	0	135,525
Due to other county units	3,775,270	543,634	0	4,318,904
Due to other governments	0	795	0	795
Total liabilities	9,020,841	809,518	30,396	9,860,755
Fund balance:				
Nonspendable	780,747	53,191	0	833,938
Restricted	0	301,212	0	301,212
Assigned	0	383,102	2,660,728	3,043,830
Unassigned	(780,747)	0	0	(780,747)
Total fund balance	0	737,505	2,660,728	3,398,233
Total liabilities and fund balance	$ 9,020,841	$ 1,547,023	$ 2,691,124	$ 13,258,988

The accompanying notes are an integral part of these special-purpose financial statements.

Sheriff
Leon County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds

Year Ended September 30, 2023

	General Fund	Special Grants Fund	Inmate Welfare Fund	Total Governmental Funds
Revenues				
Intergovernmental	$ 0	$ 1,307,669	$ 0	$ 1,307,669
Charges for services	1,816,819	253,586	1,331,205	3,401,610
Fines and forfeitures	0	22,701	0	22,701
Interest	304,594	0	28,946	333,540
Miscellaneous	456,885	427,198	0	884,083
Total revenues	2,578,298	2,011,154	1,360,151	5,949,603
Expenditures				
Current:				
Judicial:				
Personnel services	4,570,797	0	0	4,570,797
Operating	194,281	0	0	194,281
Total judicial	4,765,078	0	0	4,765,078
Public Safety:				
Personnel services	67,374,832	549,813	729,628	68,654,273
Operating	18,143,477	1,247,571	297,995	19,689,043
Total public safety	85,518,309	1,797,384	1,027,623	88,343,316
Debt service				
Principal	2,366,196	0	0	2,366,196
Interest	86,464	0	0	86,464
Total debt service	2,452,660	0	0	2,452,660
Capital Outlay	6,521,810	348,205	45,999	6,916,014
Total expenditures	99,257,857	2,145,589	1,073,622	102,477,068
Excess of revenues over (under) expenditures	(96,679,559)	(134,435)	286,529	(96,527,465)
Other financing sources (uses):				
Transfers in	94,752,056	574,338	0	95,326,394
Transfers out	(3,498,131)	(525,696)	0	(4,023,827)
Lease financing	5,425,634	0	0	5,425,634
Total other financing sources (uses)	96,679,559	48,642	0	96,728,201
Net change in fund balance	0	(85,793)	286,529	200,736
Fund balance, at beginning of year	0	823,298	2,374,199	3,197,497
Fund balance at end of year	$ 0	$ 737,505	$ 2,660,728	$ 3,398,233

The accompanying notes are an integral part of these special-purpose financial statements.

Sheriff
Leon County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund

Year Ended September 30, 2023

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive
Revenues				
Charges for services	$ 1,579,520	$ 1,621,385	$ 1,816,819	$ 195,434
Interest	0	0	304,594	304,594
Miscellaneous	0	0	456,885	456,885
Total revenues	1,579,520	1,621,385	2,578,298	956,913
Expenditures				
Current:				
Judicial:				
Personnel services	4,364,350	4,574,058	4,570,797	3,261
Operating	192,215	195,157	194,281	876
Total judicial	4,556,565	4,769,215	4,765,078	4,137
Public Safety:				
Personnel services	68,117,060	68,402,059	67,374,832	1,027,227
Operating	20,758,289	20,604,203	18,143,477	2,460,726
Total public safety	88,875,349	89,006,262	85,518,309	3,487,953
Debt service:				
Principal	0	0	2,366,196	(2,366,196)
Interest	0	0	86,464	(86,464)
Total debt service	0	0	2,452,660	(2,452,660)
Capital Outlay	2,272,839	2,598,329	6,521,810	(3,923,481)
Total expenditures	95,704,753	96,373,806	99,257,857	(2,884,051)
Excess of revenues over (under) expenditures	(94,125,233)	(94,752,421)	(96,679,559)	(1,927,138)
Other financing sources (uses):				
Transfers in	94,125,233	94,752,421	94,752,056	(365)
Transfers out	0	0	(3,498,131)	(3,498,131)
Lease financing	0	0	5,425,634	5,425,634
Total other financing sources (uses)	94,125,233	94,752,421	96,679,559	1,927,138
Net change in fund balance	0	0	0	0
Fund balance at beginning of year	0	0	0	0
Fund balance at end of year	$ 0	$ 0	$ 0	$ 0

The accompanying notes are an integral part of these special-purpose financial statements.

Sheriff
Leon County, Florida
Statement of Fiduciary Net Position -
Custodial Funds

September 30, 2023

Assets		
Cash	$	710,854
Accounts receivable		2,392
Due from other governments		977
Total assets	$	714,223
Liabilities		
Accounts payable	$	32,628
Due to other county units		74,485
Due to other governments		4,243
Total liabilities		111,356
Net Position		
Restricted for:		
Individuals, organizations, and other governments		602,867
Total net position		602,867
Total liabilities and net position	$	714,223

The accompanying notes are an integral part of these special-purpose financial statements.

Sheriff
Leon County, Florida
Statement of Changes in Fiduciary Net Position -
Custodial Funds

Year Ended September 30, 2023

Additions:		
Inmate Funds Collected	$	815,750
Contracts and Other Miscellaneous Collected		494,939
Evidence Monies Collected		64,445
Fines and Forfeitures Fees Collected		571,462
Total additions		1,946,596
Deductions		
Inmate Funds Disbursed		813,136
Contracts and Other Miscellaneous Disbursed		493,774
Evidence Monies Disbursed		93,529
Fine and Forfeiture and Fees Disbursed		571,462
Total deductions		1,971,901
Change in Net Position		(25,305)
Beginning Net Position		628,172
Ending Net Position	$	602,867

The accompanying notes are an integral part of these special-purpose financial statements.

Sheriff
Leon County, Florida
Notes to Special-Purpose Financial Statements

Year Ended September 30, 2023

1. Summary of Significant Accounting Policies

Reporting Entity

The Sheriff operates as a County agency and an elected Constitutional Officer of Leon County (the County) pursuant to Article VIII, Section (1) of the *Constitution of the State of Florida*. For financial statement and reporting purposes, the Sheriff is a separate constitutional officer as provided by Chapter 218, *Florida Statutes*. Leon County is a charter county, which allows for the same powers and duties as provided by the *Constitution of the State of Florida* and *Florida Statutes*. However, in certain instances, the charter either alters or expands the powers of the elected officials via voter referendum. The Sheriff is considered to be a part of the primary government of Leon County, Florida, and is included in the Leon County government-wide annual financial statements. The financial statements contained herein represent the financial transactions of the Sheriff only.

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

Basis of Presentation

These special-purpose financial statements are fund financial statements that have been prepared in conformity with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB) and accounting practices prescribed by the State of Florida, Office of the Auditor General.

Description of Funds

The financial activities of the Sheriff are recorded in separate funds, which are categorized and described as follows:

Governmental Fund Types

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

- *Special Grants Fund* — To account for various law enforcement grants and the proceeds of specific revenue sources that are legally restricted to expenditures for specific law enforcement purposes.

- *Inmate Welfare Fund* — To account for the operations related to various rehabilitative programs and other expenditures related to inmate welfare.

1. Summary of Significant Accounting Policies (continued)

Description of Funds (continued)

Fiduciary Fund Types

- *Custodial Funds* — These funds are used to account for assets held by the Sheriff as an agent, including prisoner housing, work release and warrant fees which are remitted to other governmental agencies, restitution, forfeitures and other collections which are remitted to third parties, employee contributions to be used for designated purposes and prisoner deposits which are expended on their personal effects.

Basis of Accounting

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

The accounts of the Governmental Funds are maintained on the modified accrual basis. Under the modified accrual basis, revenues are recognized when they are received in cash or when they are considered both measurable and available and as such, are susceptible to accrual. Expenditures are recorded when the liability is incurred and/or will be paid from expendable available financial resources. The accounts of the Custodial Funds are reported using the economic resources measurement focus and the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

The Sheriff considers receivables collected within 30 days after year end to be available and susceptible to accrual as revenues of the current year. There are essentially two types of revenue when applying the "susceptible to accrual" concept to intergovernmental revenues. Primarily all grant revenues are recognized on the basis of expenditures incurred for the specific purpose or project. Other revenues are generally unrestricted and are revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if measurable and available to finance expenditures of the current period. The following major revenues are considered susceptible to accrual: charges for services, intergovernmental revenues, grant revenues expended on a cost reimbursement basis, and interest earned.

Budgets and Budgetary Accounting

Section 30.49, *Florida Statutes*, governs the preparation, adoption and administration of the Sheriff's annual budget. Line item expenditures in excess of budget are authorized to the extent that total expenditures do not

1. Summary of Significant Accounting Policies (continued)

Budgets and Budgetary Accounting (continued)

exceed total budgeted expenditures at the fund level. An annual budget is adopted for the General Fund, while the Special Grants Fund adopts project-specific budgets, and the Inmate Welfare Fund is not budgeted. Appropriations lapse at the close of the fiscal year to the extent they have not been expended. The budgeted revenues and expenditures in the accompanying Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual, reflect all approved amendments.

Investments

Investments in external pools that follow SEC Rule 2a-7 regulations are reported at amortized cost, which approximates fair value.

Inventories

Inventories consist of supplies and are stated at the lower of cost or market, determined on a first-in, first-out basis. The consumption method is used for all funds whereby the cost is recorded as an expenditure at the time of issuance to the user department.

Capital Assets

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

Capital assets purchased in the governmental fund types costing $1,000 or more and having a useful life in excess of one year are recorded as capital outlay expenditures at the time of purchase. The tangible personal property used by the Sheriff is reported as capital assets, at cost, in the Statement of Net Position in the government-wide financial statements of Leon County, Florida. Donated and confiscated capital assets are recorded in the County's Statement of Net Position at fair value at the time received. Capital assets are depreciated using the straight-line method over 5 to 20 years. Depreciation expense is recorded in the Statement of Activities in the government-wide financial statements of Leon County, Florida.

1. Summary of Significant Accounting Policies (continued)

Leases

Leases are defined by the general government as the right to use an underlying asset. As lessee, the Sheriff recognizes a lease liability and an intangible right-of-use lease asset at the beginning of a lease unless the lease is considered a short-term lease or transfers ownership of the underlying asset. Right-of-use lease assets are measured based on the net present value of the future lease payments at inception, using the weighted average cost of capital, which approximate the incremental borrowing rate. Remeasurement of a lease liability occurs when there is a change in the lease term and/or other changes that are likely to have a significant impact on the lease liability. The Sheriff calculates the amortization of the discount on the lease liability and reports that amount as outflows of resources. Payments are allocated first to accrued interest liability and then to the lease liability. Variable lease payments based on the usage of the underlying assets are not included in the lease liability calculations but are recognized as outflows of resources in the period in which the obligation was incurred.

As lessor, the Sheriff recognizes a lease receivable The lease receivable is measured using the net present value of future lease payments to be received for the lease term and deferred inflow of receivables at the beginning of the lease term. Periodic amortization of the discount on the receivable are reported as interest revenue for that period. Deferred inflows of resources are recognized as inflows on a straight-line basis over the term of the lease. This recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases. Any initial direct costs are reported as an outflow of resources for that period. Remeasurement of lease receivables occur when there are modifications, including but not limited to changes in the contract price, lease term, and adding or removing an underlying asset to the lease agreements. In the case of a partial or full lease termination, the carrying value of the lease receivable and the related deferred inflow of resources will be reduced and will include a gain or loss for the difference.

For lease contracts that are short-term, the Sheriff recognizes short-term lease payments as inflows of resources (revenues) based on the payment provisions of the lease contract. Liabilities are only recognized if payments are received in advance, and receivables are only recognized if payments are received subsequent to the reporting period. Such assets, liabilities, deferred inflows and outflows are reported on the Statement of Net Position in the county-wide financial statements of Leon County, Florida. Additional disclosures regarding leases are in Note 9.

1. Summary of Significant Accounting Policies (continued)

Liability for Compensated Absences

Permanent full-time employees receive annual vacation and sick leave and compensatory leave based on policies determined by the Sheriff.

a. Annual leave is earned biweekly as follows:

Years of Service	Hours
First 5	3.75
5-10	4.75
10-15	5.75
15-20	6.50
20 or more	7.50

Accumulated annual leave balances shall be limited based on years of service as follows:

Years of Service	Hours
First 10	240
10-20	360
20 or more	500

An employee's total annual leave may exceed the annual limit during a calendar year, but will be reduced to the above limited hours on the first pay period for the following year. Any annual leave balances in excess of the authorized limits shall be transferred to their sick leave on an hour-for-hour basis. Employees who have reached permanent status and who separate in good standing shall be paid for the accrued time at their current rate of pay, not to exceed the limitations noted above.

Senior Management Service members shall receive 195 hours credited to their annual leave balance upon initial hire date and on the first pay period of each fiscal year. If a Senior Management Service staff member separates from the agency, the annual leave balance or final compensation will be reduced by the prorated amount.

1. Summary of Significant Accounting Policies (continued)

Liability for Compensated Absences (continued)

b. Each employee earns 3.75 hours of sick leave biweekly that may be accumulated without limits. Accrued sick leave is paid out upon separation of service, based on the following percentages:

First 5 Years of Service	0%
5-20 Years of Service	25%
20 or More Years of Service	50%
Death of Employee	75%
Death (in the line of duty)	100%

c. An employee may also accumulate up to 240 hours of compensatory leave in addition to earned annual and sick leave. Any employee who terminates shall be paid for all accrued compensatory leave at their current rate of pay.

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

Other Postemployment Benefits

The Sheriff through Leon County offers retiree medical insurance benefits for qualifying Sheriff employees that have retired from a Florida Retirement System (FRS) pension plan.

Transfers In and Out

The Board funds the majority of the operating budget of the Sheriff. The payments by the Board to fund the operations of the Sheriff are recorded as transfers in on the financial statements of the Sheriff. In accordance with *Florida Statutes*, the Sheriff distributes all general fund revenues in excess of expenditures to the Board within 31 days following the end of the fiscal year. These excess fees are reported as a liability and as operating transfers out to the Board on the financial statements of the Sheriff.

Common Expenses

Certain expenses for occupancy costs, which are common to the Board and all Constitutional Officers, are reported as expenses of the Board and, therefore, are not budgeted by or allocated to the Sheriff.

1. Summary of Significant Accounting Policies (continued)

Fund Balances

Fund Balance is the difference between assets and liabilities on the governmental fund statements.

For financial reporting purposes, the County has a financial policy that defines the different fund balance classifications for governmental funds and the order that the resources are used.

Nonspendable Fund Balance - Balances are comprised of funds that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

Restricted Fund Balance - Balances are comprised of funds that have legally enforceable constraints placed on their use or have externally imposed restrictions by resource providers, creditors, grantors, contributors, voters, inter-local agreements, or enabling legislation.

Committed Fund Balance - Balances are comprised of unrestricted funds used for specific purposes pursuant to constraints imposed by formal action such as ordinances, resolutions or legislation of Leon County, and that remain binding unless removed by a majority vote of the Board of County Commissioners.

Assigned Fund Balance - Balances are comprised of unrestricted funds informally constrained by a majority vote of the Board of County Commissioners, or by a designated county officer, in a manner that reflects the County's use of those resources such as appropriations of fund balance at year end or at the beginning of the new fiscal year.

Unassigned Fund Balance - Balances are comprised of the residual of the unrestricted funds in the General Fund and are not nonspendable, restricted, committed or assigned. Other fund types can only report a negative unassigned residual amount.

The County's policy is that available resources will be spent in the following order: restricted, committed, assigned and unassigned.

New pronouncement

In May 2020, the GASB issued Statement No. 96, Subscription Based Information Technology Arrangements (SBITAs). This statement increases the usefulness of governments' financial statements by requiring recognition of certain subscription assets and liabilities for SBITAs that previously were classified as expenses based on the payment provisions of the contract. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2022. The Sheriff implemented GASB Statement No. 96 as of October 1, 2022 using the facts and circumstances that existed at the beginning of the period of implementation. The Sheriff had no SBITAs as of, or for the fiscal year ending, September 30, 2023. Therefore there was no impact to the Sheriff 's beginning net position upon adoption of the new accounting standard.

2. Cash and Investments

Cash

Cash consists of demand deposits held at a bank designated by the Florida Division of Treasury as a qualified public depository. At September 30, 2023, the carrying amount of the Sheriff's deposits with the financial institution was $12,490,465 and the bank balances were $13,404,186. Deposits whose values exceed the limits of Federal depository insurance are entirely insured or collateralized pursuant to Chapter 280, Florida Statutes. Additionally, as of September 30, 2023, the Sheriff had cash on hand of $300.

Investments

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation.

The Sheriff is authorized to invest in all state-approved investments identified in Section 218.415(17), *Florida Statutes*, which include:

1. The Florida PRIME (formerly the Local Government Surplus Funds Trust Fund), or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act of 1969;

2. Securities and Exchange Commission (SEC) registered money market funds with the highest credit quality rating from a nationally-recognized rating agency;

3. Interest-bearing time deposits or savings accounts in qualified public depositories;

4. Direct obligations of the U.S. Treasury.

The Sheriff 's investment policies are guided by Section 219.075, *Florida Statutes* - Investment of Surplus Funds by County Officers and Section 218.415, *Florida Statutes* - Local Government Investment Policies. The Sheriff has no investment policy that would further limit its investment choices.

2. Cash and Investments (continued)

Credit Risk (continued)

During the year ended September 30, 2023, the Sheriff invested in the Florida Cooperative Liquid Assets Securities System (FLCLASS), an external local government investment pool created by interlocal agreement under Section 163.01, *Florida Statutes*. FLCLASS is managed by Public Trust Advisors, LLC and the trust's investments are held in custody by Wells Fargo Bank, N.A. The pool is supervised by an appointed Board of Trustees comprised of eligible participants of the program. The Board acts as the liaison between the participant, the custodian, and the program administrator. The fund is an S&P AAAm rated money market product offering a fiscally conservative diversification option for Florida local governments. The objective of the fund is to provide investors with liquidity, stable share price and as high a level of current income as is consistent with preservation of principal and liquidity. The weighted average days of maturity of the FLCLASS at September 30, 2023 is 43 days. Investments in the FLCLASS are not evidenced by securities that exist in physical or book entry form. The fair value of the Sheriff's position in the pool approximates the value of the pool shares. At September 30, 2023, the Sheriff had $0 invested with the FLCLASS.

Custodial Credit Risk

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

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

3. Capital Assets

As discussed in Note 1, tangible personal property used by the Sheriff in operations is reported in the government-wide financial statements of Leon County, Florida. A summary of the changes in capital assets for the year ended September 30, 2023, follows:

	Balance October 1, 2022	Additions	(Retirements)	Balance September 30, 2023
Vehicles and equipment	$ 41,607,850	$ 1,618,512	$ (4,533,635)	$ 38,692,727

4. Long-Term Liabilities

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

	Balance October 1, 2022	Additions	(Retirements)	Balance September 30, 2023	Due Within One Year
Liability for compensated absences	$ 10,301,990	$ 4,148,764	$ (4,350,834)	$ 10,099,920	$ 3,072,396
Liability for lease assets	4,428,979	5,425,634	(2,366,197)	7,488,416	2,919,058
Total long-term liabilities	$ 14,730,969	$ 9,574,398	$ (6,717,031)	$ 17,588,336	$ 5,991,454

The above liabilities are not reported in the financial statements of the Sheriff since they are not payable from available resources at September 30, 2023. As discussed in Note 1, they are reported in the Statement of Net Position as part of the government-wide financial statements of Leon County, Florida.

5. Employees' Retirement Plan

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. As described in Note 1, the financial statements of the Sheriff are fund statements considered to be special-purpose financial statements consistent with accounting practices by the Auditor General, State of Florida. Accordingly, the net pension liability is included at the county-wide financial statement level rather than in these special-purpose financial statements.

All full-time and permanent part-time employees of the Sheriff are eligible to participate in the Florida Retirement System (FRS). The FRS includes various plans, including a defined benefit pension plan (Pension Plan), which is primarily a cost-sharing multiple-employer defined benefit public employee pension plan.

Information as to benefits, contribution rates and vesting requirements by membership category, is provided in the Leon County, Florida Annual Comprehensive Financial Report. Contributions and benefits are established by Section 121.71, *Florida Statutes*.

Participating employer contributions are based upon actuarially determined blended rates established by the State Legislature, that expressed as percentages of annual covered payroll are adequate to accumulate sufficient assets to pay benefits when due. Employees who are not participating in the Deferred Retirement Option Program are required to contribute three percent (3%) of their gross compensation to the FRS.

5. Employees' Retirement Plan (continued)

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

The HIS Program is funded by required contributions from FRS participating employers as set by the State Legislature. Employer contributions are a percentage of gross compensation for all active FRS employees and are reported by employers with monthly payroll reports and included with the amount submitted for retirement contributions. For the fiscal year ended September 30, 2023, the contribution rate was 2.00 percent of payroll, pursuant to Section 112.363, *Florida Statutes*.

The total employer retirement contributions paid for the years ended September 30, 2023, 2022 and 2021 were $11,967,367, $10,017,166, and $9,573,896, respectively, which is equal to the required contribution for each year.

The Pension Plan and the HIS Program are administered by the State of Florida, Department of Management Services, Division of Retirement. The Division of Retirement issues a publicly available FRS Annual Report that includes financial statements and required supplementary information for these plans. That report may be obtained by writing to the Division of Retirement, Post Office Box 9000, Tallahassee Florida 32399-9000, or on the website located at www.dms.myflorida.com/workforce_operations/retirement/publications.

6. Other Postemployment Benefits

The Sheriff participates in an agent multiple-employer plan administered by the County, under which qualified retired employees and their spouses are permitted to participate in the health and life insurance benefits program (the Program). Retired employees and their spouses for their lifetime are eligible for continuation of the benefits offered to active employees and are responsible for paying the required premium contributions. The Program may be amended by the Board. A stand alone financial report is not issued for the Program. As described in Note 1, the Sheriff is an elected Constitutional Officer of the County. The annual OPEB obligation of constitutional officers is recognized in the government-wide financial statements of the County.

7. Other Required Individual Fund Disclosures

The Sheriff did not have individual fund interfund receivable or payable balances at September 30, 2023.

8. Risk Management

Professional Liability

The Sheriff is currently a member of the Florida Sheriffs' Association and participates in the Florida Sheriffs' Self-Insurance Fund. The Self-Insurance Fund administers insurance activities related to professional liability and covers compensatory damages (except back pay), employment benefits, punitive damages, attorney fees or costs awarded to a prevailing Plaintiff, and all legal fees involved in defense of the Sheriff. The contribution required for the year ended September 30, 2023, was $559,280.

The limits of the Self-Insurance Fund for the above-mentioned damages, fees and defense costs are $5,000,000 per incident or occurrence and $10,000,000 in aggregate for the policy year. Settled claims did not exceed this coverage in the current year.

Automobile Liability

As a member of the Florida Sheriff's Association, the Sheriff participates in the Sheriffs' Automobile Risk Program (SHARP) for automobile liability insurance. Coverage includes liability for bodily injury and property damage, personal injury protection, auto medical payments, bodily injury for uninsured motorists and physical damage. Coverage for physical damage is also maintained on certain vehicles. The contribution required for the year ended September 30, 2023, was $308,238.

8. Risk Management (continued)

Workers' Compensation

The Sheriff participates in the Leon County Insurance Service Fund, which accounts for self-insurance activities relating to workers' compensation. This fund is administered by a third-party administrator. The Sheriff makes payments to the Insurance Service Fund based upon payroll exposure in the amounts needed to pay prior and current year claims. The contribution required for the year ended September 30, 2023, was $1,100,000. Excess payments are recorded as a designation of net position for catastrophic losses on the books of Leon County. Excess coverage with a commercial carrier is also in force for each claim exceeding $500,000.

9. Leases

Effective October 1, 2021, the Sheriff adopted GASB's No. 87, Leases, using the facts and circumstances that existed at the beginning of the period of implementation. The right-to-use asset is be measured based on the lease liability at the period of implementation and no restatement of beginning net position is required because the lease asset and the lease liability is the same.

The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

Lessee

The Sheriff has entered into seven leases as a lessee for the use of office equipment. The terms of the leases range from 30 to 59 months beginning on the contract commencement date. An initial lease liability was recorded in the amount of $163,234. As of September 30, 2023, the value of the lease liability is $67,411. The Sheriff is required to make monthly payments ranging from $66 to $1,476 and annual payments ranging from $9,366 to $18,732 through the terms of the leases. The leases have interest rates ranging from 0.5300% and 0.9800%. The value of the right to use assets as of September 30, 2023, was $74,732 with accumulated amortization of $88,502 and is included with office equipment on the Lease Class activities table found below.

9. Leases (continued)

The Sheriff has entered into six leases as lessee for the use of law enforcement equipment. The terms of the leases range from 31 to 64 months beginning on the contract commencement date. An initial lease liability was recorded in the amount of $11,483,111. As of September 30, 2023, the value of the lease liability is $7,121,612. The Sheriff is required to make monthly payments of $39,339 and annual payments of $16,724 to $1,761,766 through the terms of the leases. The leases have interest rates ranging from 2.4400% and 5.0000%. The value of the right to use asset as of September 30, 2023, was $7,584,387 with accumulated amortization of $3,898,724 and is included with law enforcement equipment on the Lease Class activities table found below.

The Sheriff has entered into three leases as a lessee for the use of office and training space. The terms of the leases range from 36 to 70 months beginning on the contract commencement date. An initial lease liability was recorded in the amount of $406,829. As of September 30, 2023, the value of the lease liability is $299,394. The Sheriff is required to make monthly payments ranging from $945 to $6,800 and annual payments of $42,000 through the terms of the leases. The leases have an interest rate of 5.0000%. The value of the right to use assets as of September 30, 2023, was $298,002 with accumulated amortization of $108,827 and is included with office and training space on the Lease Class activities table found below.

As of September 30, 2023 Asset Class	Amount of Lease Assets by Major Classes of Underlying Asset Lease Asset Value	 Accumulated Amortization
Office equipment	$ 163,234	$ 88,502
Law enforcement equipment	11,483,111	3,898,724
Office and training space	406,829	108,827
Total Leases	$ 12,053,174	$ 4,096,053

Total future minimum lease payments under lease agreements are as follows:

Fiscal Year	Governmental Activities Principal	 Interest	 Total
2023	$ 2,919,058	$ 239,026	$ 3,158,084
2024	1,162,330	180,912	1,343,242
2025	1,134,348	118,656	1,253,004
2026	1,142,911	63,538	1,206,449
2027	1,129,769	4,615	1,134,384
Total	$ 7,488,416	$ 606,747	$ 8,095,163

10. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. They do not constitute expenditures or liabilities. The commitments will be honored in the subsequent year. There were no encumbrances at September 30, 2023.

11. Commitments and Contingencies

A. Litigation

At September 30, 2023, there were certain claims and legal actions pending against the Sheriff from the normal course of operations. The outcome of these claims and actions is not presently determinable.

At September 30, 2023, there were various other claims and legal actions pending against the Sheriff. These claims are covered through the Sheriff's participation in the Florida Sheriffs' Self-Insurance Fund. In the opinion of the Sheriff's legal counsel, the liabilities which may arise from such actions would be adequately covered by the Self-Insurance Fund.

B. Long-Term Contracts

TSR System Agreement

The Sheriff, Leon County and the City of Tallahassee (the Parties) entered into an inter-local agreement on December 20, 2007 to establish parameters relating to ownership, expansion, operation, maintenance and the use of the 800MHz Project 25 Digital Trunked Simulcast Radio (TSR) System. The agreement provides for 50% ownership of the TSR System's backbone equipment by the Sheriff and the County. The agreement also provides that the Sheriff and the County are required to pay 50% of the TSR System's operating costs. Absent a prior notice to withdraw, the agreement shall continue until the date the agreement is terminated by mutual written agreement of the Parties. Activity related to the agreement is accounted for as a joint operation.

Aramark Agreement

On August 23, 2018, the Sheriff and Aramark entered into an Agreement which granted Aramark the exclusive rights to provide food and commissary services for the inmates, staff and visitors at the Leon County Detention Facility. The Agreement commenced starting October 1, 2018, and will continue through September 30, 2024, as amended, with the ability to renew the Agreement for four additional one-year periods. As part of the Agreement, Aramark agreed to make a financial commitment to the Sheriff in the amount of $600,000, which was received in August 2018, for the purchase and installation of mutually agreed food service equipment and other improvements to the kitchen and dining facility. For the year ended September 30, 2023, total equipment and improvement expenses were $332,636. If the Agreement expires or is terminated for any reason by either party prior to the complete amortization of the financial commitment, the Sheriff shall be obligated to reimburse the unamortized balance plus interest on such accounts at the Prime Rate plus two percentage points per annum, compounded monthly from the date of termination or expiration, until the date paid.

12. Consolidated Dispatch Agency

In May 2012, the City of Tallahassee (the City), Leon County, Florida and the Leon County Sheriff's Office entered into an inter-local agreement authorized by Section 163.01, *Florida Statutes*. This agreement created a Consolidated Dispatch Agency (CDA) for the purpose of dispatching law enforcement, fire and emergency medical services personnel. The term of this agreement is for a period of 10 years, commencing April 1, 2013, and will renew automatically thereafter. The CDA will govern and manage the provision of public safety consolidated dispatch services on a county-wide basis.

The governing body of the CDA consists of the City of Tallahassee City Manager, the Leon County Administrator and the Leon County Sheriff, hereinafter called the Council. The City and County shall fund the CDA budget proportionately based upon the per capita population within the corporate limits of the City of Tallahassee for the City, and the per capita population within the unincorporated area of Leon County for the County, and a service cost allocation shall be included in the CDA's annual budget. Current audited financial statements may be obtained from the Consolidated Dispatch Agency, 300 S. Adams Street, Box A-19, Tallahassee, Florida 32301.

13. Subsequent Events

The Sheriff has evaluated subsequent events through April 25, 2024, the date the special-purpose financial statements were available to be issued. No subsequent events were identified that required disclosure.

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*

September 30, 2023

Thomas Howell Ferguson P.A.
Certified Public Accountants

LAW REDD
CPAs & ADVISORS

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*

The Honorable Sheriff
Leon County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the special-purpose financial statements of the Sheriff of Leon County, Florida (the Sheriff) as of and for the year ended September 30, 2023, and the related notes to the special-purpose financial statements, which collectively comprise the Sheriff's special-purpose financial statements, and have issued our report thereon dated April 25, 2024.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's special-purpose 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 were not identified. We identified certain deficiencies in internal control described in the accompanying *Management Letter* as items 2023-001 and 2023-002 to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Sheriff's special-purpose 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 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 noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Sheriff's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Sheriff's response to the findings identified in our audit and described in the accompanying *Management Letter*. The Sheriff's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

We have issued a management letter to the Sheriff of Leon County, Florida, dated April 25, 2024, presenting certain required disclosures and comments pursuant to the *Rules of the Auditor General*, Chapter 10.550.

Thomas Howell Ferguson P.A.

Thomas Howell Ferguson P.A.
Tallahassee, Florida
April 25, 2024

Law Redd Crona & Munroe P.A.

Law, Redd, Crona & Munroe, P.A.
Tallahassee, Florida

Report of Independent Accountants on Compliance With Section 218.415, *Florida Statutes*, Local Government Investment Policies

September 30, 2023

Thomas Howell Ferguson P.A.
Certified Public Accountants

LAW REDD
CPAs & ADVISORS

Report of Independent Accountants on Compliance With Section 218.415, *Florida Statutes*, Local Government Investment Policies

The Honorable Sheriff
Leon County, Florida

We have examined the Sheriff of Leon County, Florida's (the Sheriff) compliance with local government investment policies provided in Section 218.415, *Florida Statutes*, during the fiscal year ended September 30, 2023. Management of the Sheriff is responsible for the Sheriff's compliance with the specified requirements. Our responsibility is to express an opinion on the Sheriff's compliance with the specified requirements based on our examination.

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

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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

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

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

Thomas Howell Ferguson P.A.

Thomas Howell Ferguson P.A.
Tallahassee, Florida
April 25, 2024

Law Redd Crona & Munroe P.A.

Law, Redd, Crona & Munroe, P.A.
Tallahassee, Florida

Management Letter

September 30, 2023

Thomas Howell Ferguson P.A.
Certified Public Accountants

LAW REDD
CPAs & ADVISORS

Management Letter

The Honorable Sheriff
Leon County, Florida

Report on the Special-Purpose Financial Statements

We have audited the special-purpose financial statements of the Sheriff of Leon County, Florida (the Sheriff), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated April 25, 2024.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Report of Independent Auditors on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards;* and Report of Independent Accountants on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 25, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The name or official title and legal authority for the primary government of the reporting entity are disclosed in Note 1 of the Notes to the Special-Purpose Financial Statements. The Sheriff has no component units.

Financial Management

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. The following recommendations were made:

2023-001 – Significant Adjustments

Criteria: The Committee for Sponsoring Organizations (COSO) defines internal controls as, "a process effected by an entity's board, management, and other personnel, designed to provide reasonable assurance of the achievement of objectives relating to operations, reporting, and compliance." A "control deficiency" 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 misstatements of the financial statements on a timely basis. One control deficiency that typically is considered significant is identification by the audit of a material misstatement in the financial statements that was not initially identified by the entity's internal controls. Management is responsible for the preparation and fair presentation of the financial statements in accordance with generally accepted accounting principles (GAAP). This includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement.

Condition: Subsequent to the start of our year-end audit procedures, numerous adjustments were required to be made to prevent the Sheriff's financial statements from being materially misstated.

Cause: The Sheriff's accounting staff did not provide a year-end trial balance reflecting all necessary accounting entries.

Effect: The financial statements would be materially misstated if the significant adjustments were not made.

Recommendation: We recommend that the Sherif evaluate and improve internal controls over financial reporting and implement changes as necessary to detect misstatements in the financial statements. This will ensure accurate and timely financial reporting. The controls should include preparation and review of all workpapers necessary to adjust the financial statements in accordance with generally accepted accounting principles. The Sheriff's accounting staff should post all necessary adjusting journal entries to the general ledger system prior to the audit. The draft financial statements should be reviewed by at least one qualified individual, independent of the preparation process, to identify potential misstatements.

Management's Response: *We have reviewed the adjustments made for financial statement presentation and identified the areas for improvement. The primary cause was our accrual process whereby we identify and record liabilities due and reportable as of September 30. To address the issue, we are creating written procedures for liability accruals, classification, and expense prepayments. In addition, we will be training applicable staff on proper treatment and review of the same.*

2023-002 – Bank Reconciliation

Criteria: The Committee for Sponsoring Organizations (COSO) defines controls activities as the actions established through policies and procedures that help ensure that management's directives to mitigate risks to the achievement of objectives are carried out.

The Sheriff has developed a set of policies and procedures to reconcile each bank account monthly to ensure proper financial reporting. While the internal controls are designed to provide reasonable assurance of achieving the entity's objectives, limitations do exist. Such limitations include but are not limited to breakdowns in internal control due to human errors.

Condition: During our testing of bank reconciliations, we noted fiscal year 2024 transactions were included as reconciling items on three separate bank reconciliations. These transactions were dated incorrectly in the general ledger and were incorrectly added as reconciling items to reconcile to the adjusted cash balance as of September 30, 2023. The error was not detected by management's internal controls. One of these reconciling items was material and a journal entry was required to correct the cash balance of the general fund as of September 30, 2023. Additionally, we noted several reconciling items on the bank reconciliation that excluded the payee name, which is not consistent with the Sheriff's policy and reduces the effectiveness of the bank reconciliation process for detecting errors and/or inappropriate transactions.

Cause: Oversight of the accounting staff preparing the bank reconciliation and in the review and approval process which did not detect the existence of the error.

Effect: The financial statements would be materially misstated if the identified adjustment was not made.

Recommendation: Management should review its internal policies and procedures regarding the bank reconciliation process and make changes as necessary. The bank reconciliations should be performed monthly by accounting staff that has an understanding of the bank reconciliation process and generally accepted accounting standards (GAAP). Bank reconciliations should be prepared in a manner that is consistent with policy, and timely reviewed, approved, signed, and dated by a senior level personnel such as the Controller or CFO to identify potential misstatements.

Management's Response: *We agree that cash transactions were entered into the accounting system under the incorrect fiscal year. To prevent further occurrences, staff responsible for preparing and supervising the bank reconciliations will be trained in the proper treatment of cash transactions, particularly those occurring at year-end. In addition, because these errors were introduced via journal entry, we will be training staff who prepare entries on proper year-end transaction procedures. Finally, we will prepare written procedures for bank reconciliations and journal entries.*

Additional Matters

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

Purpose of this Letter

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

Thomas Howell Ferguson P.A.

Thomas Howell Ferguson P.A.
Tallahassee, Florida
April 25, 2024

Law Redd Crona + Munroe P.A.

Law, Redd, Crona & Munroe, P.A.
Tallahassee, Florida

Special-Purpose Financial Statements

Supervisor of Elections
Leon County, Florida

Year Ended September 30, 2023
with Report of Independent Auditors

Thomas Howell Ferguson P.A.
and
Law, Redd, Crona & Munroe, P.A.

Supervisor of Elections
Leon County, Florida

Special - Purpose Financial Statements

Year Ended September 30, 2023
TABLE OF CONTENTS

PAGE

Report of Independent Auditors....1

Audited Special-Purpose Financial Statements

Balance Sheet - Governmental Funds....4
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds....5
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund....6
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Grants Fund....7
Notes to Special-Purpose Financial Statements....8

Other Reports

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*....17

Report of Independent Accountants on Compliance with Section 218.415, *Florida Statutes*, Local Government Investment Policies....19

Management Letter....20

Thomas Howell Ferguson P.A.
Certified Public Accountants

LAW REDD
CPAs & ADVISORS

Report of Independent Auditors

To the Honorable Supervisor of Elections
Leon County, Florida

Opinion

We have audited the accompanying special-purpose financial statements of the governmental funds (General Fund and Grants Fund) of the Supervisor of Elections of Leon County, Florida (the Supervisor of Elections) as of and for the year ended September 30, 2023, and the related notes to the special-purpose financial statements, which collectively comprise the Supervisor of Elections' special-purpose financial statements as listed in the table of contents.

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the Supervisor of Elections as of September 30, 2023, and the respective changes in financial position thereof, and the respective budgetary comparison statements of the General Fund and Grants Fund 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 (GAAS) 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 Auditors' Responsibilities for the Audit of the Special-Purpose Financial Statements section of our report. We are required to be independent of the Supervisor of Elections, 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

As discussed in Note 1, the accompanying special-purpose financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (Rules). In conformity with the Rules, the accompanying special-purpose financial statements are intended to present the financial position and the changes in financial position of only that portion that is attributable to the transactions of the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Leon County, Florida, as of September 30, 2023, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Note 1 to the special-purpose financial statements, the Supervisor of Elections adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, during the year ended September 30, 2023. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Special-Purpose Financial Statements

Management is responsible for the preparation and fair presentation of these special-purpose 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 special-purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special-purpose financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Supervisor of Elections' 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.

Auditors' Responsibilities for the Audit of the Special-Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special-purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS 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 GAAS 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 special-purpose 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 special-purpose financial statements.

- 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 special-purpose financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Supervisor of Elections' 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2024, on our consideration of the Supervisor of Elections' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is 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 Supervisor of Elections' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Supervisor of Elections' internal control over financial reporting and compliance.

Thomas Howell Ferguson P.A. Law Redd Crona + Munroe P.A.

Thomas Howell Ferguson P.A.
Tallahassee, Florida
March 8, 2024

Law, Redd, Crona & Munroe, P.A.
Tallahassee, Florida

Supervisor of Elections
Leon County, Florida
Balance Sheet - Governmental Funds
September 30, 2023

	General Fund	Grants Fund	Total Governmental Funds
Assets			
Cash	$ 452,699	$ 0	$ 452,699
Prepaids	30,250	0	30,250
Total assets	$ 482,949	$ 0	$ 482,949
Liabilities and fund balance			
Liabilities:			
Accounts payable	$ 12,733	$ 0	$ 12,733
Due to other county units	443,516	0	443,516
Accrued liabilities	26,700	0	26,700
Total liabilities	482,949	0	482,949
Fund balance:			
Nonspendable	30,250	0	30,250
Unassigned	(30,250)	0	(30,250)
Total fund balance	0	0	0
Total liabilities and fund balances	$ 482,949	$ 0	$ 482,949

The accompanying notes are an integral part of these special-purpose financial statements.

Supervisor of Elections
Leon County, Florida
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended September 30, 2023

	General Fund	Grants Fund	Total Governmental Funds
Revenues			
Charges for services	$ 61,417	$ 0	$ 61,417
Intergovernmental	0	115,202	115,202
Total revenues	61,417	115,202	176,619
Expenditures			
Current:			
General government:			
Personnel services	2,877,259	0	2,877,259
Operating	1,325,639	115,202	1,440,841
Debt service:			
Principal	255,001	0	255,001
Interest	57,492	0	57,492
Capital outlay	1,610,568	0	1,610,568
Total expenditures	6,125,959	115,202	6,241,161
Excess of revenues over (under) expenditures	(6,064,542)	0	(6,064,542)
Other financing sources (uses)			
Transfers in	4,897,490	0	4,897,490
Transfers out	(443,516)	0	(443,516)
Lease financing	203,737	0	203,737
Subscription financing	1,406,831	0	1,406,831
Total other financing sources (uses)	6,064,542	0	6,064,542
Net change in fund balances	0	0	0
Fund balances at beginning of year	0	0	0
Fund balances at end of year	$ 0	$ 0	$ 0

The accompanying notes are an integral part of these special-purpose financial statements.

Supervisor of Elections
Leon County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended September 30, 2023

	Budgeted Amounts			Variance Positive
	Original	Final	Actual	(Negative)
Revenues				
Charges for services	$ 0	$ 0	$ 61,417	$ 61,417
Total revenues	0	0	61,417	61,417
Expenditures				
Current:				
General government:				
Personnel services	2,915,448	3,023,448	2,877,259	146,189
Operating	1,860,342	1,874,042	1,325,639	548,403
Debt service:				
Principal	0	0	255,001	(255,001)
Interest	0	0	57,492	(57,492)
Capital outlay	0	0	1,610,568	(1,610,568)
Total expenditures	4,775,790	4,897,490	6,125,959	(1,228,469)
Excess of revenues (under) over expenditures	(4,775,790)	(4,897,490)	(6,064,542)	(1,167,052)
Other financing sources (uses)				
Transfers in	4,775,790	4,897,490	4,897,490	0
Transfers out	0	0	(443,516)	(443,516)
Lease financing	0	0	203,737	203,737
Subscription financing	0	0	1,406,831	1,406,831
Total other financing sources (uses)	4,775,790	4,897,490	6,064,542	1,167,052
Net change in fund balance	0	0	0	0
Fund balance at beginning of year	0	0	0	0
Fund balance at end of year	$ 0	$ 0	$ 0	$ 0

The accompanying notes are an integral part of these special-purpose financial statements.

Supervisor of Elections
Leon County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Grants Fund
Year Ended September 30, 2023

	Budgeted Amounts			Variance Positive
	Original	Final	Actual	(Negative)
Revenues				
Intergovernmental	$ 0	$ 115,202	$ 115,202	$ 0
Total revenues	0	115,202	115,202	0
Expenditures				
Current:				
General government:				
Operating	0	115,202	115,202	0
Total expenditures	0	115,202	115,202	0
Excess of revenues over (under) expenditures	0	0	0	0
Net change in fund balance	0	0	0	0
Fund balance at beginning of year	0	0	0	0
Fund balance at end of year	$ 0	$ 0	$ 0	$ 0

The accompanying notes are an integral part of these special-purpose financial statements.

Supervisor of Elections
Leon County, Florida
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2023

Note 1. Summary of Significant Accounting Policies

Reporting Entity

The Supervisor of Elections is an elected Constitutional Officer of Leon County, Florida, pursuant to Article VIII, Section (1) of the Constitution of the State of Florida. For financial statement and reporting purposes, the Supervisor of Elections is a separate constitutional officer as provided by Chapter 218, *Florida Statutes*. Leon County is a charter county which allows for the same powers and duties as provided by the Constitution of the State of Florida and *Florida Statutes*. However, in certain instances, the charter either alters or expands the powers of the elected officials via voter referendum. The Supervisor of Elections is considered to be a part of the primary government of Leon County, Florida, and is included in the Leon County, Florida Annual Comprehensive Financial Report (Leon County ACFR). The financial statements contained herein represent the financial transactions of the Supervisor of Elections only.

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

Basis of Presentation

The special-purpose financial statements are fund financial statements that have been prepared in conformity with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB) and accounting practices prescribed by the Auditor General, State of Florida.

Description of Funds

The financial activities of the Supervisor of Elections are recorded in the following funds:

Governmental Fund Type

- General Fund - The General Fund is the general operating fund of the Supervisor of Elections. This fund is used to account and report for all financial transactions not required to be accounted for in another fund.

- Grants Fund - The Grants Fund is a special revenue fund, used to account for grants awarded to the Supervisor of Elections. This fund also includes the corresponding county matching funds for the grants when required.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the fund financial statements and relates to the timing of the measurements made, regardless of the measurement focus applied. The accompanying financial statements have been prepared using the modified accrual basis of accounting for all governmental funds. Accordingly, revenues are recognized when measurable and available to pay liabilities of the current period. Expenditures are generally recorded when the liability is incurred and/or will be paid from expendable available financial resources.

The Supervisor of Elections considers receivables collected within 30 days after year end to be available and susceptible to accrual as revenues of the current year. In accordance with that definition, charges for services and interest earned are considered to be susceptible to accrual.

Note 1. Summary of Significant Accounting Policies (continued)

Budgets and Budgetary Accounting

Expenditures are controlled by appropriations in accordance with the budget requirements set forth in the *Florida Statutes*. A budget is adopted for the governmental funds. Budgetary control is exercised at the fund level. Budgetary changes within the fund are made at the discretion of the Supervisor of Elections. Appropriations lapse at the end of the fiscal year to the extent they have not been expended.

The budgeted revenues and expenditures in the accompanying budgetary comparison statement reflect all approved amendments.

Section 218.35, *Florida Statutes*, governs the preparation, adoption, and administration of the Supervisor of Elections' annual budget. The Supervisor of Elections establishes an annual budget for its office which clearly reflects the revenues available to the office and the functions for which the money is to be expended.

The annual budgetary data reported for the general fund are adopted on a basis consistent with accounting principles generally accepted in the United States and represent the Supervisor of Elections' adopted budget, the original appropriation ordinance, and budget amendments approved by the Supervisor of Elections or as adopted by the Leon County Board of County Commissioners.

Prepaid Expense

The Supervisor of Elections uses the consumption method of accounting, whereby the costs of expendable software licenses are expensed over the life of the agreements.

Capital Assets

Capital assets purchased in the governmental fund are recorded as expenditures (capital outlay) at the time of purchase. The Supervisor of Elections does not maintain fixed asset records. The tangible personal property used by the Supervisor of Elections is reported as capital assets, at cost, in the Statement of Net Position in the Leon County ACFR.

Liability for Compensated Absences

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

Other Postemployment Benefits

The Supervisor of Elections, through Leon County, offers retiree medical and life insurance benefits for the qualifying Supervisor of Elections employees that have retired from a Florida Retirement System (FRS) pension plan. The premium associated with these benefits is paid by the qualifying employee.

Note 1. Summary of Significant Accounting Policies (continued)

Leases

Leases are defined by the general government as the right to use an underlying asset. As lessee, the Supervisor of Elections recognizes a lease liability and an intangible right-of-use lease asset at the beginning of a lease unless the lease is considered a short-term lease or transfers ownership of the underlying asset. Right-of-use lease assets are measured based on the net present value of the future lease payments at inception, using the weighted average cost of capital, which approximate the incremental borrowing rate. Remeasurement of a lease liability occurs when there is a change in the lease term and/or other changes that are likely to have a significant impact on the lease liability. The Supervisor of Elections calculates the amortization of the discount on the lease liability and reports that amount as outflows of resources. Payments are allocated first to accrued interest liability and then to the lease liability. Variable lease payments based on the usage of the underlying assets are not included in the new lease liability calculations but are recognized as outflows of resources in the period in which the obligation was incurred. As lessor, the Supervisor of Elections recognizes a lease receivable. The lease receivable is measured using the net present value of future lease payments to be received for the lease term and deferred inflow of resources at the beginning of the lease term. Periodic amortization of the discount on the receivable are reported as interest revenue for that period. Deferred inflows of resources are recognized as inflows on a straight-line basis over the term of the lease. This recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases. Any initial direct costs are reported as an outflow of resources for that period. Remeasurement of lease receivables occur when there are modifications, including but not limited to changes in the contract price, lease term, and adding or removing an underlying asset to the lease agreements. In the case of a partial or full lease termination, the carrying value of the lease receivable and the related deferred inflow of resources will be reduced and will include a gain or loss for the difference. For lease contracts that are short-term, the Supervisor of Elections recognizes short-term lease payments as inflows of resources (revenues) based on the payment provisions of the lease contract. Liabilities are only recognized if payments are received in advance, and receivables are only recognized if payments are received subsequent to the reporting period. Such assets and liabilities are reported on the Statement of Net Position in the county-wide financial statements of Leon County, Florida. Additional disclosures regarding regulated leases are in Note 9.

Subscription Based Information Technology Arrangements

Subscription Based Information Technology Arrangements (SBITAs) are defined by the general government as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The Supervisor of Elections recognizes a subscription liability and an intangible right-of-use subscription asset at the beginning of a subscription term unless the SBITA is considered short-term or transfers ownership of the underlying asset. Right-of-use subscription assets are measured based on the net present value of the future SBITA payments at inception, using the weighted average cost of capital, which approximates the incremental borrowing rate. Remeasurement of a subscription liability occurs when there is a change in the SBITA term and/or other changes that are likely to have a significant impact on the subscription liability. The Supervisor of Elections calculates the amortization of the discount on the subscription liability and reports that amount as outflows of resources. Payments are allocated first to accrued interest liability and then to the subscription liability. For SBITA contracts that are short-term, the Supervisor of Elections recognizes short-term subscription payments as outflows of resources (expenses) based on the payment provisions of the subscription contract. Additional disclosures regarding regulated SBITAs are in Note 10 to the FS.

Use of Estimates

The preparation of the fund financial statements is in conformity with accounting practices prescribed by the Auditor General, State of Florida, and requires management to make use of estimates that affect the reported amounts in the fund financial statements. Actual results could differ from those estimates.

Note 1. Summary of Significant Accounting Policies (continued)

Related Organizations - Common Expenses

Certain expenses which are common to the Board and all Constitutional Officers are reported as expenses of the Board and, therefore, are not budgeted by or allocated to the Supervisor of Elections. These are:

Occupancy Costs
Utilities (except telephone)
Janitorial service

In addition, the Supervisor of Elections shares a FEIN with the BOCC who provides high-level support in human resources and accounting functions. This partnership eliminates the need to fund separate staffing and infrastructure for HR and Finance departments at the Supervisor of Elections.

New Pronouncements

In May 2020, the GASB issued Statement No. 96, Subscription Based Information Technology Arrangements (SBITAs). This statement increases the usefulness of governments' financial statements by requiring recognition of certain subscription assets and liabilities for SBITAs that previously were classified as expenses based on the payment provisions of the contract. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2022. The Supervisor of Elections implemented GASB Statement No. 96 as of October 1, 2022 using the facts and circumstances that existed at the beginning of the period of implementation. There was no impact to the Supervisor of Election's beginning net position upon adoption of the new accounting standard.

Note 2. Cash

Cash consists of cash on hand and bank balances. At September 30, 2023, the carrying amount of the Supervisor of Elections' deposits was $452,699. Deposits in excess of federal depository insurance are covered by deposits held in banks that are members of the State of Florida's Collateral Pool.

Note 3. Compensated Absences

As discussed in Note 1, the liability associated with compensated absences is reported at the county-wide financial statement level. A summary of the Supervisor of Elections' liability for compensated absences included in the Leon County ACFR is as follows:

	Balance October 1, 2022	Additions	(Retirements)	Balance September 30, 2023
Liability for compensated absences	$ 279,859	$ 150,707	$ (247,639)	$ 182,927

Of the $182,927 liability for accrued compensated absences, management estimates $102,330 will be due and payable within one year. The liability is not reported in the financial statements of the Supervisor of Elections since it is not payable from available resources at September 30, 2023.

Note 4. Risk Management

The Supervisor of Elections obtains workers' compensation insurance coverage through a commercial carrier.

Note 5. Employees' Retirement Plan

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. As described in Note 1, the financial statements of the Supervisor of Elections are fund statements considered to be special-purpose financial statements consistent with accounting practices prescribed by the Auditor General, State of Florida. Accordingly, the net pension liability is included in the Leon County ACFR rather than in these special-purpose financial statements.

All full-time employees of the Supervisor of Elections, except those excluded pursuant to Section 121.4501, *Florida Statutes*, are eligible to participate in the Florida Retirement System (FRS). The FRS includes various plans and programs, including a defined benefit pension plan (Pension Plan), which is primarily a cost-sharing, multiple-employer defined benefit public-employee pension plan. Information as to benefits, contribution rates, and vesting requirements by membership category is provided in the Leon County ACFR. Contributions and benefits are established in Section 121.71, *Florida Statutes*.

Participating employer contributions are based upon actuarially determined blended rates established by the State Legislature that are expressed as percentages of annual covered payroll and are adequate to accumulate sufficient assets to pay benefits when due. Beginning July 1, 2011, employees who are not participating in the Deferred Retirement Option Plan (DROP) are required to contribute 3% of their salary to the FRS.

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

Note 5. Employees' Retirement Plan (continued)

The HIS Program is funded by required contributions from FRS participating employers as set by the State Legislature. Employer contributions are a percentage of gross compensation for all active FRS employees and are reported by employers with monthly payroll reports included with the amount submitted for retirement contributions. For the fiscal year ended September 30, 2023, the contribution rate was 2.00% of payroll pursuant to Section 112.363, *Florida Statutes*.

The total retirement contributions for the fiscal years ended September 30, 2023, 2022, and 2021 were $432,313, $380,055 and $366,376, respectively, which is equal to the required contribution for each year.

The Pension Plan and the HIS Program are administered by the State of Florida Department of Management Services, Division of Retirement. The Division of Retirement issues a publicly available FRS Annual Report that includes financial statements and required supplementary information for the Pension Plan and HIS Program. That report may be obtained by writing to the Division of Retirement, P.O. Box 9000, Tallahassee, Florida 32315-9000, or by calling 850-488-5706.

Note 6. Other Postemployment Benefits

Plan Description

The Supervisor of Elections participates in an agent multiple-employer plan administered by Leon County, Florida (the County) under which qualified retired employees are permitted to participate in the health and life insurance benefits program (the Program). The Program may be amended by the Board of County Commissioners. A stand alone financial report is not issued for the Program. As decribed in Note 1, the Supervisor of Elections is an elected Constitutional Officer of the County. The financial statements of the Supervisor of Elections are fund statements considered to be special-purpose financial statements consistent with accounting practices by the Auditor General, State of Florida. Accordingly, the annual OPEB obligation of Constitutional Officers is recognized in the Leon County ACFR rather than in these special-purpose financial statements.

Note 7. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. They do not constitute expenditures or liabilities. The commitments will be honored in the subsequent year. The Supervisor of Elections had no outstanding encumbrances at September 30, 2023.

Note 8. Fund Balance

Governmental Accounting Standards require that all fund balances be classified into one of the following five categories: Nonspendable, Restricted, Committed, Assigned, and Unassigned. Fund Balance is the difference between assets and liabilities on the governmental fund statements.

For financial reporting purposes, County policy defines the five fund balance classifications for governmental funds and the order that the resources are used.

Nonspendable Fund Balance - Balances are comprised of funds that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.

Restricted Fund Balance - Balances are comprised of funds that have legally enforceable constraints placed on their use or those funds that have externally-imposed restrictions by resource providers or creditors, grantors, contributors, voters, or interlocal agreement, or enabling legislation.

Note 8. Fund Balance (continued)

Committed Fund Balance - Balances are comprised of unrestricted funds used for specific purposes pursuant to constraints imposed by formal action such as ordinances, resolutions, or legislation of Leon County and that remain binding unless removed by a majority vote of the Board of County Commissioners.

Assigned Fund Balance - Balances are comprised of unrestricted funds informally constrained by a majority vote of the Board of County Commissioners, or by a designated county officer, in a manner that reflects the County's use of those resources such as appropriations of fund balance at year end or at the beginning of the new fiscal year.

Unassigned Fund Balance - Balances are comprised of the residual of the unrestricted funds in the General Fund and are not nonspendable, restricted, committed, or assigned. Other fund types can only report a negative unassigned residual amount.

The County's policy is that available resources will be spent in the following order: restricted, committed, assigned, and unassigned.

Note 9. Leases

Effective October 1, 2021, the Supervisor of Elections adopted GASB's No. 87 – Leases, using the facts and circumstances that existed at the beginning of the period of implementation. The right-to-use asset is measured based on the lease liability at the period of implementation and no restatement of beginning net position is required because the lease asset and the lease liability is the same at the beginning of the period of implementation.

The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

Lessee

The Supervisor of Elections has entered into eight leases as lessee for the use of various pieces of office equipment. The terms of the leases range from 24 to 60 months beginning on the contract commencement date. An initial lease liability was recorded in the amount of $572,937. As of September 30, 2023, the value of the lease liability is $373,761. The Supervisor is required to make monthly and quarterly payments ranging from $566 to $9,368 through the term of the lease. The leases have interest rates ranging between 2.000% and 3.810%. The value of the right to use asset as of September 30, 2023 of $356,863 with accumulated amortization of $216,074 and is included with equipment on the lease class activities table found below.

	As of September 30, 2023	
Asset Class	Lease Asset Value	Accumulated Amortization
Equipment	$ 572,937	$ 216,074

Note 9. Leases (continued)

Total future minimum lease payments under lease agreements are as follows:

	Governmental Activities		
Fiscal Year	Principal	Interest	Total
2024	$ 142,886	$ 7,093	$ 149,979
2025	115,090	4,483	119,573
2026	59,049	2,756	61,805
2027	33,628	1,508	35,136
2028	23,108	317	23,425
Total	$ 373,761	$ 16,157	$ 389,918

A summary of the Supervisor of Elections' liability for leases included at the county-wide financial statement level is as follows with $142,886 as the current portion:

	Balance October 1, 2022	Additions	(Retirements)	Balance September 30, 2023
Lease liability, equipment	$ 336,440	$ 203,737	$ (166,416)	$ 373,761

Note 10. Subscription Liabilities

For the year ended September 30, 2023, the financial statements include the adoption of GASB Statement No. 96, Subscription Based Information Technology Arrangements (SBITAs). The primary objective of this statement is to enhance the relevance and consistency of information about governments' information technology (IT) subscription activities. This statement establishes a single model for IT Subscription accounting based on the principle that SBITAs are financings of the right to use an underlying asset. Under this Statement, a government is required to recognize a subscription liability and an intangible right-to-use subscription asset.

Governmental Activities

The Supervisor of Elections has entered into four IT Arrangements for the right to use another party's (a SBITA vendor's) information technology (IT) software. The terms of the arrangements extend through various times ranging between September 2025 and April 2035 beginning on the contract commencement date. An initial subscription liability was recorded in the amount of $1,406,831. As of September 30, 2023, the value of the subscription liability is $1,287,598. The Supervisor of Elections is required to make annual payments ranging from $10,100 to $137,388 through the term of the lease. The leases have interest rates ranging from 3.670% to 4.120%. The value of the right to use asset as of September 30, 2023 of $1,255,988 with accumulated amortization of $150,843 and is included with the SBITA activities table found below.

	As of September 30, 2023	
	Subscription Asset Value	Accumulated Amortization
SBITAs	$ 1,406,831	$ 150,843

Note 10. Subscription Liabilities (continued)

Governmental Activities (continued)

Total future minimum subscription payments under SBITA agreements are as follows:

	Governmental Activities		
Fiscal Year	Principal	Interest	Total
2024	$ 128,951	$ 44,201	$ 173,152
2025	138,055	39,073	177,128
2026	108,246	35,013	143,259
2027	114,734	30,870	145,604
2028	94,482	27,514	121,996
2029-2033	568,236	79,335	647,571
2034-2037	134,894	2,494	137,388
Total	$ 1,287,598	$ 258,500	$ 1,546,098

A summary of the Supervisor of Elections' liability for SBITAs included at the county-wide financial statement level is as follows with $128,951 as the current portion:

	Balance October 1, 2022	Additions	(Reductions)	Balance September 30, 2023
SBITA Liability	$ 1,406,831	$ 0	$ (119,233)	$ 1,287,598

Note 11. Subsequent Events

The Supervisor of Elections has evaluated subsequent events through March 8, 2024, the date the special-purpose financial statements were available to be issued.

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*

September 30, 2023

Thomas Howell Ferguson P.A.
Certified Public Accountants

LAW REDD
CPAs & ADVISORS

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Honorable Supervisor of Elections
Leon County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the special-purpose financial statements of the Supervisor of Elections of Leon County, Florida (the Supervisor of Elections) as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Supervisor of Elections' special-purpose financial statements, and have issued our report thereon dated March 8, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Supervisor of Elections' special-purpose 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 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 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 Supervisor of Elections' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Supervisor of Elections' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We have issued a management letter to the Supervisor of Elections dated March 8, 2024, presenting certain required disclosures and comments pursuant to the Rules of the Auditor General, Chapter 10.550.

Thomas Howell Ferguson P.A. Law Redd Crona + Munroe P.A.

Thomas Howell Ferguson P.A.
Tallahassee, Florida
March 8, 2024

Law, Redd, Crona & Munroe, P.A.
Tallahassee, Florida

Report of Independent Accountants on Compliance With Section 218.415, *Florida Statutes*, Local Government Investment Policies

September 30, 2023

Thomas Howell Ferguson P.A.
Certified Public Accountants

LAW REDD
CPAs & ADVISORS

Report of Independent Accountants on Compliance with Section 218.415, *Florida Statutes*, Local Government Investment Policies

To the Honorable Supervisor of Elections
Leon County, Florida

We have examined the Supervisor of Elections of Leon County, Florida's (the Supervisor of Elections) compliance with local government investment policies provided in Section 218.415, *Florida Statutes*, during the year ended September 30, 2023. Management of the Supervisor is responsible for the Supervisor's compliance with the specified requirements. Our responsibility is to express an opinion on the Supervisor's compliance with the specified requirements based on our examination.

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

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Supervisor of Elections' compliance with specified requirements.

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

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

Thomas Howell Ferguson P.A. Law Redd Crona & Munroe P.A.

Thomas Howell Ferguson P.A.
Tallahassee, Florida
March 8, 2024

Law, Redd, Crona & Munroe, P.A.
Tallahassee, Florida

Management Letter

September 30, 2023

Thomas Howell Ferguson P.A.
Certified Public Accountants

LAW REDD
CPAs & ADVISORS

Management Letter

To the Honorable Supervisor of Elections
Leon County, Florida

Report on the Special-Purpose Financial Statements

We have audited the special-purpose financial statements of the Supervisor of Elections of Leon County, Florida (Supervisor of Elections), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated March 8, 2024.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Report of Independent Auditors on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards* and Report of Independent Accountants on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 8, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The name or official title and legal authority for the primary government of the reporting entity are disclosed in Note 1 of the Notes to the Special-Purpose Financial Statements. The Supervisor of Elections has no component units.

Financial Management

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

Additional Matters

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

Purpose of this Letter

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

Thomas Howell Ferguson P.A. Law Redd Crona & Munroe P.A.

Thomas Howell Ferguson P.A.
Tallahassee, Florida
March 8, 2024

Law, Redd, Crona & Munroe, P.A.
Tallahassee, Florida

Special-Purpose Financial Statements

Tax Collector
Leon County, Florida

Year Ended September 30, 2023
with Report of Independent Auditors

Thomas Howell Ferguson P.A.
and
Law, Redd, Crona & Munroe, P.A.

Tax Collector
Leon County, Florida

Special-Purpose Financial Statements

Year Ended September 30, 2023

TABLE OF CONTENTS

PAGE

Report of Independent Auditors....1

Audited Special-Purpose Financial Statements

Balance Sheet - General Fund....4
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund....5
Statement of Fiduciary Net Position - Custodial Fund....6
Statement of Changes in Fiduciary Net Position - Custodial Fund....7
Notes to Special-Purpose Financial Statements....8

Other Reports

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*....17

Report of Independent Accountants on Compliance with Section 218.415, *Florida Statutes*, Local Government Investment Policies....19

Management Letter....20

Thomas Howell Ferguson P.A.
Certified Public Accountants

LAW REDD
CPAs & ADVISORS

Report of Independent Auditors

The Honorable Tax Collector
Leon County, Florida

Opinions

We have audited the accompanying special-purpose financial statements of the governmental fund (General Fund) and the fiduciary fund (Custodial Fund) of the Tax Collector of Leon County, Florida (Tax Collector) as of and for the year ended September 30, 2023, and the related notes to the special-purpose financial statements, which collectively comprise the Tax Collector's special-purpose financial statements, as listed in the table of contents.

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the Tax Collector as of September 30, 2023, and the respective changes in financial position thereof, and the respective budgetary comparison Statement of the General Fund, 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 (GAAS) 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 Auditors' Responsibilities for the Audit of the special-purpose Financial Statements section of our report. We are required to be independent of the Tax Collector 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

As discussed in Note 1, the accompanying special-purpose financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida (Rules). In conformity with the Rules, the accompanying special-purpose financial statements are intended to present the financial position and the changes in financial position of only that portion that is attributable to the transactions of the Tax Collector. They do not purport to, and do not, present fairly the financial position of Leon County, Florida as of September 30, 2023, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Special-Purpose Financial Statements

Management is responsible for the preparation and fair presentation of these special-purpose 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 special-purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special-purpose financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Tax Collector'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 Special-Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special-purpose 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 GAAS and *Governmental Auditing Standard*s 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 special-purpose financial statements.

In performing an audit in accordance with GAAS 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 special-purpose 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 special-purpose 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 Tax Collector'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 special-purpose financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Tax Collector'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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 24, 2024 on our consideration of the Tax Collector's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Tax Collector's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tax Collector's internal control over financial reporting and compliance.



Thomas Howell Ferguson P.A.
Tallahassee, Florida
April 24, 2024

Law, Redd, Crona & Munroe, P.A.
Tallahassee, Florida

Tax Collector
Leon County, Florida
Balance Sheet - General Fund
September 30, 2023

Assets	
Cash and cash equivalents	$ 776,993
Due from other funds	155,959
Due from other county units	6,199
Lease receivable	559,059
Total assets	$ 1,498,210
Liabilities, deferred inflows of resources, and fund balance	
Liabilities:	
Accounts payable	$ 6,470
Due to other county units	939,585
Due to other governments	1,088
Total liabilities	947,143
Deferred inflows of resources:	
Deferred inflows - leases	551,067
Fund balance:	
Nonspendable	0
Total liabilities, deferred inflows of resources, and fund balance	$ 1,498,210

The accompanying notes are an integral part of these special-purpose financial statements.

Tax Collector
Leon County, Florida
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended September 30, 2023

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Charges for services	$ 9,081,929	$ 9,081,929	$ 9,249,468	$ 167,539
Interest	0	0	39,922	39,922
Lease revenues	0	0	56,520	56,520
Total revenues	9,081,929	9,081,929	9,345,910	263,981
Expenditures				
Current:				
General government:				
Personnel services	7,234,641	7,234,641	6,602,982	631,659
Operating	1,702,558	1,596,108	877,151	718,957
Debt service:				
Principal	0	0	647,345	(647,345)
Interest	0	0	103,034	(103,034)
Capital outlay	69,364	175,814	175,813	1
Total expenditures	9,006,563	9,006,563	8,406,325	600,238
Excess of revenues over (under) expenditures	75,366	75,366	939,585	864,219
Other financing sources (uses)				
Transfers out	(75,366)	(75,366)	(939,585)	(864,219)
Total other financing sources (uses)	(75,366)	(75,366)	(939,585)	(864,219)
Net change in fund balance	0	0	0	0
Fund balance at beginning of year	0	0	0	0
Fund balance at end of year	$ 0	$ 0	$ 0	$ 0

The accompanying notes are an integral part of these special-purpose financial statements.

Tax Collector
Leon County, Florida
Statement of Fiduciary Net Position - Custodial Fund
September 30, 2023

Assets	
Cash and cash equivalents	$ 3,957,110
Accounts receivable	341,921
Total assets	$ 4,299,031
Liabilities	
Accounts payable	$ 179,162
Due to other funds	155,959
Due to other county units	864,987
Due to other governments	932,962
Installment tax deposits	2,165,961
Total Liabilities	4,299,031
Net Position	
Restricted	0
Total liabilities and net position	$ 4,299,031

The accompanying notes are an integral part of these special-purpose financial statements.

Tax Collector
Leon County, Florida
Statement of Changes in Fiduciary Net Position - Custodial Fund
Year Ended September 30, 2023

Additions	
Property taxes and fees collected	$ 382,843,794
Tourist development taxes collected	8,342,181
License, registrations, and vessel fees collected	23,371,026
Sales taxes collected	6,451,722
Other taxes and fees collected	60,554
Interest earnings	837,424
Total additions	421,906,701
Deductions	
Property taxes and fees distributed	382,843,794
Tourist development taxes distributed	8,342,181
License, registrations, and vessel fees distributed	23,371,026
Sales taxes distributed	6,451,722
Other taxes and fees distributed	60,554
Interest earnings distributed	837,424
Total deductions	421,906,701
Net change in fiduciary net position	0
Net position, at beginning of year	0
Net position, at end of year	$ 0

The accompanying notes are an integral part of these special-purpose financial statements.

Tax Collector
Leon County, Florida
Notes to Special-Purpose Financial Statements
Year Ended September 30, 2023

Note 1. Significant Accounting Policies

Reporting Entity

The Tax Collector operates as a county agency and an elected Constitutional Officer of Leon County, Florida (the County) pursuant to Article VIII, Section (1) of the Constitution of the State of Florida. For financial statement and reporting purposes, the Tax Collector is a separate constitutional officer as provided by Chapter 218, *Florida Statutes*. Leon County is a charter county which allows for the same powers and duties as provided by the Constitution of the State of Florida and *Florida Statutes*. However, in certain instances, the charter either alters or expands the powers of the elected officials via voter referendum. The Tax Collector is considered to be a part of the primary government of Leon County, Florida, and is included in the Leon County, Florida Annual Comprehensive Financial Report (Leon County ACFR). The financial statements contained herein represent the financial transactions of the Tax Collector only.

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

Basis of Presentation

These special-purpose financial statements are fund financial statements that have been prepared in conformity with the accounting principles and reporting guidelines established by the Governmental Accounting Standards Board (GASB) and accounting practices prescribed by the State of Florida, Office of the Auditor General.

Description of Funds

The financial activities of the Tax Collector are recorded in separate funds which are categorized and described as follows:

Governmental Fund Type

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

Fiduciary Fund Type

- Custodial Fund - The Custodial Fund is used to account for assets held by the Tax Collector as an agent for individuals, private organizations and/or other governmental units. Such assets include receipts for property taxes, tourist development taxes, vehicle registrations, driver license fees, birth certificate fees, hunting and fishing licenses, tax deed application fees, and concealed weapons licenses.

Note 1. Significant Accounting Policies (continued)

Basis of Accounting

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

The General Fund is reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they are received in cash or when they are considered both measurable and available and, as such, are susceptible to accrual. Expenditures are recorded when the liability is incurred and/or will be paid from expendable available financial resources.

The Tax Collector considers receivables collected within 30 days after year end to be available and susceptible to accrual as revenues of the current year. In accordance with that definition, charges for services and interest earned are considered to be susceptible to accrual.

Custodial Funds are reported using the economic resources measurement focus and the accrual basis of accounting.

Budgets and Budgetary Accounting

Section 195.087, *Florida Statutes*, governs the preparation, adoption and administration of the annual budget of the Tax Collector. The budget and subsequent budget amendments of the Tax Collector are submitted to the Florida Department of Revenue for approval. A copy of the budget is provided to the Leon County Board of County Commissioners (the Board). Line item expenditures in excess of budget are authorized to the extent that total expenditures do not exceed the total budgeted expenditures. Budget transfers between appropriation categories (personnel services, operating expenses, capital outlay, debt service and non-operating) must be approved in writing by the Florida Department of Revenue. Transfers between expense items within the same appropriation category do not need written approval from the Florida Department of Revenue. The budget is prepared on the modified accrual basis of accounting. General Fund appropriations lapse at the close of the fiscal year to the extent they have not been expended. The budgeted revenues and expenditures in the accompanying Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual, reflect all approved amendments.

Use of Estimates

The preparation of the fund financial statements is in conformity with accounting practices prescribed by the Auditor General, State of Florida, and requires management to make use of estimates that affect the reported amounts in the fund financial statements and accompanying footnotes. Actual results could differ from those estimates.

Prepaid Items

Certain payments to vendors are made in advance of the accounting period to which the cost relates. These payments are reported under the purchases method, i.e., expenditures are recorded when payment is made.

Capital Assets

Capital assets purchased in the governmental fund type costing $1,000 or more and having a useful life in excess of one year are recorded as expenditures (capital outlay) at the time of purchase. The tangible personal property used by the Tax Collector is reported as capital assets, at cost, in the Statement of Net Position in the Leon County (ACFR).

Note 1. Significant Accounting Policies (continued)

Capital Assets (continued)

The Tax Collector also utilizes certain computer equipment and software to process registrations and licenses owned by various state of Florida agencies as follows:

Vehicle and boat registrations and driver's licenses - State of Florida Department of Highway Safety and Motor Vehicles (FHSMV)

Hunting and fishing licenses - State of Florida Fish and Wildlife Conservation Commission (FFWCC)

Concealed weapons licenses - State of Florida Department of Agriculture and Consumer Services (FDACS)

Birth Certificates - Florida Department of Health (FDOH)

The cost of this equipment is not recognized in the Statement of Net Position of the County as title to the equipment is held by FHSMV, FFWCC, FDACS and FDOH.

Liability for Compensated Absences

It is the Tax Collector's policy to grant all full-time employees annual leave based on the number of years of continuous employment for agencies operating under the Florida Retirement System. Annual leave can be accumulated, but is limited to 480 hours for chief deputies, 360 hours for administrators and managers and 240 hours for all other employees. Excess hours at the end of each calendar year are converted to sick leave. Upon termination of employment, the employee can receive a cash benefit based upon the employee's current wage rate and the annual leave not taken, not to exceed 240 hours.

Sick leave is accumulated at the rate of eight hours for each full calendar month of continuous employment. Employees who have transferred from an agency operating under the Florida Retirement System with no break in service may transfer up to 240 sick leave hours. There is no limit on the amount of sick leave that can be accumulated. At the time of termination, employees with six years or more continuous employment for agencies operating under the Florida Retirement System, can receive payments based upon the employee's current wage rate for 25% of accumulated sick leave not to exceed 480 hours.

The Tax Collector uses the vesting method to calculate the liability for compensated absences. The Tax Collector does not and is not legally required to accumulate expendable available financial resources to liquidate these obligations. Accordingly, the liability for compensated absences is not reported in the General Fund, but is included in the Statement of Net Position in the Leon County ACFR.

Excess Fees Due to Other County Units

The Tax Collector is considered a fee officer because operations are funded primarily by fees for services. Generally, no funds are received from the Board other than applicable fees. In accordance with Section 218.36, *Florida Statutes*, the Tax Collector distributes all general fund revenues in excess of expenditures to the Board and other governments on a pro-rata basis within 31 days following the end of the fiscal year. These excess fees are reported as a liability and as transfers out to the Board or deducted from fees earned for amounts distributed to other governments.

Note 1. Significant Accounting Policies (continued)

Other Postemployment Benefits

The Tax Collector through Leon County offers retiree medical and life insurance benefits for the qualifying Tax Collector employees that have retired from a Florida Retirement System (FRS) pension plan. The premium associated with these benefits is paid by the qualifying employee.

Related Organizations - Service Fees and Common Expenses

The Tax Collector's charges for services includes approximately $6,400,000 as fees for the collection of real and tangible property taxes and tourist development taxes collected on behalf of the Board.

Certain expenses, which are common to the Board and all Constitutional Officers are reported as expenses of the Board and, therefore, are not budgeted by or allocated to the Tax Collector. These expenses include occupancy costs, janitorial services, and utilities, except telephone, associated with certain Tax Collector offices.

Additionally, property insurance associated with all of the Tax Collector's offices is reported as a common expense by the Board.

Leases

Leases are defined by the general government as the right to use an underlying asset. As lessee, the Tax Collector recognizes a lease liability and an intangible right-of-use lease asset at the beginning of a lease unless the lease is considered a short-term lease or transfers ownership of the underlying asset. Right-of-use lease assets are measured based on the net present value of the future lease payments at inception, using the weighted average cost of capital, which approximates the incremental borrowing rate. Remeasurement of a lease liability occurs when there is a change in the lease term and/or other changes that are likely to have a significant impact on the lease liability. The Tax Collector calculates the amortization of the discount on the lease liability and reports that amount as outflows of resources. Payments are allocated first to accrued interest liability and then to the lease liability. Variable lease payments based on the usage of the underlying assets are not included in the lease liability calculations but are recognized as outflows of resources in the period in which the obligation was incurred.

As lessor, the Tax Collector recognizes a lease receivable. The lease receivable is measured using the net present value of future lease payments to be received for the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently deferred inflows of resources are recognized as inflows on a straight-line basis over the term of the lease. This recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases. Any initial direct costs are reported as an outflow of resources for that period. Remeasurement of lease receivables occur when there are modifications, including but not limited to changes in the contract price, lease term, and adding or removing an underlying asset to the lease agreements. In the case of a partial or full lease termination, the carrying value of the lease receivable and the related deferred inflow of resources will be reduced and will include a gain or loss for the difference.

For lease contracts that are short-term, the Tax Collector recognizes short-term lease payments as inflows of resources (revenues) based on the payment provisions of the lease contract. Liabilities are only recognized if payments are received in advance, and receivables are only recognized if payments are received subsequent to the reporting period. Such assets and liabilities are reported on the Statement of Net Position in the county-wide financial statements of Leon County, Florida. Additional disclosures regarding leases are in Note 7.

Note 1. Significant Accounting Policies (continued)

New Pronouncement

In May 2020, the GASB issued Statement No. 96, Subscription Based Information Technology Arrangements (SBITAs). This statement increases the usefulness of governments' financial statements by requiring recognition of certain subscription assets and liabilities for SBITAs that previously were classified as expenses based on the payment provisions of the contract. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2022. The Tax Collector implemented GASB Statement No. 96 as of October 1, 2022 using the facts and circumstances that existed at the beginning of the period of implementation. The Tax Collector had no SBITAs as of, or for the fiscal year ending, September 30, 2023. Therefore there was no impact to the Tax Collector's beginning net position upon adoption of the new accounting standard.

Note 2. Cash and Cash Equivalents

Cash consists of cash on hand, demand deposit accounts, and a Public Funds Now account with banks designated by the Florida Division of Treasury as qualified public depositories. The Tax Collector maintains bank accounts for the General Fund and for the Custodial Fund. Amounts in excess of $1,200,000 in the Custodial Fund demand deposit account are swept daily into the Public Funds Now account which earns an interest rate equal to the 28 day Treasury Bill rate plus .10% (5.38% as of September 30, 2023). At September 30, 2023, the carrying amounts of the Tax Collector's General and Custodial Fund deposits with financial institutions were $4,726,807 and the bank balances were $5,149,223. Deposits whose values exceed the limits of Federal depository insurance are entirely insured or collateralized pursuant to Chapter 280, *Florida Statutes*. Additionally, as of September 30, 2023, the Tax Collector had cash on hand of $7,296.

Note 3. Employees' Retirement Plan

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. As described in Note 1, the financial statements of the Tax Collector are fund statements considered to be special-purpose financial statements consistent with accounting practices by the Auditor General, State of Florida. Accordingly, the net pension liability is included in the Leon County ACFR rather than in these special-purpose financial statements.

All full-time and permanent part-time employees of the Tax Collector are eligible to participate in the Florida Retirement System (FRS). The FRS includes various plans including a defined benefit plan, which is primarily a cost-sharing multiple-employer defined benefit public employee pension plan administered by the State of Florida, Department of Management Services, Division of Retirement.

Information as to benefits, contribution rates and vesting requirements by membership category, is provided in the Leon County ACFR. Contributions and benefits are established by Section 121.71, *Florida Statutes*.

Participating employer contributions are based upon actuarially determined blended rates established by the state of Florida, that expressed as percentages of annual covered payroll are adequate to accumulate sufficient assets to pay benefits when due. Beginning July 1, 2011, active employees are required to contribute three percent of their gross compensation to the retirement plan.

Note 3. Employees' Retirement Plan (continued)

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

The HIS Program is funded by required contributions from FRS participating employers as set by the Legislature. Employer contributions are a percentage of gross compensation for all active FRS employees and are reported by employers with monthly payroll reports and included with the amount submitted for retirement contributions. For the fiscal year ended September 30, 2023, the contribution rate was 2.00 percent of payroll pursuant to Section 112.363, *Florida Statutes*.

The contributions paid for the years ended September 30, 2023, 2022, and 2021 were $614,133, $551,258, and $498,785, respectively, which is equal to the required contribution for each year.

The FRS issues a publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to the Division of Retirement, Post Office Box 9000, Tallahassee, Florida 32315-9000, or by calling 850-488-5706.

Note 4. Other Postemployment Benefits

The Tax Collector participates in an agent multi-employer plan administered by the County under which qualified retired employees are permitted to participate in the health and life insurance benefits program (the Program). The Program may be amended by the Board of County Commissioners. A stand alone financial report is not issued for the Program. As described in Note 1, the Tax Collector is an elected Constitutional Officer of the County. The financial statements of the Tax Collector are fund statements considered to be special-purpose financial statements consistent with accounting practices by the Auditor General, State of Florida. Accordingly, the annual OPEB obligation of Constitutional Officers is recognized in the Leon County ACFR rather than in these special-purpose financial statements.

Note 5. Risk Management

The Tax Collector participates in the Leon County Insurance Service Fund, which accounts for self-insurance activities relating to workers' compensation. This fund is administered by a third-party administrator. The Tax Collector makes payments to the Insurance Service Fund based upon payroll exposure in the amounts needed to pay prior and current year claims. The contribution required for the year ended September 30, 2023 was $28,357. Excess payments are recorded as a designation of retained earnings for catastrophic losses on the books of Leon County. Excess coverage with a commercial carrier is also in force for each claim exceeding $500,000.

Note 6. Long-Term Liabilities

A summary of changes in the long-term liabilities of the Tax Collector follows:

	Balance October 1, 2022	Additions	(Retirements)	Balance September 30, 2023	Due within One Year
Compensated absences	$ 431,127	$ 545,912	$ (454,891)	$ 522,148	$ 251,988
Leases	7,320,223	0	(647,345)	6,672,878	652,085
Total	$ 7,751,350	$ 545,912	$ (1,102,236)	$ 7,195,026	$ 904,073

The above liabilities are not reported in the financial statements of the Tax Collector since they are not payable from available resources at September 30, 2023. As discussed in Note 1, they are reported in the Statement of Net Position in the Leon County ACFR.

Note 7. Leases

Leases Payable

Effective October 1, 2021, the Tax Collector adopted GASB Statement No. 87 - Leases, using the facts and circumstances that existed at the beginning of the period of implementation. The right-to-use asset is measured based on the lease liability at the period of implementation and no restatement of beginning net position is required because the lease asset and the lease liability is the same at the beginning of the period of implementation. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and the lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

The Tax Collector has entered into two leases as the lessee for the use of office space. One lease has been extended through June 30, 2033 and the second lease has been extended through December 31, 2027 and contains a provisions for one five year renewal option, with a stated increase. It is anticipated that the lease will be renewed for an additional five years at that time. An initial lease liability was recorded in the amount of $7,932,450. As of September 30, 2023, the value of the lease liability is $6,669,990. The Tax Collector is required to make monthly payments ranging from $14,950 to $46,618 through the terms of the leases. The leases have an interest rate of 1.4800%. The value of the right to use assets as of September 30, 2023 was $6,567,910, with accumulated amortization of $1,364,540 and is included with Buildings on the lease class activities table found below.

The Tax Collector has entered into a lease as the lessee for the use of office equipment. The terms are 36 months beginning on the contract commencement date. An initial lease liability was recorded in the amount of $25,613. As of September 30, 2023, the value of the lease liability is $2,888. The Tax Collector is required to make monthly payments of $964 through the term of the lease. The lease has an interest rates of 1.4800%. The value of the right to use asset as of September 30, 2023 was $2,845 with accumulated amortization of $22,768 and is included with equipment on the lease class activities table found below.

Note 7. Leases (continued)

Asset Class	As of September 30, 2023 Lease Asset Value	Accumulated Amortization
Equipment	$ 25,613	$ 22,768
Buildings	7,932,450	1,364,540
Total Leases	$ 7,958,063	$ 1,387,308

Total future minimum lease payments under lease agreements are as follows:

Fiscal Year	Governmental Activites Principal	Interest	Total
2024	$ 652,085	$ 93,414	$ 745,499
2025	659,220	83,732	742,952
2026	669,043	73,909	742,952
2027	679,013	63,939	742,952
2028	689,176	53,821	742,997
2029-2033	3,324,341	113,167	3,437,508
Total	$ 6,672,878	$ 481,982	$ 7,154,860

Lease Receivable

The Tax Collector subleases a part of its office space to the Leon County Clerk. An initial lease receivable and deferred inflow was recorded, each totaling $664,106. The lease has an interest rate of 1.4800%. The Clerk is required to make monthly payments of $5,128 through the term of the lease ending June 30, 2033. The Tax Collector recognized lease revenue of $56,520 and interest revenue of $8,623 during the current fiscal year related to this lease. As of September 30, 2023, the Tax Collector's lease receivable is $559,059 and the deferred inflow is $551,067.

The future lease payments expected to be received are as follows:

Fiscal Year	Governmental Activities Principal	Interest	Total
2024	$ 53,700	$ 7,835	$ 61,535
2025	54,500	7,035	61,535
2026	55,313	6,222	61,535
2027	56,137	5,398	61,535
2028	56,973	4,562	61,535
2029-2033	282,436	9,858	292,294
Total	$ 559,059	$ 40,910	$ 599,969

Note 8. Fund Balance

Governmental Accounting Standards require that all fund balances be classified into one of the following categories: Nonspendable, Restricted, Committed, Assigned, and Unassigned. All remaining funds of the Tax Collector as of the end of the fiscal year are remitted back to the Board as excess fees.

Note 9. Interfund Receivables and Payables

The Custodial Fund amount due to the General Fund of $155,959 consists of fees on transactions collected by the Custodial Fund. These funds were paid shortly after the fiscal year end.

Note 10. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. They do not constitute expenditures or liabilities. The commitments will be honored in the subsequent year. The Tax Collector had no encumbrances outstanding at September 30, 2023.

Note 11. Contingencies

Various suits and claims arising in the ordinary course of operations are pending against the Tax Collector. These primarily relate to property assessments within Leon County. The ultimate effect of such litigation cannot be ascertained at this time. In the opinion of management for the Tax Collector, the liabilities which may arise from such action would not result in losses which would materially affect the financial position of the Tax Collector or its operations.

Note 12. Budget/Actual Expenditure Variance

Certain lease expenditures originally budgeted as operating expenditures were reclassified and reported as principal and interest debt service expenditures. Therefore, principal and interest debt service expenditures exceeded the modified accrual basis (see Note 1) budget by a combined total of $750,379. However, the Florida Department of Revenue, which approves the Tax Collector's budget, accepted the classification of these lease expenditures as operating expenditures. Therefore, on a legal budgetary basis, there is no over expenditure of debt service expenditures.

Note 13. Subsequent Events

The Tax Collector has evaluated subsequent events through April 24, 2024, the date the financial statements were available to be issued.

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*

September 30, 2023

Thomas Howell Ferguson P.A.
Certified Public Accountants

LAW REDD
CPAs & ADVISORS

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*

The Honorable Tax Collector
Leon County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the special-purpose financial statements of the Tax Collector of Leon County, Florida (Tax Collector), as of and for the year ended September 30, 2023, and the related notes to the special-purpose financial statements, which collectively comprise the Tax Collector's special-purpose financial statements, and have issued our report thereon dated April 24, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements, we considered the Tax Collector'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 special-purpose financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Tax Collector's internal control. Accordingly, we do not express an opinion on the effectiveness of the Tax Collector's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tax Collector's special-purpose 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 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 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 Tax Collector's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Tax Collector's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We have issued a management letter to the Tax Collector of Leon County, Florida, dated April 24, 2024, presenting certain required disclosures and comments pursuant to the *Rules of the Auditor General*, Chapter 10.550.

Thomas Howell Ferguson P.A. Law Redd Crona & Munroe P.A.

Thomas Howell Ferguson P.A.
Tallahassee, Florida
April 24, 2024

Law, Redd, Crona & Munroe, P.A.
Tallahassee, Florida

Report of Independent Accountants on Compliance with Section 218.415, *Florida Statutes*, Local Government Investment Policies

September 30, 2023

Thomas Howell Ferguson P.A.
Certified Public Accountants

LAW REDD
CPAs & ADVISORS

Report of Independent Accountants on Compliance with Section 218.415, *Florida Statutes,* Local Government Investment Policies

The Honorable Tax Collector
Leon County, Florida

We have examined the Tax Collector of Leon County, Florida's (Tax Collector) compliance with local government investment policies provided in Chapter 218.415, *Florida Statutes*, during the year ended September 30, 2023. Management of the Tax Collector is responsible for the Tax Collector's compliance with those specified requirements. Our responsibility is to express an opinion on the Tax Collector's compliance with the specified requirements based on our examination.

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

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

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

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

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

Thomas Howell Ferguson P.A. Law Redd Crona & Munroe P.A.

Thomas Howell Ferguson P.A.
Tallahassee, Florida
April 24, 2024

Law, Redd, Crona & Munroe, P.A.
Tallahassee, Florida

Management Letter

September 30, 2023

Thomas Howell Ferguson P.A.
Certified Public Accountants

LAW REDD
CPAs & ADVISORS

Management Letter

The Honorable Tax Collector
Leon County, Florida

Report on the Special-Purpose Financial Statements

We have audited the special-purpose financial statements of the Tax Collector of Leon County, Florida (Tax Collector), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated April 24, 2024.

Auditors' Responsibility

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

Other Reporting Requirements

We have issued our Report of Independent Auditors on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Special-Purpose Financial Statements Performed in Accordance with *Government Auditing Standards*, and Report of Independent Accountants on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated April 24, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The name or official title and legal authority for the primary government of the reporting entity are disclosed in Note 1 of the Notes to the Special-Purpose Financial Statements. The Tax Collector has no component units.

Financial Management

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

Additional Matters

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

Purpose of This Letter

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

Thomas Howell Ferguson P.A. Law Redd Crona & Munroe P.A.

Thomas Howell Ferguson P.A.
Tallahassee, Florida
April 24, 2024

Law, Redd, Crona & Munroe, P.A.
Tallahassee, Florida